Center for Accelerating Innovation

U.S. Department of Transportation
Federal Highway Administration

On-Ramp to Innovation
every day counts





Osceola County:
Transportation Impact Fees & Funding

OSCEOLA COUNTY CASE STUDY

John Young Parkway/Osceola Parkway Interchange

Osceola County Overview

- Named for Indian leader Osceola
- Created in 1887
- Covering 1,506 square miles
- Population grew to 47,619; 88.5 % increase from the 1970 census; and by 55.8 % in 2010
- Infrastructure was not equipped to support growth
- The impact fees were finally approved in 1989

Value Capture Advances Roadway & Bridge Program

- Projects bundled using Alternative Contracting Methods (ACMs)
- Countywide 11 projects with 13 bridges
  - Bridges were part of roadway projects
- 1 billion dollar program – started w/ bundling $350-million
- 100% locally funded by Value Capture -impact fees

THE RESULTS

- ✓ Most accelerated program in Nation
- ✓ 11 Major Roadways in 1-year
- ✓ Returned $80 million to local economy in first 4-months of construction
- ✓ 11 times previous production
- ✓ Returned 36 million dollars in savings to the County's budget
- ✓ Start of design to ground breaking as fast as 15-months
- ✓ Saved numerous local contractors from going out of business

John Young Parkway/Osceola Parkway Interchange

4

Value Capture Advances Roadway & Bridge Program

- Osceola County impact fees are assessed on new development to provide funding for the County to create improvements needed to serve that development’s users
- Impact fees are assessed at the time a building permit is issued and are paid prior to the issuance of a Certificate of Occupancy
- See: https://www.fhwa.dot.gov/ipd/alternative_project_delivery/defined/bundled_facilities/case_study_osceola_county_bridge_roadway.aspx

Minimize The Frustration

- Periods of Dynamic Growth Are Frustrating
  - Crowded Roads
  - Developers were frustrated w/ County
  - Poor Levels of Service
  - Locals were frustrated w/ changing culture
- Strategic Planning Minimizes The Problems
- Vision of The End Product Helps

Transportation Impact Fee Background

- Approved in 1989
- Implemented in 1990
- Last update in 2007
- Suspension/ moratorium in 2011 & Repealed 2012
- Replace with Mobility Fee, effective date June 22, 2015

Impact Fee Definition

- One-time capital charge to new development
- Covers the cost of new capital facility capacity
- Implements the Capital Improvement Plan

Why Impact Fees?

- Revenue source for new infrastructure needed due to growth
- Revenue is generated as growth occurs
- Equity
  - ✓ Those who create the need pay for it
  - ✓ Equitable in terms of impact of each land use
  - ✓ Equitable by limiting burden on existing population
- Growth Management Tool

Why Impact Fees?

- Maintain/ Restore Level-of-Service Standards (LOS)
- Calculate cost of growth
- Potential large developments
- Most needed when:
  - ✓ Expected future growth; Potential revenue sources
  - ✓ Limited funding

Transportation Impact Fees

- Roadway-based
- Multimodal approach in the Cities requires a minimum of:
  - ✓ City’s Comprehensive Plan to include mobility goals/strategies
  - ✓ A Capital Plan for bicycle lanes and sidewalks
  - ✓ A map of local collector roads as wells bicycle lanes and sidewalks

Impact Fee

Pro

- Proportionate to the benefit
- No voter approval is required
- Does not go against other revenues
- Frees up general revenues for maintenance/operations

Impact Fee

Cons:

- Can only be used for capital addition projects
  - ✓Frees up more general revenue
- Revenues must be spent for specific capital facilities
- Need to demonstrate that fee is related to costs of facilities and demand generated by development
  - ✓Revenues fluctuate with development activity

Legal Requirements

- Must adopt Level of Services (LOS) standards
- Must apply same standard to existing and new development
- Can apply higher standard if financial plan in place
- Must be spent on facilities for which collected
- Cannot spend on operations and maintenance
- Must be spent in reasonable time period (within 6-7 years)

Transportation Mobility Fee

Transportation system charge on development that allows local governments to assess the proportionate cost of transportation improvements needed to serve the demand generated by development projects.

MOBILITY FEE =

Additional transportation demand from development

X

Identified cost for transportation improvements to mitigate associated development impact

Mobility Fee Requirements

- May not be used to deny, time, or phase an application
- Revenue collected is used to implement needs of local gov’t plan
- Comply with rational nexus test
- Cannot fund existing transportation deficiencies
- Consistent with enabling legislation Section 163.3180

Section 163.3180 New Tools and Techniques

- Long-term strategies to facilitate development patterns that support multimodal solutions
- Area wide level of service standards not dependent on any single road segment function or multimodal level of service standards
- Exempting/discounting impacts or impact/local access fees of locally desired development (i.e. urban, MMTDs, redevelopment, mixed use, or affordable housing)
- Primary prioritization of ensuring a safe, comfortable, and attractive pedestrian environment with convenient interconnection to transit

Benefits

- Provides an alternative to concurrency
- Allows greater flexibility in use of collected funds
- Funds transit supportive capital improvements & operations
- Promotes compact, mixed-use development
- Supports the development of new tools & techniques

Distinguishing Features

- Trip basis of fee – how is the trip accounted (ends vs. length)
- Cost basis of fee – what is included in the cost calculation
- Disposition of expenditures – how the collected funds are spent
- Credits and discounts – what project elements reduce cost of fees

No two mobility fees are the same