

2022 Transportation Impact Fee Study City Council Work Session Briefing

October 4, 2022

Overview

- Transportation Impact Fee Basics
- 2022 Transportation Impact Fee Study Results
- Collection Rate Options
- Stakeholder Engagement
- Collection Rate Responses
- Ordinance Changes
- Schedule

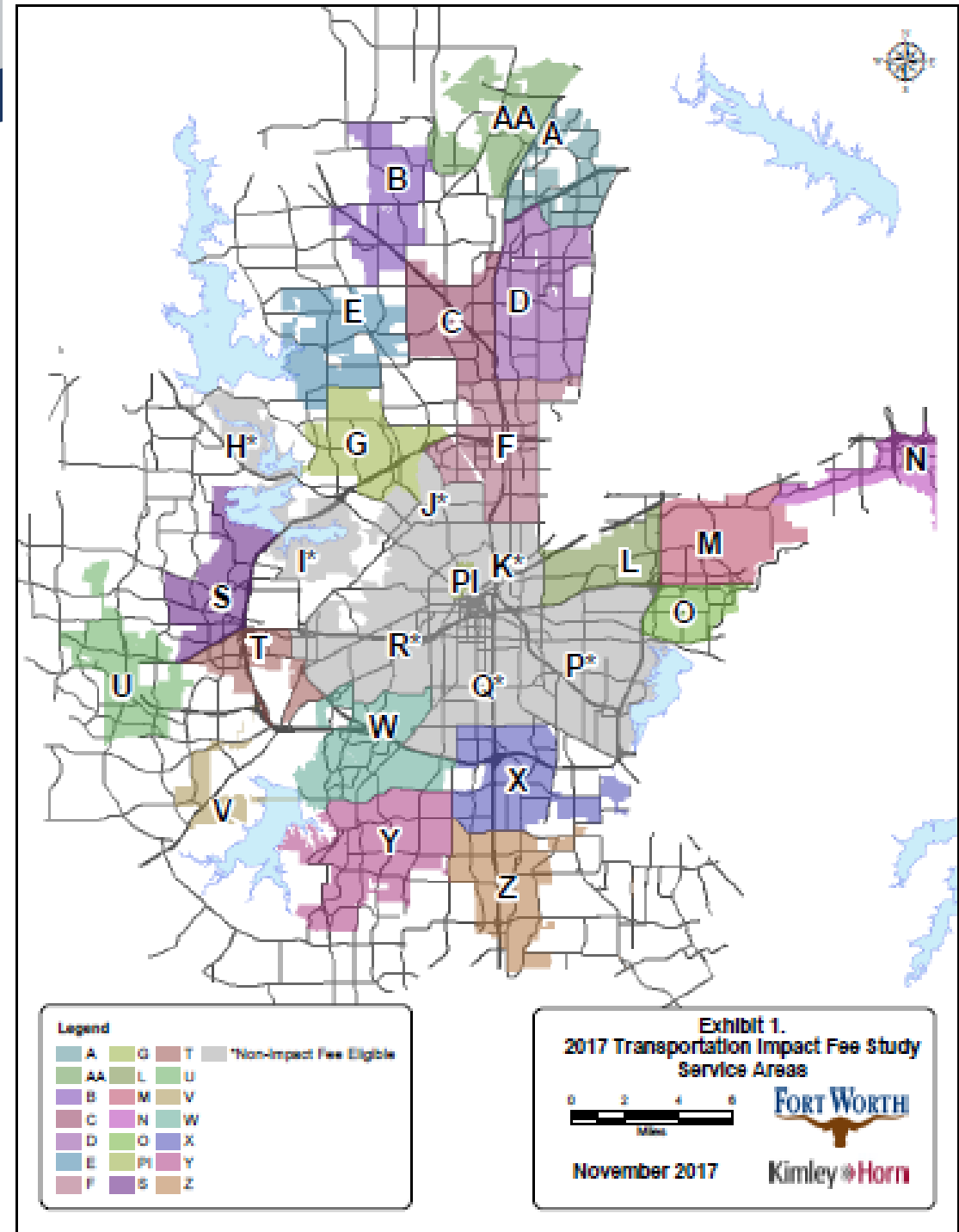
Transportation Impact Fee Basics

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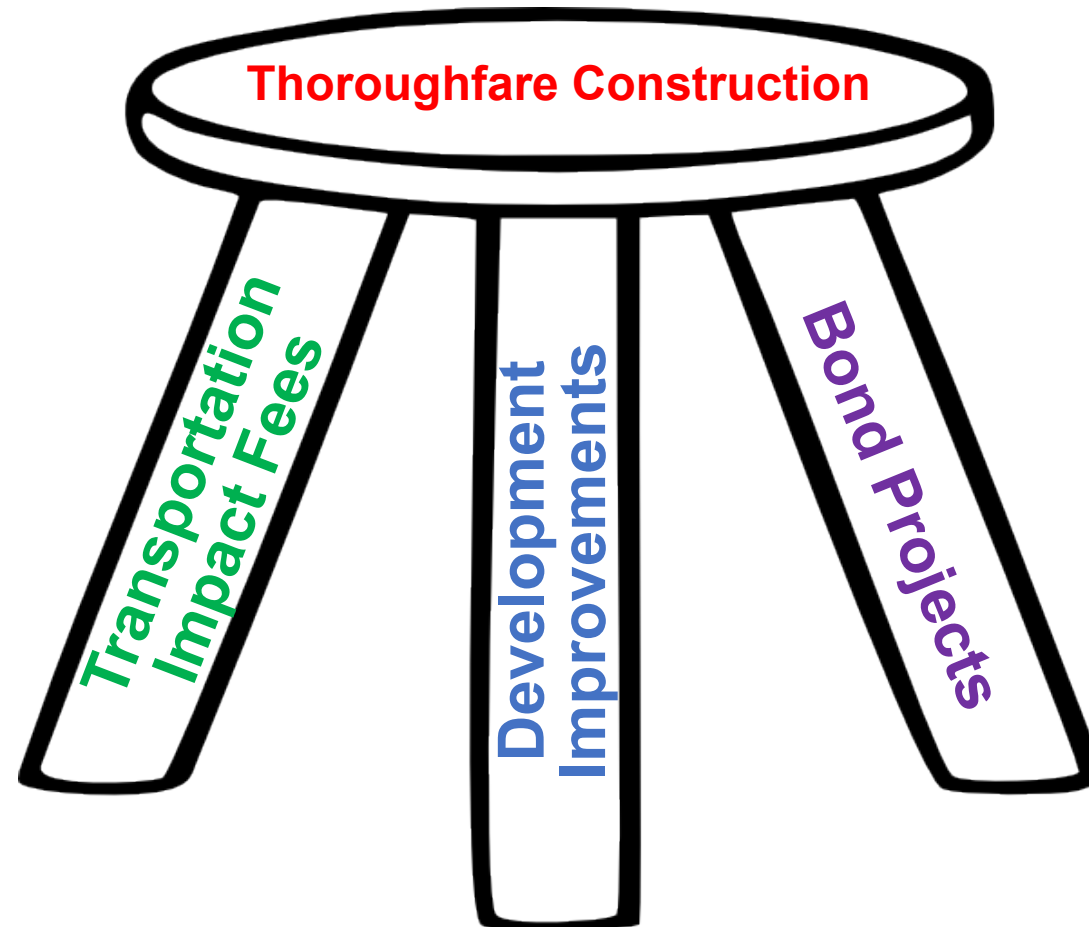
- Governed by Texas Local Government Code Chapter 395
- Requires re-authorization every five years
- Fort Worth has 28 Service Areas
 - Seven No-Fee Service Areas
 - 19 Fee Service Areas
- The Transportation Improvement Plan (TIP) shows \$3.15 Billion in thoroughfare and intersection needs
 - \$2.8 Billion are recoverable through the Transportation Impact Fee Program.
- 2022 Study included 10-year growth projects and the Maximum Assessable Rate (Schedule 1)

Impact Fee Study Service Areas

- Number and size:
 - Currently have 28 Service Areas
 - Seven are No fee (Central City)
 - Six mile maximum
- General Area (Notable Features or Developments)
 - A (Alliance Industrial Growth Center)
 - AA (Texas Motor Speedway)
 - B (Sendera Ranch & Wellington)
 - C (Presidio & Copper Creek)
 - M (Trinity Lakes)
 - N (Centerport)
 - PI (Panther Island)
 - S (Chapel Creek)
 - U (Walsh Ranch)
 - X (Carter Industrial Park)
 - Y (Tarleton State University)
 - Z (Southgate Marketplace)



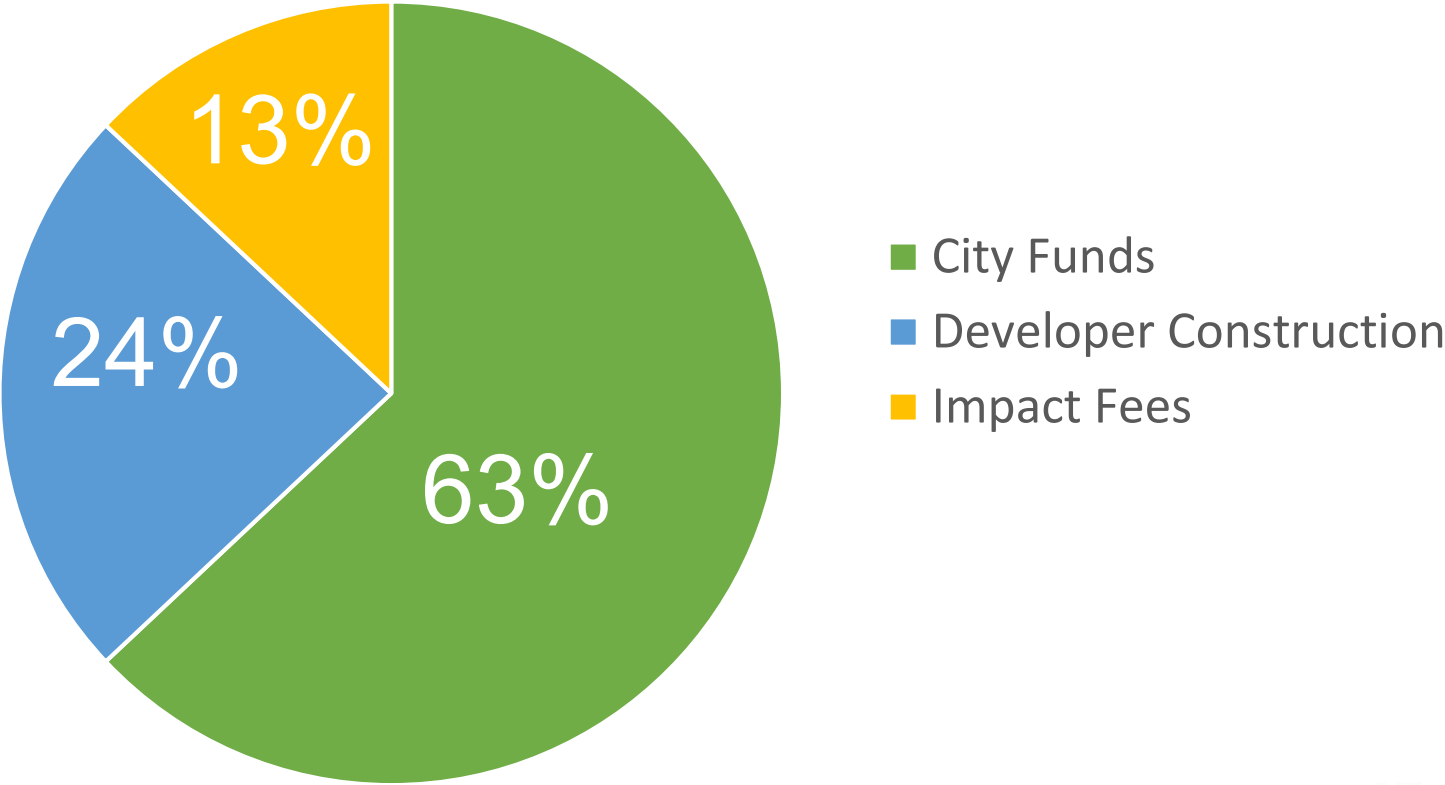
Transportation Improvement Funding





2017 to 2022 Completed TIP Construction

Transportation Improvement Funding Source





2017 to 2022 Completed TIP Construction

Service Area	Lane-Miles	Developer Cost	Developer %	City Funds (Bond or Pay/GO)	City Fund %	Transportation Impact Fee Use	Transportation Impact Fee %	Total Cost	2017 TIP Cost Estimate	Completion % of 2017 TIP
A	13.4	\$2,695,587.25	12%	\$19,354,258.73	85%	\$600,000.00	3%	\$22,649,845.98	\$82,948,456.00	27%
B	13.4	\$4,999,075.80	12%	\$29,408,892.47	73%	\$5,888,000.00	15%	\$40,295,968.27	\$134,917,734.00	30%
C	2.1	\$0	0%	\$11,264,302.08	80%	\$2,881,678.76	20%	\$14,145,980.84	\$115,228,275.00	12%
D	10.1	\$11,375,006.85	33%	\$17,408,856.29	50%	\$6,008,939.00	17%	\$34,792,802.14	\$114,822,986.00	30%
E	2.2	\$2,787,593.16	100%	\$0	0%	\$0	0%	\$2,787,593.16	\$107,246,643.00	3%
F	0.4	\$0	0%	\$3,386,173.23	49%	\$3,455,900.33	51%	\$6,842,073.56	\$53,570,581.00	13%
G	9.3	\$853,092.80	3%	\$20,738,523.46	78%	\$5,020,500.00	19%	\$26,612,116.26	\$74,352,719.00	36%
L	6.8	\$0	0%	\$556,185.02	100%	\$0	0%	\$556,182.02	\$6,796,373.00	8%
M	0.7	\$2,372,054.30	100%	\$0	0%	\$0	0%	\$2,372,054.30	\$109,985,466.00	2%
S	15.2	\$8,012,766.26	61%	\$0	0%	\$2,510,247.12	19%	\$13,033,260.50	\$94,860,483.00	14%
U	4.2	\$1,400,161.61	77%	\$418,164.12	23%	\$0	0%	\$1,818,325.73	\$186,748,775.00	1%
V	0.9	\$1,286,210.93	100%	\$0	0%	\$0	0%	\$1,286,210.93	\$25,376,275.00	5%
W	1.7	\$2,142,422.16	100%	\$0	0%	\$0	0%	\$2,142,422.16	\$28,989,177.00	7%
X	3.6	\$3,037,598.27	100%	\$0	0%	\$0	0%	\$3,037,598.27	\$77,041,525.00	4%
Y	17.2	\$4,600,207.95	17%	\$22,331,928.34	83%	\$500,000.00	2%	\$26,932,190.29	\$156,702,662.00	17%
Z	3.3	\$1,397,817.78	34%	\$2,664,029.15	66%	\$1,301,493.84	32%	\$4,061,846.93	\$12,648,818.00	32%
TOTAL	109.2	\$49,049,118.91	24%	\$129,623,449.89	63%	\$28,166,759.05	13%	\$206,839,327.85	\$1,382,236,948.00	15%

Impact Fee Study Maximum Assessable Rate (Schedule 1)

- Components:
 - Service units -Standardized measure of consumption attributable to an individual unit of development
 - TIP Uses recent annexations, vacant land, and Future Land Use Map to project growth
 - Recoverable Cost – The cost for all projects within the service areas as identified in the TIP
- Formula:

Service Area	Maximum Fee Per Service Unit (per Vehicle-Mile)	Service Area	Maximum Fee Per Service Unit (per Vehicle-Mile)
A	\$1,642	O	\$3,556
AA	\$355	PI	\$2,756
B	\$3,128	S	\$4,605
C	\$1,781	T	\$3,727
D	\$834	U	\$2,542
E	\$2,927	V	\$4,416
F	\$743	X	\$3,294
G	\$2,055	Y	\$2,588
M	\$6,367	Z	\$6,101
N	\$2,742		

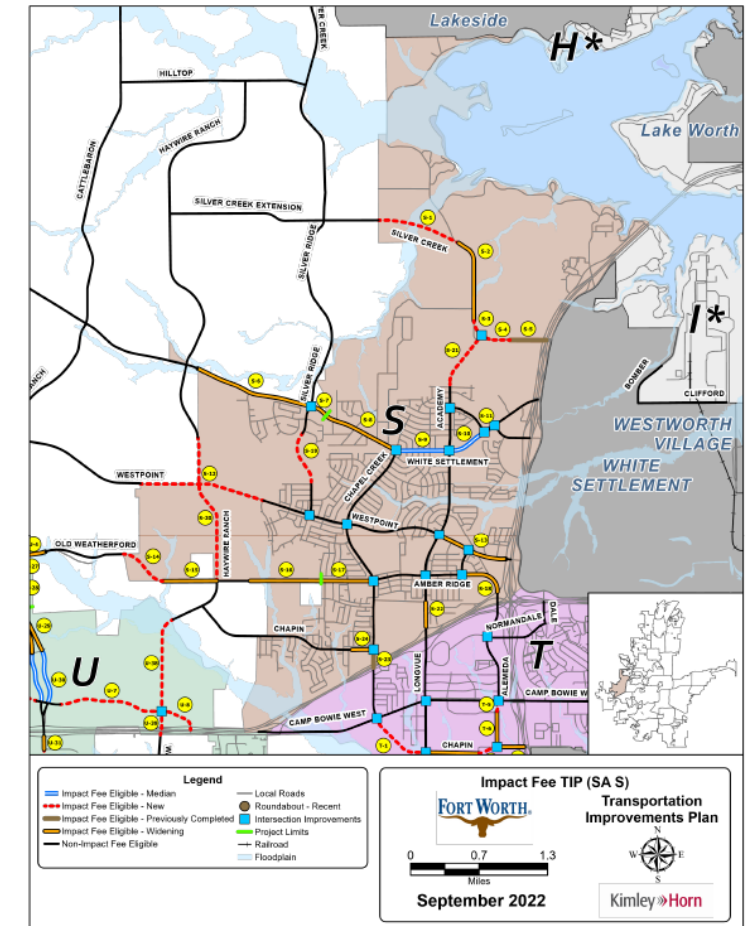
$$\text{Impact Fee Per Service Unit} = \frac{\text{Recoverable Cost of the CIP (\$)}}{\text{New Service Units (10-Year Growth)}}$$



2022 Transportation Impact Fee Study Results

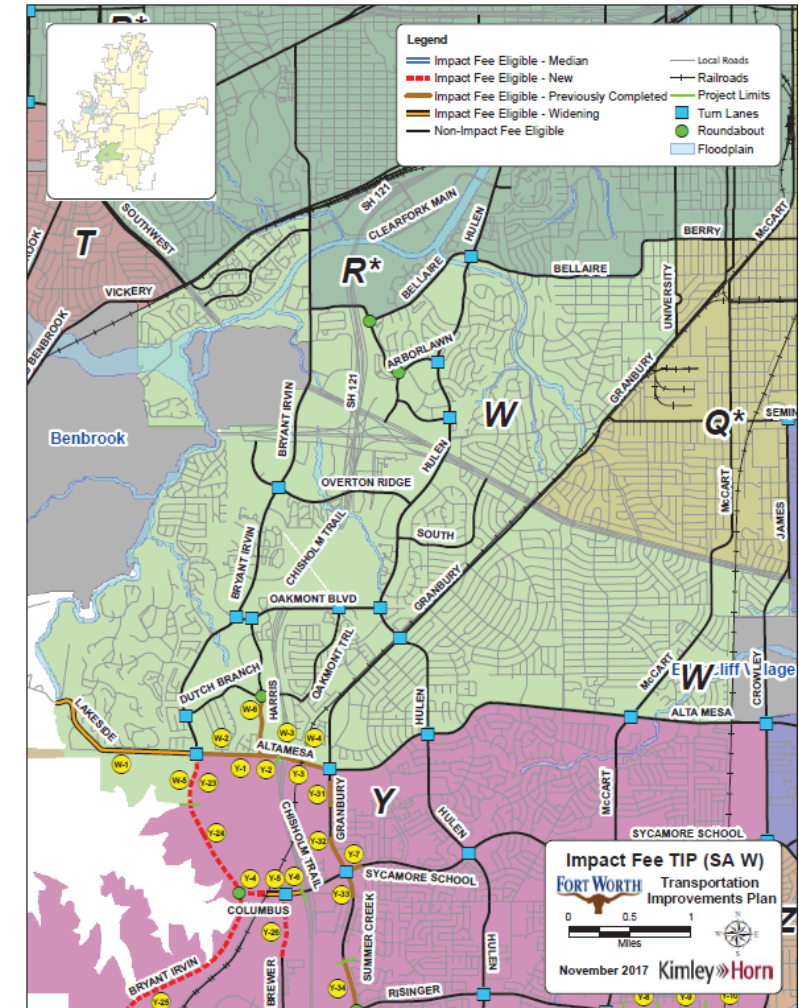
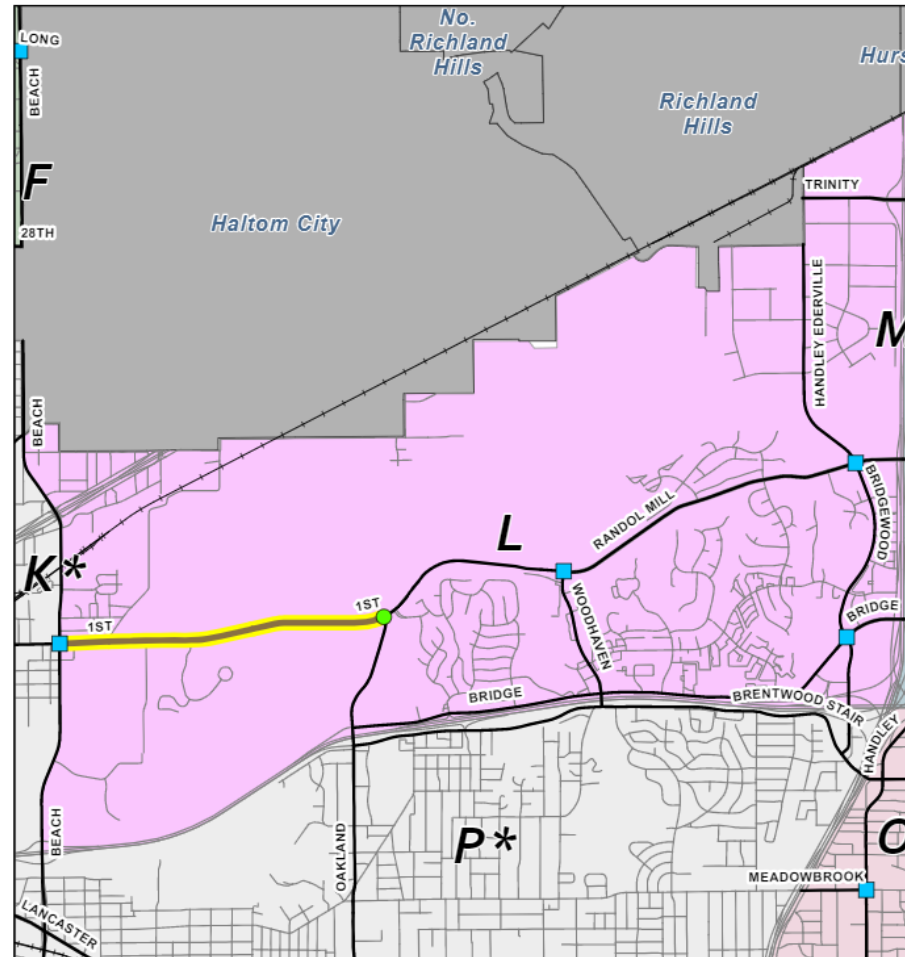
Impact Fee Study Transportation Improvements Plan

- Based on the adopted Master Thoroughfare Plan
- Project scope limited to projects increasing roadway capacity
 - Shows funding need only, not a commitment to build
- Includes conceptual cost estimates for each project
- Citywide thoroughfare need of \$3.15 Billion of which \$2.85 Billion is recoverable from the program up from \$2.18B in 2017 with \$1.14 recoverable from the program.
- Eligible projects include:
 - Remaining projects needed to complete the MTP
 - Intersection improvements
 - City Capital projects under construction
 - Recently completed projects with excess capacity
 - Bond projects completed with outstanding debt



New No-Fee Service Areas

- Roadway projects are complete
- Majority of service area served by adequate facilities
- Growth in service area is low



Schedule 1 Rate Comparison

SA	2017 Schedule 1	2022 Schedule 1	Difference	%
A	\$2,025	\$1,642	-\$383	-19%
AA	\$205	\$355	\$150	73%
B	\$3,316	\$3,128	-\$188	-5.6%
C	\$1,144	\$1,781	\$637	56%
D	\$463	\$834	\$371	80%
E	\$3,449	\$2,927	-\$522	-15%
F	\$675	\$743	\$68	10%
G	\$1,799	\$2,055	\$256	14%
M	\$3,164	\$6,367	\$3,203	101%
N	\$845	\$2,742	\$1,897	224%
O	\$1,492	\$3,556	\$2,064	138%
PI	\$2,894	\$2,756	-\$138	-5%
S	\$1,826	\$4,605	\$2,779	152%
T	\$3,457	\$3,727	\$270	8%
U	\$3,269	\$2,542	-\$727	-22%
V	\$1,356	\$4,416	\$3,060	226%
X	\$3,806	\$3,294	-\$512	-13%
Y	\$2,348	\$2,588	\$240	10%
Z	\$3,706	\$6,101	\$2,395	65%
Average	\$2,170	\$2,956	\$786	36%

2022 Collection Rate (Schedule 2) Options

Collection Rate Considerations

- Remove Smoothing Across Service Areas
- Collection Rate as a percentage of Maximum Assessable Rate
- Service Areas with Maximum Assessable Rates at or lower than current Schedule 2 will be set at Maximum Assessable Rate (Schedule 1)
- Continue to use two categories:
 - Residential (single-family and multi-family)
 - Non-Residential (commercial and industrial)
- Continue reduced Collection Rate for Non-Residential
 - Consistent with the City's Economic Development Plan



Collection Rate Analysis





Residential Collection Rate Options

Option	% of Sch. 1	SF Citywide Average	SF Taxpayer Subsidy	MF Citywide Average	MF Taxpayer Subsidy
1	50%	\$7,069	\$6,601	\$3,834	\$3,579
2	65%	\$8,885	\$4,785	\$4,907	\$2,506
3	80%	\$10,936	\$2,734	\$5,981	\$1,432
4	100%	\$13,670	\$0	\$7,413	\$0

* Service Areas AA, D and F will be set at Schedule 1

	% of Sch. 1	SF Citywide Average	SF Taxpayer Subsidy	MF Citywide Average	MF Taxpayer Subsidy
Current	30%	\$3,429	\$7,098	\$1,937	\$5,476

Non-Residential Collection Rate Options

Option	% of Schedule 1	SC Citywide Average	SC Taxpayer Subsidy	GLI Citywide Average	GLI Taxpayer Subsidy
1	25%	\$355,825	\$1,067,476	\$825,070	\$2,475,209
2	40%	\$569,320	\$853,981	\$1,320,112	\$1,980,168
3	55%	\$782,816	\$640,485	\$1,815,153	\$1,485,126
4	75%	\$1,067,476	\$355,825	\$2,475,209	\$825,070

* Service Areas AA, D and F will be set at Schedule 1

	% of Schedule 1	SC Citywide Average	SC Taxpayer Subsidy	GLI Citywide Average	GLI Taxpayer Subsidy
Current	12%	\$159,780	\$1,263,521	\$430,928	\$2,869,351



2022 Collection Rate (Schedule 2) Recommendation

Staff and CIAC Recommendation Effective Jan.1

Residential Collection Rate

Option	Percentage of Sch. 1	Single-Family Average	Single-family Taxpayer Subsidy	Multi-family Average	Multi-family Taxpayer Subsidy
3	80%	\$10,936	\$2,734	\$5,981	\$1,432
Current	30%	\$3,429	\$7,098	\$1,937	\$5,476

Non-Residential Collection Rate

Option	Percentage of Schedule 1	Shopping Center Average	Shopping Center Taxpayer Subsidy	Gen. Light Industrial Average	Gen. Light Industrial Taxpayer Subsidy
3	55%	\$782,816	\$640,485	\$1,815,153	\$1,485,123
Current	12%	\$159,780	\$1,263,521	\$430,928	\$2,869,351

* Service Areas AA, D and F will be set at Schedule 1

Stakeholder Engagement

Stakeholder Engagement

- Neighborhood Alliances
 - North Fort Worth Neighborhood Alliance
 - Northwest Neighborhood Alliance
 - Chapel Creek Neighborhood Association
- Development Stakeholders
 - Development Advisory Committee
 - Greater Fort Worth Association of Builders
 - Greater Fort Worth Association of Realtors
 - Real Estate Council of Fort Worth Government Affairs Committee
- City Boards and Commissions
 - Zoning Commission
 - Capital Improvement Advisor Committee
 - Mobility: Infrastructure Transportation Committee

Stakeholder Correspondence

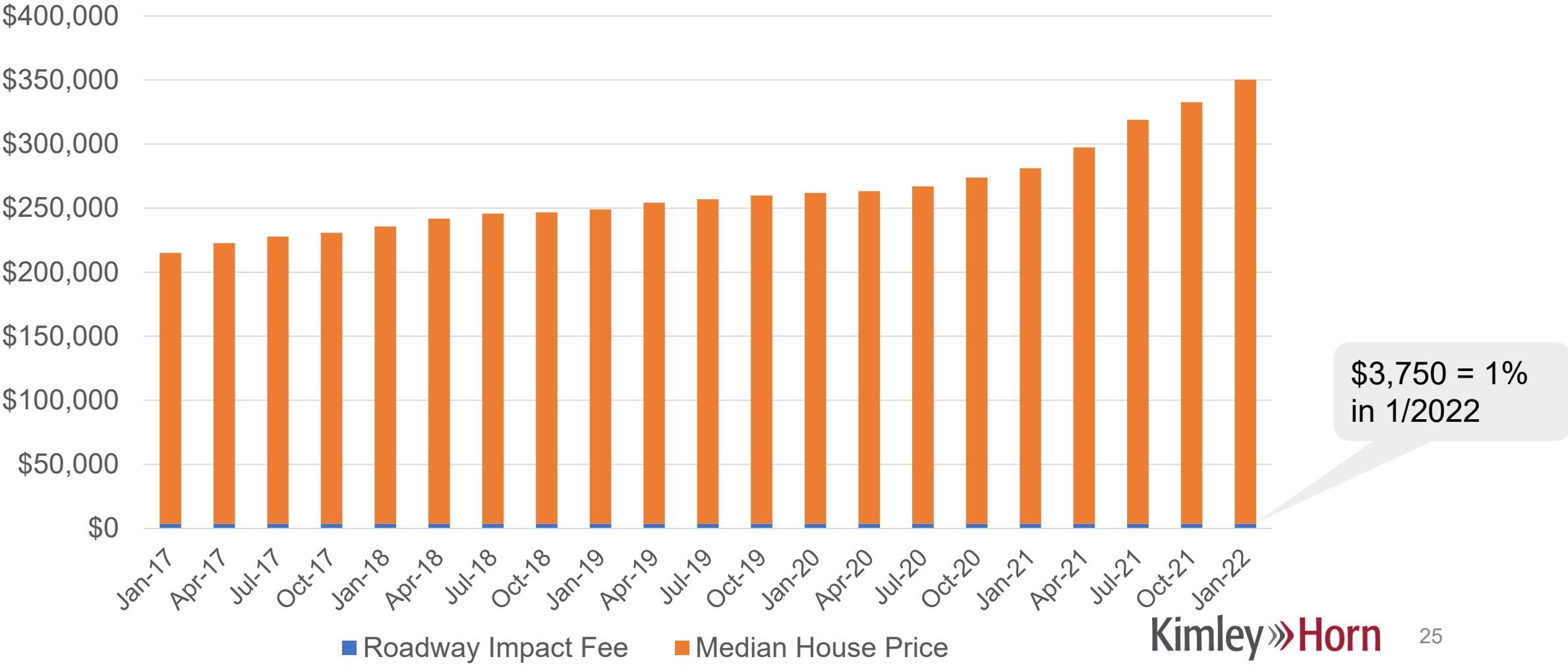
Stakeholder Group	Residential %	Non-Residential %	Effective Date	Additional Recommendations
Staff Recommendation	80%	55%	Jan 2023	
CIAC	80%	55%	Jan 2023	
Real Estate Council	80%	40%	April 2023	Create Small Business Discount
FW Builders Association	40%	n/a	June 2023	Incremental increase of 5% 5% per year up to 50% of Schedule 1
DAC	40%	40% Commercial Industrial reduced	June 2023	Incremental increase of 10% per year up to 80% Include TxDOT to Adequate Facilities Discount
North Fort Worth Neighborhood Alliance	80%	55%	Jan 2023	Support Staff Recommendation
Residents individually	80%	55%	Jan 2023	Support Staff Recommendation
Various Homebuilders	40%	n/a	June	Incremental increase of 5% depending on market

Residential Development Comments

- The proposed recommendations from the FW Builder's Association and DAC are less than the 2010 Blue Ribbon Task Force Recommendation of 50% of Schedule 1
- North and Northwest Fort Worth Rates would be less than the current smoothed collection rate (Service Areas A and C) at the proposed 40%
- Extends the current collection rate nine months
- Public comments regarding increased collection rates did not account for impact fee credit for constructing thoroughfares
- Proposes the same collection rate for residential and non-residential development



Median House Price vs Impact Fee Collection



Single-Family Residential Comparisons

SA	2017 Schedule 1	2017 SF Schedule 2	2022 Schedule 1	DAC/Builders SF Schedule 2 40%	Staff/CIAC/REC SF Schedule 2 80%
A	\$9,821	\$3,750	\$7,570	\$3,028	\$6,056
AA	\$994	\$994	\$1,637	\$655	\$1,377
B	\$16,083	\$3,750	\$15,250	\$6,100	\$12,200
C	\$5,548	\$3,750	\$8,210	\$3,284	\$6,568
D	\$2,246	\$2,246	\$3,845	\$1,538	\$3,236
E	\$16,728	\$3,750	\$13,493	\$5,397	\$10,795
F	\$3,274	\$3,274	\$3,425	\$1,370	\$2,883
G	\$8,725	\$3,750	\$9,474	\$3,789	\$7,579
M	\$15,345	\$3,750	\$29,352	\$11,741	\$23,481
N	\$4,098	\$3,750	\$12,641	\$5,056	\$10,112
O	\$7,236	\$3,750	\$16,393	\$6,557	\$13,115
PI	\$14,036	\$2,386	\$12,705	\$5,082	\$10,164
S	\$8,856	\$3,750	\$21,229	\$8,497	\$16,983
T	\$16,766	\$3,750	\$17,181	\$6,873	\$13,745
U	\$15,855	\$3,750	\$11,719	\$4,687	\$9,375
V	\$6,577	\$3,750	\$20,358	\$8,143	\$16,286
X	\$18,459	\$3,750	\$15,185	\$6,074	\$12,148
Y	\$11,388	\$3,750	\$11,931	\$4,772	\$9,545
Z	\$17,974	\$3,750	\$28,126	\$11,250	22,500

Multi-Family Residential Comparisons

SA	2017 Schedule 1	2017 MF Schedule 2	2022 Schedule 1	DAC/Builders MF Schedule 2 40%	Staff/CIAC/REC MF Schedule 2 80%
A	\$4,374	\$2,119	\$4,105	\$1,642	\$3,284
AA	\$442	\$562	\$888	\$355	\$710
B	\$7,162	\$2,119	\$8,270	\$3,308	\$6,616
C	\$2,471	\$2,119	\$4,453	\$1,781	\$3,562
D	\$1,000	\$1,269	\$2,085	\$834	\$1,668
E	\$7,449	\$2,119	\$7,318	\$2,927	\$5,854
F	\$1,458	\$2,119	\$1,858	\$743	\$1,486
G	\$3,885	\$2,119	\$5,138	\$2,055	\$4,110
M	\$6,834	\$2,119	\$15,918	\$6,367	\$12,734
N	\$1,825	\$2,119	\$6,855	\$2,742	\$5,484
O	\$7,689	\$2,119	\$8,890	\$3,556	\$7,112
PI	\$1,062	\$1,348	\$6,890	\$2,756	\$5,512
S	\$6,445	\$2,119	\$11,513	\$4,605	\$9,210
T	\$3,944	\$2,119	\$9,318	\$3,727	\$7,454
U	\$7,467	\$2,119	\$6,355	\$2,542	\$5,084
V	\$7,061	\$2,119	\$11,040	\$4,416	\$8,832
X	\$8,220	\$2,119	\$8,235	\$3,294	\$6,588
Y	\$5,071	\$2,119	\$6,470	\$2,588	\$5,176
Z	\$8,004	\$2,119	\$15,253	\$6,101	\$12,202

Residential Development Example

Land Use	Units	2017 Sch. 1	2017 Sch. 2	2022 Sch. 1	2022 Staff Sch. 2 (80%)	2022 DAC/ Builders Sch. 2 (40%)
Impact Fees Paid	335	\$5,387,671	\$1,256,257	\$4,830,727	\$3,864,581	\$1,932,291
Single-family Residential	181	\$2,910,951	\$678,753	\$2,610,034	\$2,088,028	\$1,044,014
Single-family Residential	94	\$1,511,764	\$352,502	\$1,355,488	\$1,084,391	\$542,195
Single-family Residential	161	\$2,589,299	\$603,753	\$2,321,633	\$2,321,633	\$928,653
Multi-family Residential	334	\$2,392,295	\$557,817	\$1,995,476	\$1,995,476	\$798,191
TOTAL	1105	\$14,791,979	\$3,449,083	\$13,113,358	\$10,490,687	\$5,245,344
Impact Fees Paid			\$139,500		\$7,205,119	\$1,959,776

- Project in Service Area B
- Construction credit of \$3,444,072
 - Credit Allocation reserved \$405,592 for future phase of project

Adjacent Bond Project Impact

	Bond Project Cost	Impact Fees Paid	Impact Fee Participation	City Bond Fund Participation
Project Actuals	\$13,777,573	\$139,500	\$2,944,400	\$10,833,173
Staff Recommendation	\$13,773,573	\$7,205,119	\$2,944,400	\$3,624,054
DAC/Builder Recommendation	\$13,773,573	\$1,959,776	\$2,944,400	\$8,869,397

Non-Residential Comparisons

Area	Land Use	Units	2017	DAC/REC	Staff
B	Shopping Center	50	\$164,750	\$635,136	\$873,312
	Distribution Center	300	\$444,300	\$1,472,722	\$2,024,991
B	TOTAL		\$609,050	\$2,107,858	\$2,898,303
D*	Shopping Center	50	\$162,700	\$400,320	\$400,320
	Distribution Center	300	\$438,900	\$928,242	\$928,242
D*	TOTAL		\$601,600	\$1,328,562	\$1,328,562
S	Shopping Center	50	\$164,750	\$884,160	\$1,215,720
	Distribution Center	300	\$444,300	\$2,050,146	\$2,818,951
S	TOTAL		\$609,050	\$2,934,306	\$4,034,671
Z	Shopping Center	50	\$164,750	\$1,171,392	\$1,610,664
	Distribution Center	300	\$444,300	\$2,716,165	\$3,734,727
Z	TOTAL		\$609,060	\$3,887,557	\$5,345,391

Industrial Development Comments

- The Adequate facilities discount is proposed to be amended to allow the use of TxDOT on-system facilities to count as one of the thoroughfares
- Staff is not proposing any changes to the current tenant finish-out requirements
- Industrial land-use definitions are from the latest edition of the Institute of Transportation Engineers Trip Generation Manual

Industrial Development Matrix

All uses are in Service Area S at 300,000 SF

Land Use	2017 S1 \$2,984	2017 LUVMET	2017 S2 \$468.75	2022 LUVMET	2022 S1 \$4,605	2022 S2 Staff	2022 S2 REC
High-Cube Short-Term Non-Sort Warehouse	\$716,160	.80	\$112,500	.80	\$1,105,200	\$607,860	\$442,080
Warehouse	\$1,432,320	1.6	\$225,000	.90	\$1,243,350	\$683,843	\$497,340
General Light Industrial	\$2,828,832	3.16	\$444,375	3.71	\$5,125,365	\$2,818,951	\$2,050,146
Manufacturing	\$1,960,130	3.36	\$307,913	3.71	\$5,125,365	\$2,818,951	\$2,050,146
High-Cube Sort Fulfillment Ctr	\$6,141,072	6.86	\$964,688	6.01	\$11,684,828	\$4,566,548	\$3,321,126
Truck Terminal	\$8,388,024	9.37	\$1,317,656	9.87	\$13,635,405	\$7,499,473	\$5,454,162

Industrial Development Example

Land Use	KSF	2017 Sch. 1	2017 Sch. 2	2022 Sch. 1	2022 Staff Sch. 2 (55%)	2022 DAC/Builder Sch. 2 (40%)
Warehouse	195.5	\$933,395	\$147,625	\$810,250	\$445,637	\$324,091
Warehouse	174.7	\$834,088	\$131,025	\$724,044	\$398,224	\$289,618
High-Cube Fulfillment (Non-Sort)	430	\$2,052,992	\$322,500	\$1,584,120	\$871,266	\$633,648
High-Cube Fulfillment (Non-Sort)	800	\$3,819,520	\$600,000	\$2,947,200	\$1,620,960	\$1,178,880
High-Cube Fulfillment (Non-Sort)	1012	\$4,831,693	\$759,000	\$3,728,208	\$2,050,514	\$1,491,283
TOTAL	2612	\$12,471,688	\$1,959,150	\$9,793,822	\$5,386,602	\$3,917,529
Impact Fees Paid			\$0		\$0	\$0
Impact Fee Credit Available			\$7,199,250		\$3,771,798	\$5,240,871

- Project is in Service Area S
- Construction credit of \$9,158,400



Proposed Ordinance Changes

30-154 Definitions

- New Definitions:

- Non-Residential Shell Building – A new, non-residential building that is built without a final use determined.
- Annexation – (Full Purpose) The legal process for annexing an area in order to provide full municipal services. The city enforces all ordinances, provides services as provided by law, and assesses property taxes and sales taxes. (Limited Purpose) The legal process for annexing an area in order to provide only certain regulatory services for a specified period of time.

30-173(b) Collection of Impact Fees

- 30-173 (b) Removes the codified grace period for the Collection Rate
 - Not required by Local Government Code Chapter 395
- Revised to delete the ability to enter into an agreement for a payment plan for transportation impact fees to be consistent with current administrative policy.

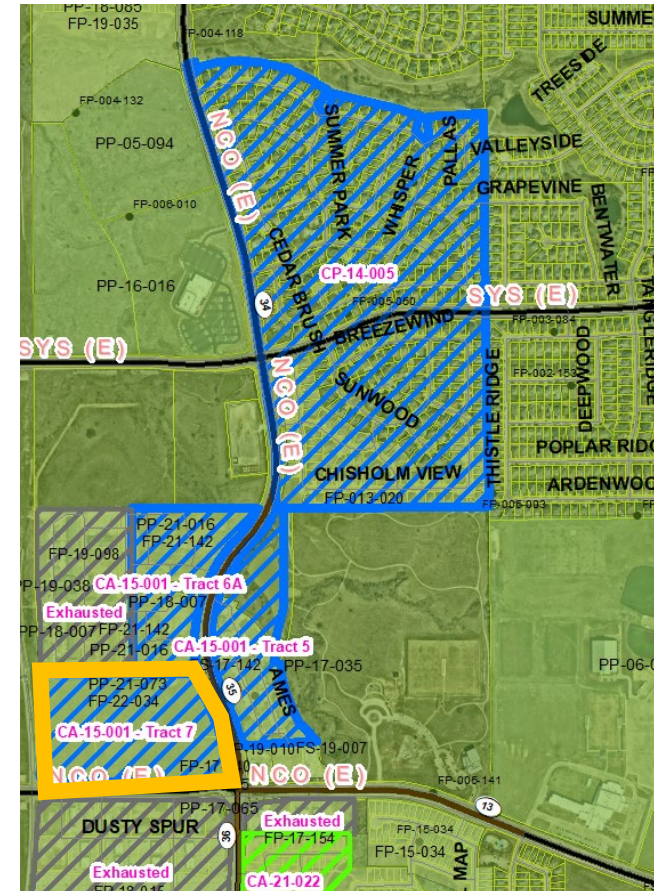
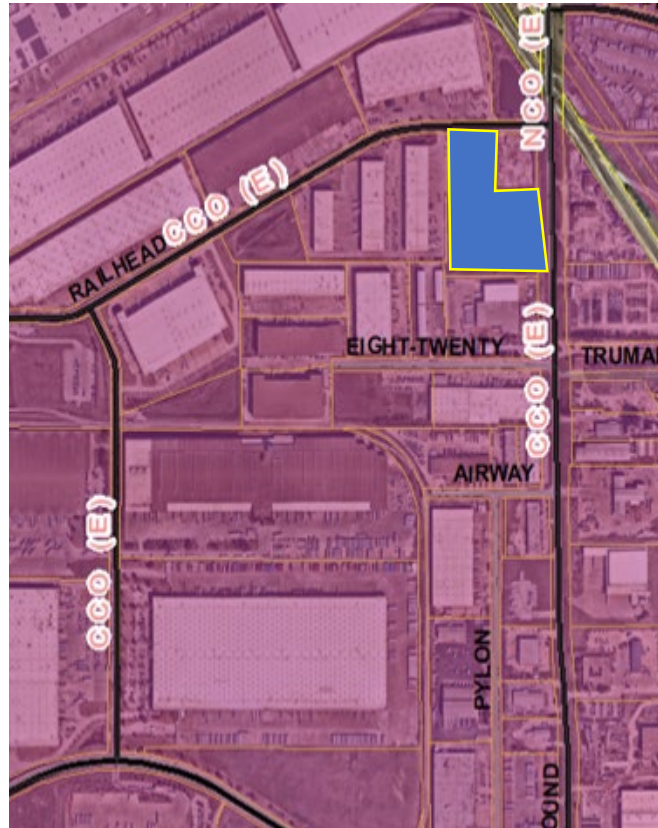
30-173(d) Collection of Impact Fees: (1) Adequate Facilities Discount

- Clarifies which roadways are utilized to determine 75% of peak-hour site generated traffic volumes
 - No less than three (3) thoroughfares in a perimeter of no less than 1 mile, designated as (E) Established conditions on the most recent version of the City's Master Thoroughfare Plan in any direction; and
 - One of the three (3) thoroughfares listed above can be substituted for a TxDOT, on-system facility; and
 - Such point(s) connect the development to the city's thoroughfare system, as depicted in the city's master thoroughfare plan (MTP); and
 - The Transportation Facilities are not listed as an impact fee eligible improvement within the TIP

Amendments to the Adequate Facilities Discount

Project in blue:

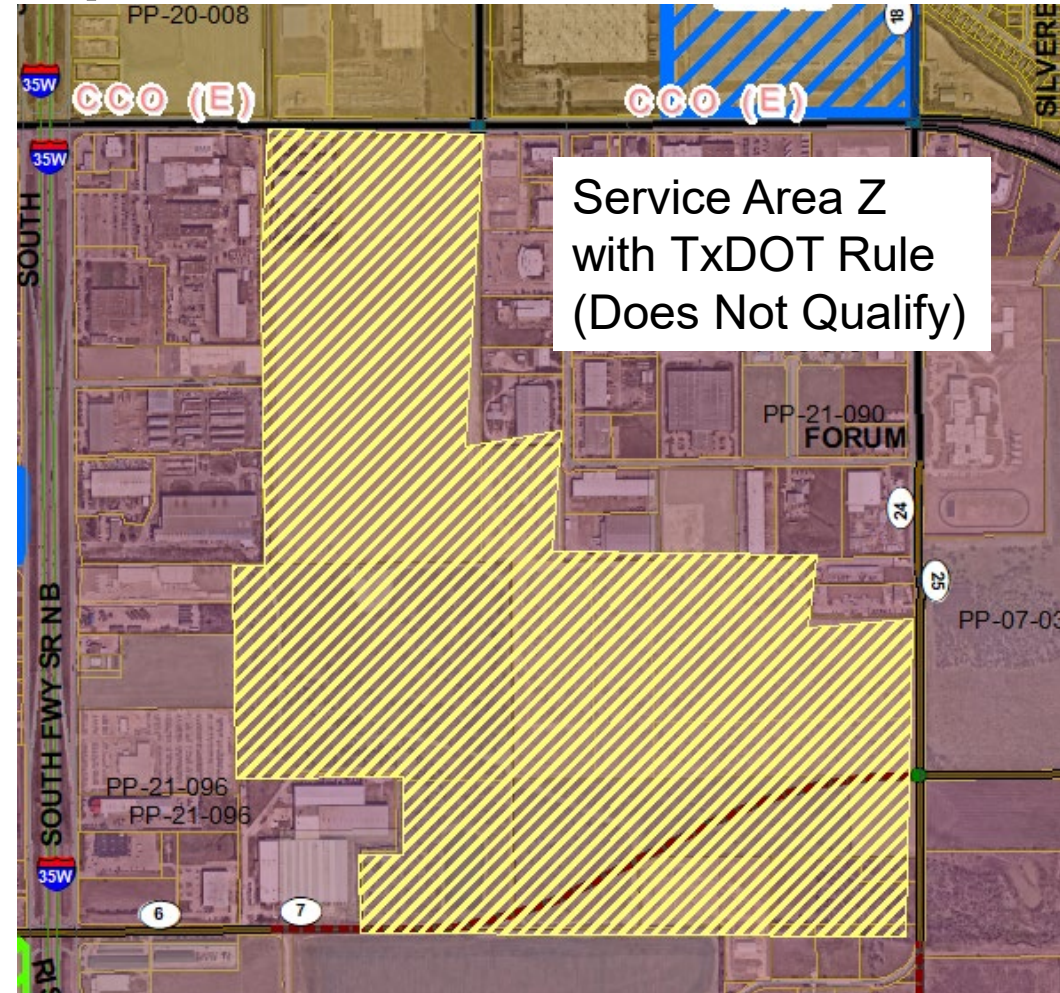
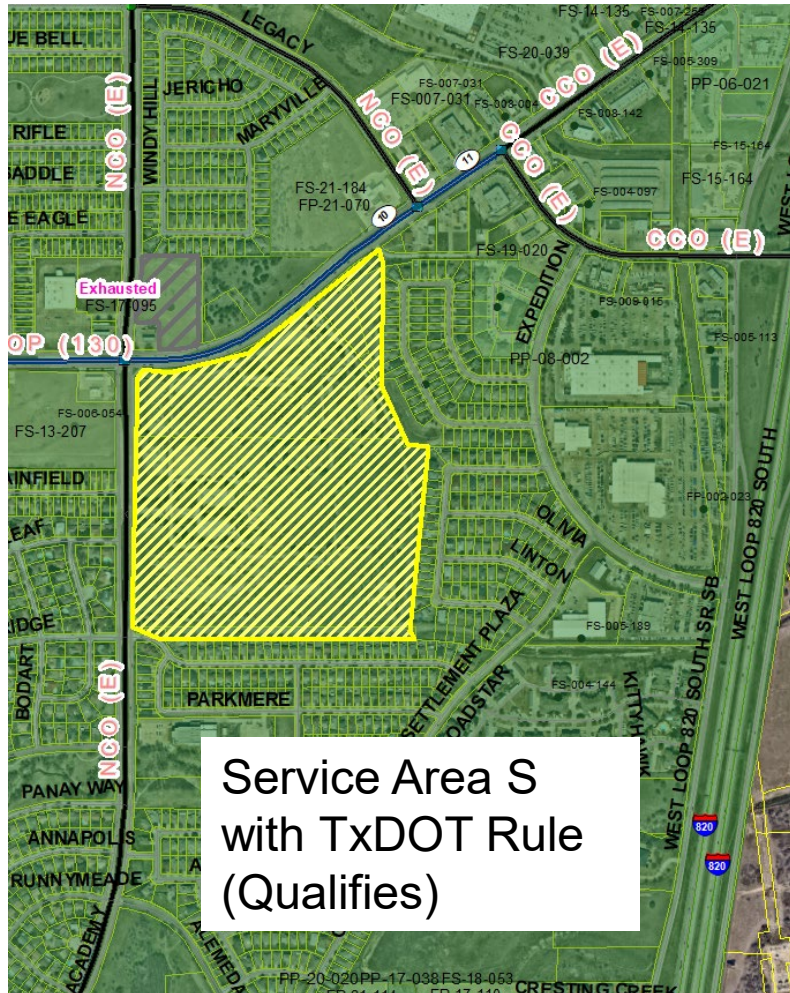
- Served by 3 CCO (E)
- No credit agreement
- Roads not on TIP
- Project is Eligible



Project in orange outline:

- Served by 3 CCO (E)
- In credit agreement
- Road on TIP (Y-35)
- Project is not Eligible

Amendments to the Adequate Facilities Discount



30-173(d) Collection of Impact Fees: (2) Land use/Transportation Connection Discount

- Renamed to Mixed-use/Multi-modal Development Discount
 - This clarifies the intent of the discount
- Increases the discount to 25% from 15%
 - Revises trip capture percentage credit:

• 5-9%	10% impact fee reduction
• 10-14%	15% impact fee reduction
• 15-20%	20% impact fee reduction
• 21% >	25% impact fee reduction

30-173(d) Collection of Impact Fees: (3) Extraordinary Investment Discount

- Increases the discount to 25% from 15%
- Revises eligibility requirements to match Economic Development Policy:
 - Increases investment to \$25 Million for new projects and adds a category for expansion investment of \$10 Million
 - Removes the job creation and salary range from the impact fee ordinance, but defers to the current Economic Development Requirements
 - For each \$10 Million above the initial investment, the impact fees would be reduced an additional 5% up to a maximum of 50%

30-197 - Annexations

- This section has been added to define how annexed properties will be incorporated into established Service Areas after being annexed into the city.

- Planned Service Area Map
- Provides a plan for annexation



2022 Impact Fee Study Calendar

Study Item	Date
Community meetings with various stakeholders (July – September)	Ongoing
Council Public Hearing	9/27
Council Briefing	10/4
Council Adoption of Study, Max Fee (Sch. 1), Collection Rate (Sch. 2) and Ordinance	10/25
Council Adoption of Collection Rate (Sch.2) (if not done on 10/25)	11/8
<i>New Transportation Impact Fee Collection Rates Effective January 1, 2023</i>	