

Board of County Commissioners

Economic Development Incentives

July 7, 2020



Presentation Outline

- **Purpose/Background**
- **Resolution**
- **Future Considerations**
- **Action Requested**



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Purpose

- **Provide economic stimulus assistance for businesses, developers, nonprofits, and residents who might be challenged by the effects of the Covid-19 pandemic**
 - Provide additional time to complete projects
 - Offset fees for building permits



Background

▪ Coronavirus impacts

- Novel Coronavirus Disease 2019 (COVID-19) is a severe acute respiratory illness that can spread among humans through respiratory transmission
- The State Surgeon General and State Health Officer declared a Public Health Emergency exists in the State of Florida
- In addition to public health impacts, Orange County has suffered negative economic impacts from COVID-19

Orange County Government Updates

CORONAVIRUS
(COVID-19)

www.ocfl.net/CORONAVIRUS

Background

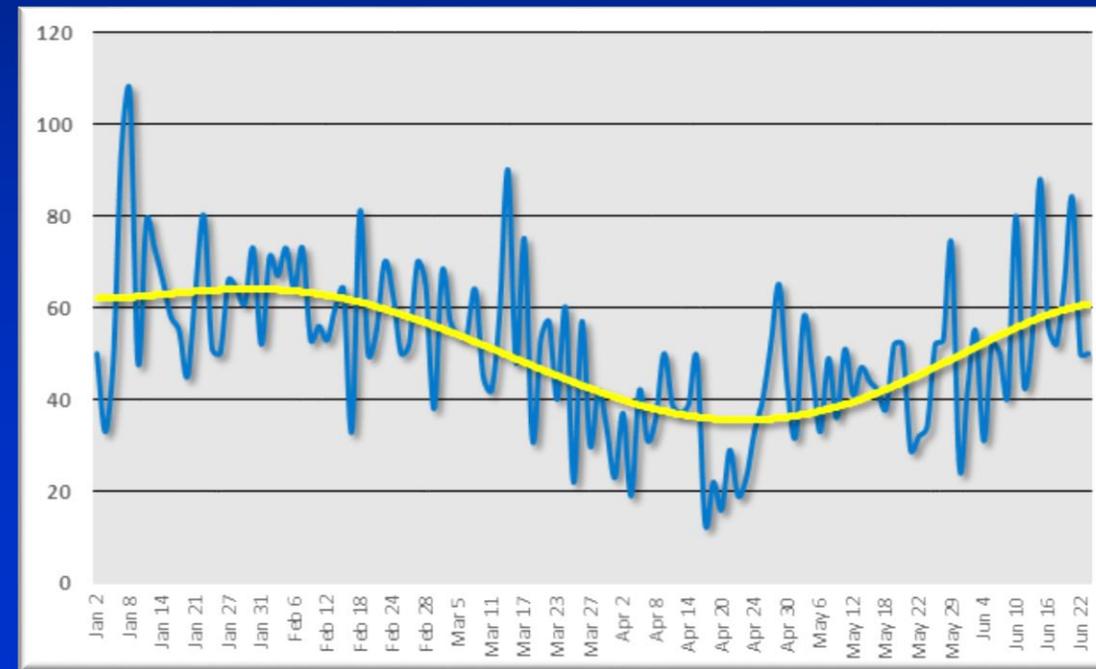
▪ County status

–Overall economic impact stats

- 8.6 % unemployment (UCF – Institute for Economic Forecasting)
- Billions in revenue losses (UCF – Institute for Economic Forecasting)

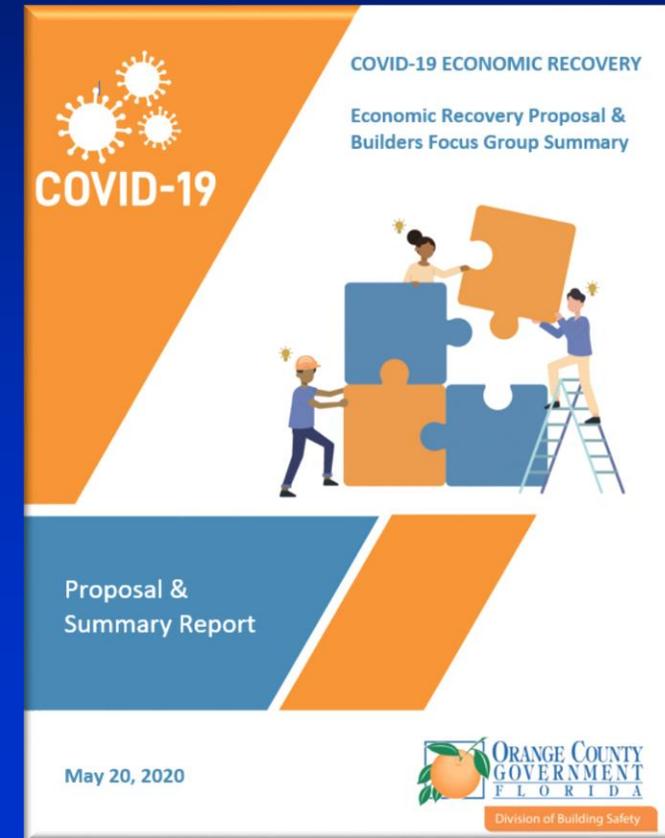
–Building permits issued

- Strong dip – February through May
- Stabilizing
- Future still uncertain



Background

- **Stakeholder engagement**
 - Reached out to local industry groups for feedback
 - Greater Orlando Builder's Association
 - Associated Builder's and Contractors
 - Apartment Association of Greater Orlando
 - Building Owners and Managers Association
 - Other Industry Partners
 - What we heard to aid in the Economic Recovery
 - Process enhancements
 - Permit extensions
 - Permit fee reduction/waiver





Background

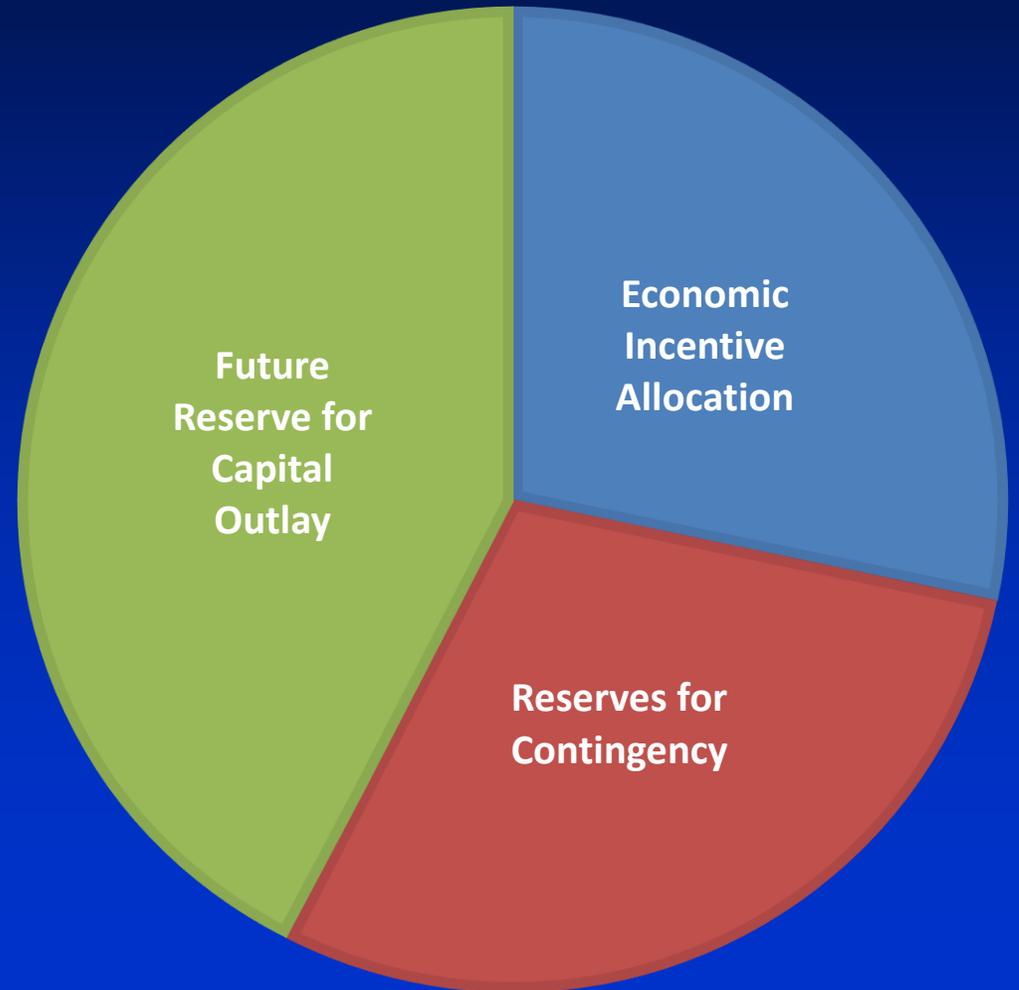
▪ Building Safety Division Budget

- \$25M Operating
- \$5M CIP
- \$35.4 Reserves

▪ Reserves

- 29% Reserves for Contingency
- 42% Reserves for Capital Outlay
- 28% Economic Incentive Allocation

FISCAL YEAR 2020 – PROPOSED ALLOCATIONS





Background

▪ **Statutory Authority on Fee Balances - FS 553.80(7)**

- Any unexpended balances shall be carried forward to future years for allowable activities or shall be refunded or used to reduce/supplement permit fees at discretion of the local government.
- A local government may not carry forward an amount exceeding the average of its operating budget for enforcing the Florida Building Code for the previous 4 fiscal years.
- A local government must use any excess funds that it is prohibited from carrying forward to rebate and reduce fees.



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Resolution

▪ Development Incentives

– Automatic 6-month permit extensions

- All commercial and residential building permits
- Issued on or before March 13, 2020
- Does not apply to expired permits

– Permit fee offset for all residential and commercial permit fees

- Utilize Building Safety Division reserve funding to offset user permit fees
- 6 month timeframe or until \$10M is utilized
- \$100,000 cap per project
- Effective date is July 13, 2020
- Closes January 15, 2021 or earlier if funds are exhausted





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Future Considerations

- **Amendments to Chapter 23. Impact Fees**
 - **Deferral of impact fees to Certificate of Occupancy**
 - Transportation/Fire/Law Enforcement/Parks/Schools
 - Procedural change - no cost to County
 - Example: SF home ~ \$15,000
 - **Transportation Impact fee exemption for Change of Use Permits**
 - Similar effort in response to Great Recession
 - \$100,000 cap
 - **Public hearing scheduled for July 28, 2020**



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Action Requested

- **Approval and execution of Resolution of the Orange County Board of County Commissioners regarding Economic Development Incentives that extends building permits and provides \$10,000,000 for building permit offsets for a six month period, and approval of budget transfer #20-1111.**