

Impact Fee Q & A

January 18, 2024, Quarterly Builder's Meeting



Purpose

[Ordinance No. 5286](#) and [Chapter 395 of the Texas Local Government Code](#) govern impact fees and the program. This document helps to address some frequently asked questions and get discussion started about the program with local stakeholders. The impact fee ordinance and Chapter 395 supersede anything contradictory.

Eligible Projects

Development and redevelopment will only pay impact fees for increases in service.

- Residential redevelopment - increase in number or size of taps, meters, and/or units.
- Non-residential and multi-family - increase in number or size of taps, meters, use, and/or structure square footage.

Utility billing, permitting and the Grayson Central Appraisal District records may be consulted to help determine impact fee eligibility for redevelopment.

Impact Fee Credits

Refer to Section 2.5 and 3.2 of the Ordinance. Contributed CIP projects or portions of are eligible for an impact fee credit based on the type of improvement, service provided, and the cost of improvements. Construction contained to the site that does not contribute to a CIP project is generally not eligible for credit.

Examples

- A large lot had one home with a water meter and sewer tap on it before being demolished. The lot was illegally subdivided into three lots, and two lots had homes built on them prior to impact fee ordinance being adopted.
 - The 3rd home is impact fee eligible. Service on the original lot has increased from 1 to 3.
- A 3,000 sq. ft. light industrial warehouse was demolished. A 5,000 sq ft. retail space is being built in its place.
 - If records confirm that a sewer and water tap exist, water and wastewater impact fees would be due only on increases to the service. A roadway impact fee would be calculated for the original building/use and for the proposed building/use. Only the difference would be due.
- An SF-5 lot had a home on it that was demolished after a fire. Records indicate that the home had one residence that was served by one water meter and one sewer tap. A new SF-5 home is proposed to be built.
 - If the proposed residence has one water meter of the same size, one sewer connection (tap), and is the same use (SF-5 residence) no impact fees are due.
 - If a duplex were built instead, the first unit will not be impact fee eligible if service remains the same as the demolished residence. Since the second unit is increasing service, impact fees will be due.

Questions or Concerns?

Call or email us! We can answer questions, help clarify, and estimate fees for potential projects: engineering@cityofdenison.com or 903-465-2720 ext. 2455. Let's talk about it!