Orange County

Transportation Impact Fee Update

BCC Presentation

September 18, 2012

Transportation Impact Fee Update

- Background
- Phase I
- Phase II
- Recommendations

Transportation Impact Fee Update

- **Background**
- Phase I
- Phase II
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Background

- Transportation Impact Fee Ordinance Updates
  - 1985 - Established
  - 1990 - Updated
  - 1998 - Updated
  - 2004 - Updated
  - 2009 - Update Postponed
  - 2011 - Update Underway

Background

- Growth Related
- Major Roads
- Actual Costs
- Demonstrated Need
- Proportional to Impact

Background

- **Consumption-Based Approach**

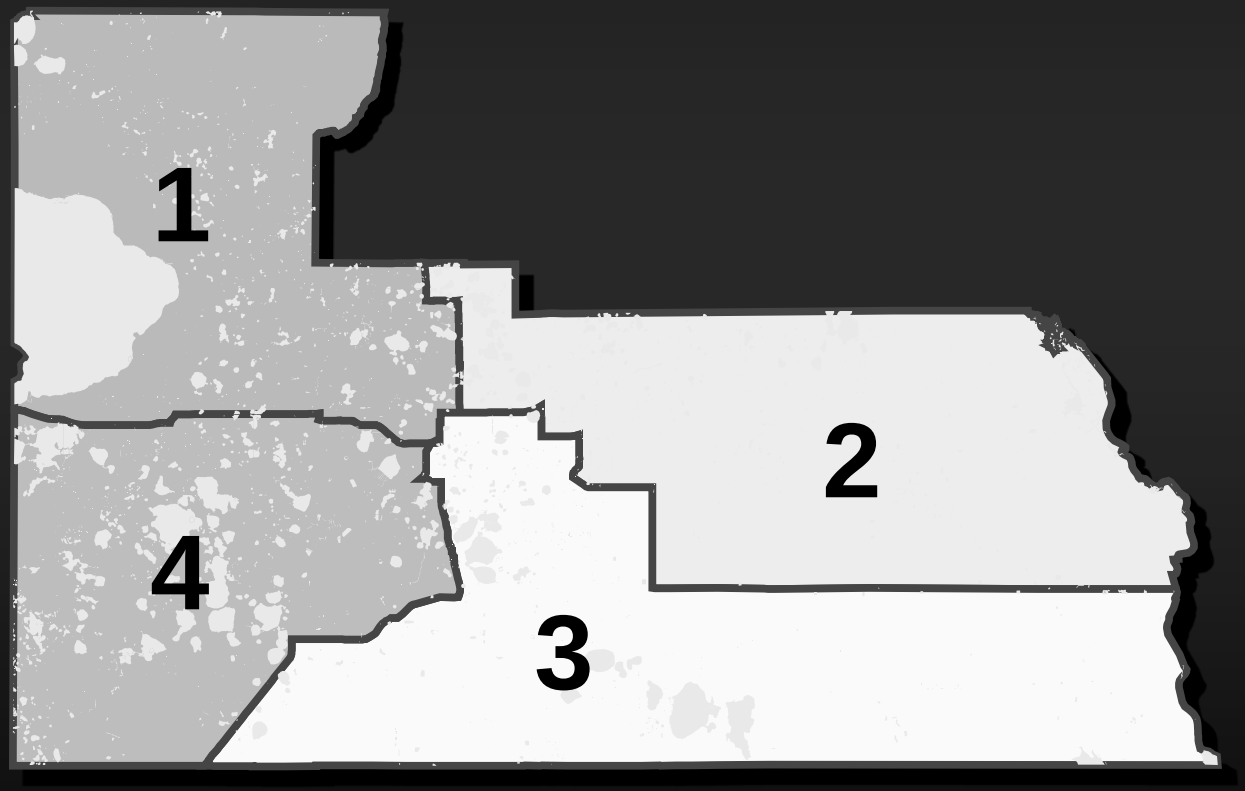
  New development charged for their proportion of VMT the development consumes on the roadway network

Impact Fee Equation

[Demand x Cost – Credit = Fee]

Background

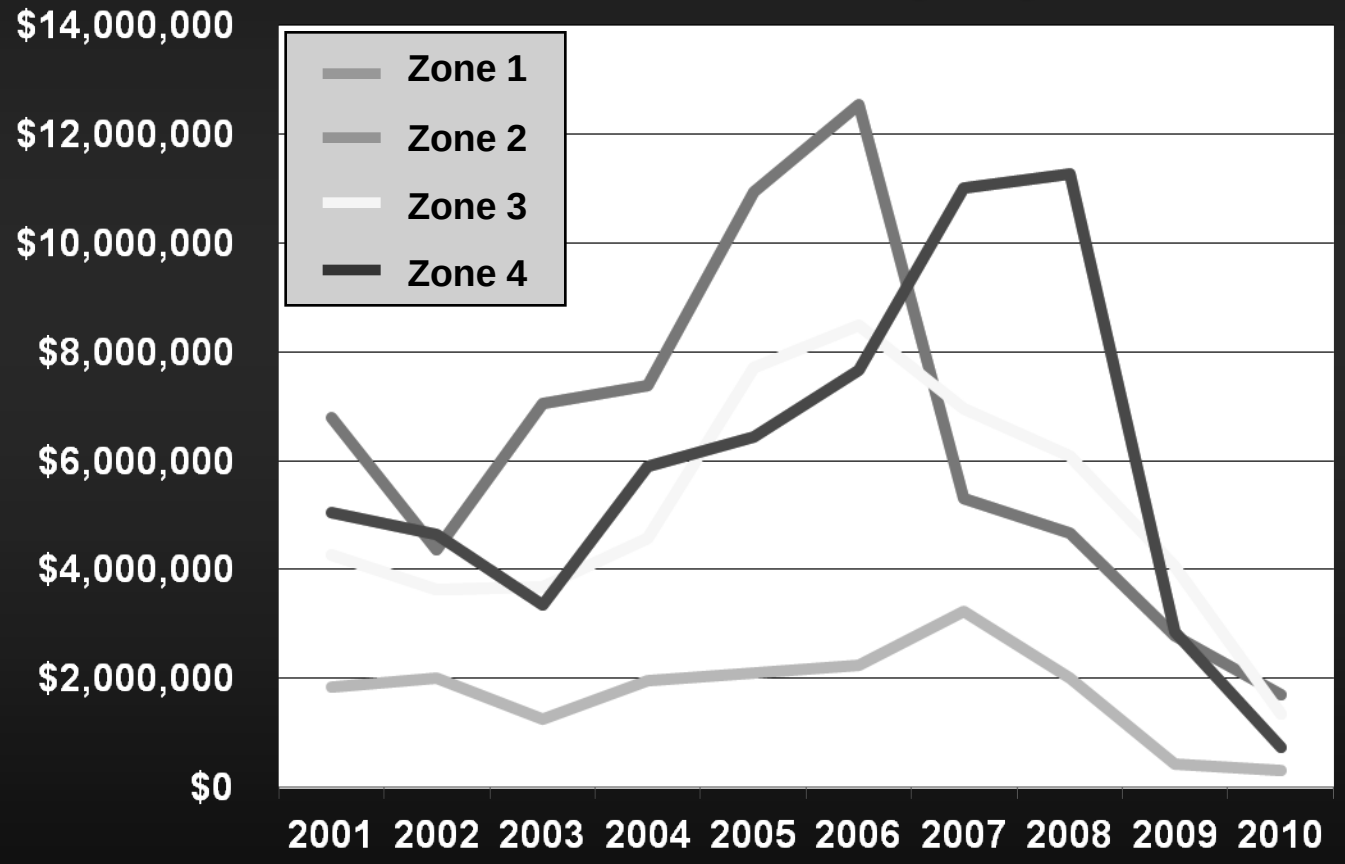
- Road Impact Fee Zones

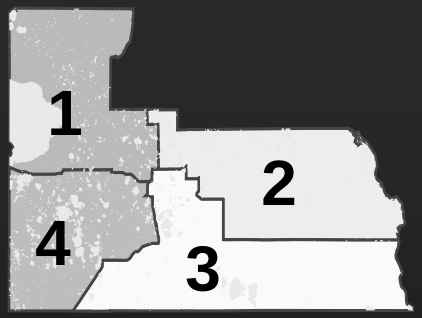


Funds Must be Used in Zone Where Collected

Background

Revenue History by Zone





Transportation Impact Fee Update

- Background
- **Phase I**
- Phase II
- Recommendations

Phase I

- Scope & Purpose
  - Updated technical components (cost and credits)
  - Correct cost methodology
  - Provide for greater project flexibility beyond traditional road widening projects
    - Intersections
    - Signal Systems
  - Develop Initial Fee Schedule

Phase I

- **Evaluated Fees for Each Land Use**
  - **Demand**
    - Trip Generation & Length
    - Percent New Trips
    - Discount Factor
  - **Cost**
    - Cost Per Lane Mile
    - Capacity Added
  - **Credit**
    - Gas Tax Credit & Fuel Efficiency
    - Present Value

Phase I

NET COST = COST - CREDIT

COST = NETVMT x COST/VMT

CREDIT = VMT x CREDIT/VMT

Where:

VMT = ADT x % NEW x ATL ÷ 2

NETVMT = ADT x % NEW x NETATL ÷ 2

ADT = Trip ends during a weekday

% NEW = Percent of trips that are primary trips, as opposed to passby or diverted-link trips

ATL = Average trip length

NETATL = Average trip length on the non-freeway system

÷ 2 = Avoids double-counting trips for origin and destination

COST/VMT = COST/LANE-MILE ÷ CAPACITY

COST/LANE-MILE = Average cost to add a new lane to the major roadway system

CAPACITY = Average daily capacity of a lane at desired LOS

CREDIT/VMT = $/GAL ÷ MPG x 365 x NPV

$/GAL = Capacity-expanding funding for roads per gallon of gasoline consumed

MPG = Miles per gallon, average for U.S. motor vehicle fleet

365 = Days per year (used to convert daily VMT to annual VMT)

NPV = Net present value factor

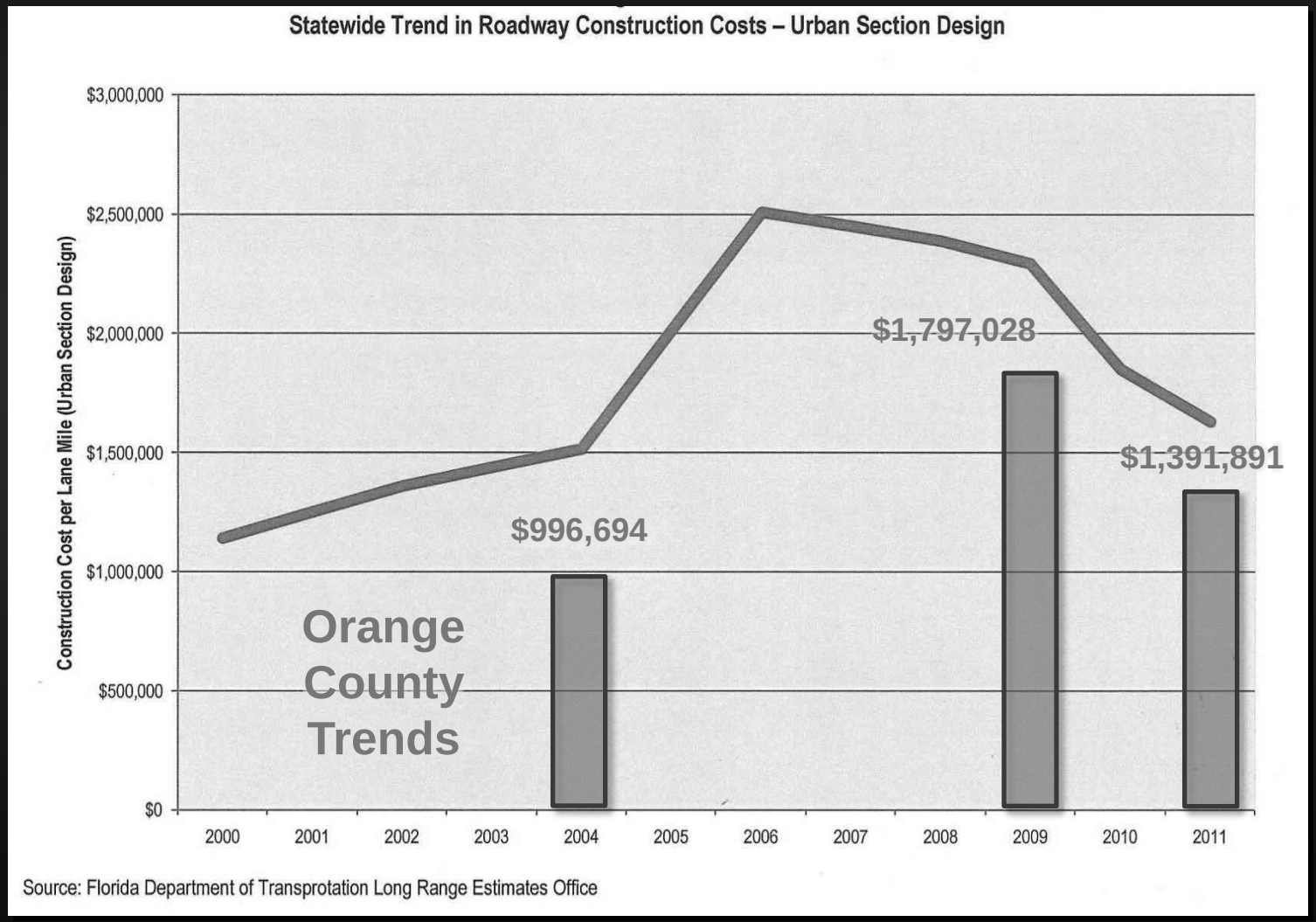
Phase I

Actual Cost Changes (in 000's)*

Studies	1998	2004	2009	2011
Design Cost Per Lane Mile	$78	$131	$218	$143
ROW Cost Per Lane Mile	$595	$525	$564	$585
Construction Cost Per Lane Mile	$611	$997	$1,797	$1,391
Totals	$1,284	$1,653	$2,579	$2,119

*** Present Day Costs Per Single Lane Mile**

Phase I


Statewide Trend in Roadway Construction Costs – Urban Section Design
Construction Cost per Lane Mile (Urban Section Design)
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
$996,694
$1,797,028
$1,391,891
Orange County Trends
Source: Florida Department of Transprotation Long Range Estimates Office

Phase I

Transportation Impact Fee Comparison (Counties)

Land Use	Unit	Orange County (Traditional)	Orange County (Existing)	Polk County*	Lake County*	Seminole County	Osceola County*	Volusia County	Brevard County*
Date of Last Update		2012	2004	2008	2001	1992	2006	2001	2001
Adoption Percentage		n/a	75%	100%	64%	100%	100%	68%	100%
Single Family Det. (2,000 sf)	du	$6,961	$2,869	$4,895	$2,189	$1,025	$7,194	$2,174	$4,353
Office (50,000 sf)	1,000 sf	$9,953	$5,242	$5,310	$2,883	$2,247	$9,020	$4,320	$5,058

*Transportation Impact Fee Moratorium is Currently in Effect

Transportation Impact Fee Update

- Background
- Phase I
- **Phase II**
- Recommendations

Phase II

- **Scope & Purpose**
  - Encourage infill in core area
    - Alternative Mobility Area
    - Potential reduced fee
  - Provide for non-automobile improvements
    - Transit shelters, bike/pedestrian facilities, etc.
  - Revised technical approach – person miles of travel (PMT)
  - Understand potential impact to the 5-year CIP

Phase II

- **Mobility Fee Calculation**
  - Vehicle Miles of Travel (VMT) is converted to Person Miles of Travel (PMT)
  - Using the Person Trip Factor (1.3 Persons Per Vehicle) PMT = 1.3 x VMT
  - Cost components assessed
    - Bus costs
    - Shelter costs
    - Road capacity used by transit
  - Credit components

Phase II

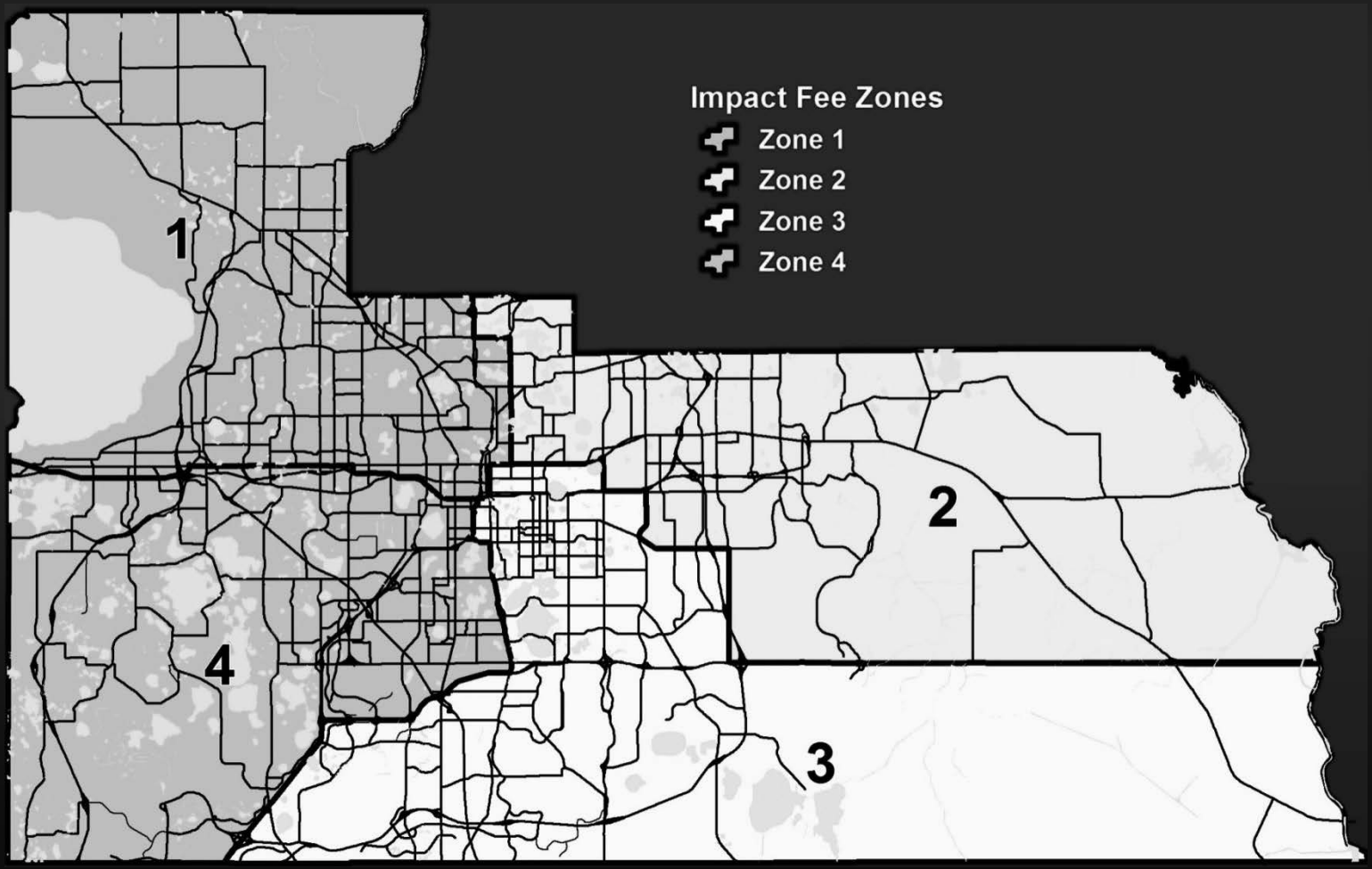
Transportation Impact Fee / Mobility Fee Comparison

Land Use	Unit	Orange County AMA	Orange County*	Orange County (Existing)	City of Orlando	City of Orlando (CBD)
Date of Last Update	-	2012	2012	2004	2012	2012
Adoption Percentage	-	n/a	n/a	75%	50%	50%
Single Family Det. (2,000 sf)	du	$6,716	$6,961	$2,869	$3,818	$3,909
Office (50,000 sf)	1,000 sf	$9,596	$9,953	$5,242	$4,237	$4,030

*** Calculated using the Traditional Methodology**

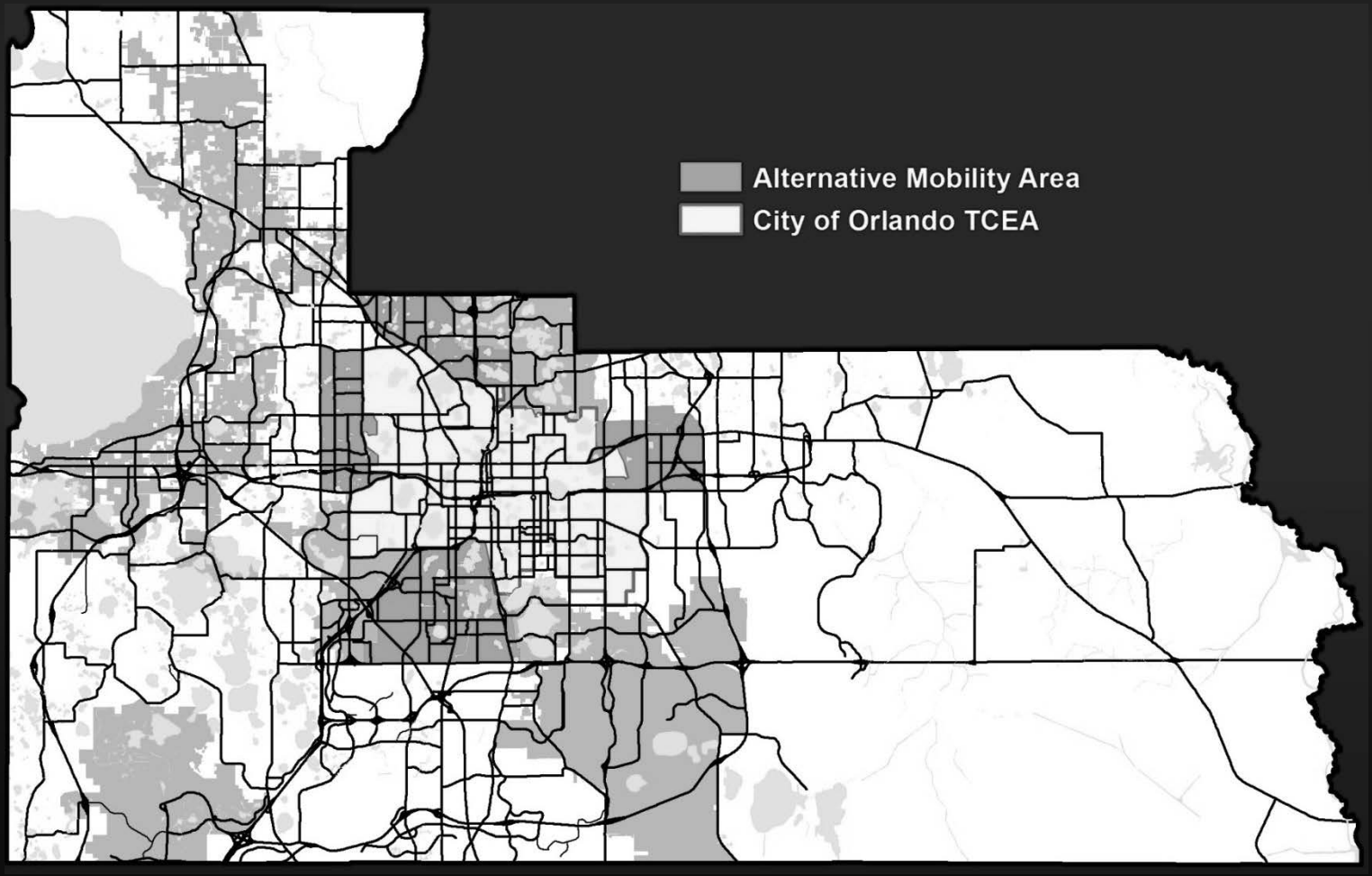
Phase II

Existing Zone Structure



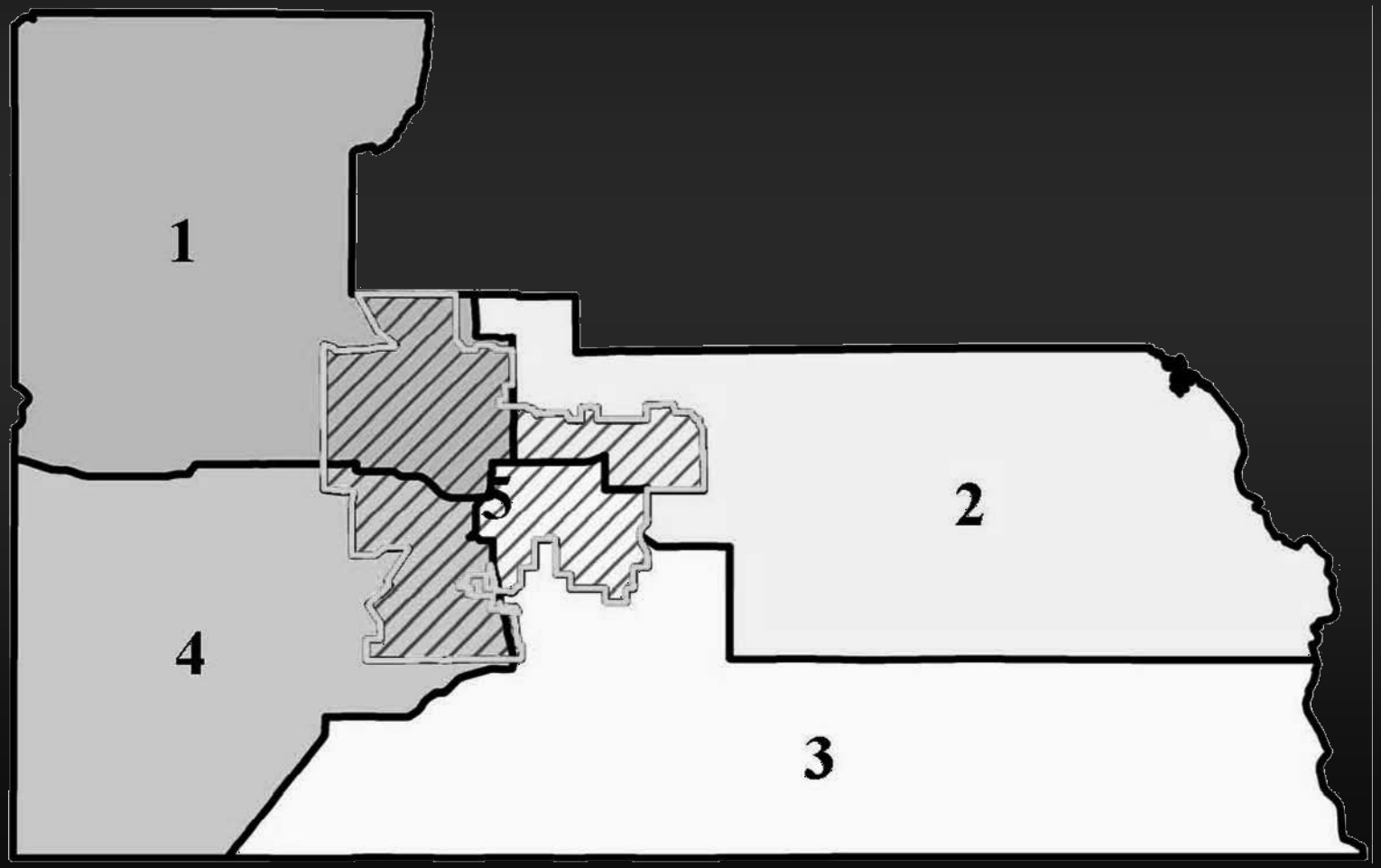
Phase II

Alternative Mobility Area (AMA)



Phase II

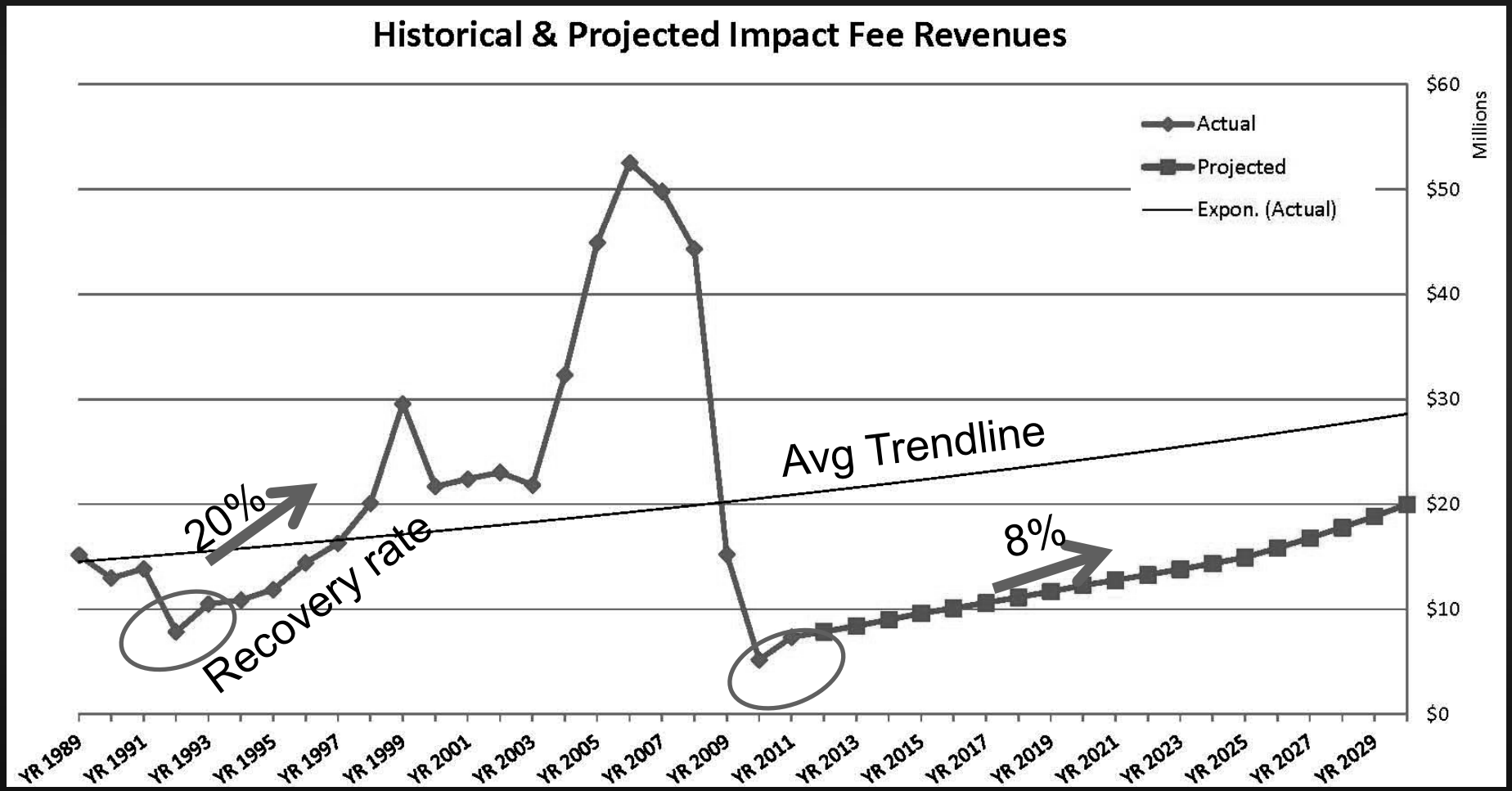
Potential 5th Zone Revenue Impacts



Phase II

- Technical Analysis
  - 10-year development activity
  - 20-year growth projections
  - GIS analysis (4 and 5 Zone structure)
    - Historical revenue
    - Future revenue
  - Fiscal review of 5 Year CIP

Phase II

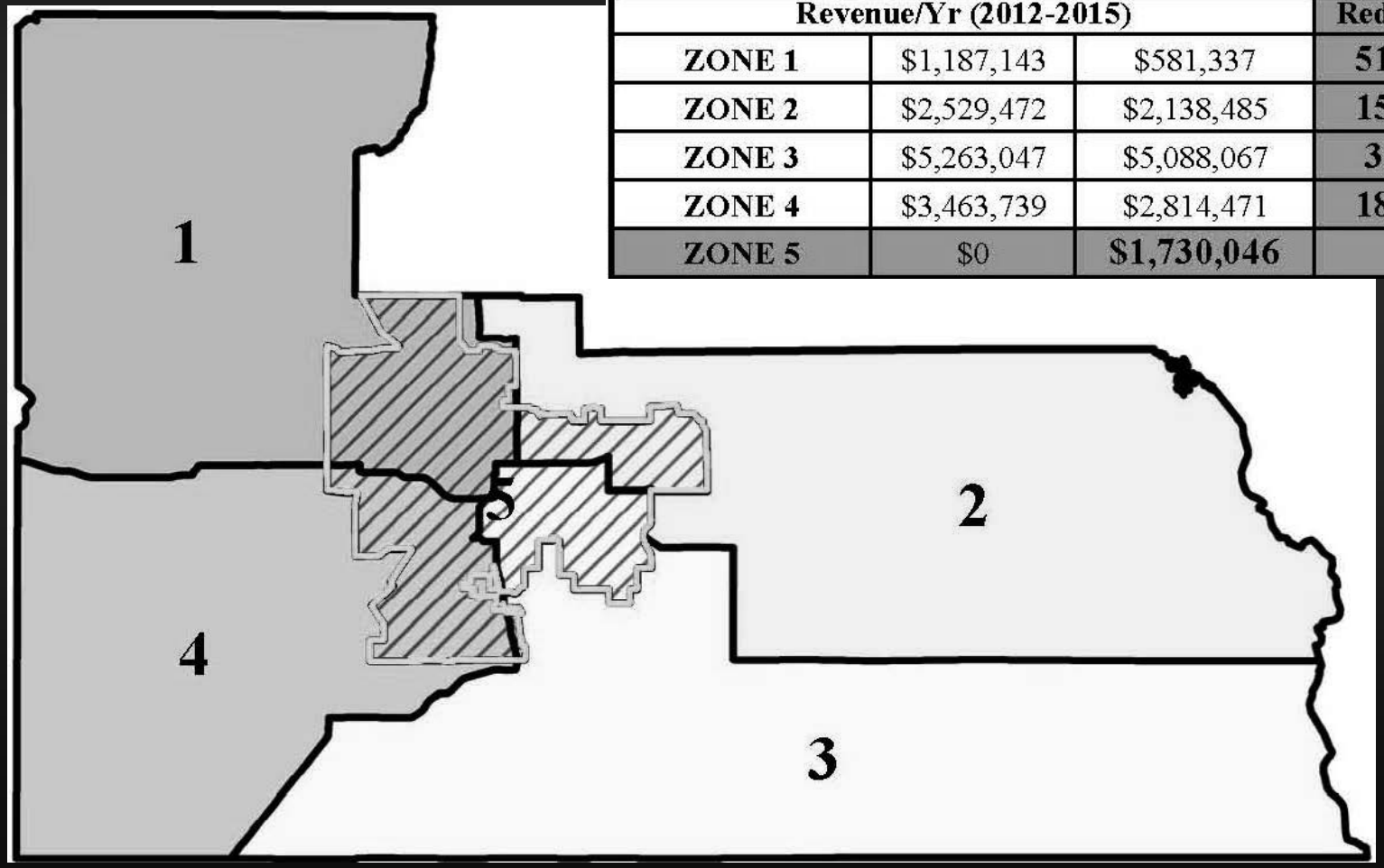


* Gross revenues

Phase II

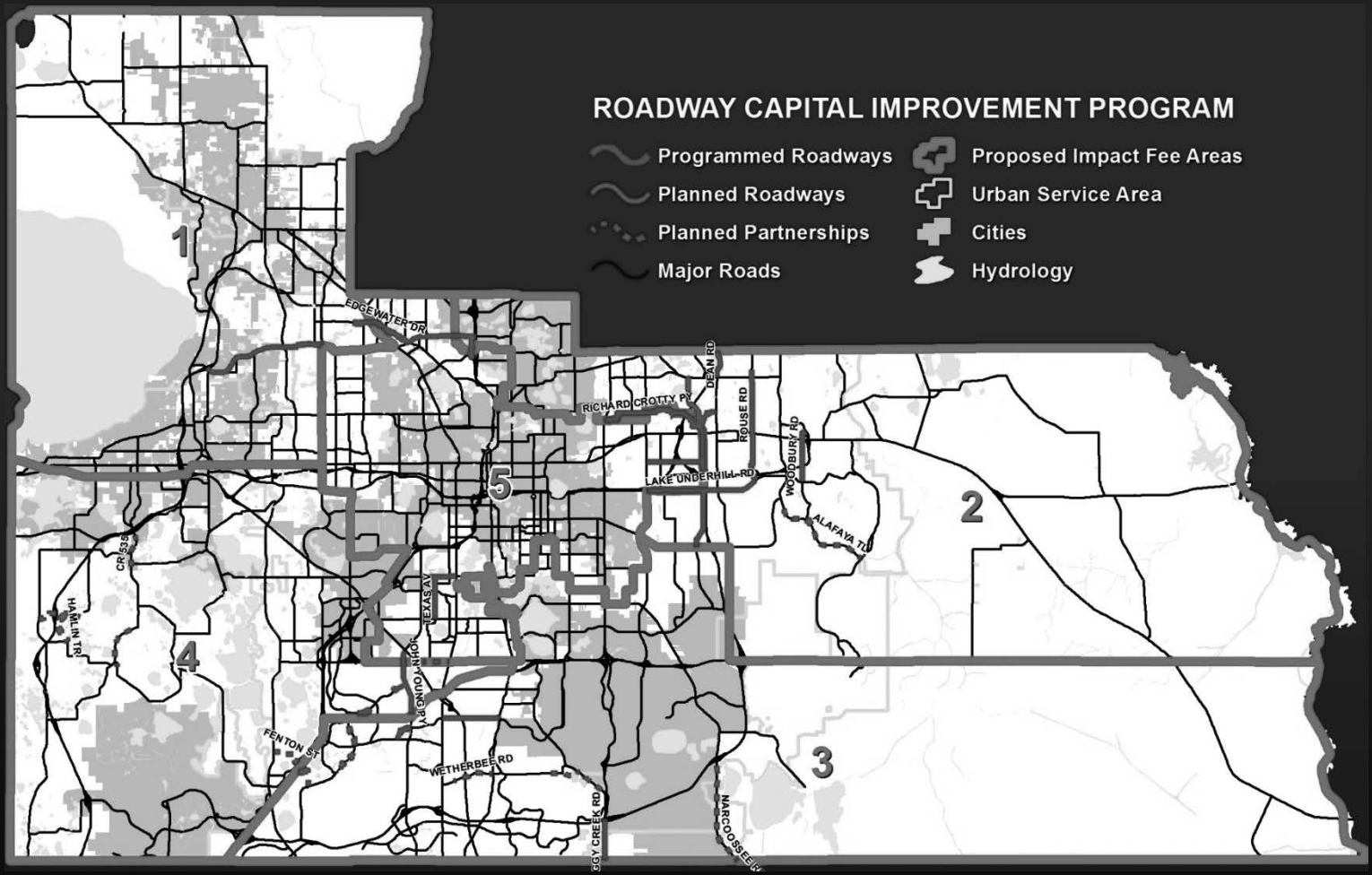
Potential 5th Zone Revenue Impacts

Revenue/Yr (2012-2015)			Reduced by
ZONE 1	$1,187,143	$581,337	51.03%
ZONE 2	$2,529,472	$2,138,485	15.46%
ZONE 3	$5,263,047	$5,088,067	3.32%
ZONE 4	$3,463,739	$2,814,471	18.74%
ZONE 5	$0	$1,730,046	



Phase II

Project Expenditures in 5-year CIP

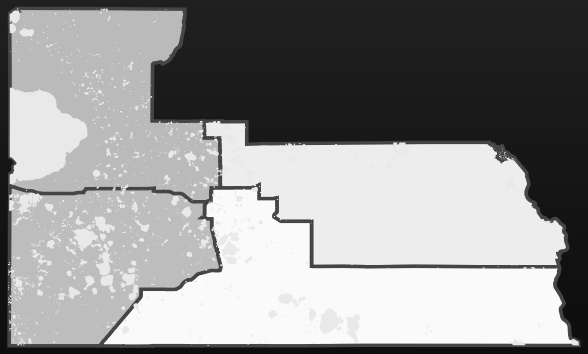


Phase II

- Challenges in Implementing 5th Benefit Zone
  - Revenue split 5 ways vs. 4 ways
  - Greatest impact to under-performing zones
  - 5-Year CIP relies on future revenue
  - Significant capital project needs in 5th Zone

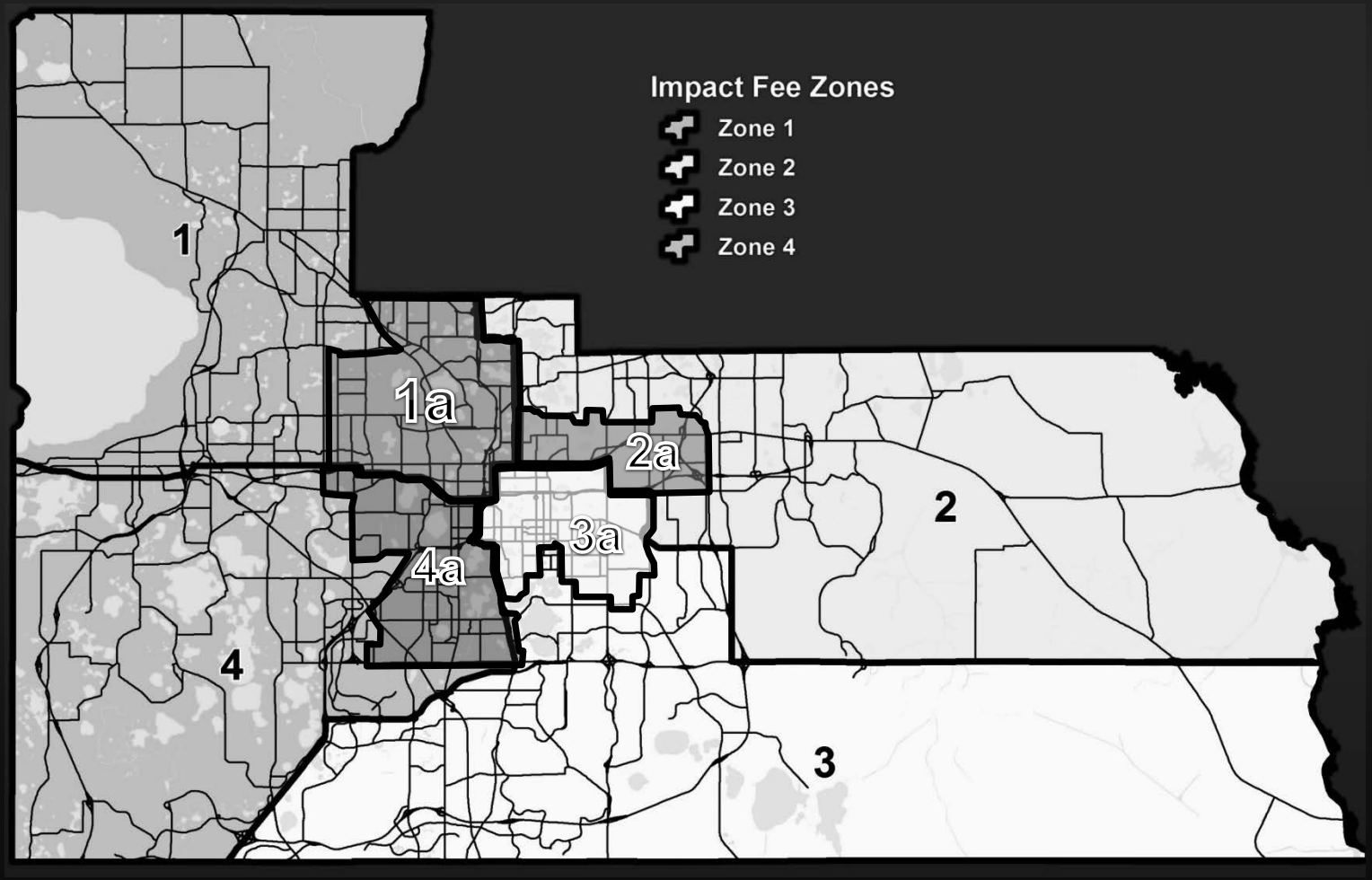
Phase II

- **Retain Existing Zone Structure**
  - ✗ Doesn't lay groundwork for supporting infill
  - ✗ Limits range of eligible projects
  - ✓ Easy accounting
  - ✓ Maintains CIP
- **Establish 5th Benefit Zone**
  - ✓ Slightly lower fees in 5th benefit zone
  - ✓ Wider range of multi-modal projects in 5th Zone
  - ✗ Cumbersome accounting
  - ✗ Does not effectively protect existing CIP
- **Establish Overlay**
  - ✓ Benefits of both
  - ✓ Marginal increase in accounting



Phase II

Potential Overlay Zones



Transportation Impact Fee Update

- Background
- Phase I
- Phase II
- **Recommendations**

Recommendations

- Implement Mobility Fee with Overlay Zone Structure
- Adoption of New Fee Schedule
  - Adoption Percentage
  - Effective Date
- Finalize Code Update
  - New land uses
  - Other definitions
  - Alternative impact fee process
  - Change of Use
- Public Hearing Schedule

Adoption Percentage

Transportation Impact Fee / Mobility Fee Comparison

Land Use	Unit	Orange County *	Orange County *	Orange County *	Orange County (Existing)	City of Orlando
Date of Last Update	-	2012	2012	2012	2004	2012
Adoption Percentage	-	100%	56%	42%	75%	50%
Single Family Det.	du	$6,961	$3,898	$2,924	$2,869	$3,818
Multi Family	du	$4,614	$2,584	$1,938	$2,011	$2,527
Retail (50,000 sf)	1,000 sf	$10,178	$5,700	$4,275	$10,366	$6,265
Office (50,000 sf)	1,000 sf	$9,953	$5,574	$4,180	$5,242	$4,237

*** Non-Mobility Fee Schedule**

Adoption Percentage

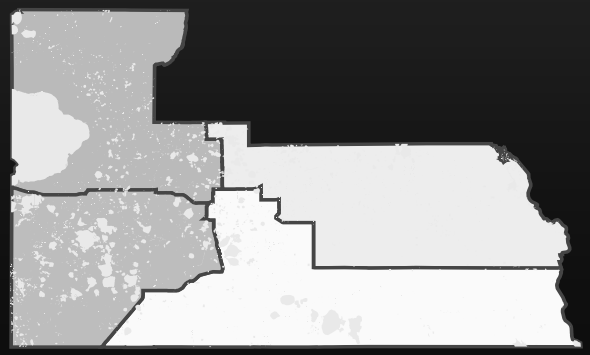
- 100%
  - ✓ Development pays true costs
  - ✓ Capital needs of $123M over next 5 years
  - ✗ Significant impact to the development community
  - ✗ Not compatible with other counties/cities
- 56%
  - ✓ Returns fees to 2004 levels
  - ✓ Maintains 5-Year CIP
  - ✗ Unfunded infrastructure needs of $54M over next 5 years
  - ✗ Slight impact to the development community
  - ✗ Not compatible with other counties/cities

Adoption Percentage

- 42% (maintains 25% reduction)
  - ✓ Keeps fees at approximately today's level
  - ✓ Minimal level necessary to maintain 5-Year CIP
  - ✗ Unfunded infrastructure needs of $71M over next 5 years
  - ✗ Public-Private Partnership Agreements redirect County priorities
  - ✓ No impact to the development community
  - ✓ Likely compatible with other counties/cities
- Other options
  - Implement at 42% for another year
  - Phase-in fee schedule increases

Recommendations

- **Determination of Effective Date**
  - 25% reduction expires on Nov. 13, 2012
  - Staff recommendation to extend 25% reduction until end of year, new fee schedule effective January 1, 2013
- **Other Staff Recommended Code Changes**
  - New land uses
  - Other definitions (i.e., accessory uses, ancillary spaces, canopies, etc.)
  - Alternative impact fee process



Recommendations

- **Change of Use incentive**
  - Waives increased impact fees
  - Set to expire March 31, 2013
  - Options to extend, make permanent, or let expire
  - Staff recommendation to extend until December 31, 2014
- **Public Hearing Schedule**
  - DAB workshop: October 3, 2012
  - LPA Public Hearing: October 18, 2012
  - BCC Public Hearing: November 13, 2012

Requested Direction

- Mobility Fee / Overlay Zone
- Adoption Percentage
- Effective Date
- Change of Use
- Schedule for Public Hearings