



To the Mayor and Members of the City Council

September 6, 2022

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SUBJECT: 2022 TRANSPORTATION IMPACT FEE STUDY RESULTS AND ADOPTION TIMETABLE

This report provides an overview of the status of the Transportation Impact Fee Study update, the Transportation Improvements Plan (TIP), Maximum Assessable Rate (Schedule 1), an introduction of the proposed Collection Rate Options (Schedule 2), and the updated timetable for City Council adoption of the 2022 Transportation Impact Fee Study (2022 Study).

On September 21, 2021, the City Council approved a contract with Kimley-Horn and Associates, Inc., (M&C 21-0697) to prepare the 2022 Study. The team has worked throughout the year with staff from Development Services, TPW, Water, Planning & Data Analytics, and Finance to ensure the work has been properly vetted by the city. The team has concluded the analysis and has provided the City with the land use assumptions, 10-year growth projections, and the Maximum Assessable Rate (Schedule 1) for 19 of the 21 existing Fee Service Areas.

The 2022 Study is currently available for public review on the City's Transportation Impact Fee website (<http://www.fortworthtexas.gov/impact-fees/transportation>).

Per Texas Local Government Code, Chapter 395, transportation impact fees can be used for the improvement of arterial streets included on the City's Master Thoroughfare Plan (MTP) that are warranted for widening or other capacity improvements due to 10yr growth. Transportation impact fees cannot be used for any other transportation improvements, operations, or maintenance.

Funding Expended on Transportation Impact Fee Eligible Arterials (2017 – 2022)

City Funds (Bond funds, PayGO, etc)	\$129.6M	63%
Developer Funds	\$49.0M	24%
Transportation Impact Fees	\$28.2M	13%
TOTAL	\$206.8M	100%

Transportation Impact Fee Service Areas

It has been concluded that Service Areas L and W will become no-fee service areas with the adoption of the 2022 Study. Based on the evaluation of the two service areas as no-fee service areas, no growth projection, TIP, or Maximum Assessable Rates have been provided for these service areas.

- Service Area L - The sole roadway project (1st Street) is currently under construction at this time. With the completion of this construction, the thoroughfare network within this Service Area will have been expanded to the ultimate proposed configurations. Growth within this service area has been traditionally low as evidenced by the collections within the Service Area.
- Service Area W – Alta Mesa and Harris Parkway have been constructed. While Lakeside is not in the ultimate configuration, the expansion of this roadway is not growth driven, which

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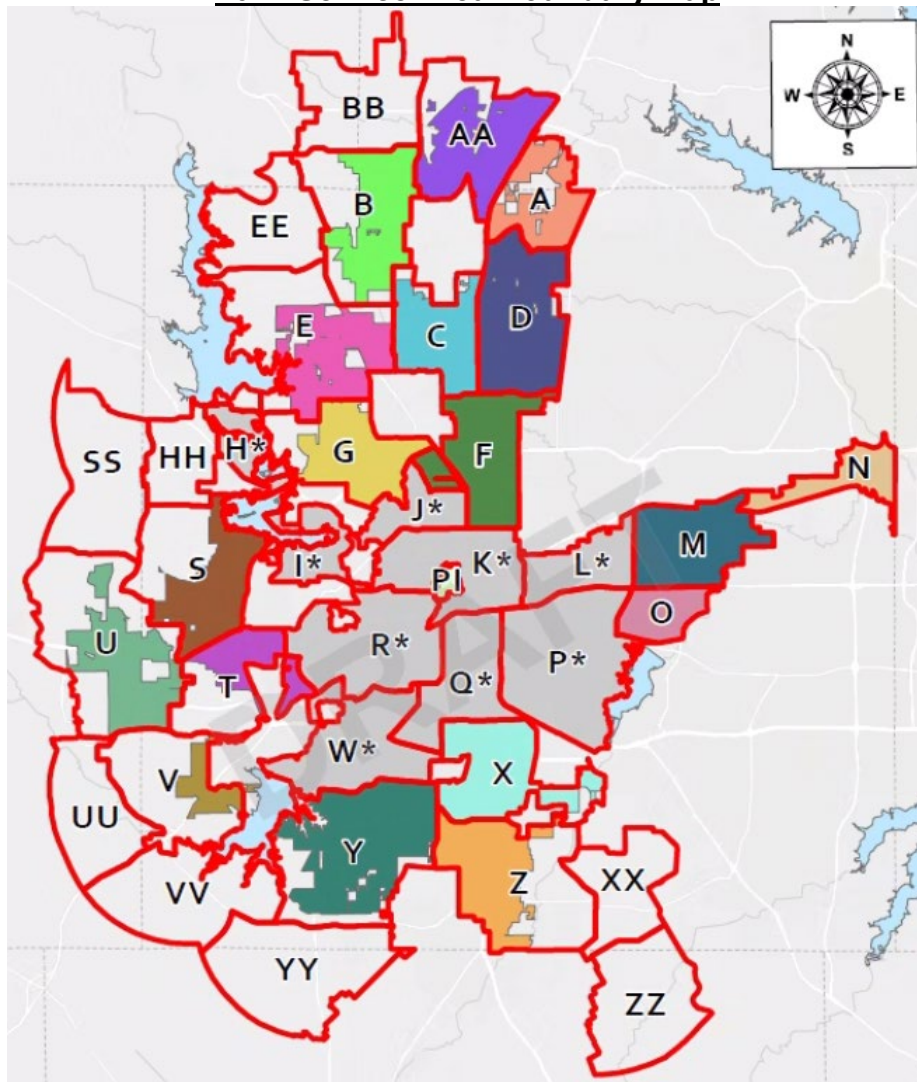


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is a requirement for imposing and collecting transportation impact fees. Similar to Service Areas R, P, and Q, the majority of the growth is due to redevelopment along existing, fully constructed thoroughfares.

The 2022 Study also drew the ultimate boundaries of current and future services areas (maximum six miles), based on the current city limits and the extent of the extraterritorial jurisdiction (ETJ). This serves a dual purpose: planning for future growth and annexation. Please refer to the following image.

2022 Service Area Boundary Map



Service Areas shown with an asterisk* are the No-Fee Service Areas
Service Areas BB, EE, HH, SS, UU, VV, XX, YY, ZZ are future Service Areas

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Transportation Improvement Plan (TIP) Cost Estimate

The Transportation Improvement Plan (TIP) is estimated to cost approximately \$3.15 billion. Of this amount, \$2.8 billion of the TIP costs are attributable to growth and are recoverable through the Transportation Impact Fee Program. The construction cost increases, the inclusion of large drainage facilities, and grade separated railroad crossings for consistency with the City's Adopted Master Thoroughfare Plan, Stormwater Program Master Plan, and the Floodplain Management Plan are responsible for the overall project cost increases within the service areas.

Transportation Impact Fee Maximum Assessable Rate (Schedule 1)

The Maximum Assessable Rates within the Fee Service Areas are an average of 37% higher than the 2017 Study. Despite the cost increase, the growth projected within the majority of the Service Areas in related to the cost of the projects is relatively consistent with the 2017 study projections as the average difference is \$795. Five (5) service areas have a reduced Schedule 1 in 2022 when compared to the Schedule 1 in the 2017 Study. The reductions in the maximum rate is directly related to the projected growth increases within the service areas available to recover the increased costs. Similarly, the growth projections compared to the cost of projects in the highest five (5) service areas shows a greater need per development unit. Please refer to the following table.

SA	2017 Schedule 1	2022 Schedule 1	\$ Difference	% Difference
A	\$2,025	\$1,642	-\$383	-19%
AA	\$205	\$355	\$150	73%
B	\$3,316	\$3,308	-\$8	0%
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	\$2,965	\$795	37%

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Additionally, discounts and other incentives were reviewed and discussed with the Mobility: Infrastructure Transportation Committee. Changes will be captured in an ordinance to be presented for council consideration in October.

Transportation Impact Fee Collection Rate (Schedule 2) Considerations

While gathering input from stakeholder groups in February and March, staff presented several considerations that would be reviewed in conjunction with the 2022 Study Update.

- Remove Smoothing Across Service Areas – The current Collection Rates have been set at a flat rate across Service Areas. The rate has historically been based on the initial Collection Rate set in 2008.
- Collection Rate as a percentage of Schedule 1 – This is reflective of the 2010 Blue Ribbon Task Force Recommendation to Council.
- Maintaining two land use categories of Residential and Non-Residential
- Maintaining the current policy of a 25% reduction for Non-Residential Projects

Based on the feedback from the stakeholder groups, staff has compiled a series of options for Council to consider.

Staff is presenting the following Collection Rate options to the stakeholder groups between August and September to provide feedback for Council before Adoption of the Study and Proposed Rates in October.

Residential Collection Rate Options:

Option	% of Schedule 1	SFR Average	SFR Uncaptured	MF Average	MF Uncaptured
1	50%	\$6,353	\$6,600	\$3,834	\$3,579
2	65%	\$8,885	\$4,784	\$4,907	\$2,506
3	80%	\$10,936	\$2,734	\$5,981	\$1,432
4	100%	\$13,670	\$0	\$7,413	\$0

* Based on a per-unit rate

Non-Residential Collection Rate Options:

Option	% of Schedule 1	Shopping Center Average	Shopping Center Uncaptured	Light Industrial Average	Light Industrial Uncaptured
1	25%	\$392,432	\$1,030,869	\$909,951	\$2,390,329
2	40%	\$598,605	\$824,696	\$1,388,016	\$1,912,263
3	55%	\$804,779	\$618,522	\$1,866,082	\$1,434,197
4	75%	\$1,069,718	\$353,583	\$2,503,503	\$796,776

* Based on a 50,000 sq. ft. shopping center and a 300,000 sq. ft. Industrial building

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**SUBJECT: 2022 TRANSPORTATION IMPACT FEE STUDY RESULTS AND ADOPTION TIMETABLE****Transportation Impact Fee Study Outreach**

City staff provided briefings on the updated land use assumptions, Transportation Improvements Plan, and maximum assessable rates to the following stakeholder groups: The Capital Improvements Advisory Committee for Transportation Impact Fees (CIAC), the Development Advisory Committee (DAC), and the Mobility: Infrastructure and Transportation Committee (MITC). Beginning in August, the briefings to stakeholders have included collection rate options. Staff have met with the North Fort Worth Neighborhood Alliance and is due to meet with the Greater Fort Worth Association of Realtors, Greater Fort Worth Builders Association, and the Real Estate Council, Northwest Fort Worth Neighborhood Alliance, and the Chapel Creek Neighborhood Association and again with the DAC and CIAC.

Capital Improvement Advisory Committee

The CIAC, is the City Plan Commissioners, who serve a dual role. On July 27, CIAC unanimously endorsed the 2022 Study and had no suggested changes to the updated land use assumptions, capital improvements plan, or maximum assessable fees. The CIAC considered the Collection Rate Options at their August 24, 2022 meeting. The CIAC concurred with the recommendation from Staff with a 7-1 vote:

- Residential Collection Rate Option 3 (80% of the Maximum)
- Non-Residential Collection Rate Option 3 (55% of the Maximum)

Staff is preparing development examples to demonstrate the impact of Option 3 in different service areas to share with CIAC and City Council. Staff will review options for potential fee increase phasing in service areas where the fee increase is substantial.

2022 Transportation Impact Fee Study Timetable

Study Item	Date
Community Meetings with various stakeholders	July - Sept
CIAC Recommendation on Collection Rate (Sch. 2)	8/24
Council Mobility: Infrastructure and Transportation Committee	9/13
Council Public Hearing	9/27
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



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Staff is targeting January 1, 2023, to implement the new Maximum Assessable Rate (Schedule 1) and Collection Rate (Schedule 2). While additional legal notice as to the Schedule 2 effective date is not required, staff would like to provide as much notice to the developer community as is possible of the effective date and rates to be collected.

If you have any questions comments or concerns please contact DJ Harrell at Dalton.Harrell@fortworthtexas.gov or 817-392-8032.

David Cooke
City Manager