

# Volusia County Public Information Presentation Thoroughfare Road Impact Fee



# Volusia County

## Public Information Presentation

### Thoroughfare Road Impact Fee



1. Welcome and overview
2. Presentation summary:
  - A. What is the thoroughfare road impact fee?
  - B. What and where can the fee be used?
  - C. Legal framework of impact fees
  - D. What is an impact fee credit?
  - E. What was included in the study?
  - F. What are the recommendations from the study?
  - G. What can we expect if the fee is updated, as recommended by the study?
  - H. What's next?
3. Public comment/question

# WHAT IS THE THOROUGHFARE ROAD IMPACT FEE?

- In general, impact fees provide local governments with a funding source for new or expanded public facilities such roads, potable water, sanitary sewer, schools and parks.
- The thoroughfare road impact fee is used to ensure that new development and redevelopment cover the costs of the impacts to the county thoroughfare road network.



# HOW LONG HAS VOLUSIA COUNTY COLLECTED THE THOROUGHFARE ROAD IMPACT FEE?

1986 Adoption of original thoroughfare road impact fee ordinance-amended 16 times between 1986 and 2017



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graph TD; A[1986 Adoption of original thoroughfare road impact fee ordinance-amended 16 times between 1986 and 2017] --> B[2003 Updated study and new fee schedule]; B --> C[2007 Updated study, but no fee increase due to economic conditions]; C --> D[2011 Certain residential fees are suspended for two years and were reinstated over a three year period]; D --> E[2015 Council assigns contract to Duncan Associates to update fee];
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2011 Certain residential fees are suspended for two years and were reinstated over a three year period

2015 Council assigns contract to Duncan Associates to update fee

# LEGAL FRAMEWORK - STATUTORY

## 163.31801 - Florida Impact Fee Act

- Requires that the calculation of the impact fee be based on the **most recent and localized data**.
- If a local governmental entity imposes an impact fee to address its infrastructure needs, the entity shall account for the revenues and expenditures of such impact fee in a separate accounting fund.
- Limits administrative charges for the collection of impact fees to actual costs.
- **Requires** that **notice be provided no less than 90 days before the effective date** of an ordinance or resolution imposing a new or increased impact fee. A county or municipality is not required to wait 90 days to decrease, suspend, or eliminate an impact fee.
- In **any action challenging an impact fee**, the **government has the burden of proving by a preponderance of the evidence** that the imposition or amount of the fee meets the requirements of state legal precedent or this section. The court may not use a deferential standard.

# LEGAL FRAMEWORK – COURT DECISIONS

*Hollywood, Inc. v. Broward County*, 431 So.2d 606 (Fla. 4th DCA), review denied, 440 So.2d 352 (Fla.1983).

[T]he local government **must demonstrate** a reasonable connection, or **rational nexus**, **between the need for additional capital facilities and the growth in population** generated by the subdivision. In addition, the government **must show** a reasonable connection, or **rational nexus**, **between the expenditures of the funds collected and the benefits accruing** to the subdivision. In order to satisfy this latter requirement, the ordinance must specifically earmark the funds collected for use in acquiring capital facilities to benefit the new residents.

*Contractors & Builders Association v. City of Dunedin*, 329 So.2d 314 (Fla.1976).

Raising expansion capital by setting [impact fees], which **do not exceed a pro rata share of reasonably anticipated costs of expansion**, is permissible where expansion is reasonably required, if use of the money collected is limited to meeting the costs of expansion. The cost of new facilities should be borne by new users to the extent new use requires new facilities, but only to that extent. When new facilities must be built in any event, **looking only to new users for necessary capital gives old users a windfall at the expense of new users**.

# DUAL RATIONAL NEXUS

**Need** – new development creates need and the fee is proportional to the amount of capacity used by the new development.

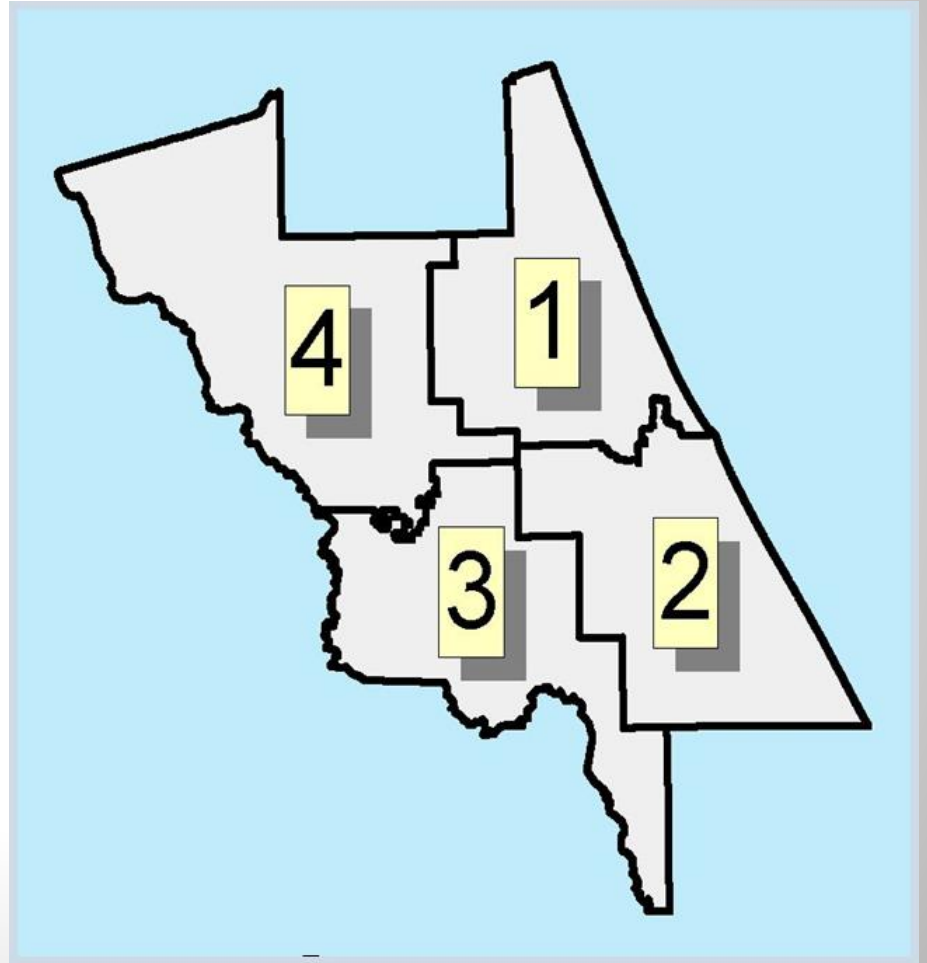
***AND***

**Benefit** – new development subject to the fee will benefit from the improvements resulting from the impact fee.

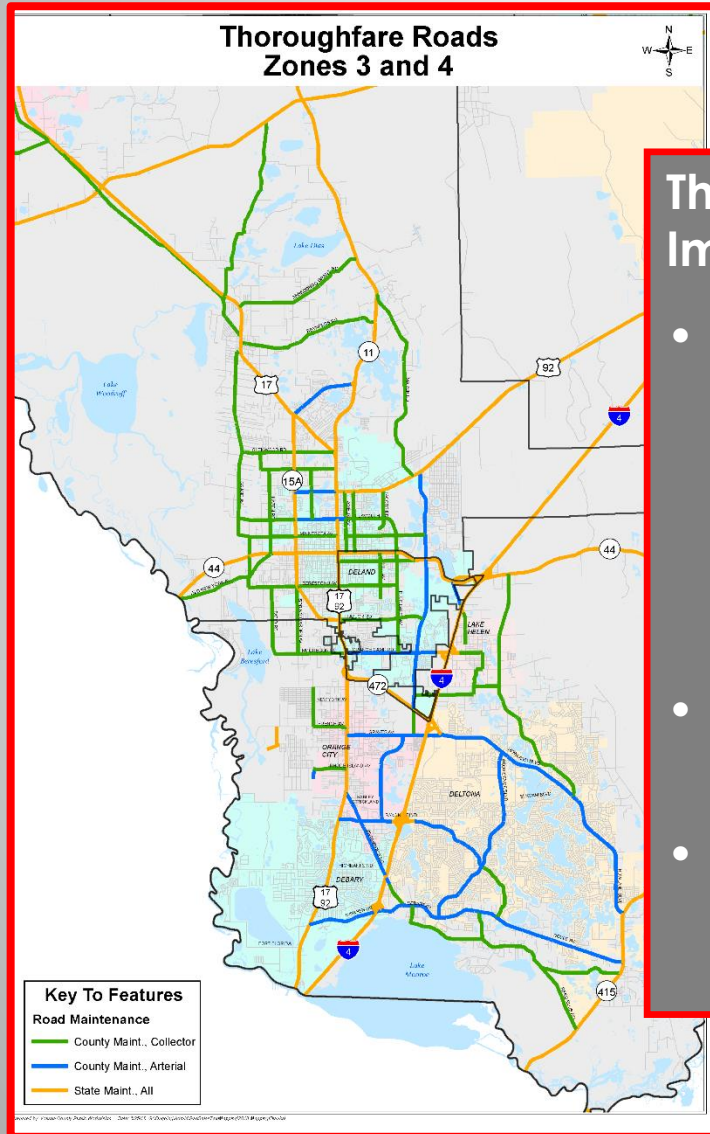


# WHERE CAN VOLUSIA COUNTY USE THE THOROUGHFARE ROAD IMPACT FEE?

- There are four thoroughfare road impact fee zones.
- Road impact fees are used for expansion of existing roads and the study, design, land acquisition, and construction of new roads.
- Fees collected in a zone have to be spent in that zone.

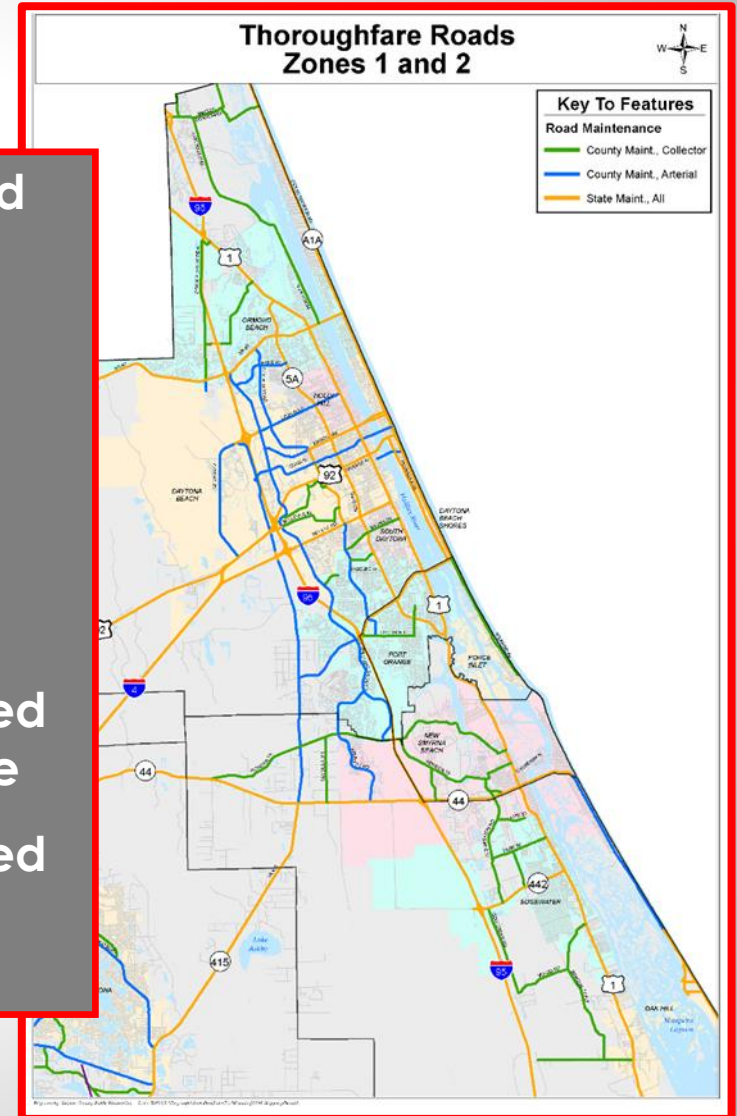


# IMPLICATIONS OF LEGAL FRAMEWORK



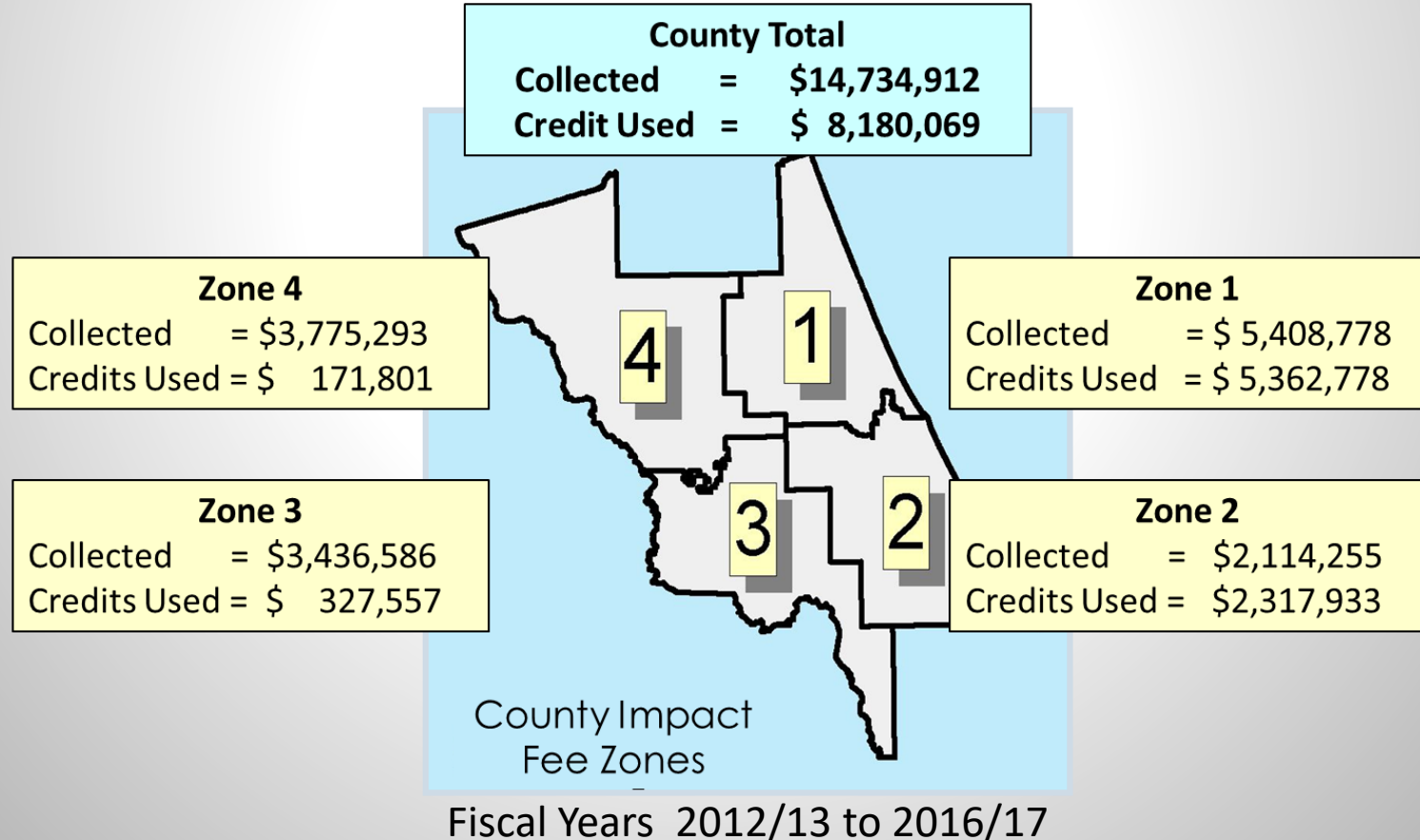
## Thoroughfare Road Impact Fees:

- CAN ONLY be used on Thoroughfare Road capacity projects in the zone
- CANNOT be used for maintenance
- CANNOT be used to address deficiencies



# WHAT IS AN THOROUGHFARE ROAD IMPACT FEE CREDIT?

- A credit granted to a developer that equals the value of the land used for right of way and/or construction cost of adding a new road/expanding an existing road.
- The credit process is needed to meet the rational nexus test.



# WHY ARE THOROUGHFARE ROAD IMPACT FEE CREDITS IMPORTANT?

- Allows for quick acquisition of right-of-way and/or initiation of road construction.
- Targets specific improvements to roads that receive the greatest impacts from new development.
- Limits the actual amount of revenue collected for the particular zone.
- Limits the county's ability to direct funding to roadways not immediately impacted by new development.

# WHAT WAS STUDIED?

The study updated the formula used to calculate the Volusia County thoroughfare road impact fee. The study looked at the following factors:

$$\text{Road Impact Fee} = ((1/2) \times (TGR) \times (\%NT) \times (DF) \times (ATL) \times (CC/LM)/LM \text{ Capacity}) - \text{Credits}$$

- Trip generation rates (TGR)
- New trips (NT)
- Trip distribution (DF)
- Trip length (ATL)
- Cost per vehicle mile ((CC/LM)/LM)
- Gas tax collection (Credits)

# WHAT ARE THE CURRENT FEES?

## Common examples

- ❑ Single-family detached unit \$2,174
- ❑ Multi-family unit \$1,506
- ❑ 1,000 sq. ft. of retail \$3,080
- ❑ 1,000 sq. ft. of office \$2,310
- ❑ 1,000 sq. ft. of medical office \$5,560
- ❑ 1,000 sq. ft. of industrial \$1,220

**Table 1. Current Impact Fees and 2003 and 2007 Study Amounts**

Land Use Type	Unit	2003 Study	Current	2007 Study
<b>Residential</b>				
Single-Family Detached	Dwelling	\$2,653	\$2,174	\$7,201
Apartment	Dwelling	\$1,838	\$1,506	\$5,379
Townhouse/Condo/2-3 Family	Dwelling	\$1,347	\$1,105	\$5,557
Mobile Home Park	Space	\$927	\$761	\$3,039
<b>Retail/Commercial</b>				
Retail: Less than 10,000	1,000 sq. ft.	\$6,560	\$5,350	\$14,286
Retail: 10,000 - 99,000	1,000 sq. ft.	\$4,250	\$3,470	n/a
Retail: 100,000 - 1,000,000	1,000 sq. ft.	\$3,770	\$3,080	n/a
Retail: Greater than 1,000,000	1,000 sq. ft.	\$4,560	\$3,710	\$12,655
Bank w/Drive thru	1,000 sq. ft.	\$13,430	\$10,960	\$48,085
Bank w/no Drive thru	1,000 sq. ft.	\$5,570	\$4,550	\$26,730
Quality Restaurant	1,000 sq. ft.	\$9,910	\$8,090	\$33,440
High-Turnover Restaurant	1,000 sq. ft.	\$12,980	\$10,590	\$38,667
Fast Food Restaurant	1,000 sq. ft.	\$28,190	\$23,010	\$100,216
CBD Sandwich Shop	1,000 sq. ft.	\$5,860	\$4,780	\$4,077
Auto Care	1,000 sq. ft.	\$4,530	\$3,700	\$13,535
New and Used Car Sales	1,000 sq. ft.	\$6,450	\$5,270	\$18,287
Supermarket	1,000 sq. ft.	\$8,330	\$6,800	\$18,084
Convenience Store	1,000 sq. ft.	\$21,040	\$17,170	n/a
Convenience Store w/Gas Pumps	1,000 sq. ft.	\$17,880	\$14,590	\$48,635
Convenience/Gas/Fast Food	1,000 sq. ft.	\$33,700	\$27,510	\$26,262
Home Improvement Store	1,000 sq. ft.	\$4,410	\$3,600	\$12,920
Pharmacy/Drugstore w/Drive Thru	1,000 sq. ft.	\$3,550	\$2,900	\$9,818
Furniture Store	1,000 sq. ft.	\$780	\$630	\$2,547
Tire Store/Auto Repair	Bay	\$3,384	\$2,762	\$9,056
Quick Lubrication	Bay	\$4,713	\$3,847	\$8,714
Movie Theater	Screen	\$11,514	\$9,398	\$1,972
Hotel	Room	\$1,545	\$1,266	\$5,156
Motel	Room	\$832	\$683	\$2,870
<b>Office</b>				
Office under 10,000	1,000 sq. ft.	\$6,290	\$4,320	n/a
Office over 10,000	1,000 sq. ft.	\$2,830	\$2,310	\$11,341
Corporate Headquarters Building	1,000 sq. ft.	\$1,810	\$1,480	\$5,843
Medical Office	1,000 sq. ft.	\$6,810	\$5,560	\$24,454
<b>Industrial/Warehouse</b>				
Light Industrial	1,000 sq. ft.	\$1,500	\$1,220	\$4,945
Manufacturing	1,000 sq. ft.	\$830	\$680	\$2,742
Warehouse	1,000 sq. ft.	\$1,060	\$860	\$3,562
Mini-warehousing	1,000 sq. ft.	\$530	\$430	\$1,073
<b>Public/Institutional</b>				
Hospital	1,000 sq. ft.	\$3,050	\$2,490	\$10,556
Church	1,000 sq. ft.	\$1,480	\$1,210	\$4,880
Day Care	1,000 sq. ft.	\$5,380	\$4,390	\$16,697
Nursing Home	Bed	\$265	\$218	\$869
General Recreation	Campsite	\$941	\$768	n/a
Major Sports Facility	Pk Space	\$571	\$466	n/a
Local Park	Pk Space	\$431	\$352	n/a
District Park	Pk Space	\$841	\$523	n/a

Source: Study fees from reports cited on previous page; current fees from Polusia County Code of Ordinances, fees effective February 1, 2007 (fees include 3% administrative charge; fees shown to nearest dollar; current nonresidential fees per square foot have been multiplied by 1,000)

# WHAT ARE THE PROPOSED FEES?

## Common examples

Single-family detached unit	\$5,379
Multi-family unit	\$3,213
1,000 sq. ft. of retail	\$6,385
1,000 sq. ft. of office	\$3,974
1,000 sq. ft. of medical office	\$14,630
1,000 sq. ft. of industrial	\$2,022

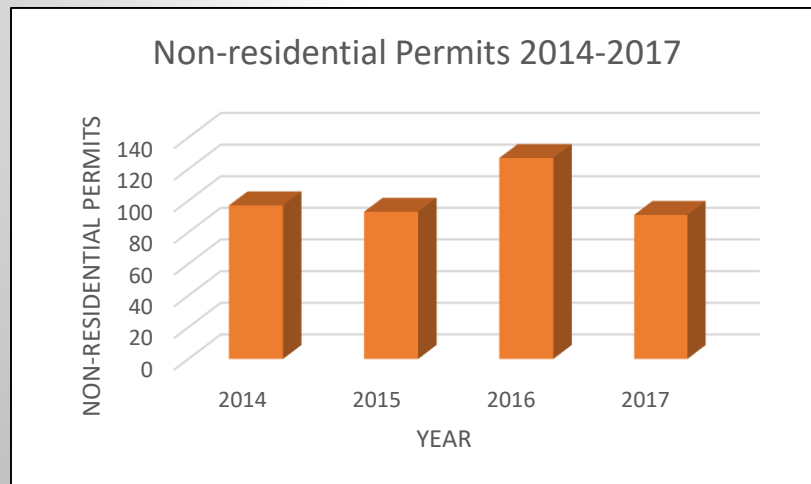
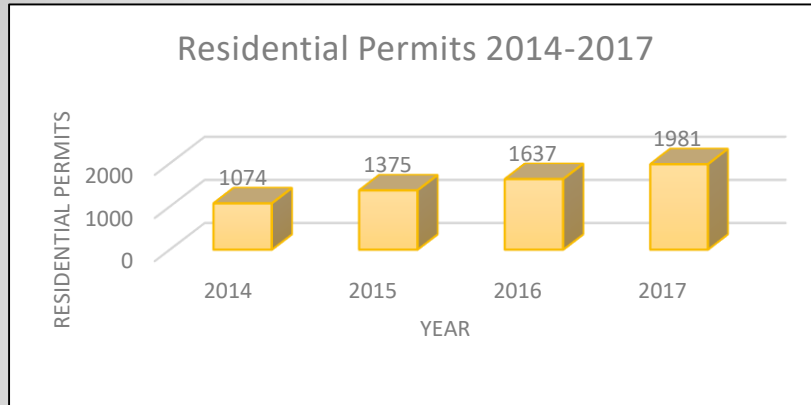
Land Use Type	Unit	Current Fee	Updated Fee	Change	Percent Change
<b>Residential</b>					
Single-Family Detached *	Dwelling	\$2,174	\$5,379	\$3,205	147%
Multi-Family, 1-2 Stories	Dwelling	\$1,506	\$3,213	\$1,707	113%
Multi-Family, 3+ Stories	Dwelling	\$1,506	\$1,950	\$444	29%
Mobile Home/RV Park	Space	\$761	\$1,982	\$1,221	160%
<b>Retail/Commercial</b>					
Shopping Center/General Retail	1,000 sq. ft.	\$3,080	\$6,385	\$3,305	107%
Bank with Drive-Through	1,000 sq. ft.	\$10,960	\$9,745	-\$1,215	-11%
Bank without Drive-Through	1,000 sq. ft.	\$4,550	\$5,779	\$1,229	27%
Quality Restaurant	1,000 sq. ft.	\$8,090	\$17,224	\$9,134	113%
High-Turnover Restaurant	1,000 sq. ft.	\$10,590	\$21,428	\$10,838	102%
Fast Food Restaurant	1,000 sq. ft.	\$23,010	\$47,373	\$24,363	106%
Auto Care	1,000 sq. ft.	\$3,700	\$3,654	-\$46	-1%
New and Used Car Sales	1,000 sq. ft.	\$5,270	\$8,357	\$3,087	59%
Supermarket	1,000 sq. ft.	\$6,800	\$10,708	\$3,908	57%
Convenience Store	1,000 sq. ft.	\$14,590	\$24,015	\$9,425	65%
Super Convenience Store (10+ fuel stations)	1,000 sq. ft.	\$27,510	\$29,396	\$1,886	7%
Home Improvement Store	1,000 sq. ft.	\$3,600	\$12,278	\$8,678	241%
Pharmacy with Drive-Through	1,000 sq. ft.	\$2,900	\$5,162	\$2,262	78%
Furniture Store	1,000 sq. ft.	\$630	\$1,782	\$1,152	183%
Tire Store/Auto Repair	Bay	\$2,762	\$4,363	\$1,601	58%
Quick Lubrication Shop	Bay	\$3,847	\$4,611	\$764	20%
Movie Theater	1,000 sq. ft.	n/a	\$12,981	n/a	n/a
Hotel	Room	\$1,266	\$2,974	\$1,708	135%
Motel	Room	\$683	\$1,189	\$506	74%
<b>Office</b>					
General Office	1,000 sq. ft.	\$2,310	\$3,974	\$1,664	72%
Corporate Headquarters Building	1,000 sq. ft.	\$1,480	\$3,238	\$1,758	119%
Medical Office	1,000 sq. ft.	\$5,560	\$14,630	\$9,070	163%
<b>Industrial/Warehouse</b>					
Light Industrial	1,000 sq. ft.	\$1,220	\$2,022	\$802	66%
Manufacturing	1,000 sq. ft.	\$680	\$1,592	\$912	134%
Warehouse	1,000 sq. ft.	\$860	\$710	-\$150	-17%
Mini-Warehouse	1,000 sq. ft.	\$430	\$614	\$184	43%
<b>Public/Institutional</b>					
Hospital	1,000 sq. ft.	\$2,490	\$2,128	-\$362	-15%
Church	1,000 sq. ft.	\$1,210	\$1,378	\$168	14%
Day Care Center	1,000 sq. ft.	\$4,390	\$6,074	\$1,684	38%
Nursing Home	1,000 sq. ft.	n/a	\$1,318	n/a	n/a
Major Sports Facility	Pk Space	\$571	\$468	-\$103	-18%
Public Park	Acre	n/a	\$156	n/a	n/a

category also includes a mobile home on a single-family lot  
 Source: Current fees from Table 1 (shopping center based on 100,000 square foot center; office based on building greater than 10,000 sq. ft.; super convenience store based on convenience store/gas/fast food category); updated fees from Table 17.

# WHAT ARE THE NET CHANGES?

Land Use	Current Fee	Proposed Fee	Net Change	% Change
Single-Family Dwelling Unit	\$2,174	\$5,379	+ \$3,205	147%
Multi-Family Dwelling Unit	\$1,506	\$3,213	+ \$1,707	113%
1,000 sq. ft. Retail	\$3,080	\$6,385	+ \$3,305	107%
1,000 sq. ft. Office	\$2,310	\$3,974	+ \$1,664	72%
1,000 sq. ft. Medical Office	\$5,560	\$14,630	+ \$9,070	163%
1,000 sq. ft. Industrial	\$1,220	\$2,022	+ \$802	66%

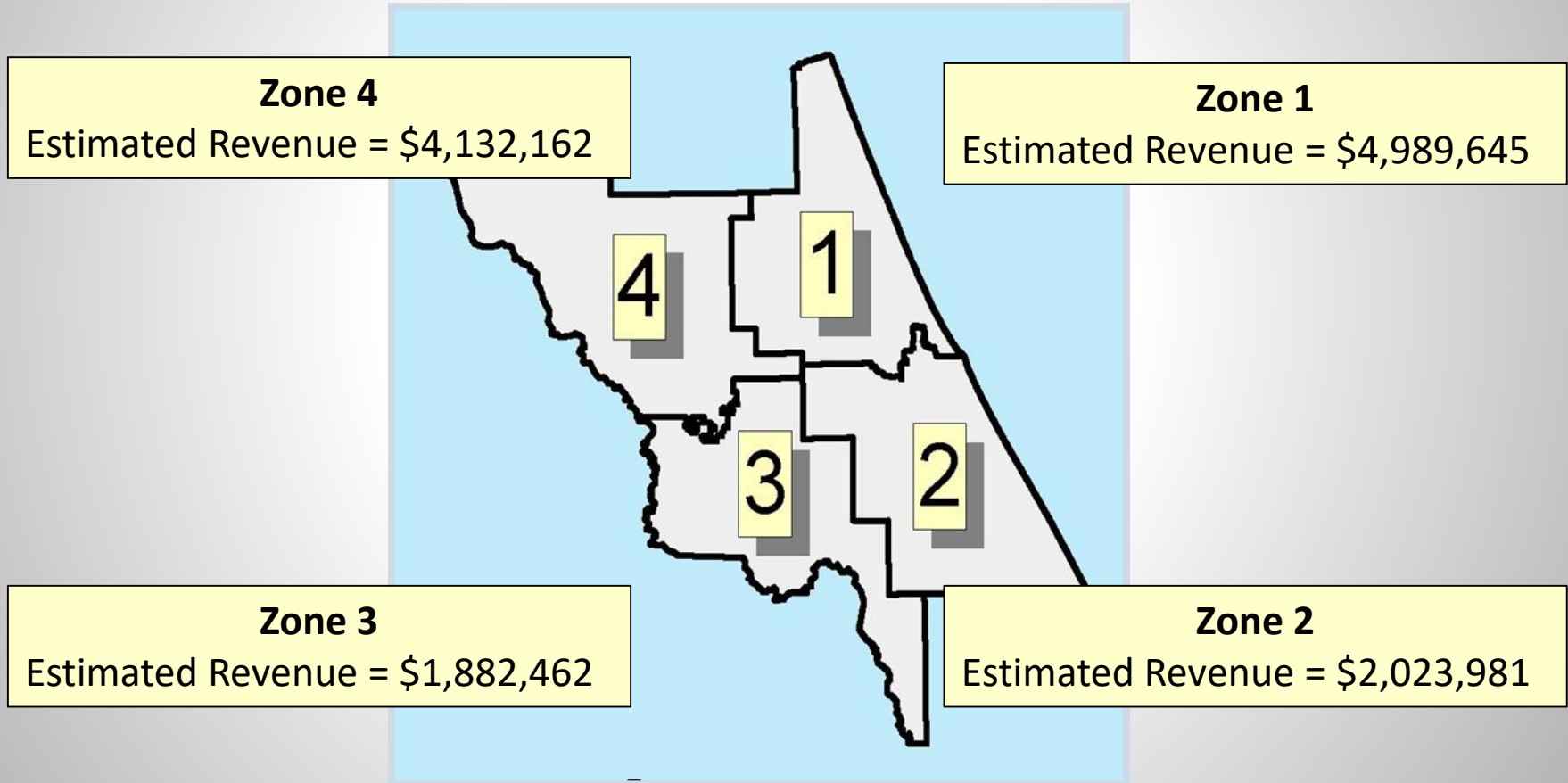
# PRELIMINARY REVENUE ESTIMATES



- Assumptions:
  - ✓ 2017 building permit data
  - ✓ Fee will be in effect April 1, 2019
- Residential:
  - ✓ Revenue (proposed) \$7,991,849
  - ✓ Revenue (existing) \$3,230,021
- Non-residential
  - ✓ Revenue (proposed) \$5,036,400
  - ✓ Revenue (existing) \$2,937,500
- Total
  - ✓ (proposed) \$13,028,249
  - ✓ (existing) \$6,167,521

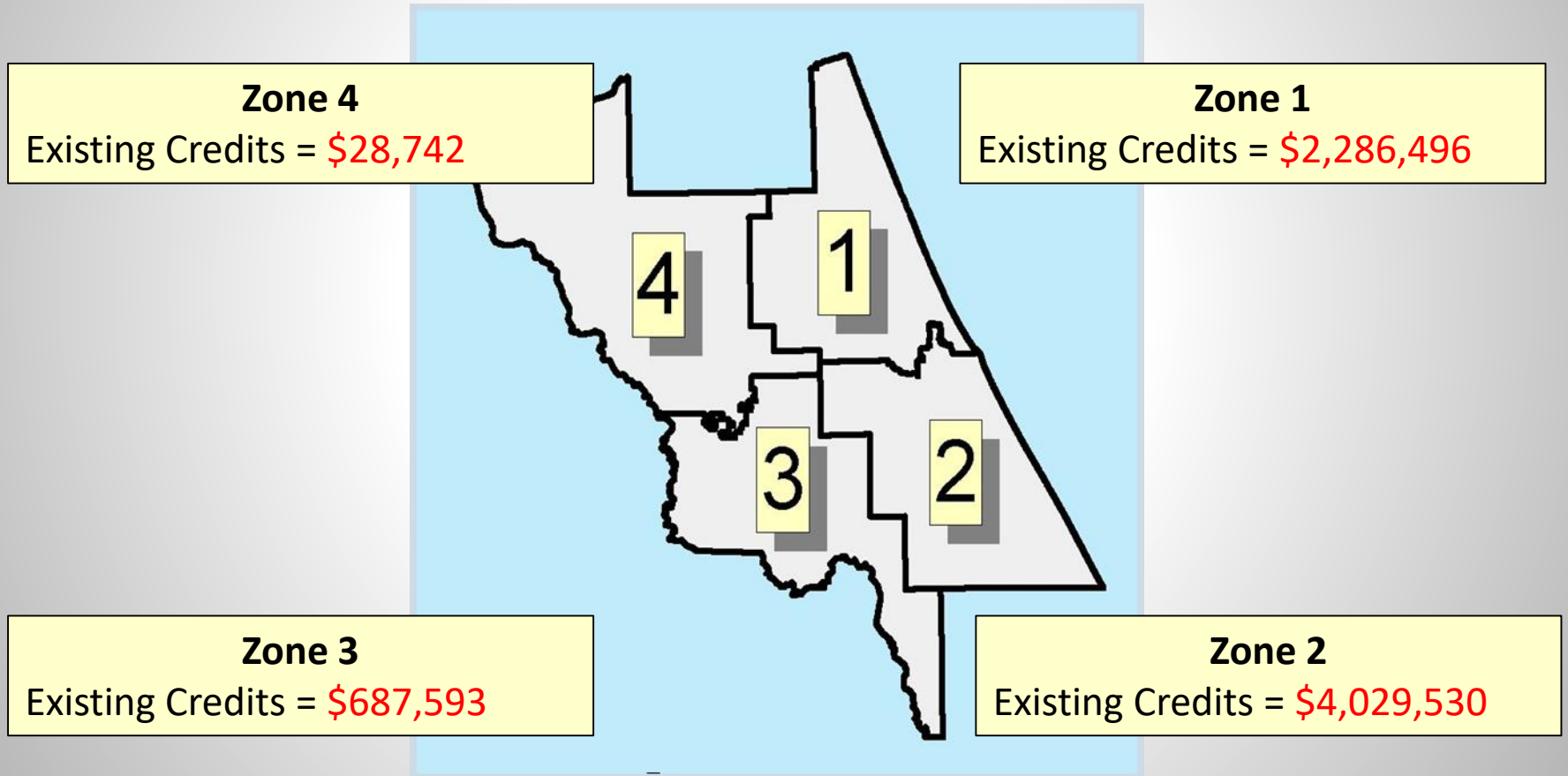
# ESTIMATED REVENUES

The amounts shown in the slide are an estimate of one year of revenue based on 2017 permitting data



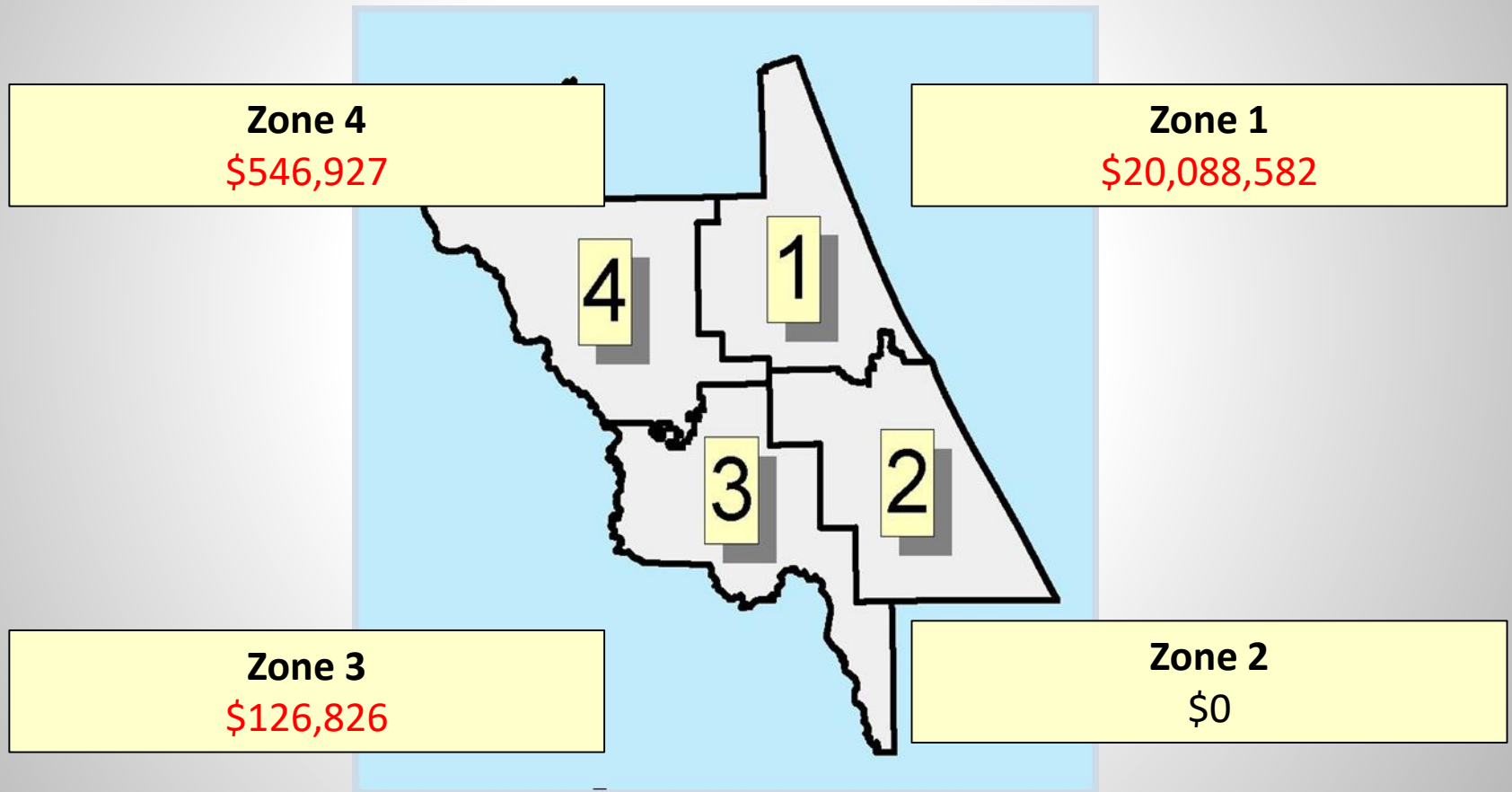
Sources: Volusia County Building and Code Compliance Division. 2017 data.

# EXISTING CREDITS



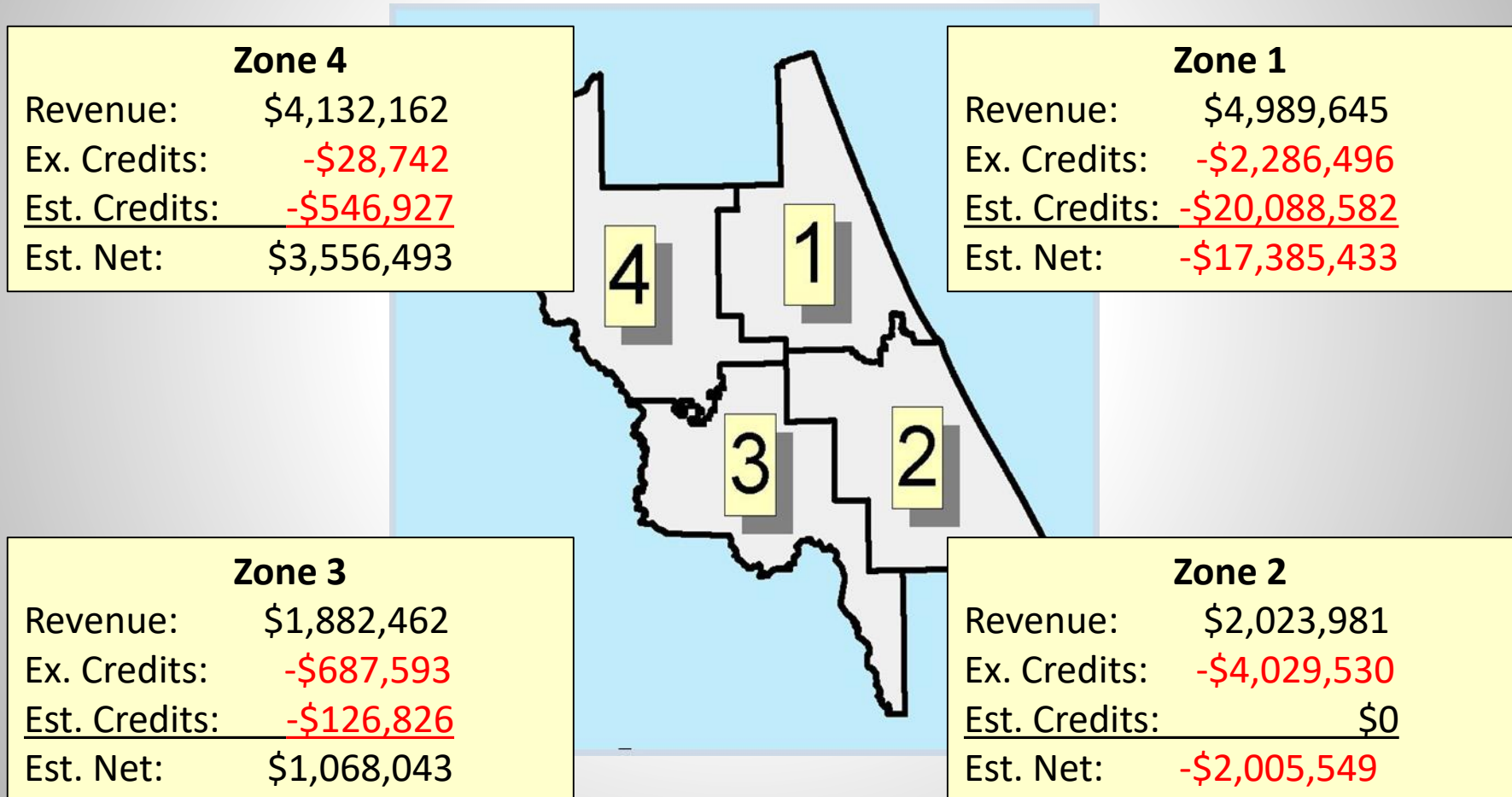
Source: Volusia County Building and Code Compliance Division. Existing accounts as of September 27, 2018.

# FUTURE CREDITS – PROPORTIONATE SHARE/PROJECTS



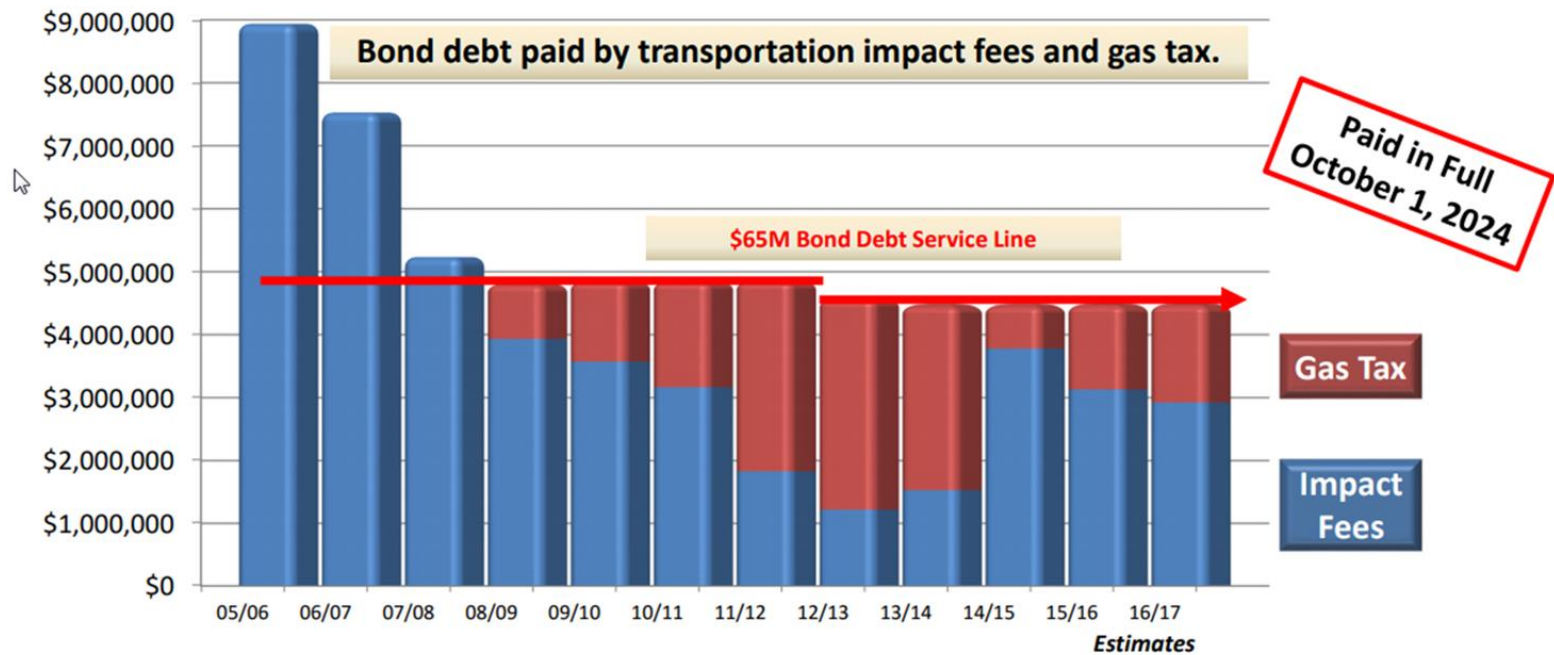
Source: Volusia County Traffic Engineering Division. Pending PFS data as of September 27, 2018.

# NET (REVENUES-CREDITS-PROP SHARE)



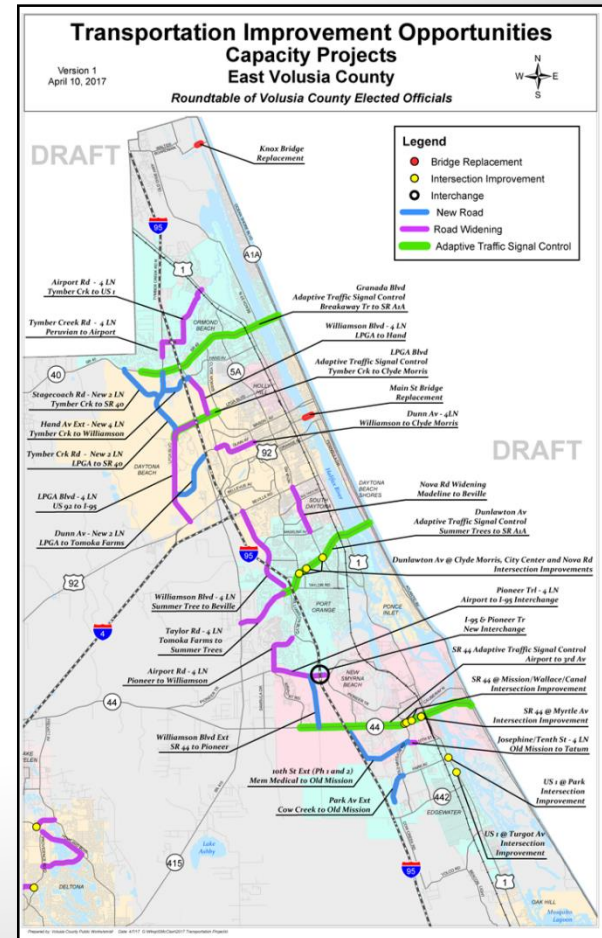
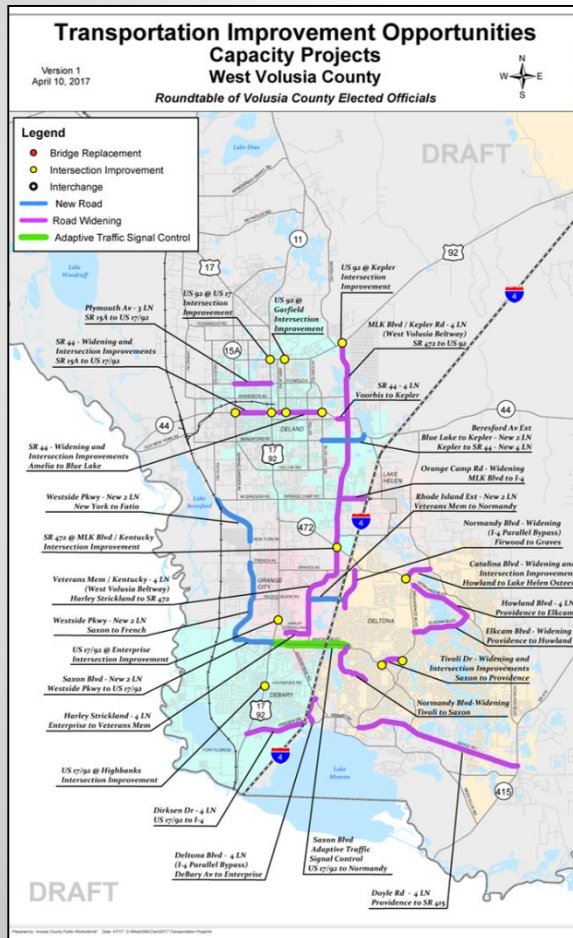
This assumes all proportionate share projects completed within one year, as well as, all existing credits being used in the same year.

# ADDITIONAL COMPONENT – REPAYMENT OF BOND



\* Impact fee moratorium July 1, 2011. Fees fully reinstated July 1, 2015.

# FUTURE NEEDS



# REVENUE SUMMARY

1. The recommended thoroughfare road impact fees will increase revenue to the county for improvements to the thoroughfare road system.
2. There are existing credits that will limit the actual amount of new revenue collected for the thoroughfare impact fee.
3. There are pending prop share/pipe-line projects that will also limit the amount of new revenue collected for the thoroughfare road impact fee once they become “credits”.
4. A portion of the revenue from the new fees will be used for repayment of the debt issued in FY 2005-06 (debt retired in 2024).
5. The increased fee may spur the sale and utilization of the existing and future credits.
6. The increased impact fee will not fund all of the improvements necessary to address the deficiencies in the thoroughfare road network.

# PROCESS OVERVIEW

- A. October 2, 2018: County Council directed staff to seek public input on the recommendations from the Duncan & Associates' study. Staff completed the following:
- Scheduled public information meetings throughout the county
  - Distributed study to Volusia County Association for Responsible Development (VCARD) and Volusia Building Industry Association (VBIA)
  - Distributed study to all of the cities, the chambers of commerce and citizen groups throughout Volusia County
  - Placed link on county website for a copy of study and allow for receipt of comments

# PROCESS OVERVIEW

- B. October to November: County staff to conduct public information meetings in the four impact fee zones:
- Present the findings of the report
  - Allow for public comment
  - Provide responses to questions
  - Monitor website and email comments
  - Document questions, comments and recommendations

# PROCESS OVERVIEW

- C. November-December 2018: County Council to review comments, take public input and provide direction to staff.
  - Staff to prepare summary documents for County Council discussion and follow-through with direction regarding amendments to the thoroughfare road impact fee.
  - New thoroughfare road impact fee schedule takes effect 90 days after adoption (requirement by Florida law).

[www.volusia.org](http://www.volusia.org)

Volusia County Government Online | [https://www.volusia.org](#)

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County schedules impact fee meetings (Posted October 15, 2018)  
Volusia County will conduct four public meetings to update residents on impact fees.  
[Read More >>](#)

Explore Volusia: Hontoon paddle (Event Date October 18, 2018)  
this 10-mile paddle leaves from Hontoon Island State Park and loops down Snake Creek.  
[Read More >>](#)

October 2018

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	
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14	15	16	17	18	19	20
21	22	23	24	25	26	27

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# [www.volusia.org/services/growth-and-resource-management/impact-fees/](https://www.volusia.org/services/growth-and-resource-management/impact-fees/)

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Impact Fees

**Mission:** The Impact Fee Program exists to finance the cost of new roads, parks, fire services and schools necessitated by new development activity within Volusia County. Program team members are committed to educating and navigating our customers through the impact fee review process while accurately assessing fees in a timely fashion.

**VOLUSIA COUNTY THOROUGHFARE ROAD IMPACT FEE UPDATE**  
[Click here to view a copy of the study.](#)

Updated October 5, 2018

Volusia County Council authorized Duncan and Associates to conduct a study in order to update the thoroughfare road impact fee in 2015. On Tuesday, October 2, 2018, the Volusia County Council directed the staff to conduct a series of public information session at four locations throughout Volusia County. The following are facts and background on an impact fee and the process for adoption of the updated fee.

- **What is a thoroughfare road impact fee?**  
Volusia County uses an impact fee to assess new development for the additional traffic added to the County's thoroughfare road network. The fee has to equal the cost of providing the additional services needed to accommodate the additional homes or non-residential buildings.
- **What can a thoroughfare road impact fee be used for?**  
A thoroughfare road Impact fee can only be used to expand capacity of the county's thoroughfare road system. The fee can be used to widen existing roads or construct new roads that are on the county thoroughfare road system. [View the thoroughfare road system map.](#) A thoroughfare roads impact fee cannot be used for local streets or repairs of existing roads.

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# QUESTIONS AND COMMENTS