ORANGE COUNTY FLORIDA

Transportation Impact Fee Study Update

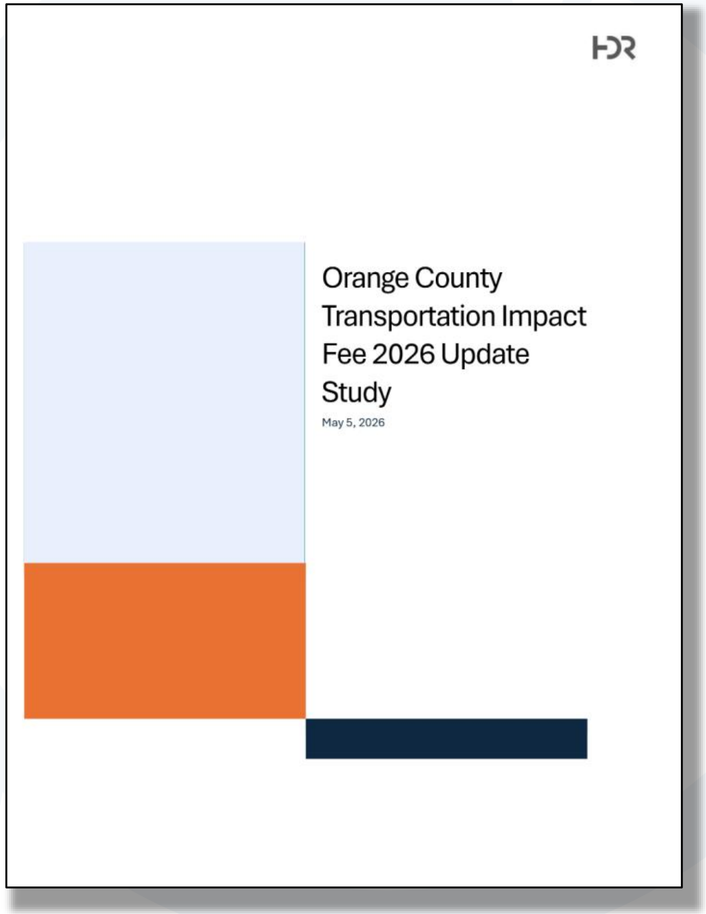
Worksession

June 16, 2026

Public Works Department

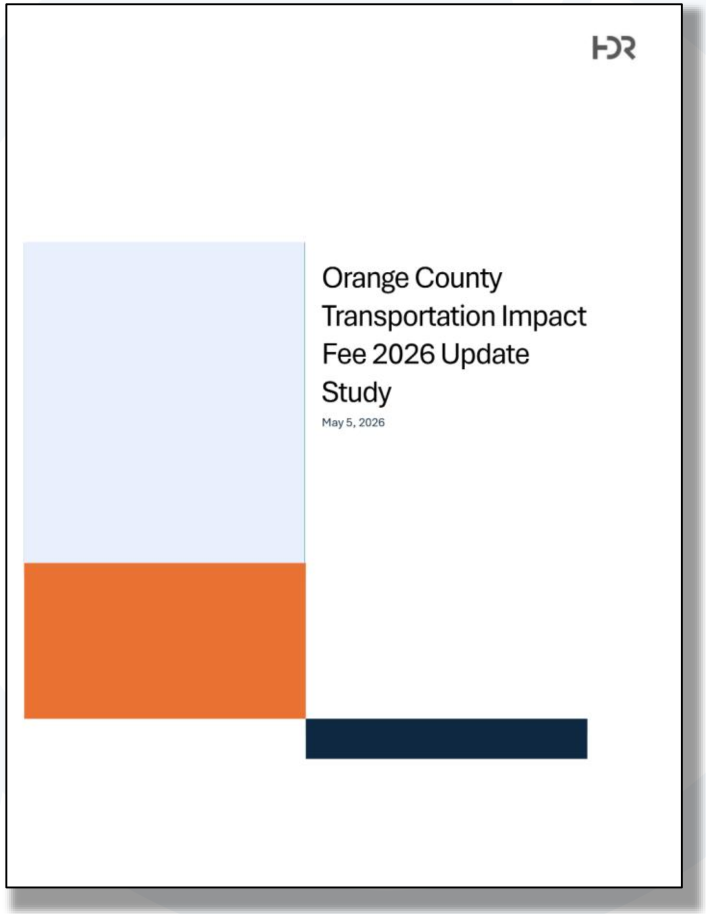
Presentation Outline

- Purpose
- Background
- 2026 Study Update
- Considerations and Options
- Possible Next Steps and Schedule
- Summary
- Board Direction



Presentation Outline

- **Purpose**
- Background
- 2026 Study Update
- Considerations and Options
- Possible Next Steps and Schedule
- Summary
- Board Direction


Orange County Transportation Impact Fee 2026 Update Study
May 5, 2026

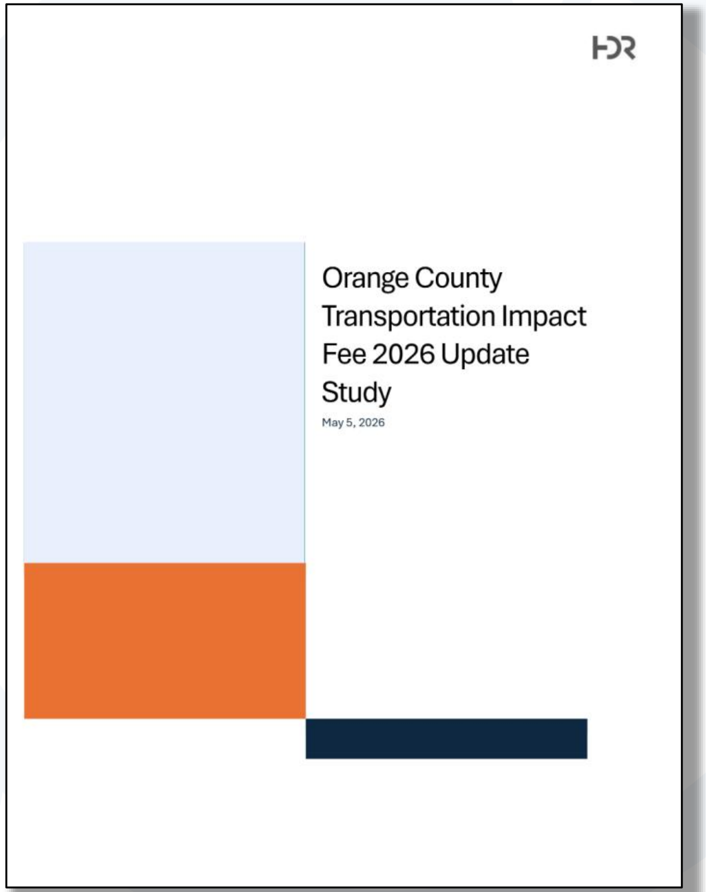
Purpose

- **Review of our Transportation Impact Fee Study is required pursuant to OC Code Section 23-99**
  - **Last update by Board in June 2021**
- **Present findings of the 2026 Transportation Impact Fee (TIF) Study Update**
- **Seek Board direction on whether to proceed with Ordinance update**

Orange County Code Section 23-99:
This article shall be reviewed by the BCC at least every five (5) years. The purpose of this review is (i) to analyze the effects of inflation on the actual costs of transportation facility improvements; (ii) to review and revise, if necessary, the improvements listed in the projected transportation network; and (iii) to ensure that the fee charged new land development that generates traffic will not exceed the new development's pro rata share for the reasonably anticipated expansion costs of transportation facility improvements necessitated by the new development

Presentation Outline

- Purpose
- **Background**
- 2026 Study Update
- Considerations and Options
- Possible Next Steps and Schedule
- Summary
- Board Direction


Orange County Transportation Impact Fee 2026 Update Study

May 5, 2026

Background

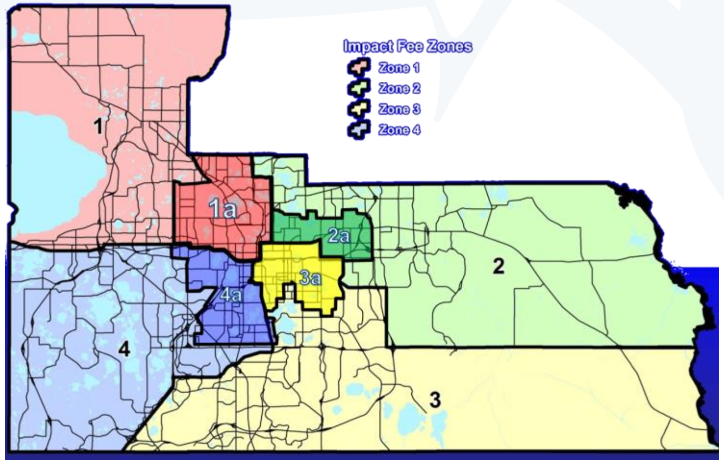
- **What is an impact fee?**
  - One-time capital charge assessed on new development
  - Fund infrastructure (capital) needed to serve growth
  - Ensure new growth pays its fair share of costs
  - Must satisfy the “Dual Rational Nexus Test”
    - Fee must be proportional to impacts created by development
    - Revenues must benefit the development paying the fee
  - Supported by a technical study
  - Based on the most recent and localized data

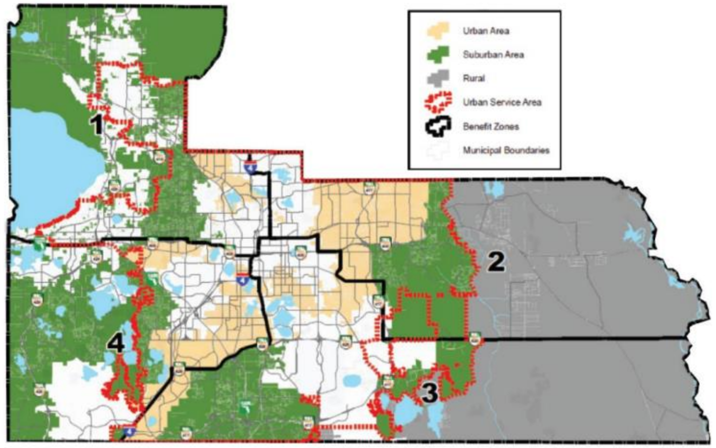
Background

- Orange County has adopted impact fees for:
  - Transportation (update underway)
  - Schools (update underway)
  - Fire Protection
  - Law Enforcement
  - Parks
- Florida Statute §163.31801 "Florida Impact Fee Act"
  - Impact fees to be periodically reviewed and updated using current localized data to maintain compliance with the dual rational nexus test
- Orange County Code 23-99
  - Review of article at least every five (5) years.
  - (i) inflation, (ii) improvements listed, (iii) not exceed pro rata share

Background

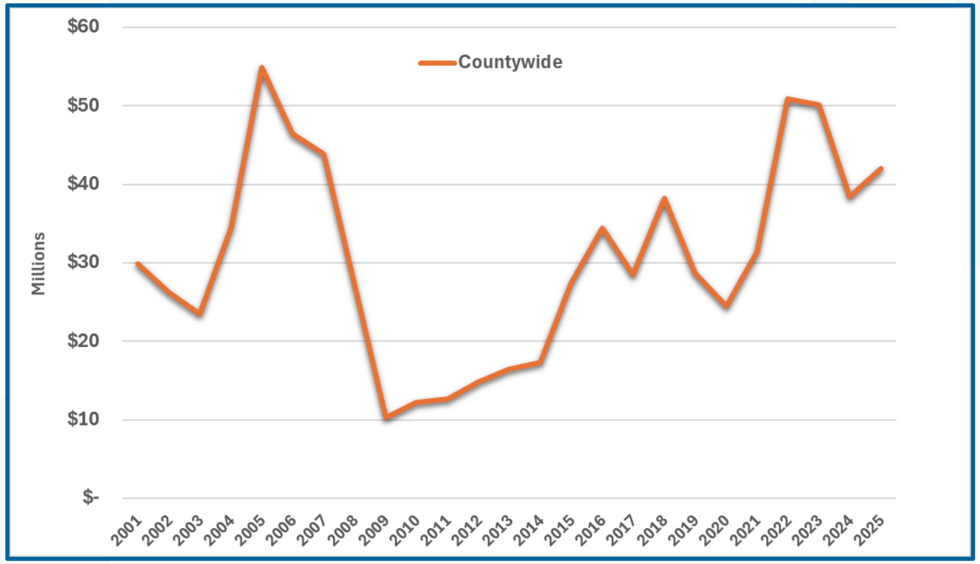
- **History of Transportation Impact Fee Updates**
  - 1985 – Established
  - 1990 – Updated
  - 1998 – Updated
  - 2004 – Updated
  - 2009 – Update Postponed (Economic Recession)
  - 2012 – Updated (Adopted AMA, @42% up to 56%)
  - 2020 – Updated (AMA Removed, Introduced Geographic Fee, @100%)
  - 2026 – Underway

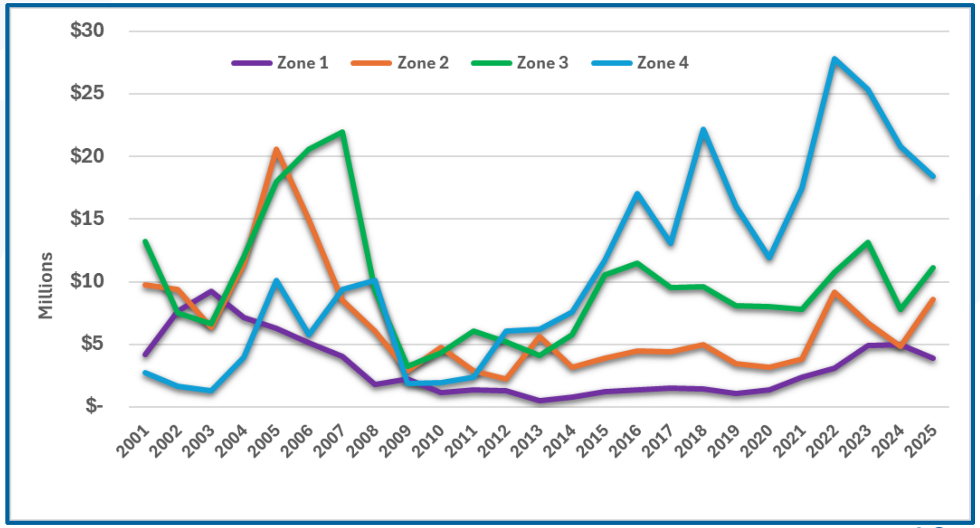




Background

- **Volatile revenue source**
  - **Maximum of $50-$55 million annually**
- **Generally lags development impacts as fees are assessed at building permit (per FS)**
- **Four (4) Transportation Impact Fee Benefit Zones**
  - **Per statutory nexus requirements**
  - **Most new development in Zone 1 is in incorporated areas**

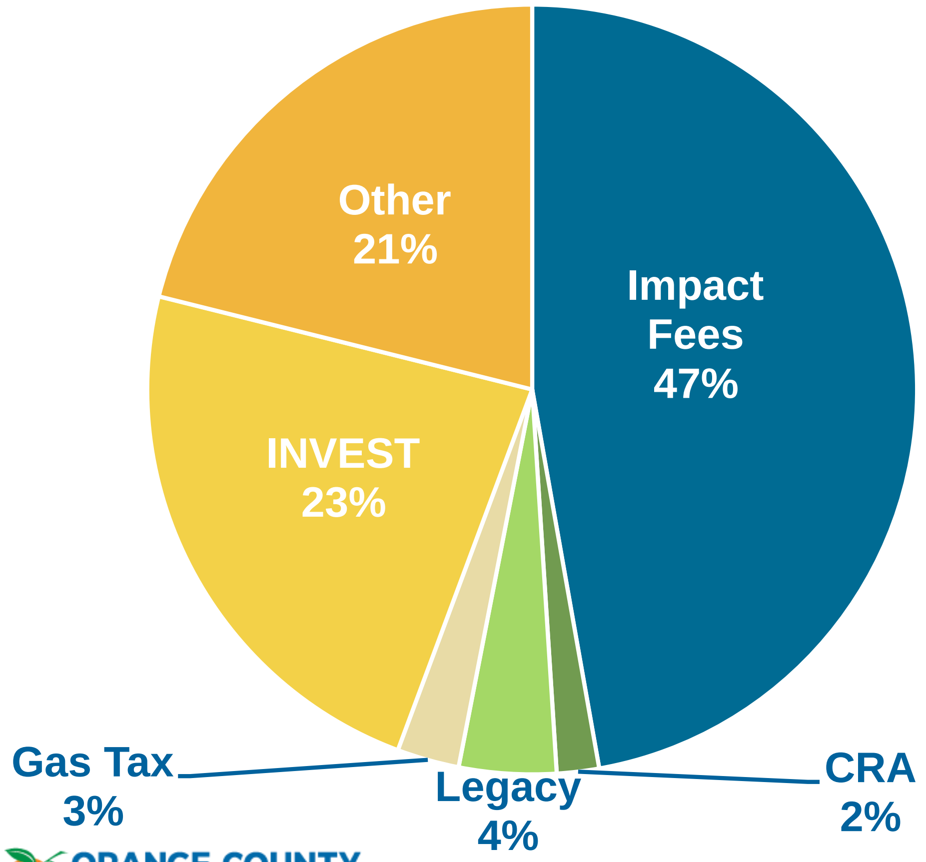




Background

- **Annual CIP (avg. for last 5 years)**

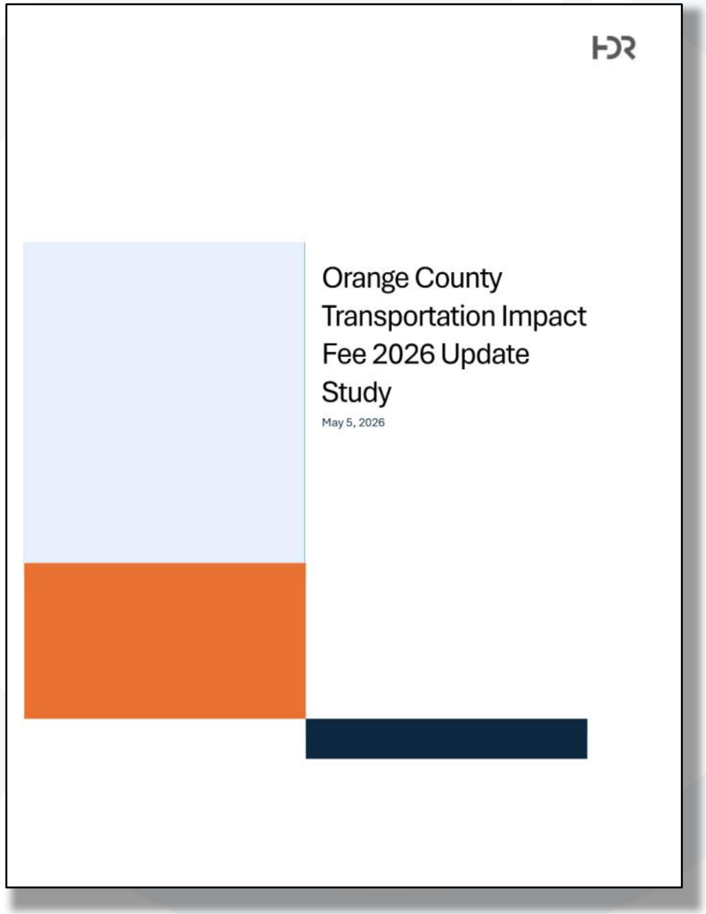
Funding Sources as % of Budget



Funding Sources	Amount
Impact Fees	$ 14,616,253
I-Drive CRA	$ 548,347
Legacy	$ 1,263,674
Gas Taxes	$ 808,355
INVEST	$ 7,186,343
Other	$ 6,535,392
Total	**$ 30,958,364**

Presentation Outline

- Purpose
- Background
- **2026 Study Update**
- Considerations and Options
- Possible Next Steps and Schedule
- Summary
- Board Direction


Orange County Transportation Impact Fee 2026 Update Study

May 5, 2026

2026 Study Update

- **Impact Fees are categorized by various land uses reflecting their unique infrastructure demands**
- **Consumption-based approach**
  - **New development charged on proportion of VMT that new development consumes on the roadway network**
- **3 Major impact fee study components**
  - **Demand**
  - **Cost**
  - **Credit**

Impact Fee Equation:

Fee = [Demand x Cost] – Credit

Increases Impact Fee

Decreases Impact Fee

2026 Study Update

- Demand Component
  - Trip Generation Rate
  - Trip Length
  - Percent New Trips
  - Limited Access Discount Factor

Demand Component

- **Trip Generation Rate**
  - Number of vehicles per day
  - Latest ITE 12th Edition Land Use Characteristics
- **Added New LU Categories**
  - Pickleball
  - Free Standing Emergency Room
  - Special Timeshare (up to 16 bedrooms)
  - Massage Spa
  - Coffee Shop

ITE LUC	LUC Category	Land Use	Unit	TGR 2020	TGR 2026
210	Res	Single Family >3,500 sf	du	10.07	13.98
221	Res	Multi-Family (3-10 floors)	du	5.44	4.46
710	Office	General Office 50 ksf or less	1,000 sf	10.83	8.71
732	Office	Post Office	1,000 sf	103.94	103.94
820	Retail	Retail/Tourist Retail: 100,001-200,000 sf	1,000 sf	48.16	68.81
934	Services	Fast Food Restaurant w/Drive-Thru	1,000 sf	482.53	371.76

Demand Component

- Updated Percent New Trips
  - Pass By Rates
- Review of average Trip Lengths
  - Distance travelled on County Roadways
  - Reviewed data including recent studies and travel demand model
- Limited Access Discount Factor
  - 2020 Study – 36.1%
  - 2026 Study – 42.5% (18% increase)
  - Greater portion of vehicle trips are using Interstates and Toll Facilities

Varied Change to Impact Fee

No Change to Impact Fee

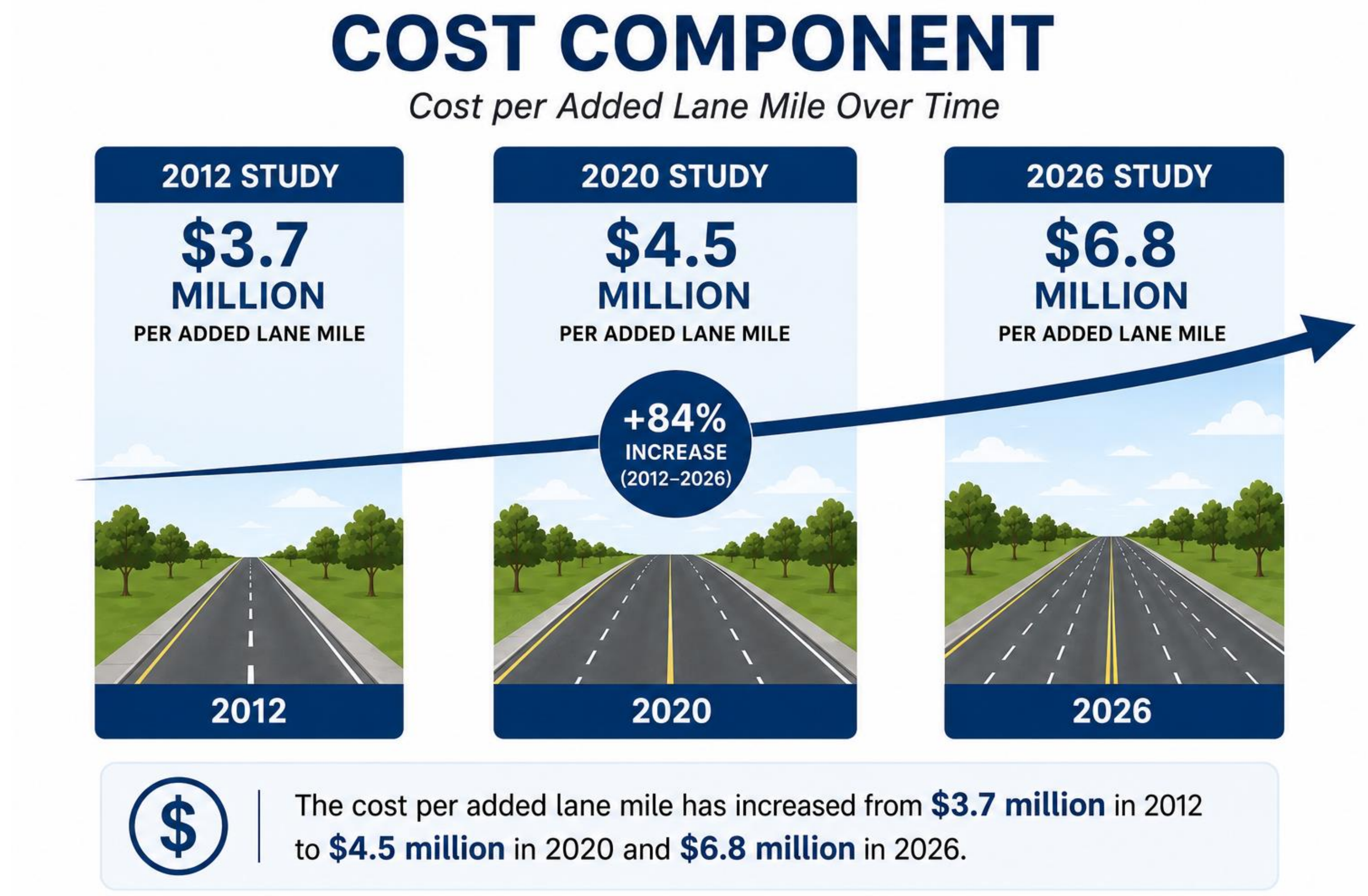
Decreases Impact Fee

Cost Component

- Cost Per Added Lane Mile
  - Review of County Completed Projects since 2009
  - Design – $500,000 /lane mile
  - ROW – $2.30M /lane mile
  - Construction/CEI – $4.0M /lane mile
  - Total cost – $6.8M /lane mile
- Actual construction costs up 33% since 2020
- Total cost up 50% since 2020 (was $4.54M)

Increases Impact Fee

Cost Component



Credit Component

- Recognizes other funding sources for capacity improvements
- Prevents “double charging” of new developments
  - Gas taxes
  - Ad valorem taxes
  - Non-impact fee revenues
- Revenues converted to fuel tax and ad-valorem equivalent and brought to 25-year present value
  - 2020 Study: $0.135 pennies + ad valorem share
  - 2026 Study: $0.194 pennies + ad valorem share
  - Credit component increased 44% due to increased projects funding/costs (City, County & FDOT)

Decreases Impact Fee

2026 Study Update

Fee Comparison – Orange County 2020 Adopted Rates

Land Use	Unit	Orange County Urban	Orange County Suburban	Orange County Rural
Study Update	-	**2020**	**2020**	**2020**
Single Family (2,000 sf)	du	$\boxed{\$8,218}$	$\boxed{\$10,138}$	$\boxed{\$11,586}$
Apartments/ Townhouses (low rise)	du	$5,937	$7,303	$8,349
Retail (100 – 200 ksf)	1,000 sf	$11,052	$\boxed{\$12,926}$	$13,769
Office (under 50,000sf)	1,000 sf	$8,132	$10,037	$11,473

ORANGE COUNTY
FLORIDA

2026 Study Update

Fee Comparison – Orange County 2020 & 2026 Study Rates

Land Use	Unit	Orange County Urban	Orange County Suburban	Orange County Rural	Orange County Urban	Orange County Suburban	Orange County Rural
Study Update	-	**2020**	**2020**	**2020**	**2026**	**2026**	**2026**
Single Family (2,000 sf)	du	$8,218	$10,138	$11,586	$14,271	$15,277	$16,309
Apartments/ Townhouses (low rise)	du	$5,937	$7,303	$8,349	$9,124	$9,785	$10,438
Retail (100 – 200 ksf)	1,000 sf	$11,052	$12,926	$13,769	$21,329	$24,525	$28,032
Office (under 50,000sf)	1,000 sf	$8,132	$10,037	$11,473	$9,175	$9,860	$10,516

2026 Study Update

Fee Comparison – Orange County 2026 Indexed* Rates

Land Use	Unit	Orange County Urban	Orange County Suburban	Orange County Rural	Orange County Urban	Orange County Suburban	Orange County Rural
Study Update	-	**2020***	**2020***	**2020***	**2026**	**2026**	**2026**
Single Family (2,000 sf)	du	$9,394	$11,589	$13,244	$14,271	$15,277	$16,309
Apartments/ Townhouses (low rise)	du	$6,787	$8,348	$9,544	$9,124	$9,785	$10,438
Retail (100 – 200 ksf)	1,000 sf	$11,490	$13,446	$14,322	$21,329	$24,525	$28,032
Office (under 50,000sf)	1,000 sf	$9,296	$11,473	$13,115	$9,175	$9,860	$10,516

2026 Study Update

Fee Comparison – Counties

Land Use	Unit	Orange County Urban	Orange County Suburban	Orange County Rural	Osceola County	Seminole County	Hillsborough County
Study Update	-	**2026**	**2026**	**2026**	**2024**	**2021**	**2022**
Single Family (2,000 sf)	du	$14,271	$15,277	$16,309	$21,710	$2,714	$13,038
Apartments/ Townhouses (mid rise 3-10 floors)	du	$4,812	$5,106	$5,467	$14,040	$1,237	$3,931
Retail (100 – 200 ksf)	1,000 sf	$21,329	$24,525	$28,032	$24,603	$3,819	$15,962
Office (under 50,000sf)	1,000 sf	$9,175	$9,860	$10,516	$10,056	$1,840	$11,770

ORANGE COUNTY FLORIDA

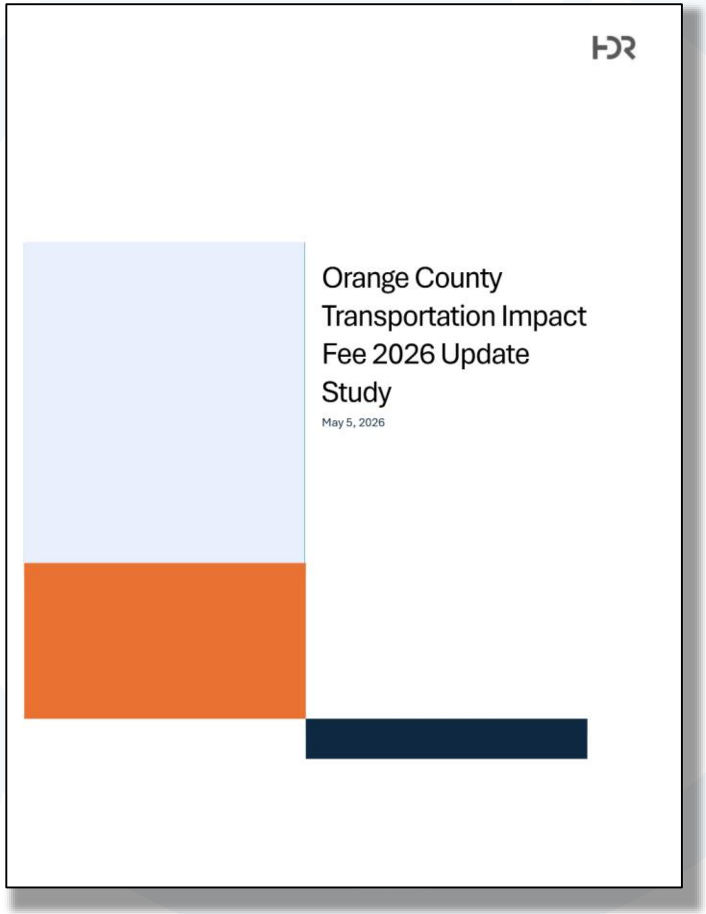
2026 Study Update

Fee Comparison – Cities

Land Use	Unit	Orange County Urban	Orange County Suburban	Orange County Rural	Orlando @85%	Apopka @100%	Jacksonville @100%
Study Update	-	**2026**	**2026**	**2026**	**2023**	**2023**	**2023**
Single Family (2,000 sf)	du	$14,271	$15,277	$16,309	$5,645	$9,000	$2,456
Apartments/ Townhouses (mid rise 3-10 floors)	du	$4,812	$5,106	$5,467	$2,562	$4,825	$860
Retail (100 – 200 ksf)	1,000 sf	$21,329	$24,525	$28,032	$8,033	$10,774	$5,445
Office (under 50,000sf)	1,000 sf	$9,175	$9,860	$10,516	$5,516	$8,020	$1,560

Presentation Outline

- Purpose
- Background
- 2026 Study Update
- **Considerations and Options**
- Possible Next Steps and Schedule
- Summary
- Board Direction



Considerations and Options

- In Florida, legal requirements related to impact fees were primarily been established through case law since the 1980s
- Recent legislative sessions have targeted impact fee requirements and generally restricted local government’s ability to increase impact fees
- Recent Bills: SB180, SB 1080 (2025) & HB1329 (2026)
  - Greater legal scrutiny of impact fee methodology
  - Limits on fee increases and phase-in requirements
  - Expanded reporting and transparency requirements
  - 2026 changes added definitions and requirements for:
    - Plan-based methodology
    - Demonstrated needs study
    - Extraordinary circumstances

2026 Study Update started prior to HB 1329 being filed

Considerations and Options

- SB 180 has impacted many local governments consideration of impact fee updates
  - Manatee County - May 8, 2025 (legally challenged)
  - Clay County - March 10, 2026 (adopted)
  - City of Tampa - November 2025 (not formally adopted)
  - City of Lakeland - August 18, 2025 (adopted)
  - City of New Smyrna Beach - July 8, 2025 (adopted)
  - City of West Palm Beach - May 27, 2025 (adopted)
- Orange County could be subject to a challenge
- Depending on results of any decision and potential litigation, increased TIF assessments and collections could be impacted

Considerations and Options

- **FS 163.31801(6) limits how quickly impact fees may increase**
  - 90-day notice requirement for any increase
  - Increases between 0-25 percent (two annual installments)
  - Increases greater than 25 percent but not more than 50 percent (4 equal increments)
  - Extraordinary circumstances must be met to exceed phase in limitations
  - Even with extraordinary circumstances, no increase may exceed 100% (divided equally over 4 years)
- **Effects of Phase-in limitations**
  - Helps moderate development market impacts of fee increases
  - Delays or prohibits full revenue realization
  - Reduces near-term funding availability
  - May defer transportation improvements due to cost increases

Considerations and Options

Impacts to Housing Costs and Supply

Impact Fee	Single Family 1 du (suburban)	Multi-Family 1 du (suburban)
Schools (100%)	$11,402	$8,805
Fire (100%)	$462	$298
Law Enforcement (100%)	$665	$234
Parks (100%)	$2,434	$1,617
Transportation (100%)	$11,589	$8,348
Total	**$26,552**	**$19,302**
Updated Transportation (100%)	*$15,277*	*$9,785*
Updated Total	***$30,240***	***$20,739***

Total Impact Fees on $740k SF unit is about 4%

Total Impact Fees on $273k MF unit is about 7.6%

Board has an adopted policy regarding impact fee waivers for affordable housing (Resolution 2025-M-41)

Considerations and Options

1. Defer Transportation Impact Fee Update Decision
2. Advance subject to Phase-In Limitations
3. Advance with Extraordinary Circumstances

- Annual TIF Revenue Comparison
  - Estimated using 2025 development activity

1. Defer update	$56.5M
2. Phase-In limited	$68.3M (+ $11.8M, 20.9% increase)
3. Full w/ ext. cir.	$76.9M (+ $20.4M, 36.1% increase)

Considerations and Options

1. Defer Transportation Impact Fee Update Decision

- Today's review satisfies requirements of Orange County Code
- Defers broader policy decision to future Board
- Avoids potential legal challenge
- Allows current economic uncertainty to play out
- Potential reduced revenues

2. Advance with Phase-In Limitations

- Could realize increased TIF revenues (but not maximum amount)
- Minor study update is required
- Could be subject to legal challenge
- Lower Board approval threshold

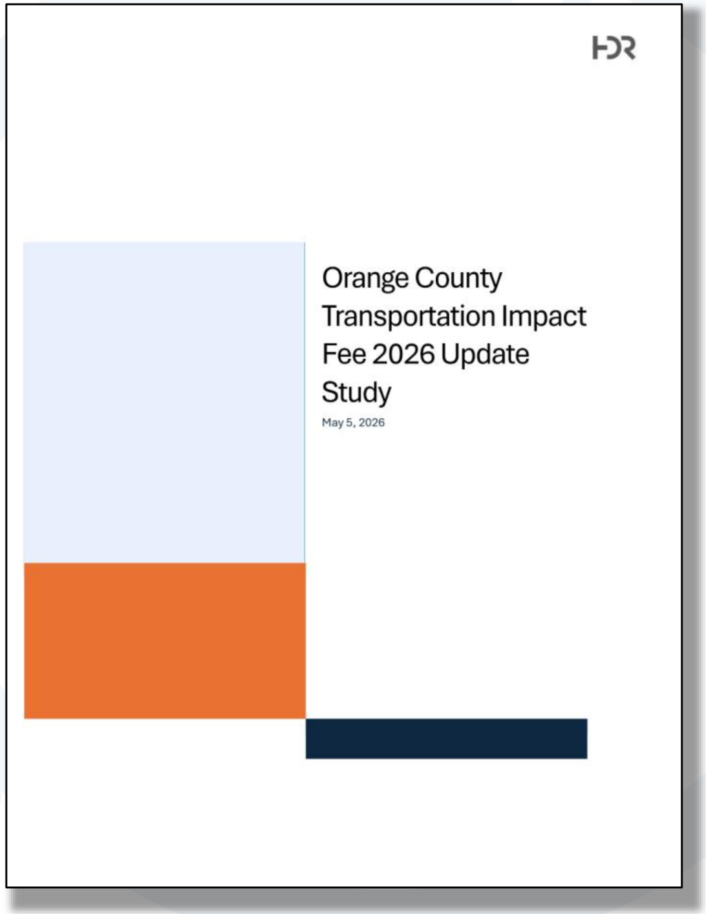
Considerations and Options

3. Advance with Extraordinary Circumstances

- Would maximize revenues and ensure that new development continues to pay its pro rata share
- Would minimize difficulty of increasing fees and ensuring full implementation in the future
- More significant study updates required, including 2 public workshops
- Could be subject to legal challenge
- Unanimous vote of Board is required

Presentation Outline

- Purpose
- Background
- 2026 Study Update
- Considerations and Options
- **Possible Next Steps and Schedule**
- Summary
- Board Direction

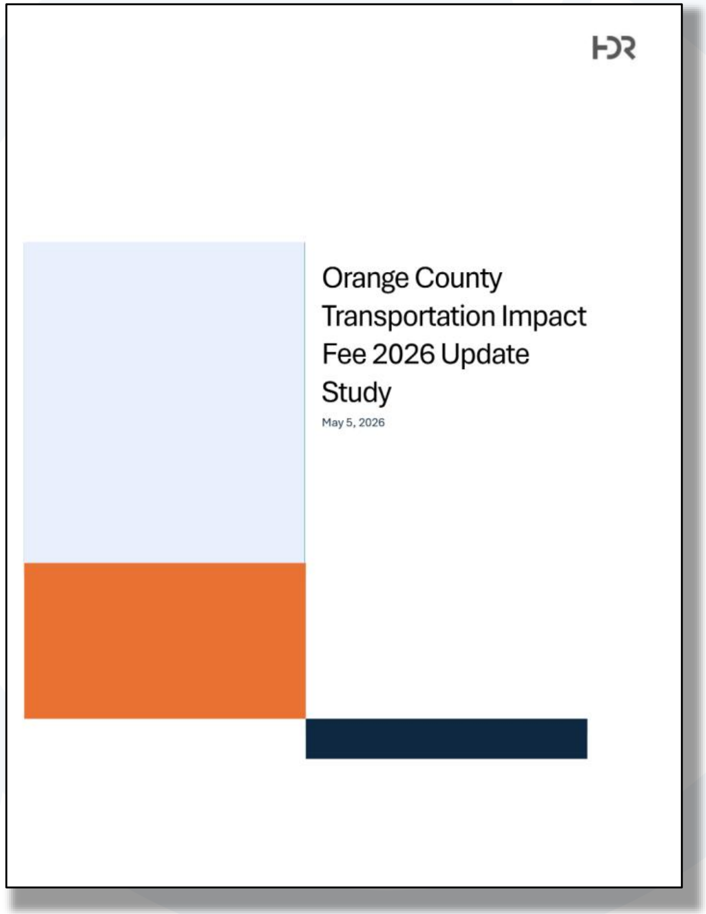


Possible Next Steps and Schedule

▪ **Depending on Board direction:**		
– Update Technical Study to comply with 2026 legislative changes, including documenting extraordinary circumstances		2-3 months
– Draft Ordinance		2-3 months
– Stakeholder Outreach • Greater Orlando Homebuilders Association • Development Advisory Board		August 2026
▪ **Work Sessions:**	LPA	August 2026
▪ **Public Hearings & Public Workshops**	DAB LPA	September 2026
	BCC	Sept & Oct 2026

Presentation Outline

- Purpose
- Background
- 2026 Study Update
- Considerations and Options
- Possible Next Steps and Schedule
- **Summary**
- Board Direction

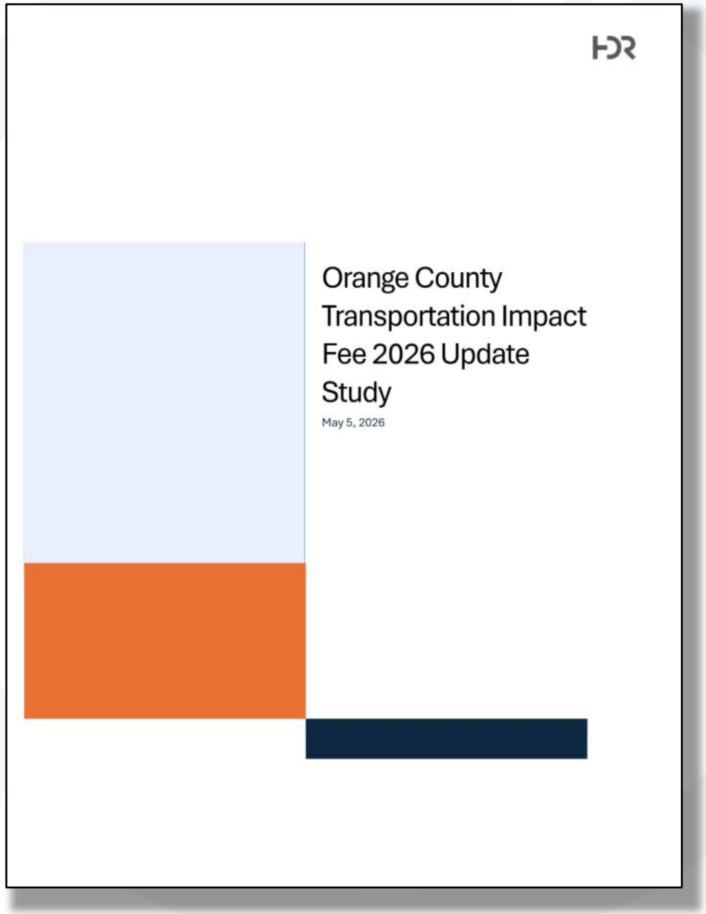


Summary

- As required by OC Code, 2026 TIF Study Update represents a full technical update of the 2020 study, incorporating recent data, methodology refinements, and current costs
- Calculated transportation impact fee rates are generally higher due to inflationary roadway cost increases
- Florida Statutes provide significant limitations on how impact fees may be increased
- Board policy direction is needed on whether and how to advance a possible ordinance update

Presentation Outline

- Purpose
- Background
- 2026 Study Update
- Considerations and Options
- Possible Next Steps and Schedule
- Summary
- **Board Direction**



Board Direction

Three options following the Board's review today of the draft study:

1. **Defer Transportation Impact Fee Update Decision**
2. **Advance subject to Phase-In Limitations**
3. **Advance with Extraordinary Circumstances**

Considerations include:

- **Legal requirements and constraints**
- **Economic considerations**
- **Revenue impacts to CIP**
- **Board approval threshold**