



Transportation Impact Fee Update Study

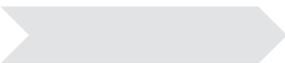
July 18, 2024



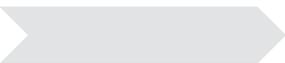
Presentation Overview



**Background/
Purpose**



**Technical
Study**



Next Steps



Background/Purpose

City of Palm Bay Demographics

- Continuing population growth
 - ✓ Annual population growth averages **3.72%** for the past five years
 - Higher than statewide average population growth rate of 1.66%
 - ✓ Over **27,000 additional residents** the past 10 years
 - ✓ **2,600** new housing units permitted per year over the past three years
- Impact Fee Study
 - ✓ Transportation impact fee last updated in 2012

Background/Purpose

Impact fee definition:

- One-time capital charge to new development
- Covers portion of capital costs of Infrastructure capacity
 - Frees up other funds for maintenance/renovations
- Implements the CIE



Background/Purpose

Why Impact Fees?

- Calculate the cost of growth
- Potential large developments
- Most needed when:
 - High growth
 - Limited funding



Legal Requirements

Legal Requirements - F.S. 163.31801:

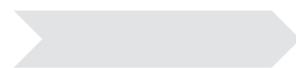
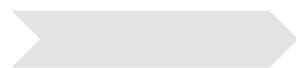
- **Most recent and localized data**
- Minimum of **90-day** notice for any fee increases after adoption
- May not collect prior to building permit
- Rational nexus in the amount of collection and expenditures
- May not use for prior debt or projects unless there is a nexus showing use for need due to new growth
- **In any action challenging the fee, the government has the burden of proof**
- Accounting of impact fee collections & expenditures

Legal Requirements

HB 337 (2021):

- Limit on fee increases:
 - Up to 25% increase: Over 2 years
 - 25% to 50% increase: Over 4 installments
 - Cannot be increased more than 50%
 - Cannot be increased more than once every four years
- Exception:
 - A study within the past 12 months demonstrating extraordinary circumstances
 - Two public workshops to discuss the extraordinary circumstances
 - Increase to be approved by 2/3rd of the governing body

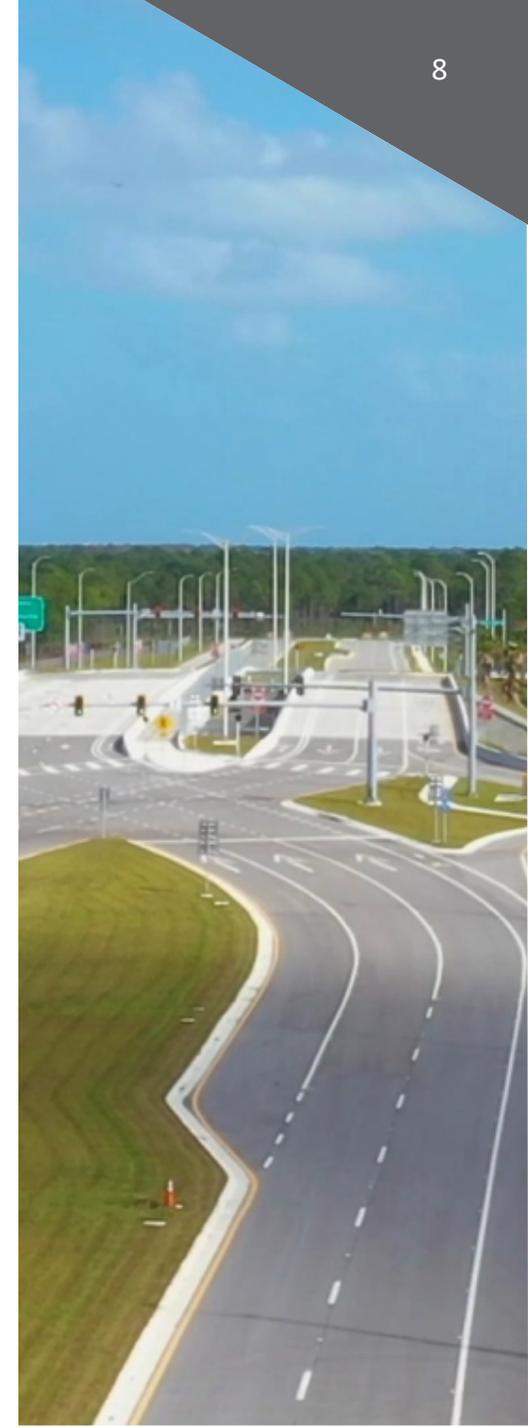
Presentation Overview

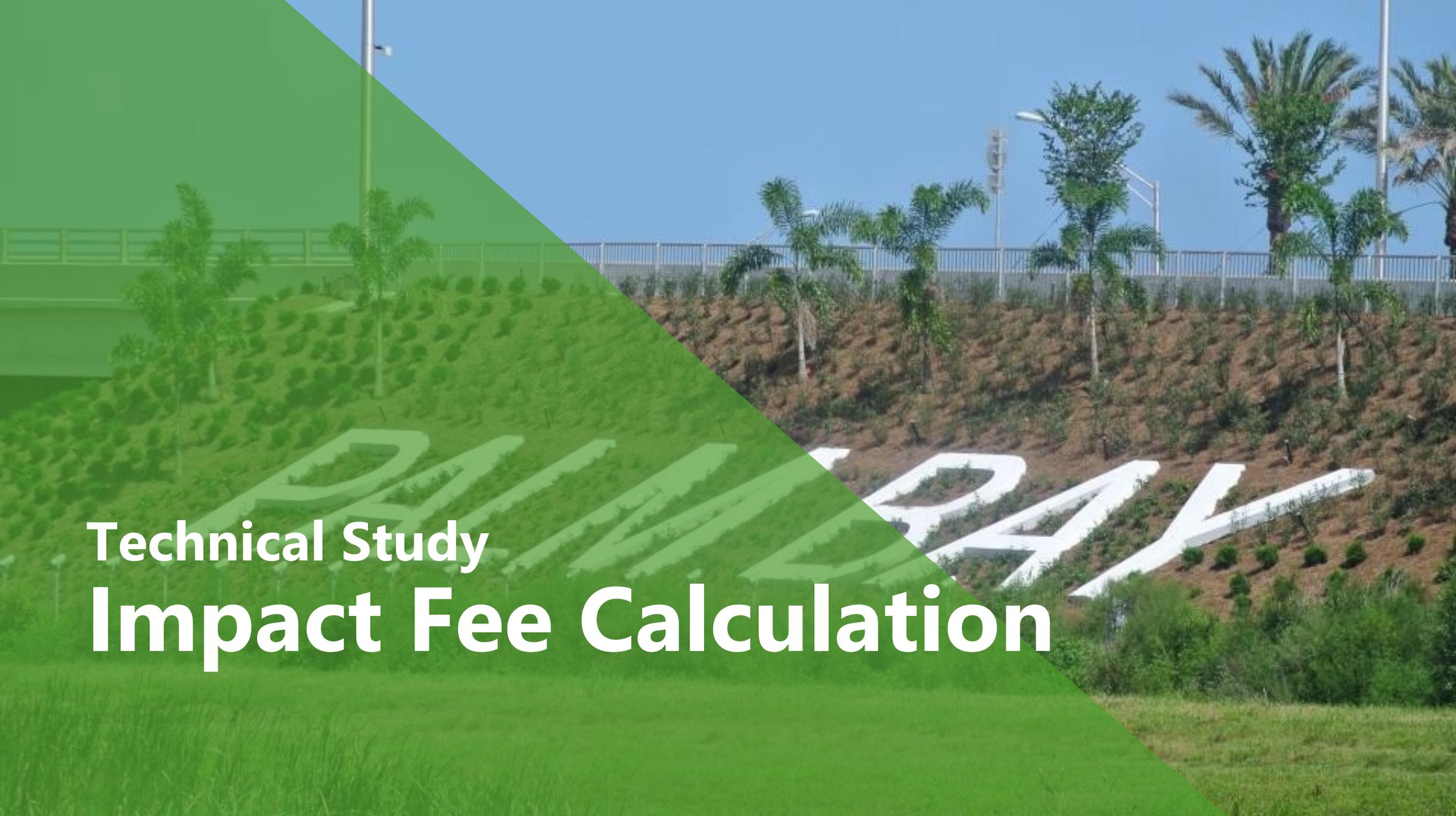


**Background/
Purpose**

**Technical
Study**

Next Steps





Technical Study
Impact Fee Calculation

Technical Study

Consumption - Based Methodology

- Common methodology used by many Florida jurisdictions
- Charges new growth based on its consumption of capacity
- Fees are calculated at a rate that cannot correct existing deficiencies



Technical Study

Basic Impact Fee Formula

Net Transportation Impact Fee =

(Cost – Credit) x Demand



Cost to add
capacity



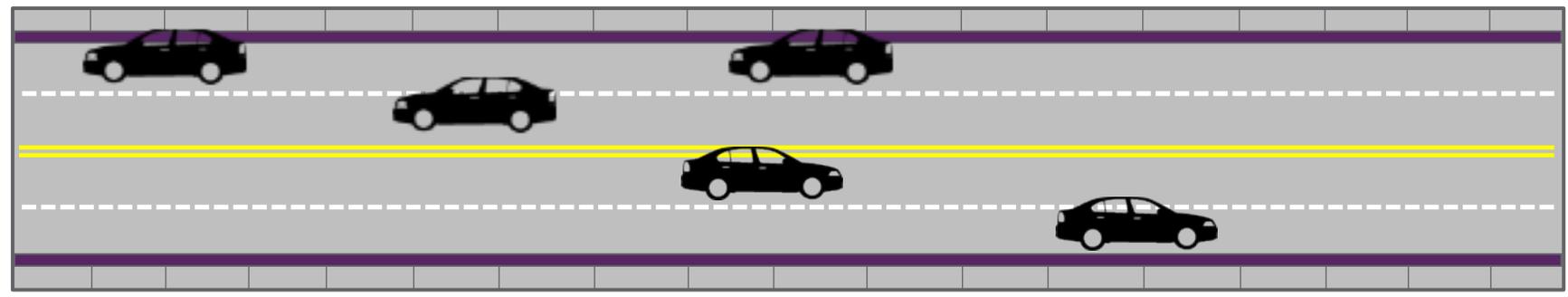
Non-impact fee
revenue from future
development



Vehicle-Miles of
Travel

Transportation Impact Fee: Consumption-Based

$$\text{One Lane Mile} \approx \$4.9 \text{ M} \div \text{Capacity} \approx 9,700 = \text{Vehicle-miles of capacity} \approx \$505$$



Total Credit \approx \$700

Fee \approx \$8,400



Total Impact Cost \approx \$9,100 =



18 vehicle-miles of daily travel x

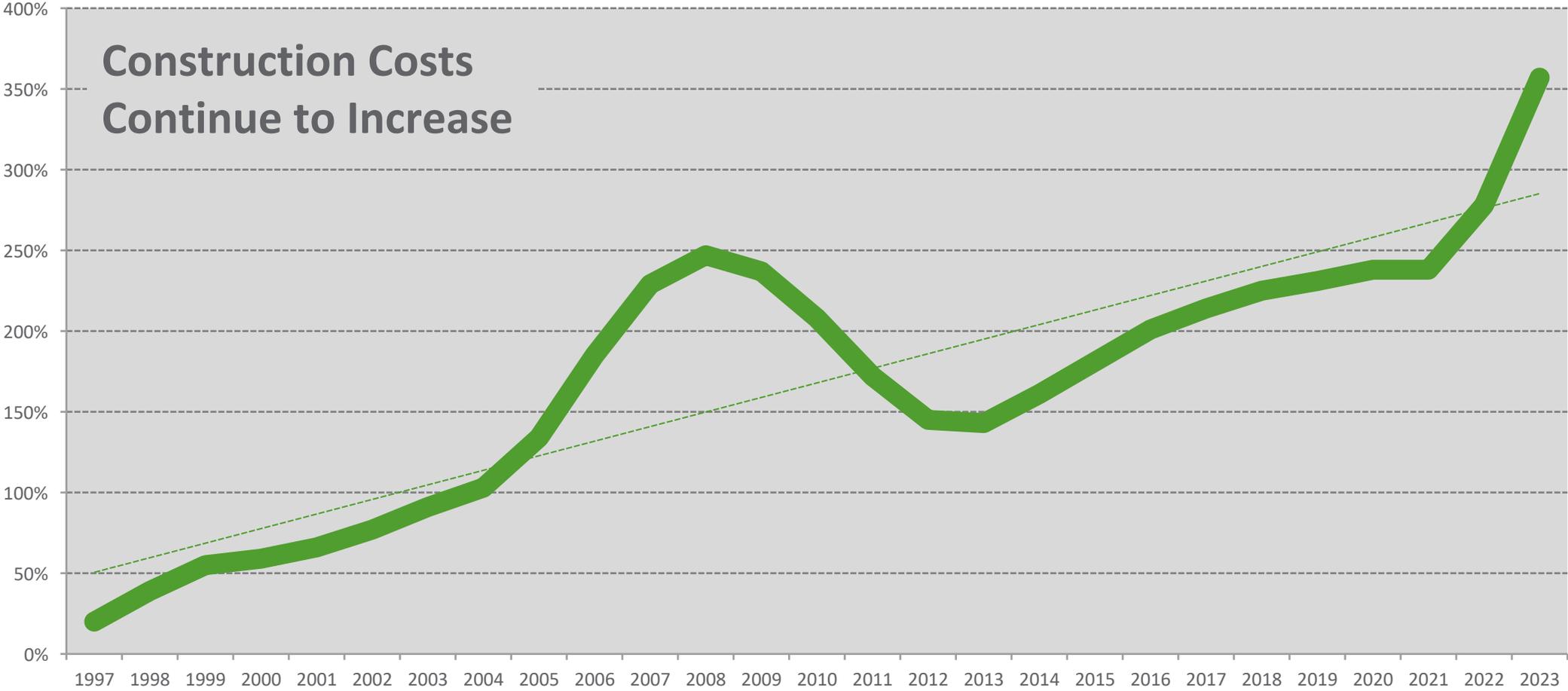
Transportation Impact Fee

- Demand Component
 - ✓ Sources:
 - National ITE Reference (11th Edition)
 - Florida Studies Database
 - Central Florida Regional Planning Model (CFRPM v7)
 - ✓ Demand Calculation:
 - $\text{Trip Gen. Rate} \times \text{Trip Length} \times \% \text{ New Trips} \times \text{Interstate \& Toll Adjustment Factor}$



Transportation Impact Fee

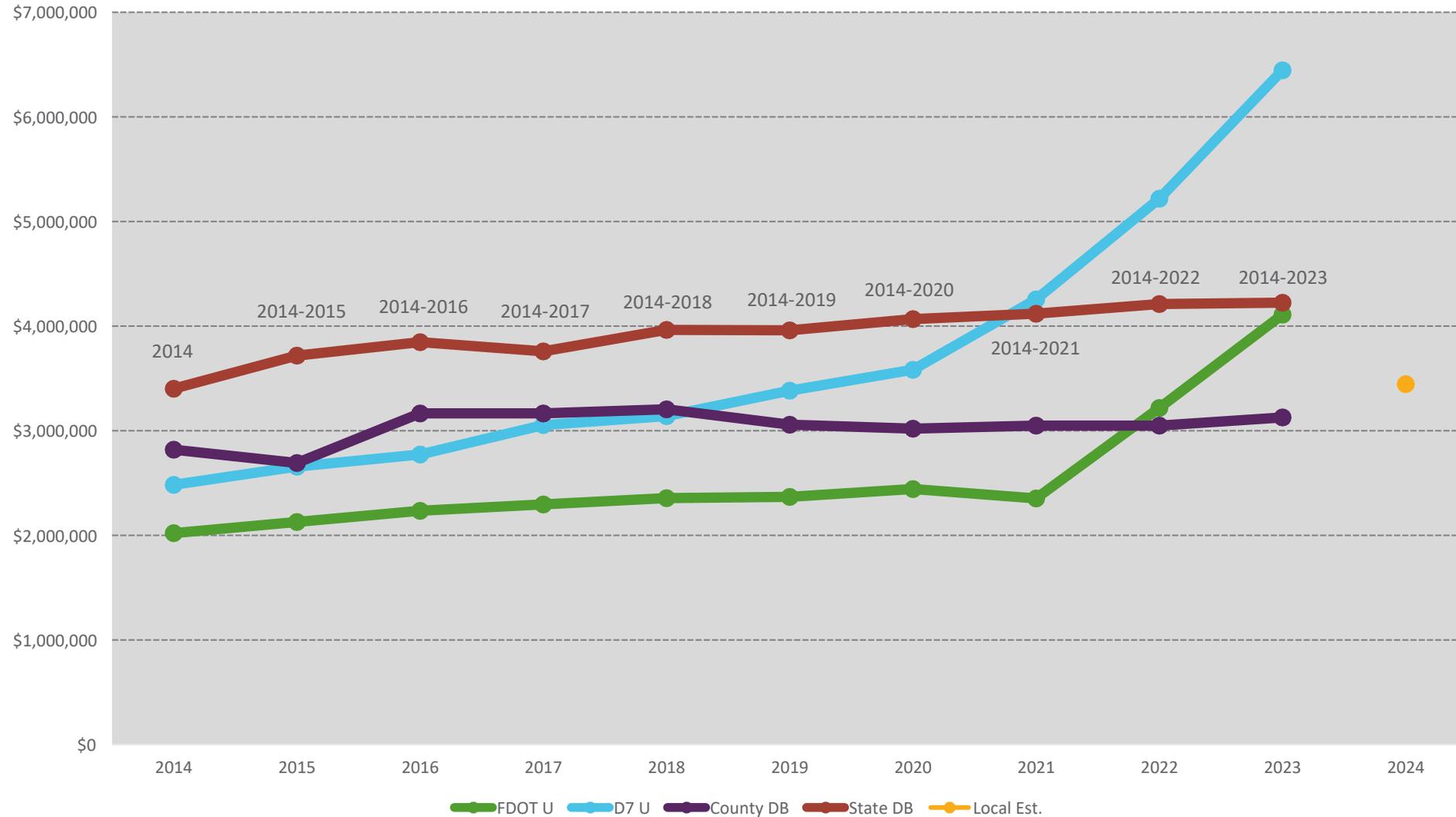
FDOT LRE Construction Cost - Cumulative Growth Trend (3-yr Avg)



Source: Florida Dept of Transportation, Long Range Estimates

Transportation Impact Fee

Construction Cost Comparison (Cumulative Database Averages)



Transportation Impact Fee

Cost Component

- **City Roadway Improvements**

- ✓ 1 recently completed capacity improvement in City of Palm Bay
 - Culver Drive from Emerson Drive to Palm Bay Road = **\$1.9 million per lane mile**
- ✓ 7 future estimates
 - Range from \$0.9 to \$5.0 million per lane mile. Avg. = **\$3.5 million per lane mile**
- ✓ All 8 projects combined: **\$3.4 million per lane mile**
- ✓ 46 capacity improvements from throughout Florida (2014-2023)
 - Weighted average construction cost = \$3.7 million per lane mile
 - Projects in suburban/rural counties = **\$3.1 million per lane mile**
- ✓ City/County Construction Cost = **\$3.1 million per lane mile (urban design; curb & gutter)**

Transportation Impact Fee

Cost Component

- **State Roadway Improvements**

- ✓ 1 recent capacity improvement in Brevard County (2023)
 - Galaxy Way from Kennedy Pkwy to Space Commerce Way = **\$4.9 million per lane mile**
- ✓ 62 recent capacity improvements from throughout Florida (2014-2023)
 - Weighted average construction cost = \$4.2 million per lane mile
 - Projects in suburban/rural counties = **\$4.2 million per lane mile**
- ✓ State Construction Cost = **\$4.2 million per lane mile (urban design; curb & gutter)**

Transportation Impact Fee

Cost Component

- **Open Drainage Adjustment**
 - ✓ Estimated at 73% of the curb & gutter costs (FDOT D7)
- **City/County vs. State**
 - ✓ Based on distribution of improvements in the Space Coast TPO's 2045 Long Range Transportation Plan's Cost Feasible Plan (49% County, 51% State)

Transportation Impact Fee

City/County Roads

Phase*	Curb & Gutter (65%)	Open Drainage (35%)	Weighted Average
Design @11%	\$341,000	\$249,000	\$309,000
Right-of-Way @35%	\$1,085,000	\$792,000	\$982,000
Construction	\$3,100,000	\$2,263,000	\$2,807,000
CEI @9%	<u>\$279,000</u>	<u>\$204,000</u>	<u>\$253,000</u>
Total	\$4,805,000	\$3,508,000	\$4,351,000

State Roads

Phase*	Curb & Gutter (41%)	Open Drainage (59%)	Weighted Average
Design @11%	\$462,000	\$337,000	\$388,000
Right-of-Way @35%	\$1,470,000	\$1,073,000	\$1,236,000
Construction	\$4,200,000	\$3,066,000	\$3,531,000
CEI @ 11%	<u>\$462,000</u>	<u>\$337,000</u>	<u>\$388,000</u>
Total	\$6,594,000	\$4,813,000	\$5,543,000

*Design, ROW, CEI were calculated as % of construction cost.

Percentages determined through review of local and statewide cost data

Weighted average based on distribution of recent local curb/gutter and open drainage improvements (city/county) and improvements in the Space Coast TPO's 2045 LRTP's Cost Feasible Plan

Transportation Impact Fee

City/County & State Roads

Phase	City/County (49%)	State (51%)	Weighted Average*
Design	\$309,000	\$388,000	\$349,000
Right-of-Way	\$982,000	\$1,236,000	\$1,112,000
Construction	\$2,807,000	\$3,531,000	\$3,176,000
CEI	<u>\$253,000</u>	<u>\$388,000</u>	<u>\$322,000</u>
Total	\$4,351,000	\$5,543,000	\$4,959,000

Weighted average based on distribution of Non-State (49%) and State (51%) improvements in the Space Coast TPO's 2045 LRTP's Cost Feasible Plan

Transportation Impact Fee

Cost per Vehicle-Mile of Capacity

Source	Cost per Lane Mile	Avg PMC Added per Lane Mile	Cost per VMC
City/County Rds	\$4,351,000	9,200	\$472.93
State Roads	<u>\$5,543,000</u>	<u>10,200</u>	<u>\$543.43</u>
Weighted Avg	\$4,959,000	9,700	\$511.24

Transportation Impact Fee

Credit Component

- Revenue Sources
 - ✓ City debt for capacity
 - ✓ County funding for capacity & debt
 - ✓ State funding
 - ✓ This is NOT a developer credit for construction



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Transportation Impact Fee

Equivalent Pennies of Gas Tax Revenue

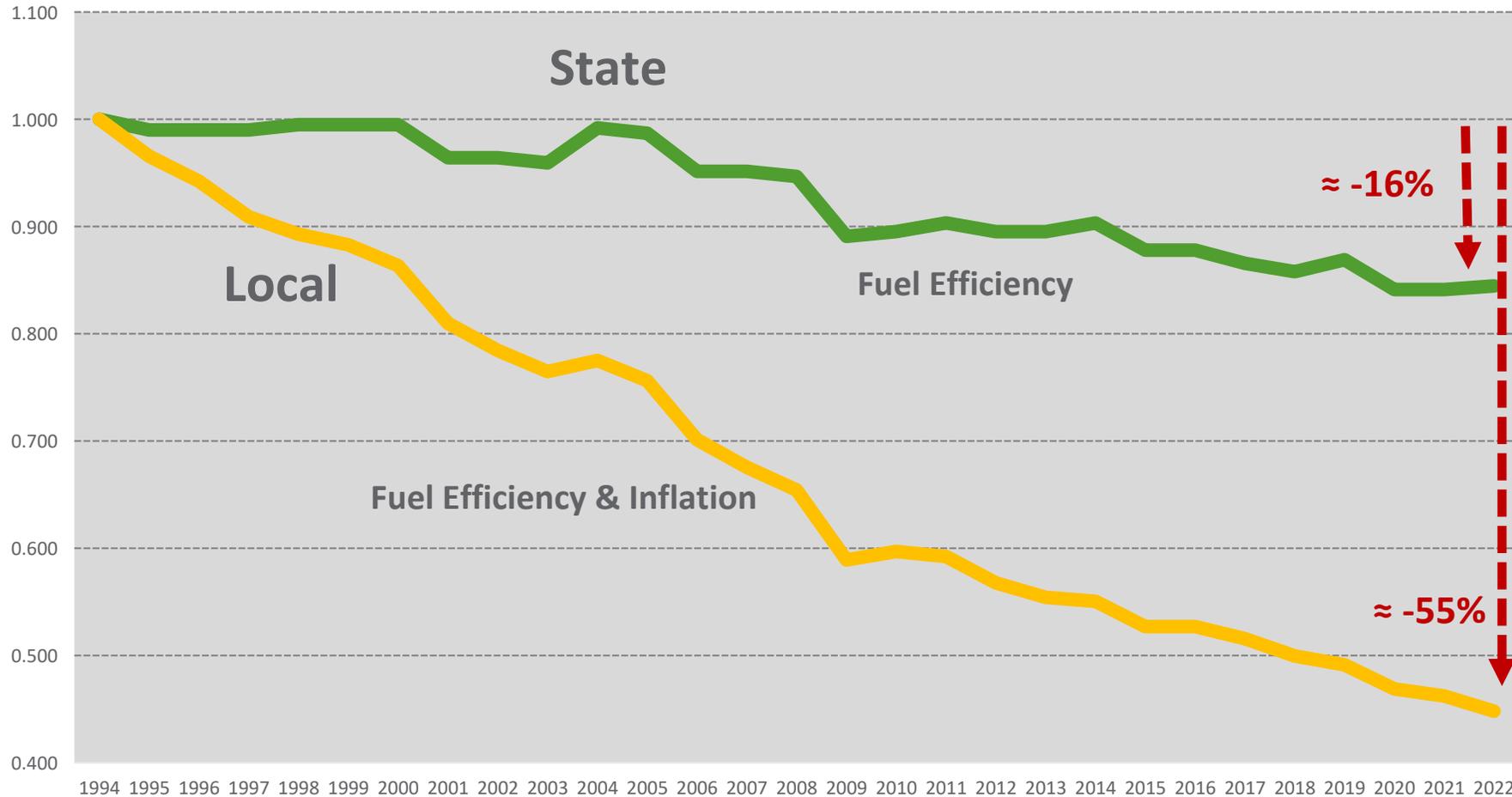
Land Use	Average Annual Expenditures	Equiv. Pennies per Gallon
Palm Bay Debt Service	≈\$759,000	\$0.002
County Revenues	≈\$8,566,200	\$0.020
County Debt Service	≈\$3,906,200	\$0.009
State Revenues	<u>≈\$21,763,800</u>	<u>\$0.052</u>
Total	≈\$34,995,200	\$0.083

Transportation Impact Fee

- Fuel Taxes:
 - ✓ State tax indexed
 - ✓ Local tax NOT indexed
- Other revenue sources are indexed



Transportation Impact Fee: Decrease in Value of \$0.01 of Fuel Tax



Source: FHWA Highway Statistics Series

Transportation Impact Fee

Calculated Transportation Impact Fee

Land Use	Unit	Calculated Impact Fee	Current Adopted Fee	% Change	F.S. 163.31801*	% Change
Residential						
Single Family (2,000 sf)	du	\$8,368	\$4,353	+92%	\$6,529	+50%
Multi-Family (1,300 sf, Low-Rise)	du	\$5,671	\$2,869	+98%	\$4,303	+50%
Non-Residential						
Light Industrial	1,000 sf	\$3,722	\$3,092	+20%	\$3,722	+20%
Office	1,000 sf	\$8,293	\$8,117	+2%	\$8,293	+2%
Retail (125,000 sq ft)	1,000 sfgla	\$11,914	\$10,143	+18%	\$11,914	+18%

*Maximum allowable is up to 50% increase from the current adopted fee rates; to be phased in over 2 or 4 years

Transportation Impact Fee

Calculated Transportation Impact Fee: Phased

Land Use	Unit	Current Adopted	Ph. 1	Ph. 2	Ph. 3	Ph. 4
Residential						
Single Family (2,000 sf)	du	\$4,353	\$4,897	\$5,441	\$5,985	\$6,529
Multi-Family (1,300 sf, Low-Rise)	du	\$2,869	\$3,228	\$3,587	\$3,946	\$4,303
Non-Residential						
Light Industrial	1,000 sf	\$3,092	\$3,407	\$3,722	\$3,722	\$3,722
Office	1,000 sf	\$8,117	\$8,205	\$8,293	\$8,293	\$8,293
Retail (125,000 sq ft)	1,000 sfgla	\$10,143	\$11,029	\$11,914	\$11,914	\$11,914

Transportation Impact Fee

Transportation Impact Fee Rate Comparison

Land Use	Unit	City of Palm Bay			City of Port Orange	City of Melbourne	City of Port St. Lucie			City of Deltona
		Calculated	F.S. 163.31801	Existing			E	SW	NW	
Study Date	-	2024	2024	2012	2023	-	2022	2022	2022	2007/2015
Adoption Percentage	-	100%	Up to 50%	n/a	Varies	-	100%	100%	100%	100%
Scope of Fee Calculation	-	Total Travel	Total Travel	n/a	City only	n/a	City only	City only	City only	City only
RESIDENTIAL:										
Single Family (2,000 sf)	du	\$8,368	\$6,529	\$4,353	\$922	\$3,047	\$3,200	\$2,260	\$2,840	\$1,044
Multi-family (1,300 sf, Low-R)	du	\$5,671	\$4,303	\$2,869	\$724	\$1,874	\$3,445	\$2,431	\$1,677	\$888
NON-RESIDENTIAL:										
Light Industrial	1,000 sf	\$3,722	\$3,722	3,092	\$402	\$2,187	\$700	\$550	\$740	\$1,308
Office (50k sq ft)	1,000 sf	\$8,293	\$8,293	\$8,117	\$1,502	\$6,341	\$2,660	\$2,120	\$2,850	\$1,638
Retail (125k sq ft)	1,000 sf gla	\$11,914	\$11,914	\$10,143	\$7,332	\$3,689	\$4,780	\$3,300	\$4,050	\$2,075

Transportation Impact Fee

Transportation Impact Fee Rate Comparison

Land Use	Unit	City of Palm Bay			City of Lakeland	City of St. Cloud	City of Orlando		Brevard County	Volusia County
		Calculated	F.S. 163.31801	Existing			Downtown	City Other		
Study Date	-	2024	2024	2012	2019	2017	2022	2022	2000	2022
Adoption Percentage	-	100%	Up to 50%	n/a	Varies	100%/24%	85%	85%	100%	100%
Scope of Fee Calculation	-	Total Travel	Total Travel	n/a	City/State	Total Travel	Total Travel	Total Travel	Total Travel	Co./State
RESIDENTIAL:										
Single Family (2,000 sf)	du	\$8,368	\$6,529	\$4,353	\$4,316	\$6,442	\$4,973	\$5,645	\$4,353	\$5,464
Multi-family (1,300 sf, Low-R)	du	\$5,671	\$4,303	\$2,869	\$1,837	\$4,166	\$3,426	\$3,883	\$2,677	\$3,700
NON-RESIDENTIAL:										
Light Industrial	1,000 sf	\$3,722	\$3,722	3,092	\$604	\$1,001	\$2,224	\$2,524	n/a	\$2,040
Office (50k sq ft)	1,000 sf	\$8,293	\$8,293	\$8,117	\$2,516	\$1,580	\$4,848	\$5,516	\$5,058	\$5,400
Retail (125k sq ft)	1,000 sf gla	\$11,914	\$11,914	\$10,143	\$6,096	\$2,133	\$7,061	\$8,033	\$5,270	\$6,320

Transportation Impact Fee

Transportation Impact Fee Rate Comparison

Land Use	Unit	City of Palm Bay			Orange County			St. Lucie County Uninc.	Indian River County
		Calculated	F.S. 163.31801	Existing	Urban	Non-Urb/ Suburban	Rural		
Study Date	-	2024	2024	2012	2020	2020	2020	2022	2020
Adoption Percentage	-	100%	Up to 50%	n/a	100%	100%	100%	Varies/ 63% SF	75%/45%
Scope of Fee Calculation	-	Total Travel	Total Travel	n/a	Total Travel	Total Travel	Total Travel	Total Travel	Total Travel
RESIDENTIAL:									
Single Family (2,000 sf)	du	\$8,368	\$6,529	\$4,353	\$8,786	\$10,839	\$12,387	\$5,450	\$6,632
Multi-family (1,300 sf, Low-R)	du	\$5,671	\$4,303	\$2,869	\$6,348	\$7,808	\$8,926	\$4,212	\$4,753
NON-RESIDENTIAL:									
Light Industrial	1,000 sf	\$3,722	\$3,722	3,092	\$3,333	\$4,124	\$4,715	\$1,173	\$1,795
Office (50k sq ft)	1,000 sf	\$8,293	\$8,293	\$8,117	\$8,694	\$10,731	\$12,266	\$3,950	\$3,530
Retail (125k sq ft)	1,000 sfgla	\$11,914	\$11,914	\$10,143	\$10,747	\$12,576	\$13,395	\$6,737	\$5,603



Technical Study
Revenue Projections

Impact Fee Revenue Projections

- Palm Bay City Residential Permitting:

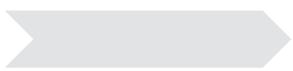
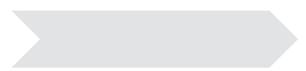


Impact Fee Revenue Projections

- Based on recent permitting levels:
 - Low-end \approx **1,500** residential permits per year
 - High-end \approx **2,500** residential permits per year
 - Revenues reflect 4-yr phase-in to maximum allowable rates

Service Area	Annual Low-End	Annual High-End	2025-2030 Estimate Low-End	2025-2030 Estimate High-End
Transportation	\$7,390,000	\$12,320,000	\$44,340,000	\$73,920,000

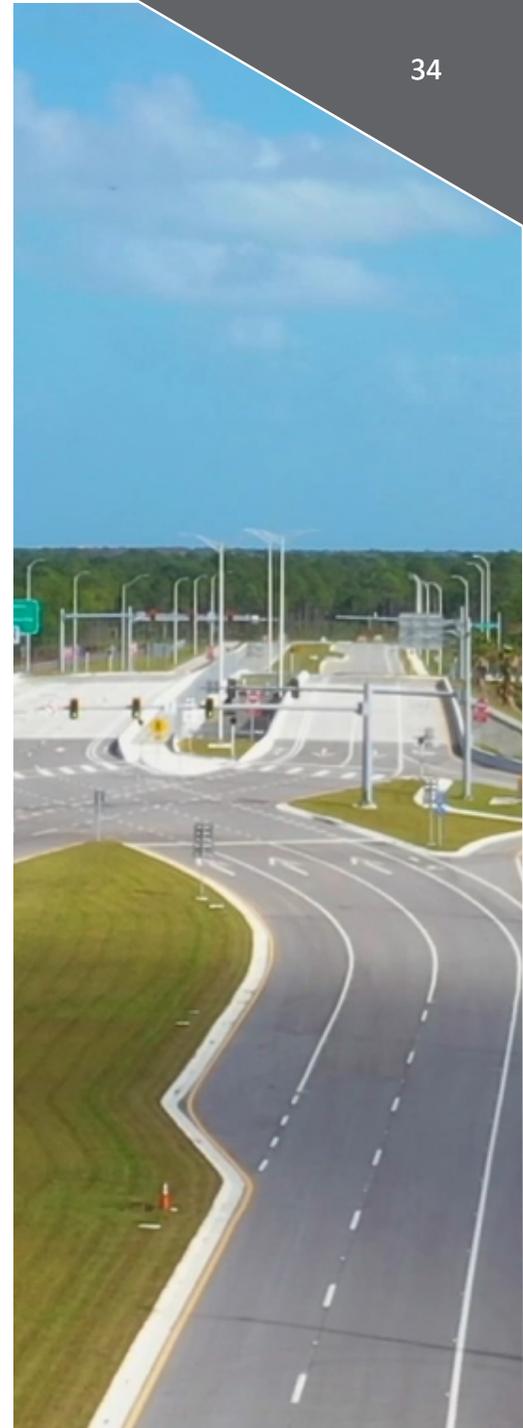
Presentation Overview



**Background/
Purpose**

**Technical
Study**

Next Steps



Next Steps

- City Council Direction
- Implementation Process



Questions?

Thank you!

