City of Tampa Multi-Modal Impact Fee

September 25, 2025

Update Overview and Extraordinary Circumstances

City of Tampa Florida

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

Ensures that existing residents do not pay for the cost of infrastructure to support new development.

How they Work

Developer pays an upfront one-time fee as part of the building permit process. May be combined with other types of exactions.

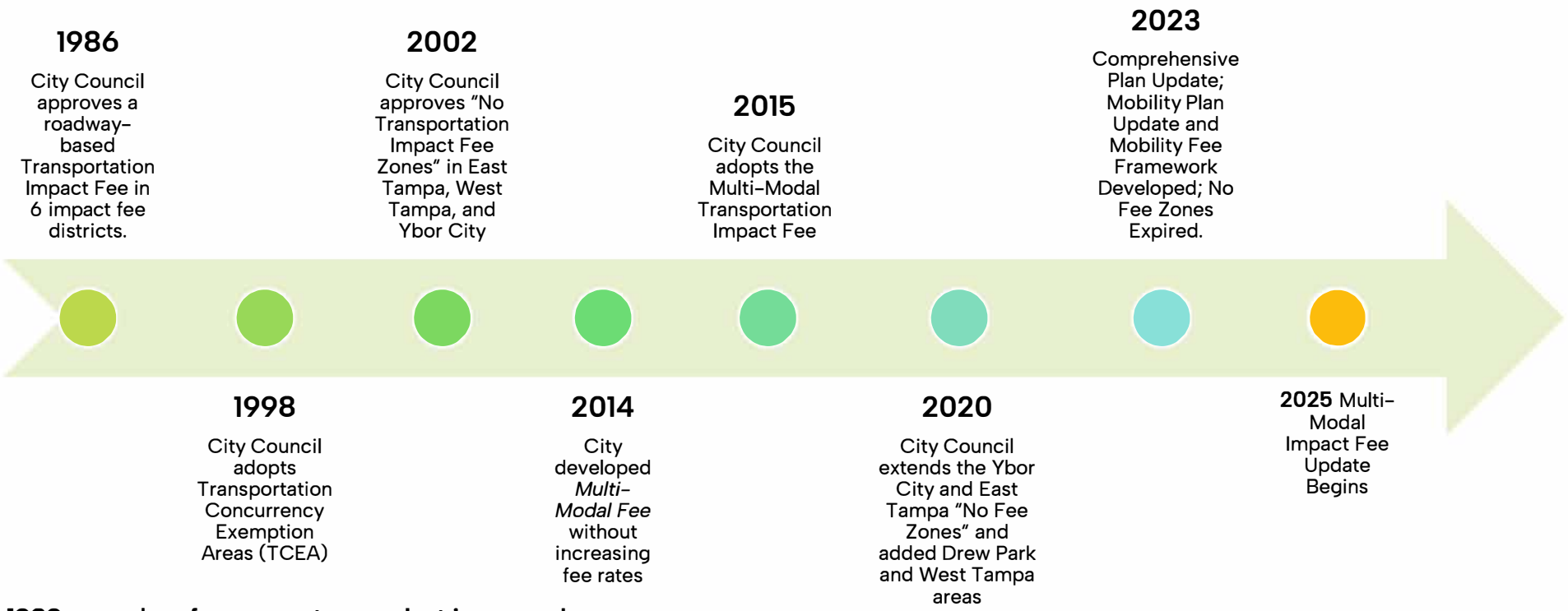
What they pay for

Finance capital improvements, like schools, police stations, parks, water/sewer systems and roads. **We are only updating the transportation fee.**

Other

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 need for additional capital facilities and the increased impact generated by the new residential or commercial 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:

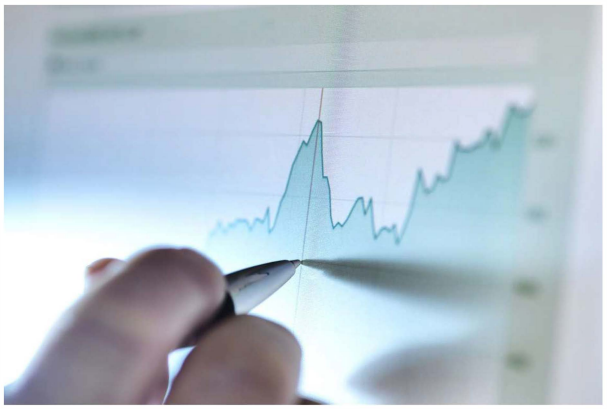
1. A **demonstrated-need study** justifying any increase in excess of phase-in limitations has been completed within the 12 months before the adoption of the impact fee increase and expressly demonstrates the extraordinary circumstances necessitating the need to exceed the phase-in limitations.
2. The 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.

What Extraordinary Circumstances are leading to the Demonstrated Need for a Fee Update?

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

Fees Have Not Been Increased Since 1989

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



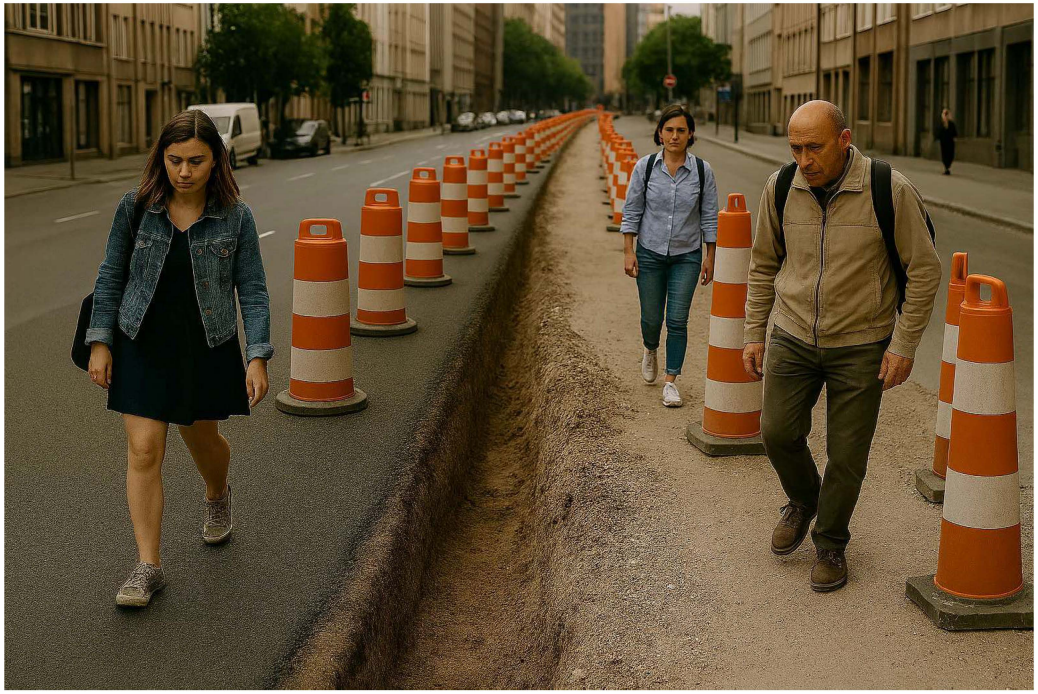
If the fee had been adjusted annually since 1989, city would have collected at least $135 million more in impact fees

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

Not keeping Pace with Neighboring 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
Manatee County NE District [Highest] – 2025	$7,752	$5,803	$5,168	$8,355	$3,265
Manatee County SW District [Lowest] – 2025	$4,505	$3,585	$3,696	$8,355	$2,335
Manatee County – Sept 9, 2025	$19,768	$18,117	$17,953	$13,174	$8,059
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

Construction Cost Escalation



The amount of fee that could construct one lane mile of roadway in 1989 can construct 0.18 lane miles in 2025.

Population and Job Increases

Since 2025

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

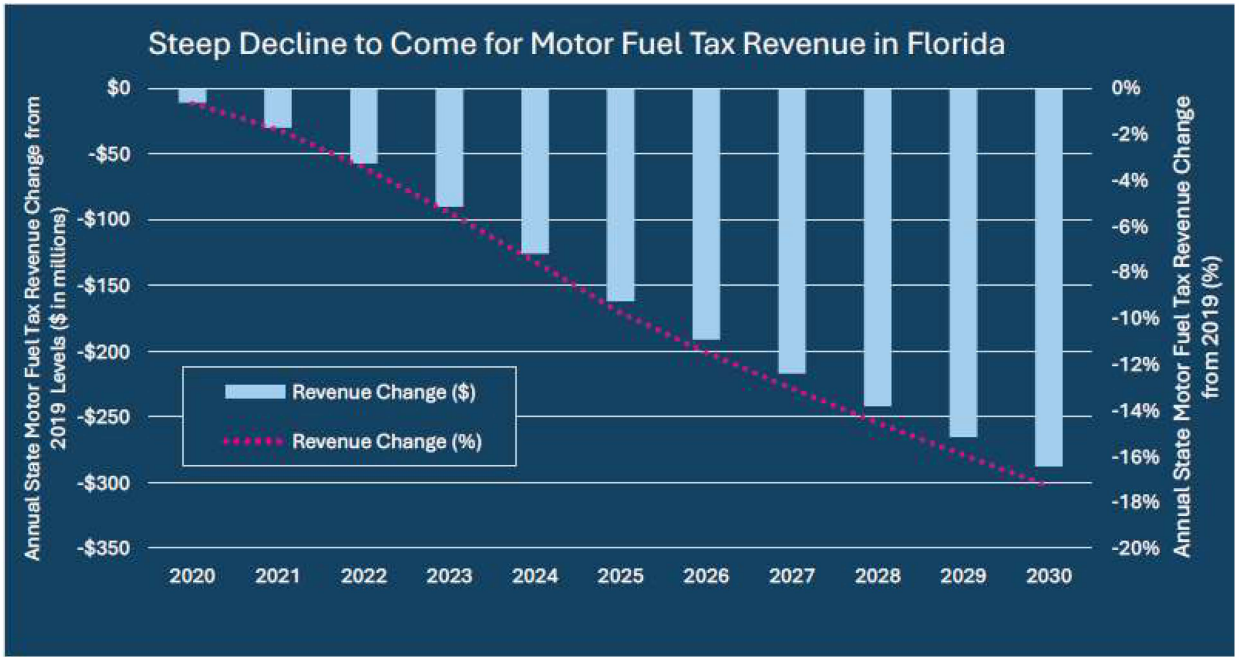
Congestion is Increasing

- 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

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.
- Fees are low compared to surrounding communities, including Hillsborough County.
- 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.

Next Steps

- Discuss the Extraordinary Circumstances and let us know what additional questions you have.
- We will bring back additional information at the next workshop such that a final determination of Extraordinary Circumstances can be made.
- We will then bring an updated fee schedule to the Council for consideration along with a Nexus study.
- The fee would be adopted over two readings.
- New fees would become effective 90 days following the second reading.

Thank You!

City of Tampa Multi-Modal Impact Fee Update