

## **Demonstrated Needs Study: Raising Transportation Impact Fees Two-Pager**

- HB 337 introduced new phase in requirements for the adoption of increased impact fees.
- Phase-in Limitations on impact fee increases
  - i. 0-25% must be done in 2 annual increments
  - ii. 25-50% must be done in 4 equal installments
  - iii. May not increase more than 50%
  - iv. These phase-in limitations are retroactive to Jan. 2021
- Local governments may exceed phase-in limitations, provided:
  - i. Extraordinary circumstances supported by a demonstrated needs study
  - ii. Two publicly noticed workshops dedicated to extraordinary circumstances
  - iii. Adoption by 2/3 vote of the governing body

**NOTE: Staff is confident the conditions to raise TIF are fulfilled with demonstrated needs study.**

- Demonstrated Need Study Technical Memorandum
  - i. Demand for Transportation Infrastructure
    - a. FL Population grew 16% between 2011-2020
    - b. Orange County grew 24% during same period
    - c. #2 in absolute increase and #5 in percent increase
    - d. Visit Orlando announced 76.0 million visitors in 2019, up 83% since 2011
    - e. Orlando International Airport saw an 86% increase in passengers since 2011
    - f. Residential and commercial permit activity is high, with more than 7,000 residential permits and 1,000 commercial permits annually
- Transportation Network Metrics
  - i. 31% growth in miles traveled in Orange County
  - ii. Over 10 years, 292.5% miles over capacity
- Need for Impact Fees as a funding source
  - i. Fund approximately 30% of the County's Capital Improvement Program
  - ii. Can only be spent in the zone they are collected
- Assessments of 2019 development activity
  - i. 27.7M (2012 rates at 56%)
  - ii. 49.5M

iii. 71.8M (2020 rates at 100%)

➤ Additional Considerations

- i. Charter County and Regional Transportation System Surtax as a means of funding comprehensive transportation solutions
- ii. \$5.4 billion in roadway improvements (impact fees cannot be used for transit, safety, and operations/maintenance)
- iii. Penny infrastructure sales tax to help pay for transportation improvements, to be added to the 2022 ballot

Current Rates- \$27.7M (38% of 2020 study rates)

Capped Rates- \$44.1M (61% of 2020 study rates)

\$25M+ potential revenue loss

➤ Options for Board Consideration

- i. Increase to 100% in two increments or in one increment. Increase to 75% in one increment.
- ii. Earliest implementation of TIF would be December 5<sup>th</sup>, 2021
- iii. Final action by board to increase fees above phase-in limitations will require 2/3 vote

*Action Required:*

1. Identify organizations that would align with our mission.
2. Create messaging/flyer/2 pager
3. Build tab on website with videos, narrative form, copy of Demonstrated Needs Study presentation, simple survey 75% vs. 100%
4. Build popular support in the community to pressure the BCC (emails, calls)
5. Attend final vote to make public comments on August 24<sup>th</sup>

Are you unhappy with the overdevelopment happening in your community?

Do you wish our County provided sufficient funds to deal with transportation issues?

Are you tired of sitting in traffic on broken roads?

Join our effort to make developers pay their fair share in transportation impact fees.

75% vs. 100% Survey: <https://forms.gle/52dwHWewo1CXp1gP8>