

*Board of County Commissioners*

**Ordinance Amending Chapter 23  
Transportation Impact Fees**

**Public Hearing**

**June 22, 2021**



# Presentation Outline

- **Background**
- **Ordinance Amendments**
- **Action Requested**



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# Background

- **Transportation Impact Fees (TIF) Update**
  - Board’s public hearing on October 27, 2020
  - Currently assessing 56% of 2012 study rates
  - Last October’s amendments authorized assessing 75% of 2020 study rates
    - November 8, 2020 – until July 3, 2021 (largely status quo)
    - July 4, 2021 – July 2, 2022 (1/2 the increase to 75%)
    - July 3, 2022 onward (remaining 1/2 of increase to 75%)
  - Single family home rate (3,000 sf, suburban)
    - Today – \$3,898
    - July 4, 2021 – \$6,640
    - July 3, 2022 – \$9,382



# Background

- **Early versions of HB 337 sought to make several changes to Section 163.31801, F.S. :**
  - **Modify the definition of ‘infrastructure’ to mean a fixed capital expenditure or a public facility with at least a 5-year life expectancy**
  - **Prohibit collection of impact fees unless there are planned or funded capital improvements**
  - **Cap annual increases to impact fee rates under certain circumstances**
- **Original effective date of proposed bill was July 1, 2021, but was later amended so that the phase-in limitations were retroactive to January 1, 2021**



## Background

- **On March 23, 2021, the Board held a public hearing amending Orange County Code, Chapter 23 for Transportation Impact Fees to:**
  - **Increase fees from current levels to 100% of adopted study rates in one increment**
  - **Make fee increase effective June 27, 2021**



# Background – Final HB 337 Provisions

- **Limit on impact fee increases:**
  - 0-25% must be done in *2 annual increments*
  - 25-50% must be done in *4 equal installments*
  - May not increase more than 50%
  - May not increase more than once every 4 years
  - These phase-in limitations are retroactive to January 1, 2021
- **Local governments may exceed phase-in limitations, provided:**
  - Extraordinary circumstances supported by a demonstrated need study,
  - Two publicly noticed workshops dedicated to the extraordinary circumstances necessitating the need to increase fees above the phase-in limitations,
  - Adoption by 2/3 vote of the governing body



## Background – Proposed Direction

### ▪ 2019 Development Activity

– Assessed TIF (56% of 2012 study rates) = \$27.7M

– Adopted TIF effective June 27, 2021 (100% of 2020 study rates) = \$71.8M  
(159% increase in revenue)

### ▪ Impact of New Statutory Caps

– Implemented in 2/4 steps, limited to 50% increase

– Current Rates – \$27.7M (38% of study rates)

– Capped Rates – \$44.1M (61% of study rates)

– Significant revenue loss to County from original phased increase to 75%  
or recent adoption to 100% of study rates





# Background – Proposed Direction

- **Demonstrated Need Study and “extraordinary circumstances”**
  - Technical study to look at:
    - Projected population growth
    - Historical transportation system performance metrics
    - Increase in road construction costs
    - CIP funding levels, including Assessed Transportation Impact Fees
  - Study underway
- **Proposed Schedule:**
  - **Workshop #1 – July 13, 2021**
  - **Workshop #2 – July 27, 2021**
  - Tentative Public Hearing – August 24, 2021



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# Ordinance Amendments

- Amends Sec. 23-88 to clarify definition of *Affordable Housing*
- Amends Sec. 23-92 by:
  - Deleting rate increase scheduled to go into effect on June 27, 2021, and maintaining current impact fee rates (status quo)
- Amends Sec. 23-98 by:
  - Clarifying the transportation impact fee exemption for affordable housing
- Ordinance becomes effective June 25, 2021



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## Action Requested

- **Make a finding of consistency with the Comprehensive Plan,**
- **Adoption of an Ordinance Amending the Orange County Transportation Impact Fee Ordinance, Codified at Article IV, Chapter 23 of the Orange County Code; Amending Section 23-88 (“Definitions”), Section 23-92 (“Transportation Impact Fee Schedule”), and Section 23-98 (“Exemptions”); Providing for Updated Transportation Impact Fees; Making an Economic Impact Determination; Providing An Effective Date; Repealing, in Part, Ordinance No. 2021-16; and Directing the Posting of Notices of Updated Transportation Impact Fees, and**
- **Allow staff to correct any scrivener’s errors**