

Impact Fee Presentation



What Are Impact Fees?

- Impact fees are charges assessed on new development to help pay for public infrastructure required to accommodate the new development.
- Impact Fees are based on capital cost requirements anticipated for providing services to new developments
- Dual rational nexus requirement:
 - Relate capital needs to growth
 - Relate capital expenditures to growth

Impact Fees

- Impact Fees are based on capital cost requirements anticipated for providing services to new developments
- Dual rational nexus requirement:
 - Relate capital needs to growth
 - Relate capital expenditures to growth
- Impacts fees last adjusted:
 - Fire/EMS **2013**
 - Public Buildings **2013**
 - Correctional Facilities **2013**
 - Law Enforcement **2013**
 - Library Facilities **2013**
 - Parks & Recreation **2013**
 - Educational Facilities **2020**
 - Transportation **2020**

FL Statute 163.31801 “Impact Fees”

- (6) A local government, school district, or special district may increase an impact fee only as provided in this subsection.
 - a. An impact fee may be increased **only pursuant to a plan** for the imposition, collection, and use of the increased impact fees which complies with this section.
 - b. An increase to a current impact fee rate of not more than 25 percent of the current rate must be implemented in two equal annual increments beginning with the date on which the increased fee is adopted.
 - c. **An increase to a current impact fee rate which exceeds 25 percent but is not more than 50 percent of the current rate must be implemented in four equal installments beginning with the date the increased fee is adopted.**
 - d. An impact fee increase may not exceed 50 percent of the current impact fee rate.
 - e. An impact fee may not be increased more than once every 4 years.
 - f. An impact fee may not be increased retroactively for a previous or current fiscal or calendar year.

FL Statute 163.31801 “Impact Fees”

(6) g. A local government, school district, or special district may increase an impact fee rate beyond the phase-in limitations established under paragraph (b), paragraph (c), paragraph (d), or paragraph (e) by establishing the need for such increase in full compliance with the requirements of subsection (4), provided the following criteria are met:

1. A **demonstrated-need study** justifying any increase in excess of those authorized in paragraph (b), paragraph (c), paragraph (d), or paragraph (e) has been completed within the 12 months before the adoption of the impact fee increase and expressly demonstrates the extraordinary circumstances necessitating the need to exceed the phase-in limitations.
2. The local government jurisdiction has held not less than two publicly noticed workshops dedicated to the extraordinary circumstances necessitating the need to exceed the phase-in limitations set forth in paragraph (b), paragraph (c), paragraph (d), or paragraph (e).
3. The impact fee increase ordinance is approved by at least a two-thirds vote of the governing body.

Hernando County Demonstrated Need

A **demonstrated needs study** was conducted by the County's consultant Stantec and provided to Hernando County on April 24, 2024. Generally, the study concluded that:

- 1) Population and customer growth rates exceed historical norms which requires urgent expansion of facilities to serve growth and maintain the existing level of service.
- 2) Most impact fees have not been updated since 2013 and no longer reflect full cost recovery.
- 3) Extraordinary inflationary pressures have significantly increased the cost of capital improvements, and the cost of expanding facilities for growth must be adjusted to current levels such that new development can more fairly "pay its own way".
- 4) Without increases, the County faces continued impact fee revenue losses. As such, a higher percentage of the cost burden will be borne by existing taxpayers and will negatively impact the County's ability to construct facilities to serve new development.

Timeline

April 9, 2024 The Board of County Commissioners held an Impact Fees workshop

April 24, 2024 A **demonstrated needs study** was finalized by the County's consultant Stantec and provided to Hernando County.

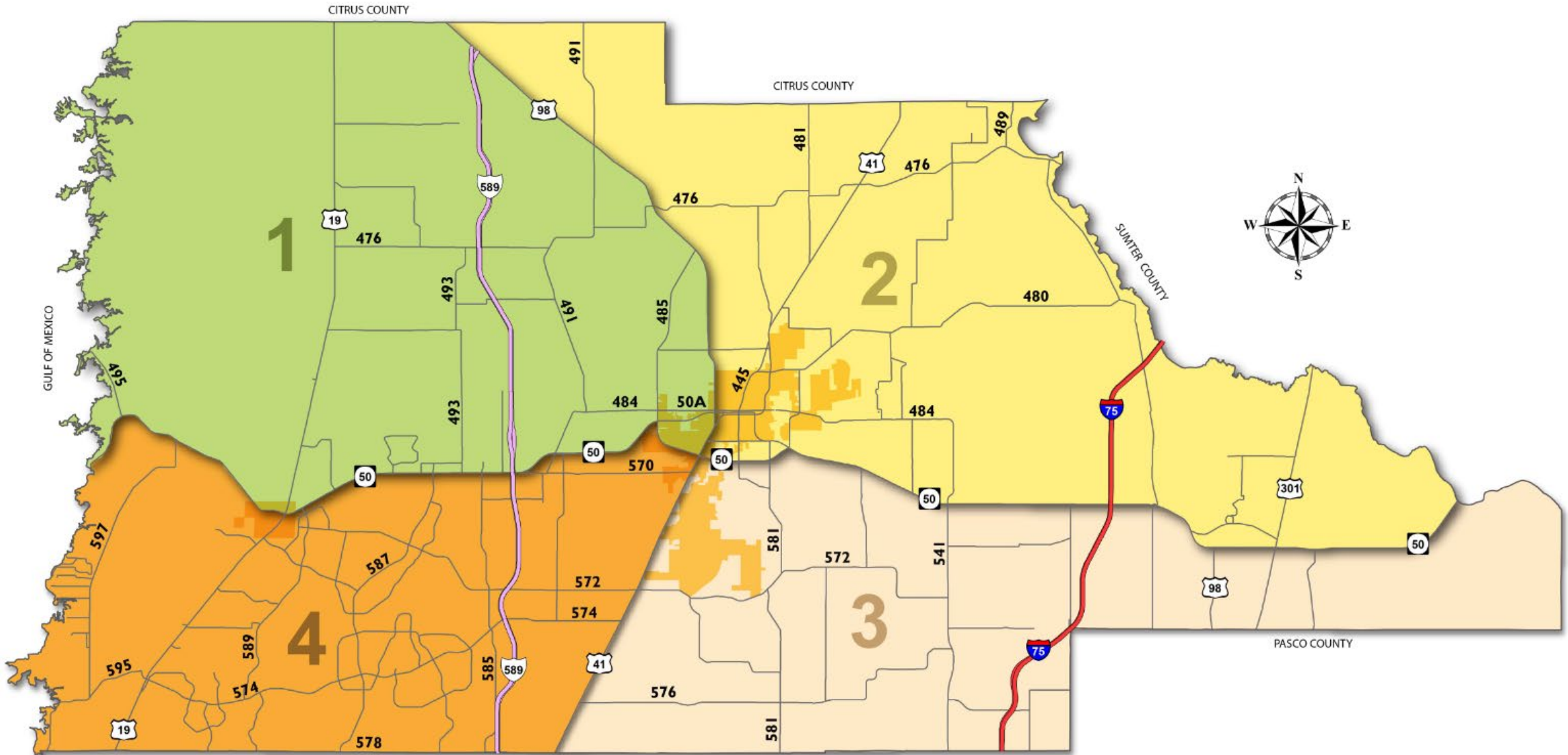
May 30, 2024 Two **Public Information Meetings** were held to inform the public of the results of the demonstrated needs study and provide the opportunity for input

July 9, 2024 First of two public hearings to consider changes to the County's Impact Fee schedule

July 30, 2024 Second of two public hearings to consider changes to and adoption the amended Impact Fee schedule

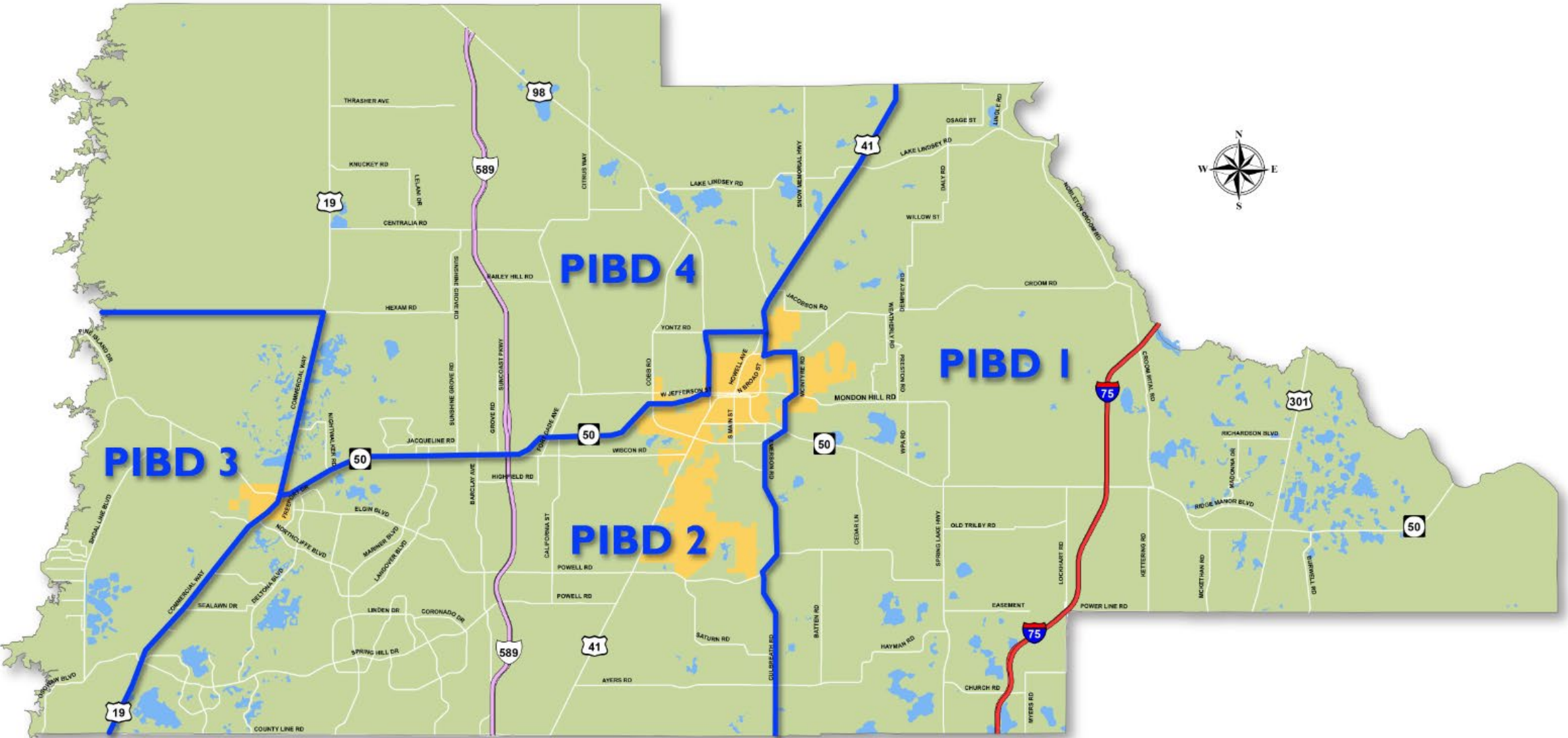


ROAD IMPACT DISTRICTS





PARK IMPACT BENEFIT DISTRICTS (PIBD)



Example - Impact Fees (Single-family home)

SINGLE FAMILY LAND USE

SCENARIO	Fire/EMS	Buildings	Public	Correctional	Enforcement	Law	Facilities	Library	Recreation	Parks &	Educational	Transportation	Total
Adopted	\$235	\$466	\$7	\$86	\$107	\$411	\$3,176	\$1,269	\$5,757				
Maximum Fee	\$320	\$1,215	\$15	\$156	\$222	\$491	\$8,764	\$6,220	\$17,403				
<i>50% INCREASE FOR EACH CATEGORY</i>	\$320	\$699	\$11	\$129	\$161	\$491	\$4,764	\$1,904	\$8,478				
Scenario 1 <i>SPECIAL CIRCUMSTANCE (Transportation and Education at 100%)</i>	\$235	\$466	\$7	\$86	\$107	\$411	\$8,764	\$6,220	\$16,296				
Scenario 2 <i>SPECIAL CIRCUMSTANCE (Transportation at 100%)</i>	\$235	\$466	\$7	\$86	\$107	\$411	\$3,176	\$6,220	\$10,708				
Scenario 3 <i>SPECIAL CIRCUMSTANCE (75% for all impact fees)</i>	\$240	\$911	\$11	\$117	\$167	\$368	\$6,573	\$4,665	\$13,052				
Scenario 4 <i>SPECIAL CIRCUMSTANCE Campbell suggestion: P&R, Fire / EMS , Law = 100%, Transportation, School = 70%. All others stay as adopted</i>	\$320	\$466	\$7	\$156	\$107	\$491	\$6,135	\$4,354	\$12,036				
Scenario 5 <i>SPECIAL CIRCUMSTANCE Hawkins Suggestion: P&R, Fire / EMS , Law = 100%, Transportation, School = 75%. All others stay as adopted</i>	\$320	\$466	\$7	\$156	\$107	\$491	\$6,573	\$4,665	\$12,785				

Example - Impact Fees (Fast Food w/Drive Thru)

Fast Food Restaurant w/Drive-Thru (1,000 S.F)

SCENARIO	Fire/EMS	Buildings	Public	Correctional	Enforcement	Law	Facilities	Library	Recreation	Parks &	Educational	Transportation	Total
Adopted	\$328	\$651	\$10	\$121								\$19,804	\$20,914
Maximum Fee	\$1,940	\$7,238	\$90.47	\$931								\$79,511	\$89,710
50% INCREASE FOR EACH CATEGORY	\$492	\$977	\$15	\$182								\$29,706	\$31,371
Scenerio 1 <i>SPECIAL CIRCUMSTANCE (Transportation and Education at 100%)</i>	\$328	\$651	\$10	\$121								\$79,511	\$80,621
Scenerio 2 <i>SPECIAL CIRCUMSTANCE (Transportation at 100%)</i>	\$328	\$651	\$10	\$121								\$79,511	\$80,621
Scenerio 3 <i>SPECIAL CIRCUMSTANCE (75% for all impact fees)</i>	\$1,455	\$5,429	\$68	\$698								\$59,633	\$67,283
Scenerio 4 <i>SPECIAL CIRCUMSTANCE Campbell suggestion: P&R, Fire / EMS , Law = 100%, Transportation, School = 70%. All others stay as adopted</i>	\$1,940	\$651	\$10	\$931								\$55,658	\$59,190
Scenerio 5 <i>SPECIAL CIRCUMSTANCE Hawkins Suggestion: P&R, Fire / EMS , Law = 100%, Transportation, School = 75%. All others stay as adopted</i>	\$1,940	\$651	\$10	\$121								\$59,633	\$62,355

Example - Impact Fees (Multi-family)

Multi-family Land Use - (DU)										
SCENARIO	Fire/EMS	Buildings Public	Correctional Facilities	Enforcement Law	Facilities Library	Recreation Parks &	Educational Facilities	Transportation	Total	
Adopted	\$177	\$352	\$5	\$65	\$81	\$311	\$3,197	\$822	\$5,010	
Maximum Fee	\$234	\$889	\$11	\$114	\$162	\$358	\$5,492	\$4,193	\$11,453	
50% INCREASE FOR EACH CATEGORY	\$234	\$528	\$8	\$98	\$122	\$358	\$4,796	\$1,233	\$7,375	
Scenario 1 <i>SPECIAL CIRCUMSTANCE (Transportation and Education at 100%)</i>	\$177	\$352	\$5	\$65	\$81	\$311	\$5,492	\$4,193	\$10,676	
Scenario 2 <i>SPECIAL CIRCUMSTANCE (Transportation at 100%)</i>	\$177	\$352	\$5	\$65	\$81	\$311	\$3,197	\$4,193	\$8,381	
Scenario 3 <i>SPECIAL CIRCUMSTANCE (75% for all impact fees)</i>	\$176	\$667	\$8	\$86	\$122	\$269	\$4,119	\$3,145	\$8,590	
Scenario 4 <i>SPECIAL CIRCUMSTANCE Campbell suggestion: P&R, Fire / EMS , Law = 100%, Transportation, School = 70%. All others stay as adopted</i>	\$234	\$352	\$5	\$114	\$81	\$358	\$3,844	\$2,935	\$7,924	
Scenario 5 <i>SPECIAL CIRCUMSTANCE Hawkins Suggestion: P&R, Fire / EMS , Law = 100%, Transportation, School = 75%. All others stay as adopted</i>	\$234	\$352	\$5	\$114	\$81	\$358	\$4,119	\$3,145	\$8,408	

Thank you



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