

*Transportation Planning Division*

**Public Hearing**  
**Chapter 23, Article IV - Transportation**  
**Impact Fees**

**September 22, 2020**



# Presentation Outline

- **Background**
- **Ordinance Review**
- **Advisory Board Comments**
- **Policy Considerations**
- **Action Requested**

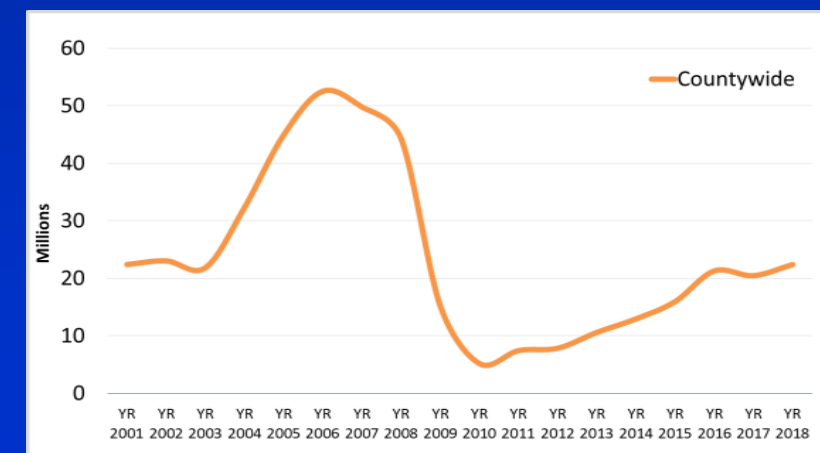
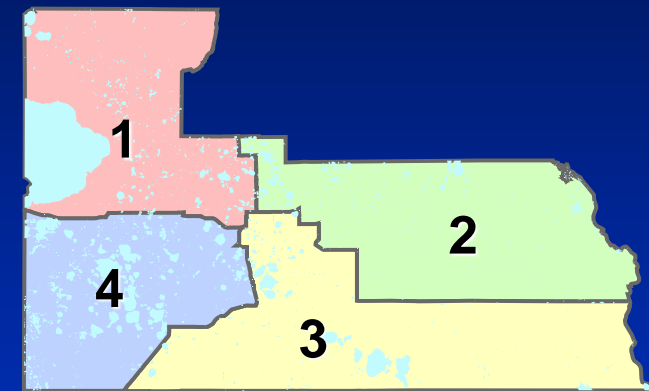


# Presentation Outline

- **Background**
- Ordinance Review
- Advisory Board Comments
- Policy Considerations
- Action Requested

# Background

- Impact fees fund the cost of certain infrastructure required to support new growth
- Assessment of impact fees is provided for in Florida Statutes and Chapter 23 of OC Code
- Concurrency and impact fees are part of County's growth management framework
- Current fees are not assessed at 100%

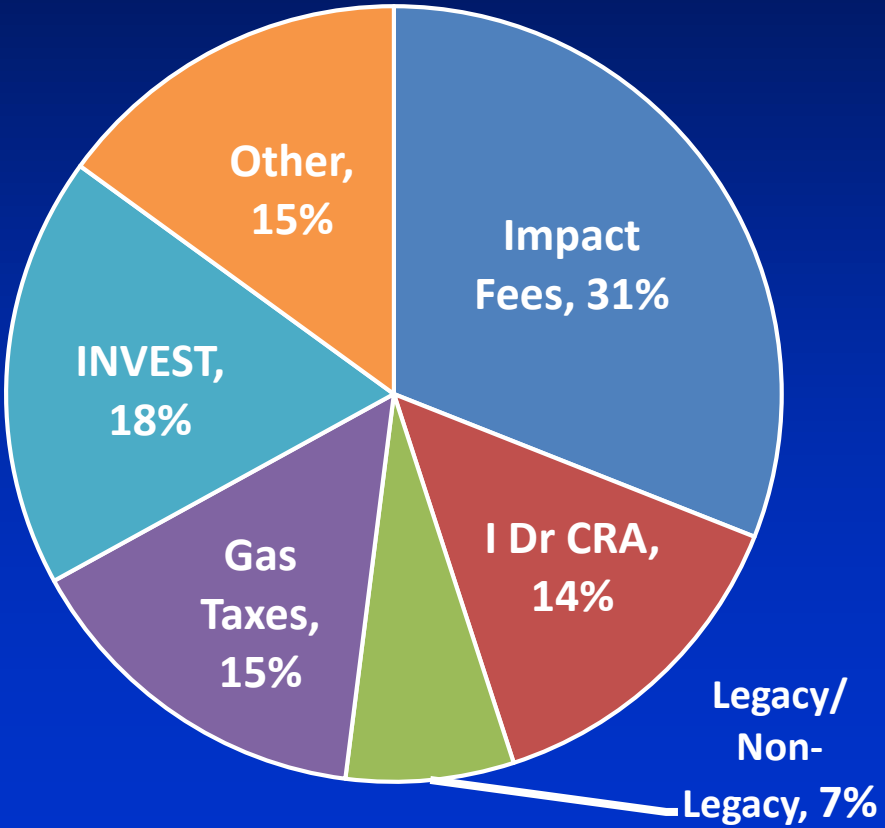




# Background

## Annual CIP (avg. for last 5 years)

Funding Sources as % of Budget



| Funding Sources   | Amount*               |
|-------------------|-----------------------|
| Impact Fees       | \$ 37,675,636         |
| I-Drive CRA       | \$ 17,426,104         |
| Legacy/Non Legacy | \$ 8,192,326          |
| Gas Taxes         | \$ 17,582,194         |
| INVEST            | \$ 21,101,009         |
| Other             | \$ 18,580,051         |
| <b>Total</b>      | <b>\$ 120,557,320</b> |

\* Does not include about \$7M annually in roads delivered via public-private partnerships



# Background

- Last technical update conducted in 2012
- Board discussion in 2019 on major policy considerations prior to final technical study and ordinance update
  - AMA and new Fee District structure
  - Opportunities for affordable housing
  - Implementation
    - Policy Discount Factor
    - Indexing
    - Phasing



# Presentation Outline

- Background
- **Ordinance Review**
- Advisory Board Comments
- Policy Considerations
- Action Requested

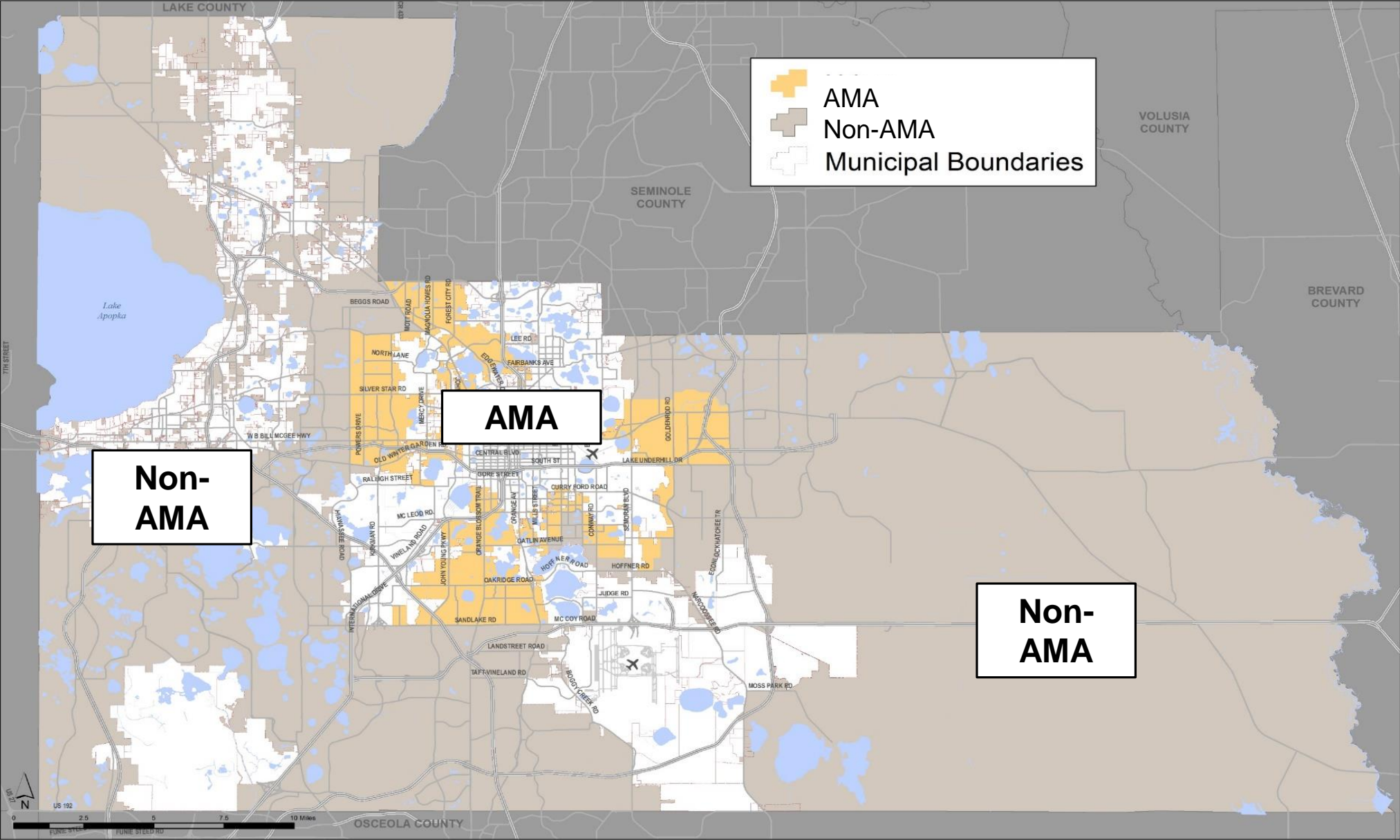


# Ordinance Review

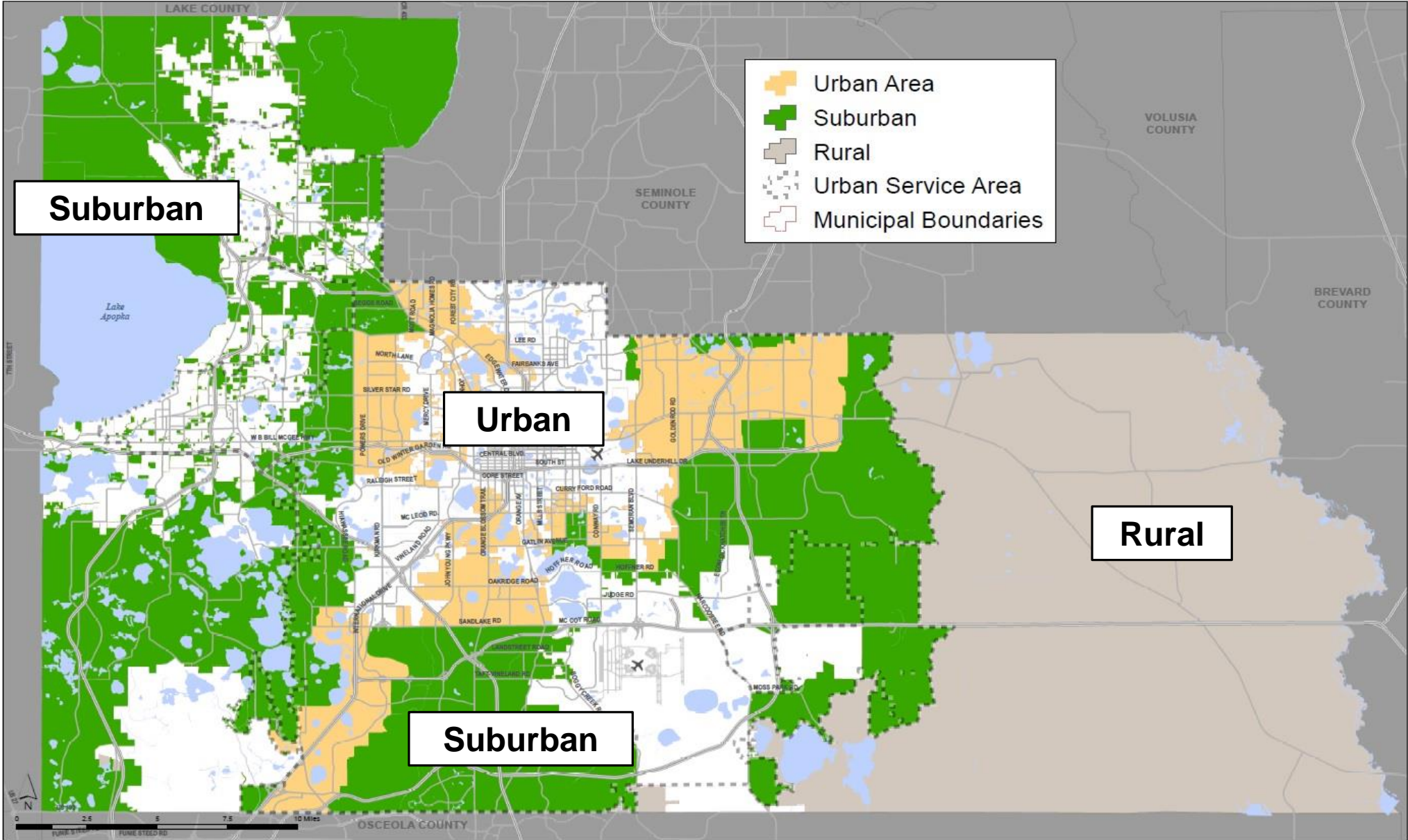
- **Ordinance amends Article IV, Transportation Impact Fees (Sec 23-86 through 23-120)**
- **23-88 Definitions**
  - Deletes AMA references
  - Adds Impact Fee District terms and maps
  - Adds and deletes land use definitions
  - Incorporates technical study by reference
- **23-92 Transportation Impact Fee Schedule**
  - Annual index rate of 3.4% annually
  - Draft fee schedule advertised at 100%
  - Final schedule must provide 90-day notice of any increase



# Current Impact Fee Boundary

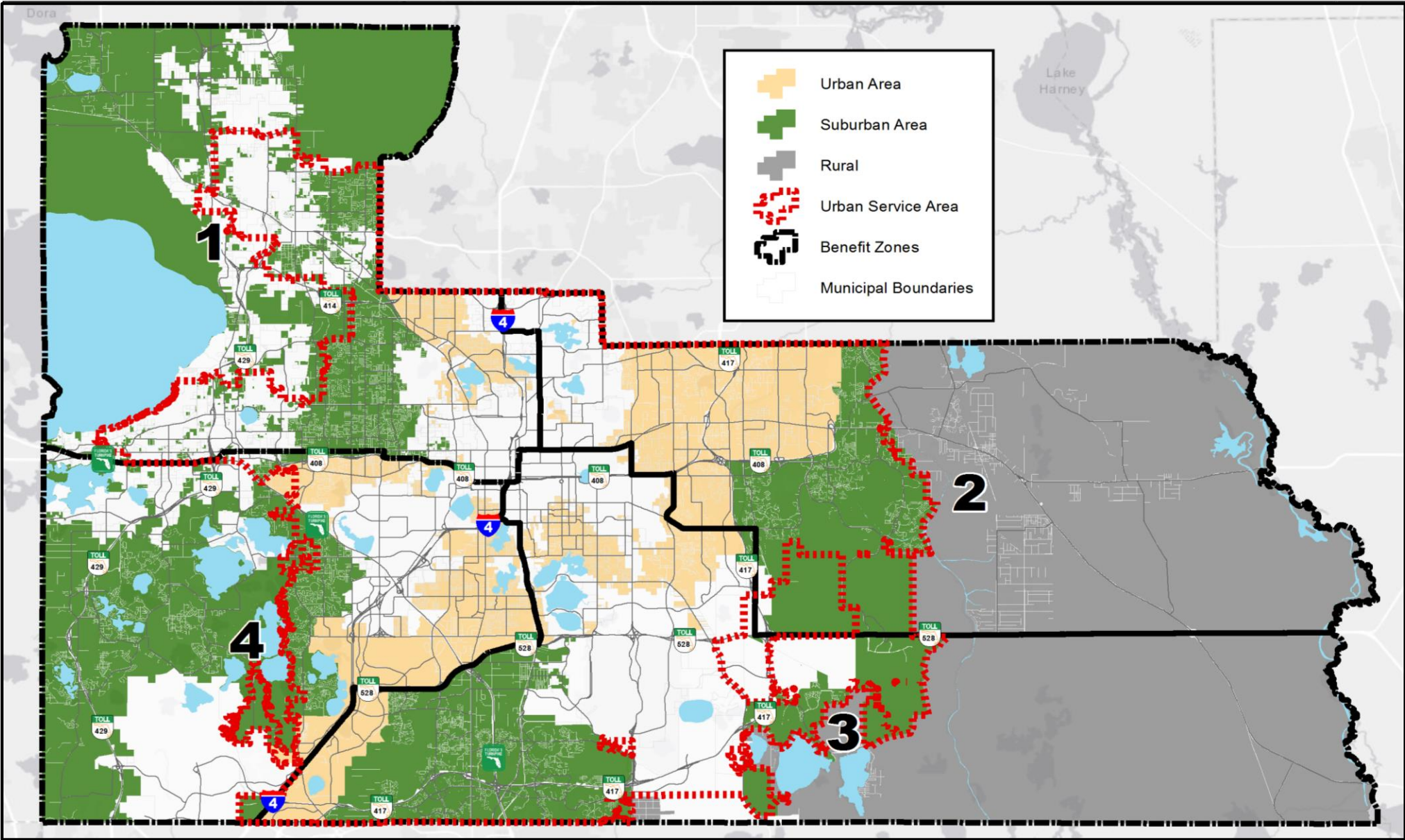


# Draft Report Impact Fee District Boundary





# Proposed Impact Fee District Boundary





## Ordinance Review

- **23-92(b)** allows the Impact Fee Committee to determine an appropriate assessment for a use not in the fee schedule pursuant to Admin Reg 4.01
- **23-93(a)** allows the payment or deferral of transportation impact fees “Under Protest” in the event an applicant decides to pursue an alternative impact fee study
- **23-93(j)** clarifies that any Policy Discount Factor applies to an alternative fee calculation



# Ordinance Review

- **23-95 Credits amended to incorporate recent changes to Florida Statutes**
  - (e) allows the transfer of credits across benefit zones provided new project site “received a direct benefit” from action that generated the credits
- **23-98 Exemptions and Discounts**
  - (2) Expansion of unmanned facilities
  - (11) Affordable housing projects in partnership with County
  - (12) Accessory dwelling units
  - (14) deleting ‘change of use’ exemption limitation to projects within the USA



# Presentation Outline

- Background
- Ordinance Review
- **Advisory Board Comments**
- Policy Considerations
- Action Requested



# Development Advisory Board

- Presented technical study on July 20, 2020
- Technical study was well received
- However, current economic conditions create uncertainty
  - Use of historical data (pre-COVID) regarding trip generation and travel patterns
  - Consider exemption or incentive for “attainable” housing in addition to “affordable”
  - 100% study rate is roughly a 2x increase from today’s rate
  - Implementation would guide investment behavior while market is still adapting
- Voted to recommend update of the study to include 2020 data





# Local Planning Agency

- **Worksession on July 16, 2020**
- **Public Hearing on August 20, 2020**
  - **General Comments**
    - Supportive of Impact Fee District structure
    - Comments on certain land use categories
    - Process for appeals and alternative fee studies
    - Expressed concerns about potential negative affect of large fee increase to economy or leapfrog effect
  - **Made of finding of consistency with the comprehensive plan and recommended approval with a number of changes discussed on a 5-3 vote**





# Presentation Outline

- Background
- Ordinance Review
- Advisory Board Comments
- **Policy Considerations**
- Action Requested



# Policy Considerations

- **Major policy considerations include:**
  - Impact on CIP funding
  - Magnitude of potential increase
  - Fee parity with central Florida counties and municipalities
  - Increase of fees during pandemic recovery
- **Options:**
  - Defer change to fee schedule
  - Adopt a Policy Discount Factor
  - Phase in a potential increase over a period of time



# CIP Funding

- **Transportation impact fees are the largest funding source of County's CIP**
  - Impact Fees fund 31% of our CIP (other funding sources are essential)
  - Cost of 1-mile of 4 lane roadway widening project = \$14.2M
- **Transportation Impact Fee assessments in 2019**
  - \$27.7M total @ 56% adoption rate
- **Transportation Surtax needed to solve transportation backlog**
  - Funds needed to complete projects already commenced - \$336M



# Transportation Impact Fee Parity

## Fee Comparison – Orange County

| Land Use                | Unit     | Orange County Urban | Orange County Suburban | Orange County Rural | Orange County AMA | Orange County Non-AMA |
|-------------------------|----------|---------------------|------------------------|---------------------|-------------------|-----------------------|
| Study Update            | -        | 2020                | 2020                   | 2020                | 2012 (56%)        | 2012 (56%)            |
| Single Family (2,000sf) | du       | \$8,218             | \$10,138               | \$11,586            | \$3,761           | \$3,898               |
| Apartments (low rise)   | du       | \$5,937             | \$7,303                | \$8,349             | \$2,435           | \$2,524               |
| Retail (under 50,000sf) | 1,000 sf | \$10,051            | \$11,818               | \$12,594            | \$5,455           | \$5,700               |
| Office (under 50,000sf) | 1,000 sf | \$8,132             | \$10,037               | \$11,473            | \$5,374           | \$5,574               |



# Transportation Impact Fee Parity

## Fee Comparison – Counties

| Land Use                 | Unit     | Orange County Urban | Orange County Suburban | Orange County Rural | Seminole County | Osceola County | Lake County |
|--------------------------|----------|---------------------|------------------------|---------------------|-----------------|----------------|-------------|
| Study Update             | -        | 2020                | 2020                   | 2020                | 1992 (100%)     | 2020* (100%)   | 2018 (100%) |
| Single Family (2,000 sf) | du       | \$8,218             | \$10,138               | \$11,586            | \$1,271         | \$9,999        | \$3,193     |
| Apartments (low rise)    | du       | \$5,937             | \$7,303                | \$8,349             | \$849           | \$7,754        | \$1,336     |
| Retail (under 50,000sf)  | 1,000 sf | \$10,051            | \$11,818               | \$12,594            | \$4,496         | \$13,849       | \$2,964     |
| Office (under 50,000sf)  | 1,000 sf | \$8,132             | \$10,037               | \$11,473            | \$2,785         | \$6,025        | \$2,531     |

\*Rates for Osceola County mobility fee district, effective March 1, 2021



# Transportation Impact Fee Parity

## Fee Comparison – Cities

| Land Use                 | Unit     | Orange County Urban | Orange County Suburban | Orange County Rural | City of Orlando | City of Winter Garden | City of Ocoee |
|--------------------------|----------|---------------------|------------------------|---------------------|-----------------|-----------------------|---------------|
| Study Update             | -        | 2020                | 2020                   | 2020                | 2012 (50%)      | 2004 (100%)           | 2015 (100%)   |
| Single Family (2,000 sf) | du       | \$8,218             | \$10,138               | \$11,586            | \$4,123         | \$3,517               | \$3,944       |
| Apartments (low rise)    | du       | \$5,937             | \$7,303                | \$8,349             | \$2,729         | \$2,470               | \$2,655       |
| Retail (under 50,000sf)  | 1,000 sf | \$10,051            | \$11,818               | \$12,594            | \$6,766         | \$12,716              | \$4,598       |
| Office (under 50,000sf)  | 1,000 sf | \$8,132             | \$10,037               | \$11,473            | \$4,576         | \$5,748               | \$4,753       |



# Economic Uncertainty

- Both DAB and LPA expressed concerns about increase in fees during pandemic recovery, as well as changes in travel behavior
- Permitting activity levels are flat

|                           | Nov 19 – Mar 20 | Apr 20 – Aug 20 |
|---------------------------|-----------------|-----------------|
| Permits                   | 31,657          | 33,703          |
| Valuation                 | \$790M          | \$859M          |
| Trans. Impact Fee Assess. | \$11.5M         | \$11.7M         |

- Development activity provides broad economic benefits, including jobs, housing, and growth of taxes.



# Economic Uncertainty

## Current Impact Fees Assessed

| Fee                                     | Single Family<br>1 du      | Multi-Family<br>1 du       |
|---|----------------------------|----------------------------|
| Schools (100%)                          | \$8,784                    | \$5,919                    |
| Fire (100%)                             | \$325                      | \$227                      |
| Law Enforcement (100%)                  | \$494                      | \$191                      |
| Parks (100%)                            | \$1,660                    | \$1,123                    |
| Transportation ( <i>non-AMA</i> ) (56%) | \$3,898                    | \$2,524                    |
| <b>Total</b>                            | <b>\$15,161</b>            | <b>\$9,984</b>             |
| <i>Updated Transportation (100%)</i>    | <i>\$8,218 - \$11,586</i>  | <i>\$5,937 - \$8,349</i>   |
| <b>Updated Total</b>                    | <b>\$19,188 - \$22,556</b> | <b>\$13,397 - \$15,809</b> |

**School Impact Fee  
Study Update  
underway (Oct 13)**

**Total Impact Fees  
on \$400k SF unit is  
about 5%**

**Total Impact Fees  
on \$200k MF unit is  
about 8%**





# Options

- Adopt study but defer fee schedule change (2009 Update)
- Adopt less than 100% (2012 Update @ 56%)
- Phase increases over 1 or more periods
  - Example: 75% adoption rate increasing over ~20 month period

|                     | 1 SF Unit<br>(2,500sf, Suburban) | % Increase | Adoption %<br>(effective) |
|---------------------|----------------------------------|------------|---------------------------|
| Today               | \$3,898                          | -          | 56% (2012 study)          |
| Oct 2020 – Jun 2021 | \$3,898                          | 0%         | 31% (2020 study)          |
| Jul 2021 – Jun 2022 | \$6,640                          | 70%        | 53%                       |
| Jul 2023 forward    | \$9,382                          | 140%       | 75%                       |



# Presentation Outline

- Background
- Ordinance Review
- Advisory Board Comments
- Policy Considerations
- **Action Requested**



## **Action Requested**

- **Make a finding of consistency with the Comprehensive Plan**
- **Adoption of An Ordinance Amending the Orange County Transportation Impact Fee Ordinance; Providing for Updates and Amendments to the Orange County Code, Chapter 23, Impact Fees, Article IV, Transportation Impact Fees; Providing for Updated Transportation Impact Fees, including New and Increased Fees in Certain Categories; and Providing for an Effective Date**
- **Allow staff to make amendments consistent with Board direction and to correct scrivener's errors**