



MPO BOARD MEETING JULY 20, 2017



KEY TOPICS

- Definition
- History of Impact Fees in Palm Beach County
- How are road impact fees calculated
- Credits
- Typical road impact fee assessments
- Independent Fee Calculation Study
- Appeals
- Rules, Regulations, Restrictions
- Road Impact Fee Benefit Zones
- Eligible Road Projects
- Capital budget process (how are road projects selected)
- The County Charter
- Mobility Fees vs Impact Fees



DEFINITION

- A fee imposed by local government on **NEW DEVELOPMENT** to help pay for **NEW CAPITAL FACILITIES** that **ADD CAPACITY** demanded by growth.
 - One-time charge
 - Assessed at permit issuance
 - No waivers
 - The BCC authorized Resolution R2009-2013 to designate 50% of investment earnings on roads, parks, and public buildings impact fee revenues to use for the road, park, and public building impact fees for affordable housing (Impact Fee Affordable Housing Assistance Program (IFAHAP)). Assistance is capped at \$3M annually
 - Certain Exemptions are available
 - Fee must pass the Dual Rational Nexus Test
 - Court cases have shaped impact fee practice



EXEMPTIONS

- Any development that results in no new impact on the capital facilities for which the fee is assessed
- 55 years and older adult communities may be exempt from school impact fees
 - Must execute a declaration and restrictive covenant with the Impact Fee Office
 - Must file in the public record
 - Fees assessed for violations at rates in effect at time of violation discovery
- Accessory structures
 - Garages
 - Barns
 - Sheds
 - Porches & Patios
- Government Owned & Operated Facilities

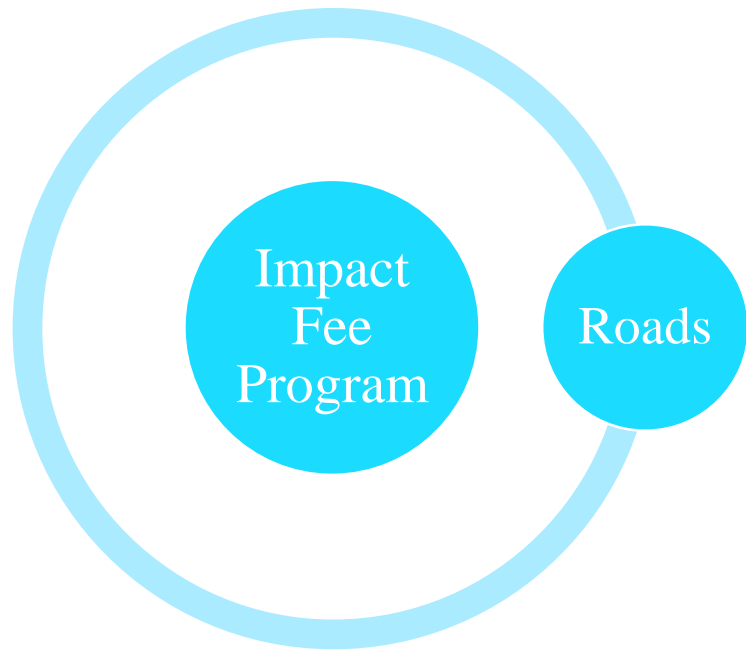


HISTORY IN PALM BEACH COUNTY

- Pioneer in use of impact fees
- Roads impact fees assessed July 1979
- Collections suspended November 1979 when challenged in court
- Collections resumed in 1982 after legal challenges were resolved
- Charter amendment approved by voters in 1988
 - Expands fee structure to include parks, libraries, schools, law enforcement, fire rescue, public building
 - Makes fees countywide
- Aggregate fees begin October 1989

PBC IMPACT FEE PROGRAM

Before 1989



Since 1989





CALCULATING ROAD IMPACT FEES

- Basic Impact Fee Calculation
 - $\text{Cost} - \text{Credits} = \text{Impact Fee}$
- Calculation Details
 - $\text{VMT} = ((\text{Trip Rate} \times \text{Trip Length} \times \% \text{ New Trips}) / 2) / (\text{Capacity})$
 - Vehicle Miles Traveled
 - $\text{Cost} = \text{Construction Cost per Lane Mile} (\$3.1\text{M in last update})$
 - Includes cost of design, mitigation, and construction
 - Credits
 - Includes gas tax credits and debt payment credits
 - $(\text{VMT} \times \text{Cost}) - \text{Credits} = \text{Fee}$



IMPACT FEE CREDITS

- Reduce the impact fee assessment
- Existing Use Credits– Earned for redeveloping a property
 - Fee payer must document the previously existing structure
 - Exceed \$40M since 1990
 - City Place - \$2.2M
- In-kind Contribution Credits – Developer donates a capital facility
 - New road, new lane miles, or intersection improvements
 - Land for a new school
 - Land for a fire rescue station
 - Cash donations for capital facilities
 - \$156M authorized since 1990
- Prop Share Payments – Credited against road impact fees



TYPICAL ROAD IMPACT FEE ASSESSMENTS

- Single Family (2,000 sf, 10 trips) - \$7,281 each unit
- Multi Family (1,300 sf, 6.65 trips) - \$4,851 each unit
- 50,000 sf General Office (704 trips) - \$170,874
- 50,000 sf General Retail (11,176 trips) - \$558,776
- 10,000 sf Pharmacy w/Drive Thru (441 trips) - \$53,488
- 3,000 sf Convenience Store (863 trips) - \$104,773
- Gas Station w/16 fueling positions (1,349 trips) - \$163,628



INDEPENDENT FEE CALCULATION STUDY

- May be prepared at the option of the feepayer
- Prepared at the feepayer's expense
- Must follow the methodologies used in the Biennial Update report
- For road impact fees:
 - Study must be conducted by a registered traffic engineer or qualified professional in traffic analysis
 - Traffic analysis must include appropriate documentation of trip generation rates, trip distribution and traffic assignments, and trip lengths
- **Study must be approved** by the Impact Fee Manager and the impact fee user department (Directors of Engineering, Parks, Libraries, etc.)



IMPACT FEE APPEALS

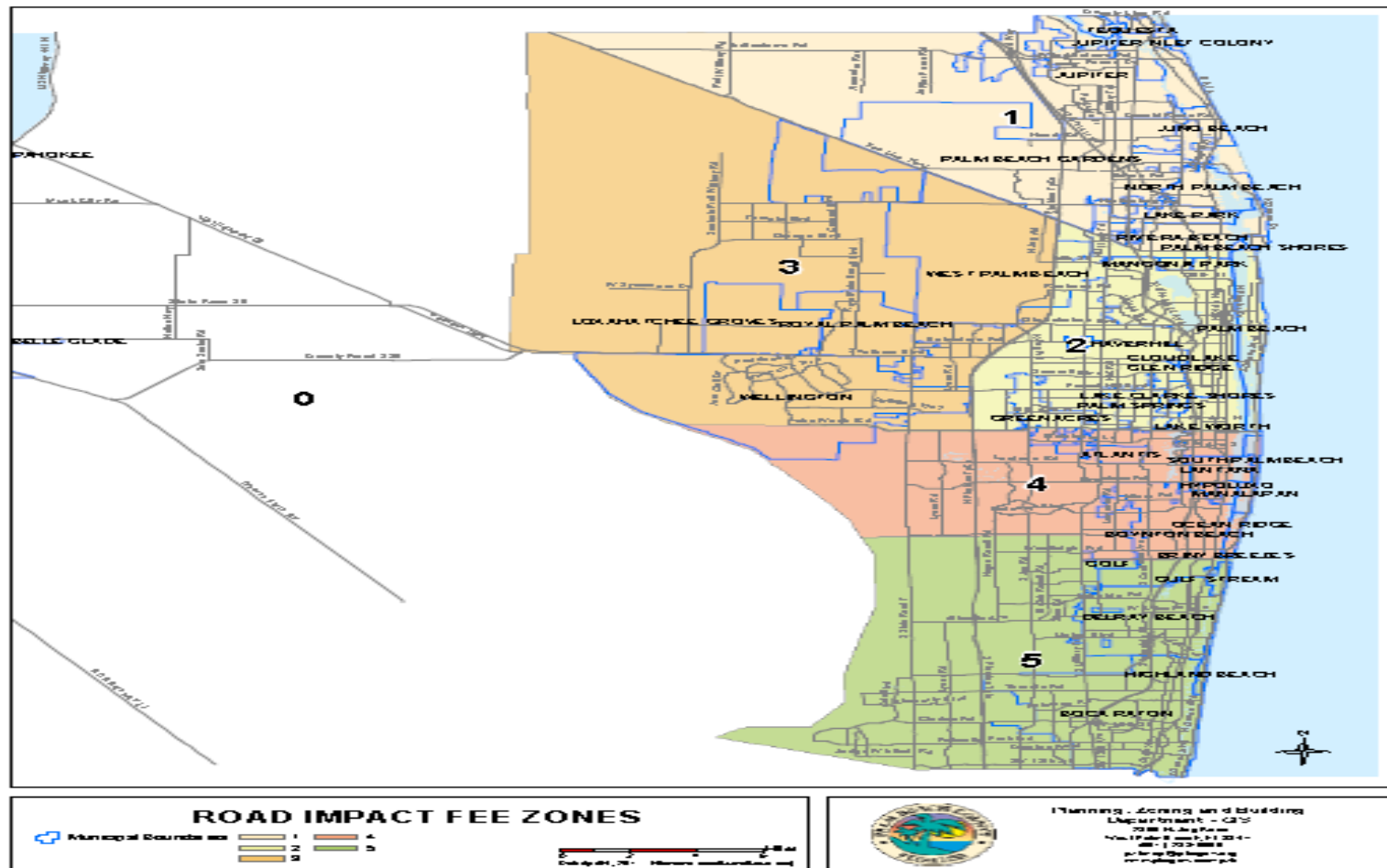
- Decisions by the Impact Fee Manager (IFM) on independent fee studies and interpretations of Article 13 may be appealed
- Applicant must file a letter of appeal
 - Must be filed within 15 working days of IFM's decision
 - Letter must state with specificity the reason for appeal
 - Letter must contain all the facts and evidence to be used by the feepayer in the appeal
- IFM may establish a reasonable fee to cover the cost of the appeal
- Special Magistrate hears and decides appeals



RULES & REGULATIONS

- Impact Fee Program administered in accordance with Article 13 of the Unified Land Development Code
- No Waivers (Waive / Waiver not listed in Article 13)
- Impact Fee Revenues
 - Fiduciary trust funds
 - May be used only for purposes for which fees were collected
 - May not be used to pay operating expenses
 - Must be expended in the same benefit zones the fees were collected
- **Time Limitations**
 - Revenues must be - **Encumbered in 6 years / Expended in 9 years**
- Fees are not assessed in The Glades (Belle Glade, Pahokee, South Bay, Unincorporated Glades area)
 - Infrastructure needs in The Glades are not growth related

ROAD IMPACT FEE BENEFIT ZONE



ROAD IMPACT FEE USES

Eligible



- Constructing new roads
- Adding new lane miles to existing roads
- Intersection improvements
- Design and mitigation costs are eligible
- Note – all roads must be on the County’s road thoroughfare map

Ineligible



- Road resurfacing costs
- Repairing pot holes
- Restriping roads
- Roads not on the County’s road thoroughfare map
- Trolleys, bus shelters, buses and similar transit projects
- Salaries & other operating expenses

CAPITAL BUDGET PROCESS

Departments propose projects that use impact fee revenues

Projects reviewed/approved by Impact Fee Manager

County Administrator presents budget to BCC

BCC prioritizes and approves

Final Capital Budget or Five Year Road Program



PALM BEACH COUNTY CHARTER

- Provides that impact fee regulations apply countywide
 - For roads, schools, parks, public buildings, county law enforcement, and solid waste disposal
 - For County fire rescue and County library impact fees in those municipalities whose properties are taxed by the County for library and/or fire rescue
- **Without a change to its charter, Palm Beach County can only impose additional types of impact fees and other developer exactions in the unincorporated areas, not the cities**



ROAD IMPACT FEE VS MOBILITY FEE

ROAD IMPACT FEE

- One-time charge
- Proportionate fee
- **Provides new lane-miles of road capacity**
- **Use of fees restricted to new lane miles and new roads**
- **Capital infrastructure only**

MOBILITY FEE

- One-time charge
- Proportionate fee
- New Capacity demand from development
- **Fees may be used for roads plus sidewalks, bike paths and transit**
- **Capital infrastructure plus operations**



CAN COUNTY ROAD IMPACT FEE REVENUES BE USED TO FUND CITY MOBILITY PROJECTS?

- **No:**

- Pursuant to the Palm Beach County Charter
- Pursuant to Article 13, of the Unified Land Development Code
- Pursuant to case law