OVERVIEW OF MOBILITY & IMPACT FEES

TREASURE COAST REGIONAL PLANNING COUNCIL
SEPTEMBER 2016
What is an Impact Fee?

... a one-time charge on new development to pay for the construction or expansion of off-site capital improvements (roads, public buildings, etc.) that are necessitated by and benefit the new development in order to maintain adopted levels of service.
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Typical Impact Fee Categories:
• Roads (or Transportation)
• Libraries
• Schools
• Parks & Recreational Facilities
• Emergency Service Facilities
• Law Enforcement Facilities
• Solid Waste Facilities
• Public Buildings & Facilities
History of Impact Fees in Florida

- Emerged in the 1960s along with “user charges” (not taxes)
- Initially for parks then roads, schools, etc.
- Considered extension of home rule authority

- Florida 4th DCA (1983) required “dual rational nexus”:
  1. Local government must demonstrate reasonable connection or “rational nexus” between fee and impact
  2. Funds must be specifically earmarked for use to benefit development charged the impact fee

- Later rulings added:
  3. Fees cannot exceed pro rata share of cost of expanding facilities to serve new development
  4. Fees cannot provide “windfall” to existing residents
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## Road Impact Fees in the Region

<table>
<thead>
<tr>
<th></th>
<th>SINGLE-FAMILY UNIT (1800 SF)</th>
<th>MULTI-FAMILY UNIT (1000 SF)</th>
<th>GENERAL OFFICE (10,000 SF)</th>
<th>SIT-DOWN RESTAURANT (5,000 SF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Palm Beach</td>
<td>$ 7,280</td>
<td>$ 4,841</td>
<td>$ 49,493</td>
<td>$ 61,120</td>
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<tr>
<td>Martin</td>
<td>$ 2,815</td>
<td>$ 2,293</td>
<td>$ 21,983</td>
<td>$ 52,850</td>
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<tr>
<td>St. Lucie (mainland)</td>
<td>$ 4,799</td>
<td>$ 3,499</td>
<td>$ 27,520</td>
<td>$ 51,380</td>
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<tr>
<td>Indian River</td>
<td>$ 4,248</td>
<td>$ 2,742</td>
<td>$ 19,160</td>
<td>$ 46,445</td>
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</tbody>
</table>

*NOTE: Estimated based on current impact fee schedules; presumes new development without discount for existing building.*
What is a Mobility Fee?

... a transportation system charge on development that allows local governments to assess the proportionate cost of transportation improvements needed to serve the development.
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**Mobility Fee Characteristics:**

- Funds facilities & services (existing or new), including road capacity projects
- Can fund transit & transit-supportive improvements & operations
- Revenues distributed among benefit districts
- Tends to promote compact, mixed-use & energy-efficient development
# Impact Fees vs. Mobility Fees

<table>
<thead>
<tr>
<th></th>
<th>IMPACT FEES</th>
<th>MOBILITY FEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
<td>One-Time Charge</td>
<td>One-Time Charge</td>
</tr>
<tr>
<td>Rational Nexus</td>
<td>New Capacity Demand from Development; Proportionate</td>
<td>New Capacity Demand from Development; Proportionate</td>
</tr>
<tr>
<td>Applicability</td>
<td>Narrow &amp; Restrictive (Roads only - typically)</td>
<td>Broad &amp; Flexible (Roads plus Sidewalk, Bike, Transit)</td>
</tr>
<tr>
<td>Uses</td>
<td>Capital Infrastructure</td>
<td>Capital Infrastructure plus Operations</td>
</tr>
</tbody>
</table>
## Mobility Fee Characteristics

<table>
<thead>
<tr>
<th>Location</th>
<th>Disposition of expenditures</th>
<th>Cost basis of fee</th>
<th>Trip basis of fee</th>
<th>Credits and discounts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Transit-supportive uses</td>
<td>Transit capital</td>
<td>Transit operations</td>
<td>Planned projects basis</td>
</tr>
<tr>
<td>Tarpon Springs</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Maitland</td>
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<tr>
<td>Kissimmee</td>
<td>X</td>
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<tr>
<td>Ormond Beach</td>
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<td>Broward County</td>
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<td>Jacksonville</td>
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<td>Destin</td>
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<td>Plant City</td>
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<td>Pasco County</td>
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<td>Sarasota County</td>
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<td>Osceola County</td>
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<td>San Francisco, CA</td>
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<td>Seattle, WA</td>
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<td>Bellingham, WA</td>
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No Statutory Guidance $+$ No Case Law (yet) $=$ Wide Variety of Programs
• Developments within municipalities may have impacts on roadways outside their corporate boundaries. Those expenditures outside the corporate limits are not reflected in the attached table.

• Impact fees can only be used for new capital improvements that add capacity, such as roadway widening & new roadway construction.

• With the current complete streets mindset, municipalities are increasingly interested in making their streets more pedestrian and bicycle friendly.

• Impact fees cannot be used for these improvements per current ordinances.

• Cities could choose to pass and implement their own ordinance, such as a mobility fee to be spent on these types of improvements.
Impact Fee Projects By Municipality (FY2003 - FY2015)

Road Impact Fee Collection vs. Spent Per Municipality

- Total Collected
- Total Spent

[Graph showing road impact fee collection vs. spent per municipality for various municipalities in Palm Beach County, Florida.]
Ongoing PBC Road Impact Fee Discussion

Palm Beach MPO Road Impact Fee Alternatives
Ad Hoc Committee

- Subset of Technical Advisory Committee
- Includes county and municipal representatives
- Includes agency representatives (FDOT, SFRTA, TCRPC)
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- General Consensus Points:
  - Current Road Impact Fee has produced some inequitable results
  - Municipalities are advancing Complete Streets & broader mobility networks; funding needed
  - Road Impact Fee changes would require a referendum (charter amendment)
Ongoing PBC Road Impact Fee Discussion

Palm Beach MPO Road Impact Fee Alternatives
Ad Hoc Committee

Scenarios Under Evaluation:

1. Modify current Road Impact Fee methodology
   - Reduce amount collected in urban locales
   - Develop context sensitive methodology
   - Consider “de minimus” exemptions

2. Develop county-wide Mobility Fee
   (in addition to or in place of Road Impact Fee)

3. Adoption of municipal Mobility Fees

4. Explore municipal transit funding alternatives
FOR MORE INFORMATION:

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