

City of Tampa Multi - Modal Impact Fee

October 30, 2025

Update Overview and
Extraordinary Circumstances



Fehr & Peers

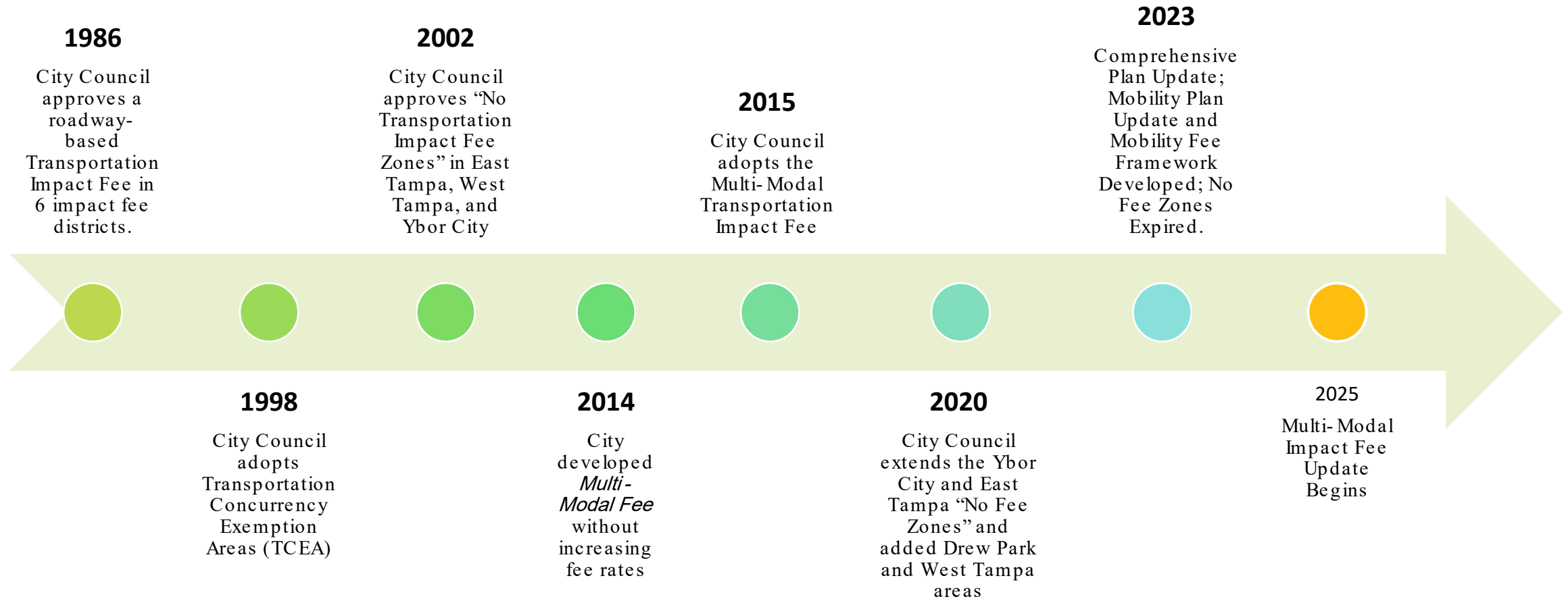


What is an Impact Fee?

An impact fee is assessed by a local government on new development to **help fund the cost of public infrastructure** improvements needed to **accommodate that development** . Fees are typically paid at the time of building permit issuance and are designed to offset the financial impact a new development has on public infrastructure .

| Purpose | How they Work | What they pay for | Other |
|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ensures that existing residents do not pay for the cost of infrastructure to support new development. | Developer pays an upfront one - time fee as part of the building permit process. May be combined with other types of exactions. | Finance capital improvements, like schools, police stations, parks, water/sewer systems and roads. We are only updating the transportation fee. | Impact fees must be proportionally related to the impact of new development and the expenditure of the funds collected, and cannot be used to fix existing deficiencies. |

History of the Impact Fee in Tampa



1989 was when fee amounts were last increased

How does new development pay for transportation Improvements?



Payment of **Multi - Modal Fee** based on land use, amount of development, and location in city, established through a nexus study.



Payment of a proportionate fee or **Mitigation Fee** based the land developments' expected impacts to the transportation system, identified through a Traffic Impact Analysis; and/or construction of off - site improvements .



Construction of site improvements on public right - of- way within or adjacent to project boundaries.

Florida Impact Fee Act Highlights (163.31801)

(2) The Legislature finds that impact fees are an important source of revenue for a local government to use in funding the infrastructure necessitated by new growth .

(4)(a) Ensure that the calculation of the impact fee is based on a study using the most recent and localized data available within 4 years of the current impact fee update. The new study must be adopted by the local government within 12 months of the initiation of the new impact fee study if the local government increases the impact fee.

(4)(f) Ensure that the impact fee is proportional and reasonably connected to, or has a rational nexus with, the need for additional capital facilities and the increased impact generated by the new residential or commercial construction.

(4)(g) Ensure that the impact fee is proportional and reasonably connected to, or has a rational nexus with, the expenditures of the funds collected and the benefits accruing to the new residential or nonresidential construction.

Phase in Limitations

An increase to a current impact fee rate of not more than 25 percent of the current rate must be implemented in two equal annual increments beginning with the date on which the increased fee is adopted.

- An increase to a current impact fee rate which exceeds 25 percent but is not more than 50 percent of the current rate must be implemented in four equal installments beginning with the date the increased fee is adopted.
- An impact fee increase may not exceed 50 percent of the current impact fee rate.
- An impact fee may not be increased more than once every 4 years.

Phase in Exceptions

A local government may increase an impact fee rate beyond the phase - in limitations established in the Florida Impact Fee Act by establishing the need for such increase in full compliance with the fee requirements, provided the following criteria are met:

1. A **demonstrated - need study** justifying any increase in excess of phase - in limitations has been completed within the 12 months before the adoption of the impact fee increase and expressly demonstrates the extraordinary circumstances necessitating the need to exceed the phase - in limitations.
2. The local government jurisdiction has held not less than two publicly noticed workshops dedicated to the extraordinary circumstances necessitating the need to exceed the phase- in limitations set forth in the Florida Impact Fee Act.
3. The impact fee increase ordinance is approved by at least a two - thirds vote of the governing body.

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1. Fee has not been increased since 1989.
2. Construction costs are increasing at a higher rate than general inflation.
3. Population and jobs are expected to continue growing.
4. Overall demand for multi-modal travel continues to increase.
5. The number of roadways operating beyond available capacity is increasing.
6. Other funding sources are decreasing.
7. Fees are low compared to surrounding communities.

Fees Have Not Been Increased Since 1989

Loss to inflation: \$1 in 1989 is worth \$2.65 today



If the fee had been adjusted annually since 1989, city would have collected at least \$135 million more in impact fees



Developments today are paying the equivalent of 37.5 cents on the dollar



Construction Cost Escalation



The amount of fee that could construct one lane mile of roadway in 1989 can construct 0.24 lane miles in 2025.

Population and Job Increases

Since 2005

Number of jobs has increased by 40% and total population has increased by 22%

Continued Growth

Comprehensive Plan anticipates adding 100,000 new residents and 250,000 new jobs by 2045

Job and Population Density Per Square Mile – 2005 to 2022

| | 2005 | 2010 | 2015 | 2020 | 2022 |
|---------------------|-------|-------|-------|-------|-------|
| Hillsborough County | 1,671 | 1,754 | 1,957 | 2,150 | 2,258 |
| City of Tampa | 5,318 | 5,480 | 5,722 | 6,511 | 6,926 |

Increasing Demand

Overall Multi - Modal Demand is Increasing

- Vehicle miles of travel in Tampa has increased by about 10% between 2005 and 2022, a slower rate than Hillsborough County and Statewide
- Vehicle miles of Travel per capita has decreased by about 15% over that same time period

Congestion is Increasing

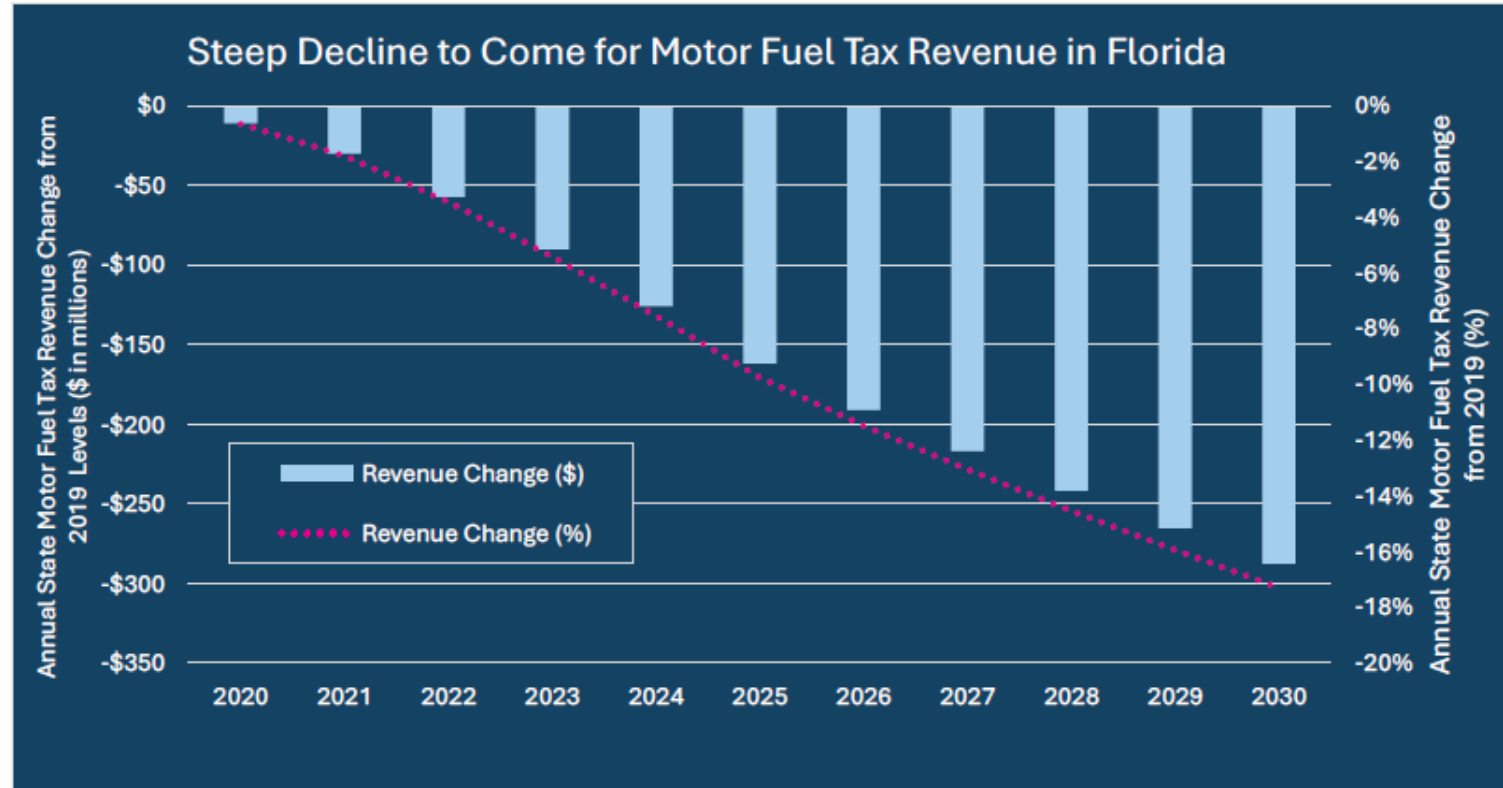
- The number of roadways operating beyond the available capacity is increasing, with more deficient roadways expected in the future



Other Funding Sources are Declining (and increasingly uncertain)

Other Funding Sources Include

- Gas tax (federal, state and local)
- Dedicated transportation sales taxes
- Grants
- General Fund
- Mitigation Fees
- Developer Agreements



Source: Alliance for Transportation Electrification and Drive Electric Florida

Not keeping Pace with Other Communities

| Jurisdiction | Single- Family Detached (1,501 to 2,500 sf) per unit | Multi - Family (1- 2 Floors) per unit | Office (under 100,000 sf) per 1,000 square feet | Retail (<50,000 sf) per 1,000 square feet | Industrial (Light) per 1,000 square feet |
|------------------------------------------|------------------------------------------------------|---------------------------------------|-------------------------------------------------|-------------------------------------------|------------------------------------------|
| City of Tampa (Average of all Districts) | \$1,772 | \$914 | \$4,502 | \$3,200 | \$1,399 |
| Hillsborough County Urban – 2022 | \$9,183 | \$6,661 | \$8,336 | \$13,562 | \$4,230 |
| City of Orlando (Downtown) | \$4,973 | 3,426 | \$4,848 | \$3,418 | \$2,224 |
| City of Orlando (Other) | \$5,645 | 3,883 | \$5,516 | \$5,516 | \$2,524 |
| Orange County Urban – 2025 | \$9,085 | \$6,563 | \$8,990 | \$11,111 | \$3,446 |
| City of Sarasota Urban Infill - 2025 | \$2,593 | \$1,244 | \$1,955 | \$4,466 | \$701 |

Extraordinary Circumstances Summary

- Current fee was established in 1989, not based on the most recent and localized data, with 18% of the construction purchasing power as compared to when it was first established.
 - Substantial growth is projected over the next 20 years and new development should pay their proportionate share to provide infrastructure needed to support their development.
- The city has been able to grow in an efficient manner, with vehicle miles of travel per capita decreasing as the city continues to grow, indicating that investments in a multi-modal transportation system have been effective.
 - But, congestion is increasing and will continue to increase unless additional multi-modal investments are made.
 - Other funding sources are increasingly uncertain.

Components of Multi - Modal Fees

Demand

What demand will new development create for transportation infrastructure?

Cost

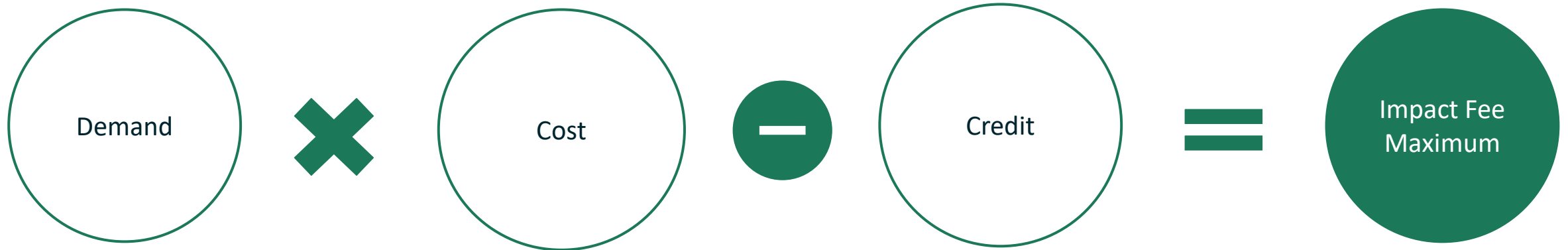
How much will it cost to build?

Credit

Avoid double taxation by considering other taxes already assessed to new residents, employees, customers and visitors.

Calculation

Travel demand varies by land use and area, so separate fees are developed for each use and areas within city.



Demand Component

Trip Generation

Current fee based on trip rates from the **3rd Edition** of the ITE Trip Generation Manual – updated fee will be based on **12th Edition** rates.

- Land use types have evolved.
- Subcategories added for urban contexts for some land uses.
- Most trip rates have changed – some increasing, and some decreasing.

Trip Length

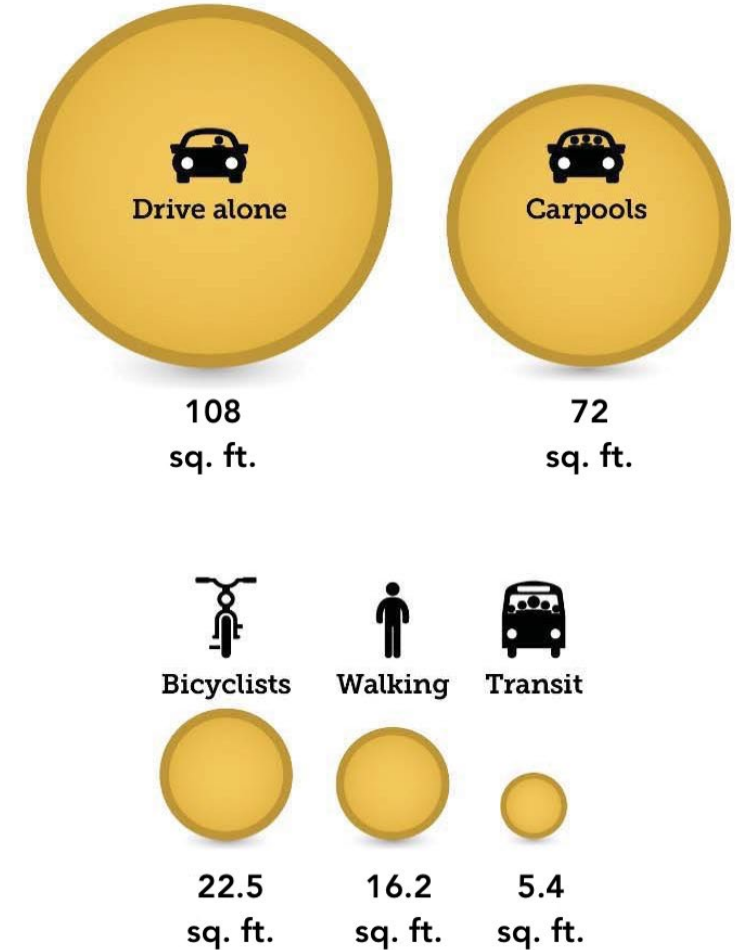
Current fee based on national household travel survey (NHTS) data, regional travel model, and local studies, based on pre - 1989 travel behaviors. Will be updated to current conditions.

Other Factors

Percent new trips (pass - by trips)

Non- Auto Trip Generation

Average vehicle occupancies



Costs

Components

Design: the cost to design transportation system improvements.

Right-of-way: value of the land on which improvements are provided.

Construction: cost per lane mile of facilities, based on the typical roadway cross - sections used.

Transit capital facilities : includes bus stop improvements and access to bus stop improvements, intersection enhancements, like queue jump lanes and infrastructure to support transit signal priority and other capital transit facilities.

Preliminary Comparison

| | 1989 | 2014 | 2025 |
|----------------------------|-------------|-----------------------|------------------------|
| Cost per Lane Mile | \$1,443,670 | \$3,616,800 | \$5,962,500 |
| Traffic Signal (Mast Arms) | \$167,000 | \$400,000 - \$500,000 | \$500,000 to \$750,000 |

What Can we Build?

1. New roadways and widening of roads to add new through lanes
2. New turn lanes or extension of existing turn lanes
3. New bridges or grade separations, either for vehicles or pedestrians/bicyclists
4. New, or upgrading of existing, drainage facilities in conjunction with roadway construction
5. Acquisition of right - of- way for the purpose of constructing transportation system improvements
6. Traffic signals, including new and upgraded signals, and associated software to increase the effective capacity of intersections (capital costs)
7. Curbs, medians and shoulders
8. Relocating utilities to accommodate roadway modifications that increase person trip capacity
9. Intersection improvements
10. New sidewalks and widening of existing sidewalks to add person capacity, including crossing improvements
11. On- street bicycle lanes and construction of bicycle/pedestrian trails
12. Wayfinding to support vehicle travel, access to transit, walking and biking
13. Capital transit facilities such as shelters and pullout bays
14. Park and ride lots

Does this fee apply to all land development projects? No.

Does not apply to minor renovations that do not increase the intensity of use on a site, or reconstruction of a building to the same intensity of prior uses.

Does not apply to government buildings, like a fire station or public school.

Process will be established to allow for reduced fees for specific land uses, such as affordable housing that meets certain requirements.



What do preliminary increase look like?

Depends on location in city, with development closer to downtown seeing lower rate increases.

Depends on the land use, with residential and employment uses seeing smaller rate of increase than retail.

Factors beyond construction cost increases contribute to overall increases for some uses, as trip lengths and trip rates have increased significantly for some uses.

Next Steps



Discuss the Extraordinary Circumstances.



Make a finding of Extraordinary Circumstances at an upcoming Council meeting.



We will then bring an updated fee schedule to the Council for consideration along with the nexus study.



The fee would be adopted over two readings, with the final fee schedule based on Council Direction.



New fees would become effective 90 days following the second reading.

A person wearing a red helmet and a patterned shirt is riding a bicycle on a multi-modal path. The path is adjacent to a road with several cars. In the background, there is a tall, modern building and a body of water under a cloudy sky.

Thank You!

City of Tampa Multi - Modal Impact Fee Update