

Board of County Commissioners

**Chapter 23 Impact Fees
Economic Incentives**

July 28, 2020



Presentation Outline

- Purpose
- Background
- Chapter 23 Amendments
- Advisory Board Review
- Action Requested



Purpose

- During this time of economic uncertainty related to the spread of COVID-19, Orange County is considering a number of temporary economic incentive measures to ease the cumulative economic burden of development regulation
 - Tier 1 – (approved by the BCC on July 7, 2020)
 - Building permit extensions
 - Building permit fee offsets
 - Tier 2 – (under consideration)
 - Deferral of impact fees to Certificate of Occupancy
 - Exemption of certain impact fees for Change of Use





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Background

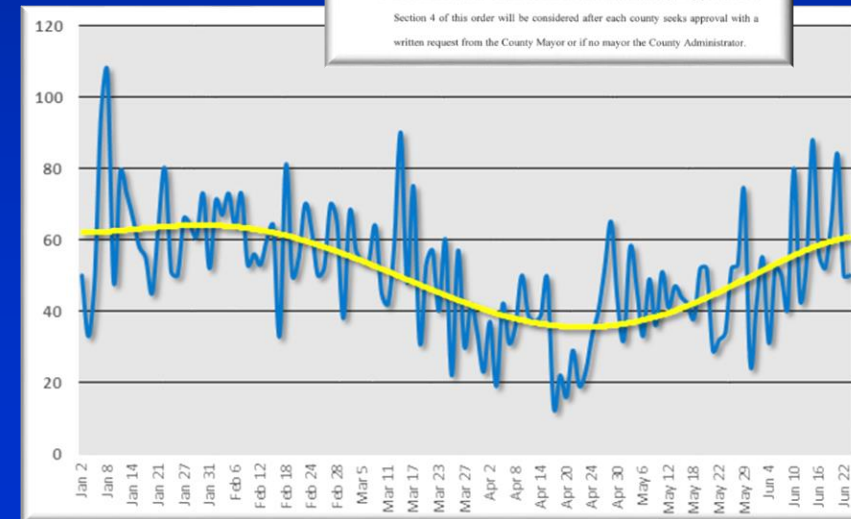
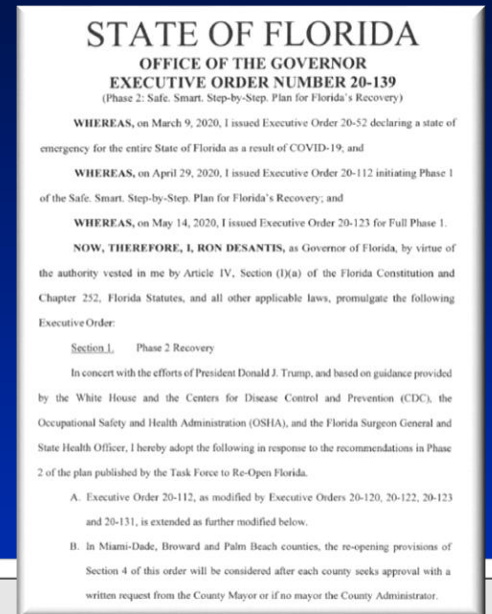
■ Health and Economic Crisis

– Currently under State of Local Emergency

– Orange County has suffered negative economic impacts from COVID-19

- High unemployment
- Billions in revenue losses
- Strong dip in development activity – February through May
- Stabilizing - future still uncertain

– It is in the best interest of the citizens of Orange County to help prevent further damage to the local economy



Background

▪ **County Impact Fees - Chapter 23. Orange County Code**

- Charges assessed on new development to help pay for public infrastructure required for new development
- Generally charged at the issuance of a project's building permit
- Current ordinance allows several types of uses to defer payment to pre-power or certificate of occupancy
- Fees assessed for:
 - Law Enforcement
 - Fire Rescue
 - Transportation
 - Schools
 - Parks





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Chapter 23 Amendments

- **Deferral of impact fees to Certificate of Occupancy**
 - All fees - Transportation/Fire/Law Enforcement/Schools/Parks
 - Procedural change - no cost to County
 - Does not affect previous negotiated contractual provisions for timing of fee payment
 - Follows existing deferral process



Chapter 23 Amendments

■ Chapter 23. Impact Fees

– Applicability

- This ordinance is not intended to, nor shall it, affect any binding agreements effective and existing as of the Effective Date.

– Time of Payment

- (Law) Sec. 23-29 (e)(6); The foregoing in this subsection 23-29(e) notwithstanding, for the period beginning August 3, 2020, and ending July 30, 2021, payment of the law enforcement impact fee may be made not later than when pre-power is authorized for the first building, or prior to issuance of the first certificate of occupancy, temporary or permanent, whichever occurs earlier.
- Same change for - Fire Rescue: 23-60(e)(7); Transportation: 23-91(c); Schools: 23-142(f); Parks: 23-180(e)(4)



Chapter 23 Amendments

- **Transportation Impact Fee exemption for Change of Use Permits**
 - Similar effort in response to Great Recession - \$100,000 cap
 - Recent case examples:
 - 1,738 sf warehouse to retail - TIF \$6,991.97
 - 4,800 sf industrial to karate school - TIF \$5,832
 - 900 sf office to auto sales - TIF \$631
 - Small percentage of overall TIF revenue



Chapter 23 Amendments

▪ Chapter 23. Impact Fees (transportation)

– Exemptions and discounts

- 23-98(a)(12) The foregoing subsection 23-98(a)(3) notwithstanding, for the period beginning August 3, 2020, and ending July 30, 2021, and regardless of the impact on traffic generation rates, change in use permits and alterations of a residential structure existing as of July 28, 2020, where the use is changed, provided such new use is located within the urban service area boundary, is consistent with both the existing zoning of such property and the county's current Comprehensive Plan, and provided further that the size of the existing structure is not increased and the footprint of the existing structure is not modified, shall be exempted from payment of the applicable transportation impact fee in an amount up to, but not exceeding, \$100,000.00.



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Advisory Board Review

- **Local Planning Agency – July 16, 2020**
 - Determination of consistency with the Comprehensive Plan
 - Recommendation of approval of ordinance
- **Development Advisory Board – July 20, 2020**
 - Recommendation of Approval



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Action Requested

- **Make a Finding of Consistency with the Comprehensive Plan**
- **Approval of Ordinance amending Chapter 23 (“Impact Fees”) allowing for deferral of payment of impact fees until Certificate of Occupancy and creation of an exemption for payment of transportation impact fees for change of use permits.**