



City of Fort Worth Transportation Impact Fees 101

Agenda



- What are Transportation Impact Fees (TrIF)?
- Legal Background
- Transportation Impact Fee Study
- Exemptions, Credits, Discounts, and Appeals
- Timing and TrIF Project Funding
- Capital Improvements Advisory Committee (CIAC)
- Semi-annual Report Contents
- Contacts





WHAT ARE TRANSPORTATION IMPACT FEES?

What are Transportation Impact Fees?



- **Charge or assessment** by the City on developments **to cover the costs** associated with public transportation infrastructure improvements or expansions compelled by and attributable to the new development
- Transportation impact fees are **assessed based on the final plat** recording and **collected prior to building permit issuance**
- Calculated based on a specific **mathematical formula**

What are Transportation Impact Fees?



- **TrIF** are **direct payments** to local governments
- Revenues are used to fund **eligible projects** as identified in the adopted TrIF Study
- Eligible projects can be undertaken as **capital projects** or as projects that **expand the scope** of a development's public infrastructure project
- TrIF are not Exactions (AKA: Rough Proportionality), each are assessed separately



LEGAL BACKGROUND

Legal Background



- Texas Local Government Code, Title 12, Subtitle C, Chapter 395: Financing Capital Improvements Required by New Development in Municipalities, Counties, and Certain Other Local Governments
- Code of the City of Fort Worth (2015), Chapter 30: *Streets and Sidewalks*, Article VIII: Transportation Impact Fees, as amended

TxLGC Ch 395



- Sec. 395.011 Authorization of fee
 - Affords cities the abilities to impose roadway impact fees within the city limits
- Sec. 395.012 Items payable by fees
 - Construction contract price
 - Surveying and engineering fees
 - Land acquisition
 - Capital Improvement Plan (CIP) Contract fee
 - Bond note payments or other obligations entered into by the City for improvements identified within the CIP
 - Security for Bond funds for improvements identified within the CIP



TxLGC Ch 395 (continued)



- Sec. 395.013 Items NOT payable by fee
 - Construction, acquisition, or expansion of public facilities NOT on CIP
 - Repair, operation or maintenance of existing facilities
 - Upgrading, updating, expanding, or replacing existing capital improvements to serve existing development in order to meet stricter safety, efficiency, environmental, or regulatory standards
 - Upgrading, updating, expanding, or replacing existing capital improvements to provide better service for existing development
 - Administrative and operating costs of the city

TxLGC Ch 395 (continued)



- Sec. 395.014 Capital Improvement Plan (CIP)
 - Description of the existing improvements and the cost to upgrade, update, improve, expand, or replace the improvements to meet existing needs
 - The current level of demand and usage
 - Description of improvements attributable to future demand based on land use assumptions by land use type (residential, commercial, industrial)
 - Projected demand for 10 years
 - Service units needed based on the approved land use assumptions

TxLGC Ch 395 (continued)



- Sec. 395.015 Maximum Fee Per Service Unit
 - Cost of improvements divided by the available service units
- Sec. 395.016 Time for Assessment and Collection of fees – the Building permit
- Sec. 395.022 Authority to Pay Impact Fees
 - Political subdivision or other entities may pay fees
 - School districts/Charter Schools are exempt
- Sec. 395.023 (Credits) and .024 (Accounting)
- Sec. 395.025 Refunds – refund in 10 years if unused
- Sec. 395.041 – .078 is adoption and implementation

Ch 30, Art VIII: Transportation Impact Fees



- Adopted May 13, 2008 by Ordinance 18083-05-2008
 - Created the program for the City, Modeled directly after TxLGC Ch 395
- Article has been amended many times since to
 - Amended the Ordinance language
 - Amended the maximum assessable and collection rates in accordance with the 2012, 2017, and 2022 TrIF Study updates
 - Amended Discounts and Credits
 - Amended for legislative updates

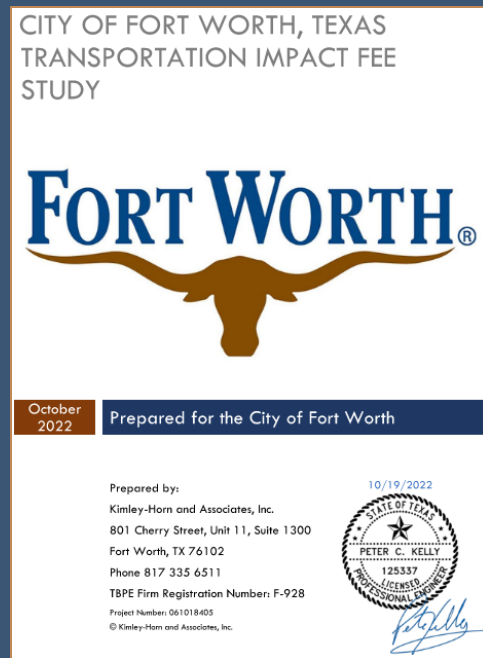


TRANSPORTATION IMPACT FEE STUDY

Transportation Impact Fee Study



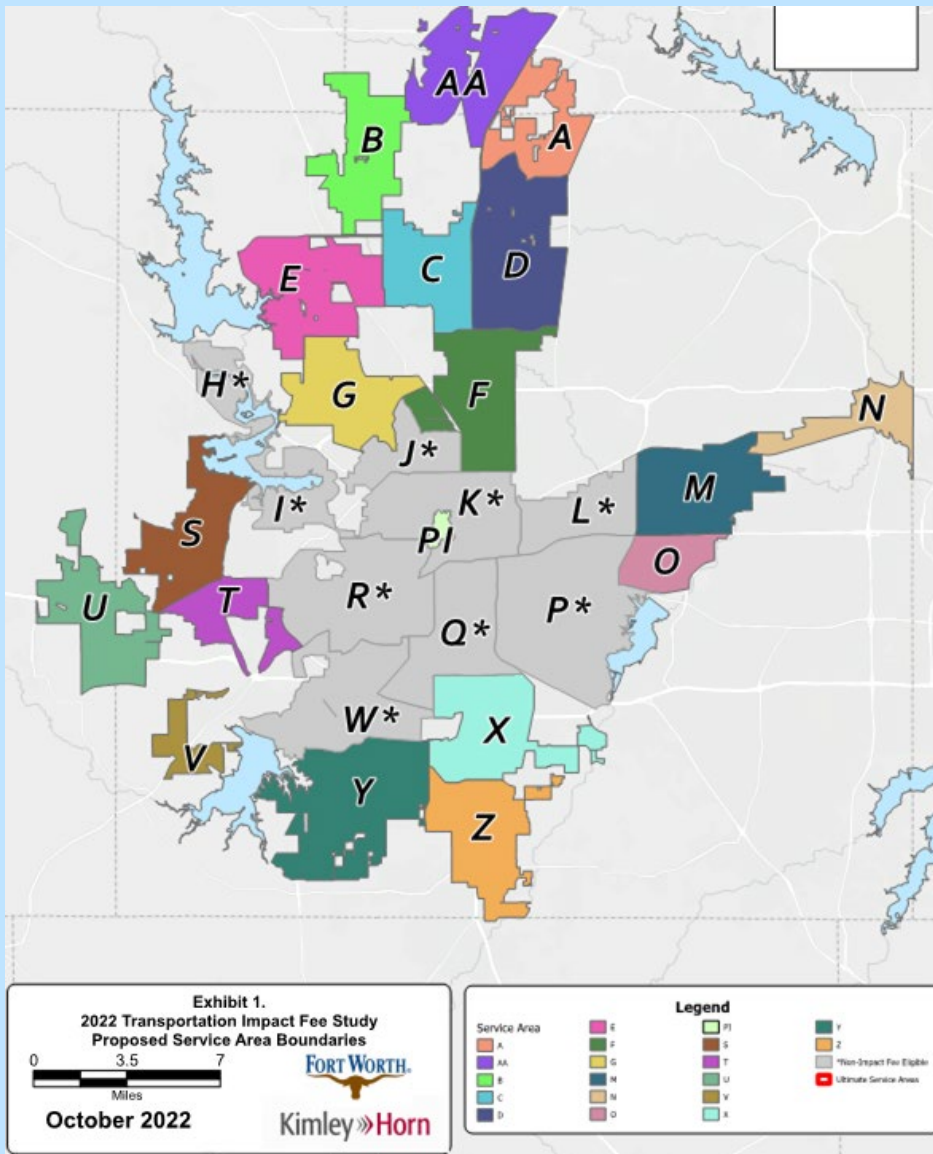
- Study update required every 5 years
- Forecasts new units of growth over next 10yr period
- Establishes Service Area (SA) Boundaries
- Identifies eligible projects and costs within each SA
- Determines total cost of infrastructure expansion attributable to new growth
- Establishes Maximum Assessable Fee (Schedule 1) for each SA
- The TrIF Study is available here: [Transportation Impact Fees – the study is under the 2022 TrIF Study heading](#)



TrIF Study Service Areas (SA)



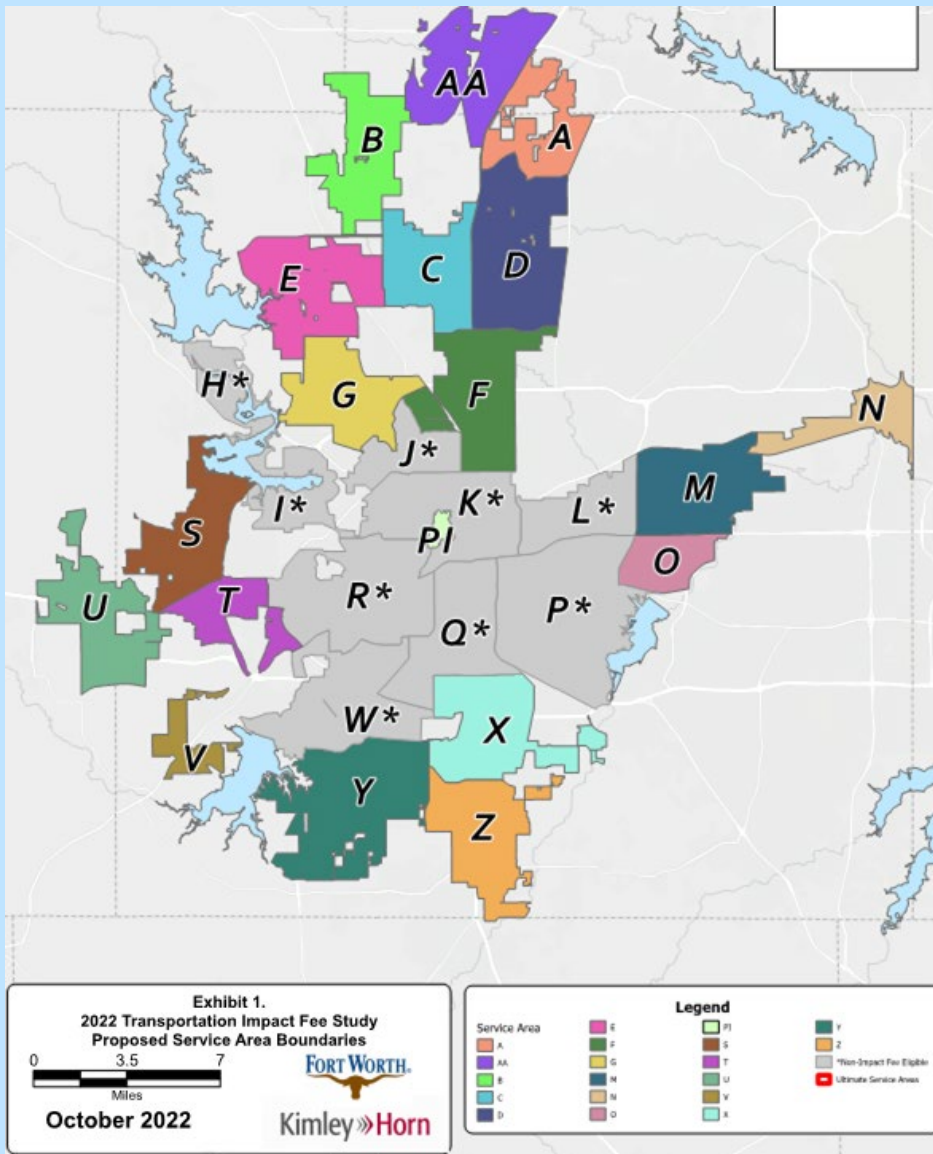
- 28 SA's within CFW
 - 9 are no-fee SA's
 - Size: 6 miles max
- Funds collected within a Service Area (SA) must be spent on projects within the same SA within 10 years



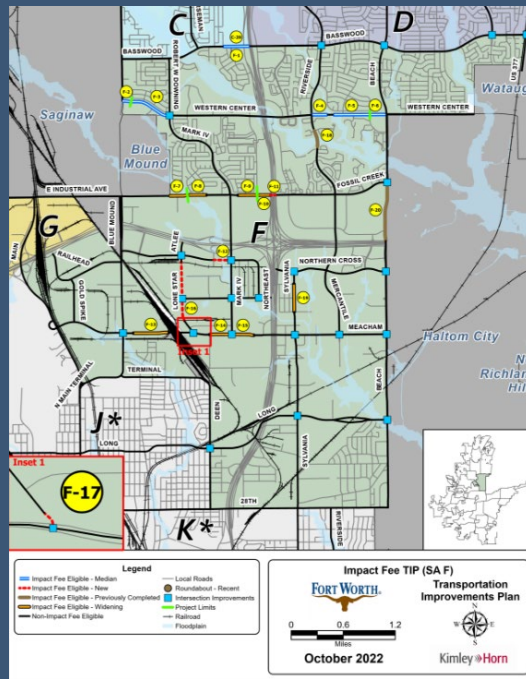
“Fee” and “No Fee” Service Areas



- If in Service Areas AA, A – G, M, N, O, PI, S – V, X, Y, or Z
 - “Fee” Service Area
 - TrIF apply
- If in Service Areas H – L, P – R or W
 - “No fee” Service Areas (*in gray*)
 - Project is exempted from TrIF
- Let’s imagine that the project is in a Fee Service Area



Transportation Improvement Plan (TIP)



- Based on the Master Roadway Network – City Roads (MRN-CR)
- Only projects that increase roadway capacity
- Funding program only, not a commitment to build
 - Not 5yr Capital Improvements Program
- Eligible projects include:
 - Recently completed projects with excess capacity
 - City Capital projects under construction
 - Remaining projects needed to complete the MRN-CR
 - Intersection improvements
 - Bond projects with outstanding debt

How are TrIFs calculated – Schedule 1

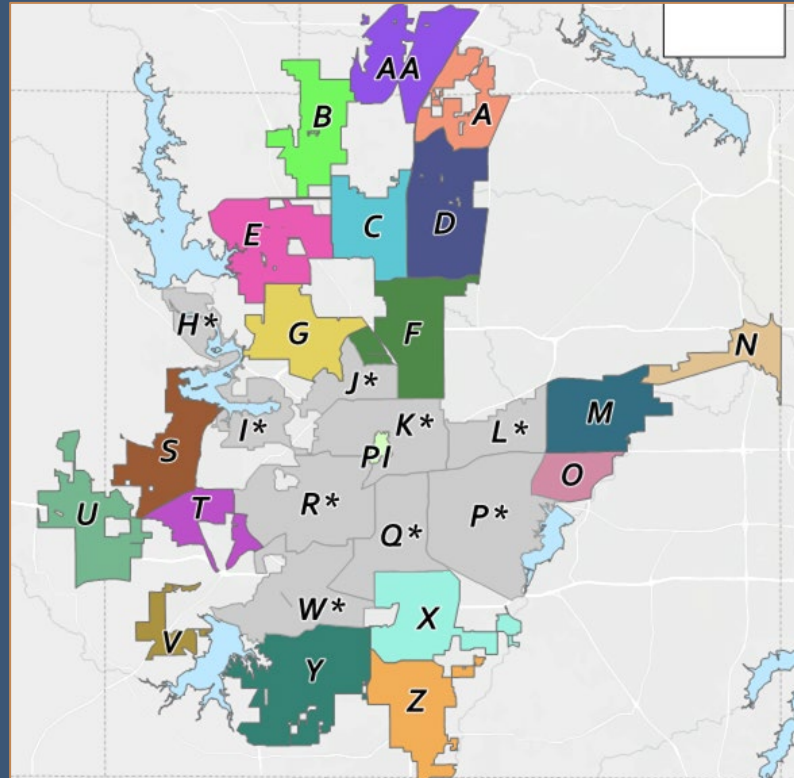


- **Schedule 1** is the **Maximum Assessable Rate** that the City could charge and can only be modified by an updated or amended study
- **Methodology**
 - Gather the Land Use and Population Projections
 - Account for MRN–CR Infrastructure Requirements
 - Develop 10–Year Impact Fee Transportation Improvement Plan (TIP)
 - Remove costs associated with existing development and growth after 10+ yrs
 - Calculate Maximum Assessable TrIF per Service Area
- Website: [Transportation Impact Fee Calculation](#)

How are TrIFs calculated – Schedule 1

- 2022 Maximum Assessable Rates per Service Unit per Vehicle-Mile

Service Area	Max Fee Per Service Unit (per Vehicle-Mile)
A	\$1,642
AA	\$355
B	\$3,308
C	\$1,781
D	\$834
E	\$2,927
F	\$743
G	\$2,055
M	\$6,367
N	\$2,742



Service Area	Max Fee Per Service Unit (per Vehicle-Mile)
O	\$3,556
PI	\$2,756
S	\$4,605
T	\$3,727
U	\$2,542
V	\$4,416
X	\$3,294
Y	\$2,588
Z	\$6,101

How are TrIFs calculated – Schedule 1

- **Maximum assessable rate (Schedule 1)** is determined as part of the TrIF Study, see Table 8 of the study

$$\text{Max Fee Per Service Area} = \frac{\text{Sum of the eligible TrIF TIP costs per service area}}{\text{the growth attributable to new development projected over the next 10-yr}} = \frac{10\text{yr TIP costs}}{\text{New Service Units}}$$

Development Units x Vehicle-Mile per Dev Unit x Max Fee per Service Area

Ex. Single-family in Service Area B, Platted 1/1/23, Bldg Permit App 6/1/23

$$1 \times 4.61 \times \$3,128 = \$14,420/\text{per house}$$

How are TrIFs calculated – Schedule 2

- **Schedule 2** is the **Collection Rate** set by City Council and can be any value up to Schedule 1
 - *Residential*: 60% of Schedule 1 from June 1, 2025 – May 31, 2026
65% of Schedule 1 from June 1, 2026
 - *Non-residential*: 40% of Schedule 1

Development Units x Vehicle-Mile per Dev Unit x Max Fee per Service Area

Ex. Single-family in Service Area B, Platted 1/1/23, Bldg Permit App 6/1/23

$(1 \times 4.61 \times \$3,128) \times \underline{60\%} = \$8,652/\text{per house}$

How to estimate TrIFs



Transportation Impact Fee Estimator is available on the website:
<https://www.fortworthtexas.gov/impact-fees/transportation>

The following information will be needed:

1. Final Plat approval date
2. Estimated Building Permit Acceptance Date
3. The Service Area

Home / Impact Fees / Transportation Impact Fees

Transportation Impact Fees

Contact

The first adoption of the transportation impact fee ordinance by the Fort Worth City Council was in 2008. It has been amended several times since then, the most recent was in November 2022.

Transportation impact fees are charges assessed by local governments on new development projects and will help fund transportation improvements that will be needed as development occurs in Fort Worth.

Transportation impact fees are applied to individual building permits and collected prior to issuance of the building permit.

For information on Water Development Impact Fees, visit the [Water Department](#).

****NEW** Transportation Impact Fee Estimator (XLSX, 256KB)**

2022 Transportation Impact Fee Study

Ordinance Information & Past Studies

Service Areas

Transportation Impact Fee Collection Rate Website



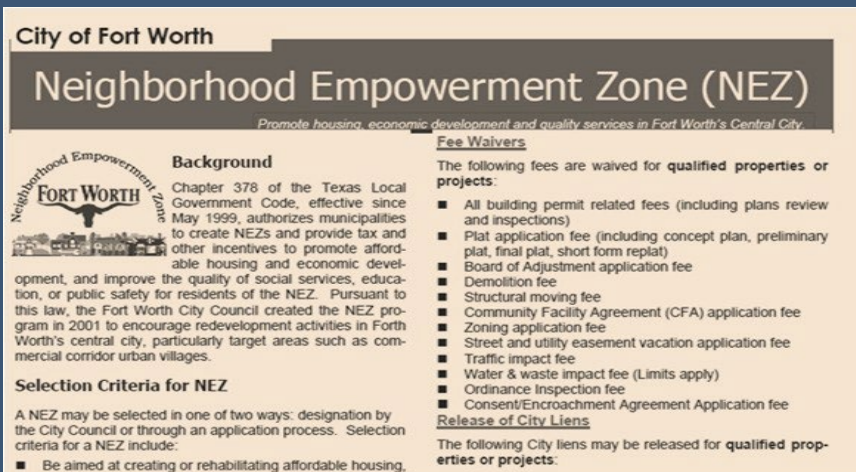
EXEMPTIONS

§ 30-173 WAIVERS AND EXEMPTIONS

Waivers and Exemptions



- Public school districts
- Open-Enrollment Charter schools and Private schools
- Approved Neighborhood empowerment zone (NEZ) projects
- Change-of-use permits for previously occupied space
 - Does not include tenant finish outs





CREDITS

§30-181 CREDITS AGAINST TRANSPORTATION IMPACT FEES

Credits towards TrIFs



- **Credit shall be given for:**
 - **Right-of-way** for MRN-CR roadways typically associated with a final plat;
 - **Improvements or funds toward construction of MRN-CR roadways** required or agreed to by the city (*IPRC plans or Future Improvement Agreement*)
 - Other transportation improvements supplying excess **capacity**
 - Credits are **good for 10 years**

Credits towards TrIFs



Credit for part of an Exaction

- Exactions: § 9-100 Rough Proportionality
- (e) *Impact fees for transportation facilities [Chapter 30, City Code] and impact fees for water and wastewater facilities [Chapter 35, City Code] shall be charged by the City independently of a developer's requirement to bear a roughly proportionate cost of municipal infrastructure improvements. Credits to impact fees may be available as provided by state law and the City Code.*

Credits towards TrIFs



Credit given for projects in the TrIF Study, based on MRN-CR (system facilities)

- TrIF: § 30-181 Credits Against TrIF
- *(a) The city shall credit the contribution of land, improvements or funding for construction of any system facility [Roadway in the TrIF Study] that is required or agreed to by the city, pursuant to rules established in this section or pursuant to administrative guidelines promulgated by the city. The credit shall be associated with the plat or other detailed plan of development for the property that is to be served by the transportation facility.*

Credits that do *not* count towards TrIFs



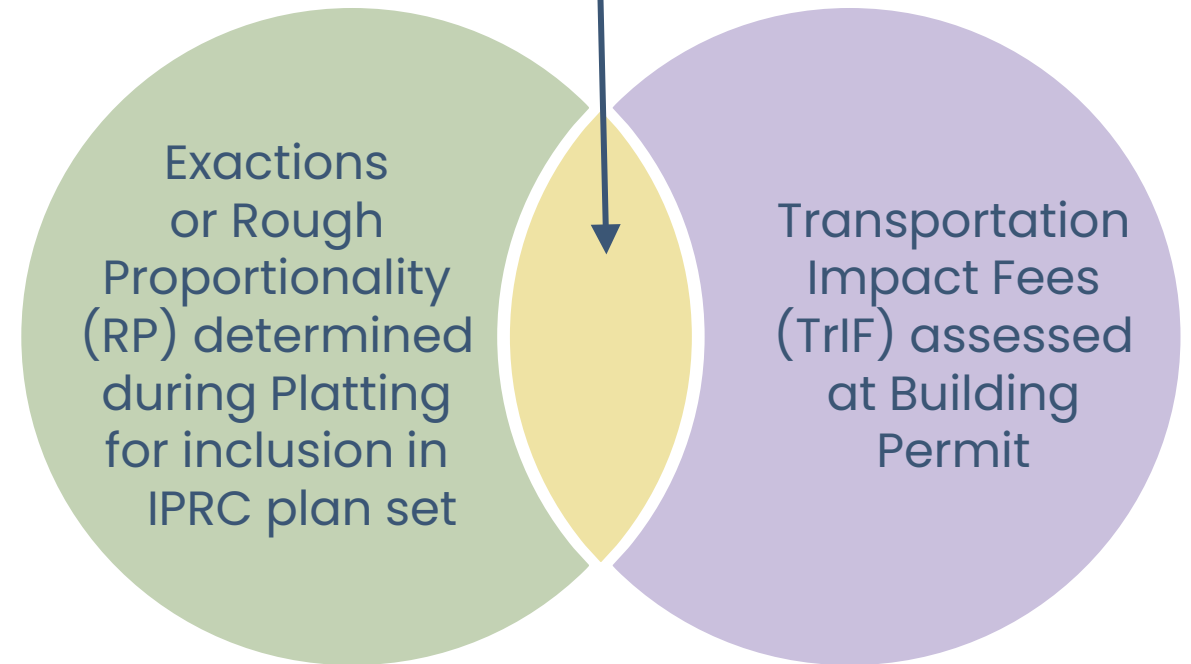
- **Credit shall not be given for:**
 - ROW or infrastructure required solely for the new development
 - **Roadways on the MRN-CR and not on the TIP in the TrIF Study**
 - *unless the city agrees it supplies capacity to other new developments*
- TrIF: 395.001(4) LGC
 - *"The term [impact fee] does not include dedication of rights-of-way or easements or construction or dedication of on-site or off-site water distribution, wastewater collection or drainage facilities, or streets, sidewalks or curbs if the dedication or construction is required by a valid ordinance and is necessitated by and attributable to the new development."*

Exactions and TrIF

Separate but Complimentary...



When the Exaction
(RP) includes TrIF
Eligible ROW,
roadways, or
signals; then the
City must give TrIF
credit





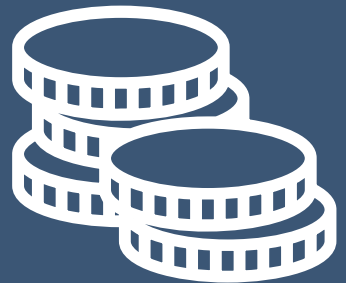
DISCOUNTS

§ 30-173 COLLECTION OF IMPACT FEES

Discounts on Transportation Impact Fees

Discount	% reduction on the TrIF Schedule 2 collection rate
Adequate Public Facilities Discount (APFD)	50%
Extraordinary Investment Discount	25% – 50%
Mixed-use/ Multi-modal Development Discount	10% – 25%
Small Business Discount <i>(new construction does not qualify)</i>	25%

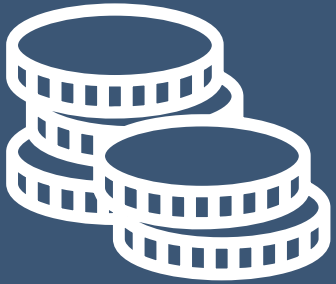
Refer to the TrIF Ordinance for eligibility details:
<https://www.fortworthtexas.gov/impact-fees/transportation>



Discounts

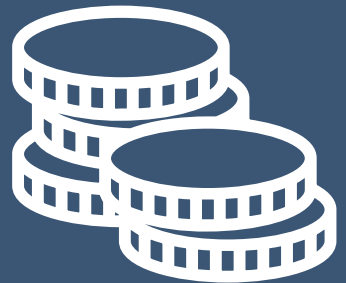


- **Adequate Public Facilities Discount (APFD)** is a **50% reduction** of the City Council adopted Transportation Impact Fee (TrIF) Schedule 2 collection rate
- APFD is applied when **75% of trips generated** by a development are to an **arterial that has been improved to its ultimate Master Roadway Network – City Roads (MRN-CR) cross-section**



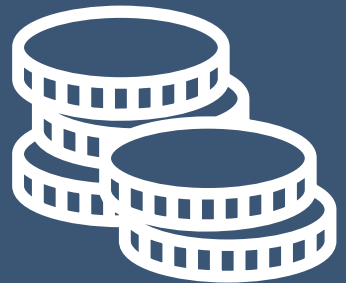
Discounts

- **Mixed-use/ Multi-modal Development Discount** is a **10% – 25% reduction** of the adopted TrIF Schedule 2 collection rate
- Applied when an **accepted traffic study** demonstrates the development **will reduce the vehicle trips** from those contained in the adopted land use equivalency table to one of the following:
 - 5 – 9% Trip Capture = **10%** Impact fee reduction
 - 10 – 14% Trip capture = **15%** Impact fee reduction
 - 15 – 20% Trip capture = **20%** Impact fee reduction
 - 21% or > Trip capture = **25%** Impact fee reduction



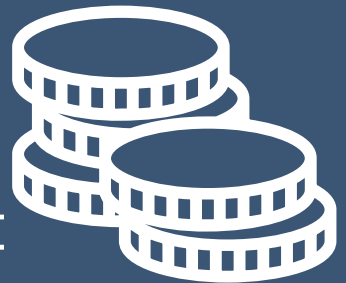
Discounts

- **Extraordinary Investment Discount (EID)** is a **25% – 50% reduction** of the adopted TrIF Schedule 2 collection rate if the following apply:
 - **\$25M in capital investment** (excluding land cost)
 - Creation of **75 new jobs** – *permanent*
 - The **projected salary** of the new jobs is at least **twice the current minimum wage** plus benefits *~\$31k/yr*
- For each **additional \$10M** in capital investment or **75 qualified new jobs**, the TrIF would be reduced by **an additional 5%** up to a max reduction of 50%



Discounts

- **Small Business Discount (SBD)** is a **25% reduction** of the adopted TrIF Schedule 2 collection rate for building permits, other than new construction building permits, for a development that is for:
 1. An independently owned entity with a Fort Worth business address
 2. Not a subsidiary of nor a franchisee of a chain with more than 5 franchises
 3. Annual revenues of \$2.5M or less for the most recent 12-month period
 4. 25 Employees or less
 5. In business for at least 1yr prior to applying for the discount





APPEALS

§ 30-192 APPEALS

TrIF Appeals



- Appeals must be submitted in writing (email is acceptable) within 30 days of levying the fee
- What can be appealed:
 - Land Use Designation
 - Applicable Discounts
 - Credit Available
- What is required for an appeal:
 - Traffic Study based on the land use they are disputing
 - Trip Distribution study
 - Similar development considerations
- Multiple appeal levels: Director, CMO, with final appeal to City Council



TIMING AND TrIF PROJECT FUNDING

§ 30-172 ASSESSMENT OF IMPACT FEES

§ 30-173 COLLECTION OF IMPACT FEES

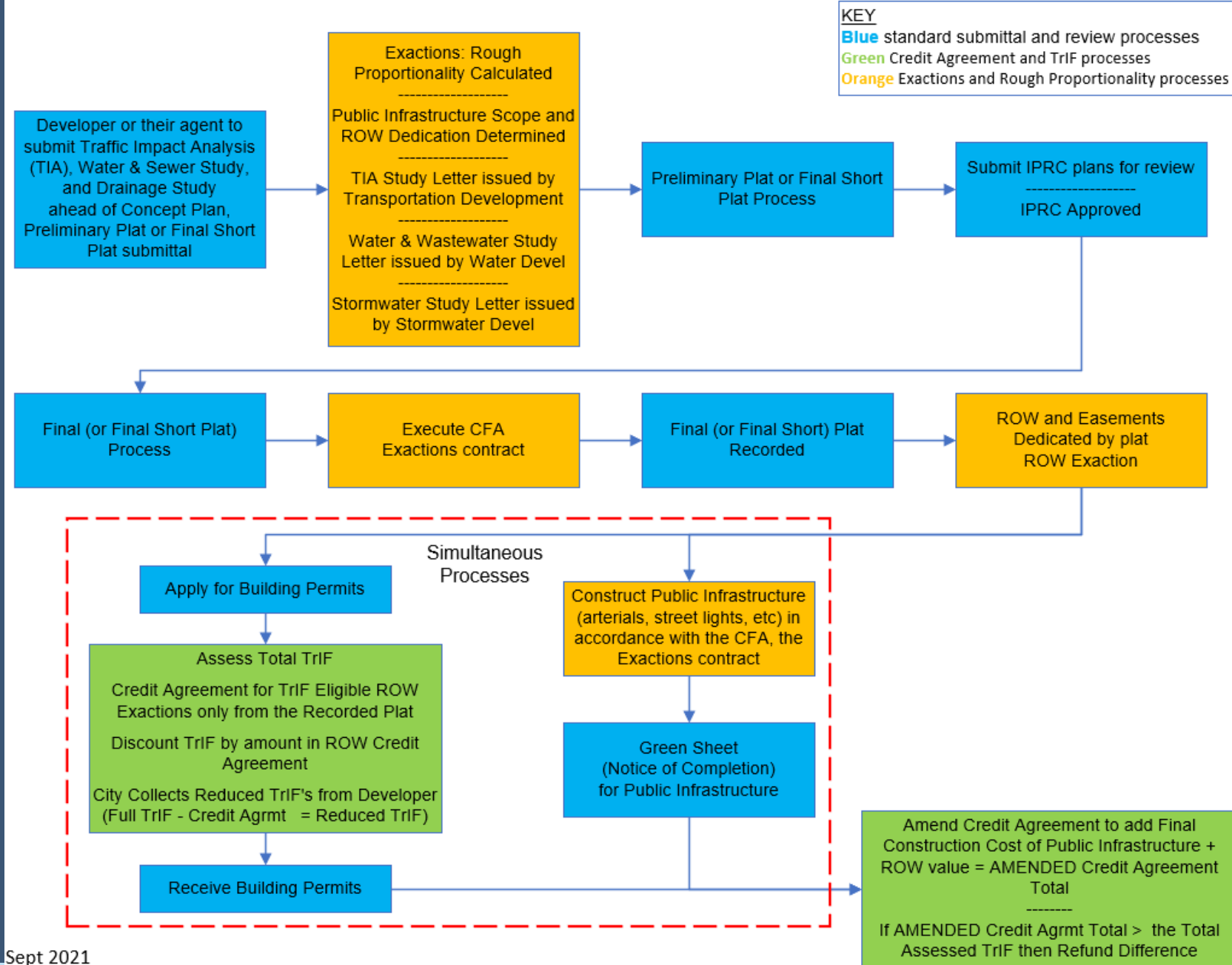
§ 30-157 USE OF PROCEEDS OF IMPACT FEE ACCOUNTS

When are TrIFs assessed and collected?



- TrIF are **assessed** at the time of final plat approval
 - This establishes the version of the TrIF Study and the Maximum Assessable Rate for the site (Schedule 1)
- TrIF are **collected** when the building permit application is accepted
 - This establishes the collection rates for the site (Schedule 2)

TrIF and the Development Process (green boxes)



What are TrIFs used for?



- To expand the scope of a developer-led, public infrastructure project
 - Ex: A development is due to build the west side of a TrIF eligible roadway
 - TrIF could be utilized to expand the scope to include the east side of the roadway, too.
 - Public-Private-Partnership (i.e., P3 or Triple P): CFA with City Participation
- To fund projects named within the TrIF Study in the Service Area

TrIF Project Funding

- Eligibility
 - Must be a named project in the TrIF Study
 - Proposed improvements must add capacity
 - Must build to the MRN-CR specifications
- Must have funds within the Service Area (SA)
 - Cost for projects within multiple SA are split equally
- Ineligible items:
 - Staff time: review, project management, inspections
 - On-site private improvements





CAPITAL IMPROVEMENTS ADVISORY COMMITTEE (CIAC)

***§ 30-159 FUNCTIONS OF CAPITAL IMPROVEMENTS ADVISORY
COMMITTEE FOR TRANSPORTATION IMPACT FEES***

The Role of the CIAC



- The CIAC is established in accordance with state law to:
 - Advise and assist in adopting Land Use Assumptions
 - Review the Transportation Improvements Program (TIP)
 - Monitor and evaluate implementation of the TIP
 - Receive semi-annual reports on the progress of the TIP and report perceived inequities
 - Advise of the need to update the Land Use Assumptions, TIP, or Fee
 - Make recommendations to City Council
- Fort Worth has 2 CIAC's
 - Transportation Impact Fees
 - Water/Sewer Impact Fees

Who is on the TrIF CIAC?



- 7 members + 2 alternates
- Appointed at large by City Council
- Members are residents of the City
- At least 50% of the committee must *"represent real estate, development, or building industries who are not employees or officials of a political subdivision or governmental entity."*
- Meeting Frequency:
 - Minimum of twice per year after a regularly scheduled CPC meeting
 - Additional meetings will occur as needed for Study updates or amendments



SEMI-ANNUAL REPORT CONTENTS

Semi-annual Report Contents



- Program Overview and Status
- TrIF Revenues
 - Transportation Impact Fee Collection
 - Credit Agreements
- TrIF Allocations
 - Capital Project Requests
 - Public-Private Partnerships
- CIAC recommendation to City Council
 - To approve the TrIF Semi-Annual Report through the reporting period
- City Council action after recommendation from CIAC
- Copies of the reports are available here: [Transportation Impact Fees – the reports are listed under the CIAC heading](#)

Semi-Annual Progress Report

**Capital Improvements Advisory Committee for
Transportation Impact Fees
November 2023**

**Covering the Period of
April 2023 – September 2023**



Prepared by the Fort Worth Development Services Department

Contacts

General Inquiries

817-392-8743 (TrIF)

TrIF@fortworthtexas.gov

Website:

[https://www.fortworthtexas.gov/
impact-fees/transportation](https://www.fortworthtexas.gov/impact-fees/transportation)

