



Fort Worth adopts impact fee for developers

BY ALESHIA HOWE

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The culmination of more than two years of studies resulted in the approval of a flat rate transportation impact fee for the city of Fort Worth.

In answer to the explosion of development – particularly in the city’s fringes, such as far north and far south Fort Worth – the fees will be used for road construction.

The fee assessed will be a \$2,000 flat fee for each single-family residential unit in Fort Worth and a \$1,500 fee for every non-residential development within the city’s limits.

Six plans were presented to council members that included variations of the fee to be collected. Council members also entertained the idea of implementing a variable rate, meaning the fee would be assessed according to the geographic location of the development and what roadways already existed in the area. Councilman Carter Burdette, who represents northwest Fort Worth, advocated for a variable fee, saying the residential developers who are building in his district are adding a transportation burden to the city by not constructing proper roads surrounding their residential developments.

“I don’t think a flat fee does what an impact fee should,” Burdette said. “It’s neither equitable nor effective. A builder putting minimum impact on our system is going to have to pay the same fee that the builder that goes out in the far reaches of the city and puts a huge impact on the city.”

Council members said they were concerned that setting variable fees would drive new stores and businesses to surrounding cities.

In a presentation before the council prior to the vote, Chairman of the Development Advisory Committee Lee Nichol warned council members of reaching the tipping point, or the theoretical point where diminishing returns take over and the city doesn’t see as much development – both residential and non-residential

“Growth pays for growth ... but not if we choke off that growth,” Nichol said. “It’s not just this impact fee; it’s the march of time as we’ve added on [development fees] and each one has merit, but each one might get us to that point that we regret it or we regret the degree to

which we implemented it.

David Berzina, executive vice president for the Fort Worth Chamber of Commerce, said his organization supports council's decision citing a direct correlation between the growth of commercial development and the subsequent growth of residential development.

"We are fearful of getting past that tipping point and submitting a message to the outside world that Fort Worth is numerically non-competitive on big projects," Berzina said.

Jim Maibach, a broker with Peyco Southwest Realty Inc., said roadway impact fees are becoming a standard throughout North Texas.

"Cities in a growth area can get away with charging up-front fees for development and those impact fees are a fairly standard deal now," he said. "As long as they're not excessive, they're just a price of doing business."

Maibach serves on Arlington's Impact Fee Committee and he said many cities surrounding Fort Worth have variations of impact fees.

"In a slowing residential development market, which is what we're in, if those fees are too high, the land will sit there for longer with no taxes being paid on it and the city is shooting themselves in the foot for future development," Maibach said. "But with so many cities in the Metroplex having their own impact fees, it's just becoming the norm."

Arlington implemented impact fees in 1989 and currently operates on a variable system based on a miles of travel calculation. Assistant Director of Planning and Development Services for Arlington Michelle Hardin said the city revises its impact fees every five years and the issue is always a controversial one.

City staff has commissioned a formal study of the transportation impact fee, which will be completed by the end of 2008. Council members agreed to re-visit the issue once they had the completed study.

Fort Worth Mayor Mike Moncrief said the fee approved by council is primarily a "starting point" for council members.

"It is not where we're going to necessarily end up," Moncrief said. "It will give us time to put something on the ground and it will give us time to see what that study is going to tell us."

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