



**CITY COUNCIL WORKSHOP  
ZEPHYRHILLS, FLORIDA**

**Monday, May 20, 2024  
5:30 PM**

**TRANSPORTATION, PUBLIC SAFETY AND PARK IMPACT FEES**

Please join the GoToMeeting  
from your computer, tablet or smartphone:

<https://meet.goto.com/371561765>

or dial in using your phone:

**+1 (646) 749-3122 - Access Code: 371-561-765**

(Please mute your phone unless you wish to speak on a specific item)

**Zephyrhills  
City Hall**

**Council  
Chambers**

Call to Order – Council President Kenneth M. Burgess, Jr.  
Roll Call – Executive Assistant Lucy Huber

**1. WORKSHOP ITEMS**

- 1.1 Transportation Impact Fees
  - 1. Impact fee presentation 5-20-2024
  - 2. zephyrhills study final3
- 1.2 Public Safety Impact Fees
- 1.3 Park Impact Fees

**2. CITIZEN COMMENTS**

**ADJOURN**

**\* PLEASE NOTE: This is a Public Meeting. Should any interested party seek to appeal any decisionmade by the Council with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceeding is made, which record includes the testimony and evidence upon which the appeal is to be based. F.S. 286.0105. If you are a person with a disability which requires reasonable accommodation in order to participate in this meeting, please contact the City Clerk at 813/780-0000 at least 48 hours prior to the public hearing. A.D.A. and F.S. 286.26.**

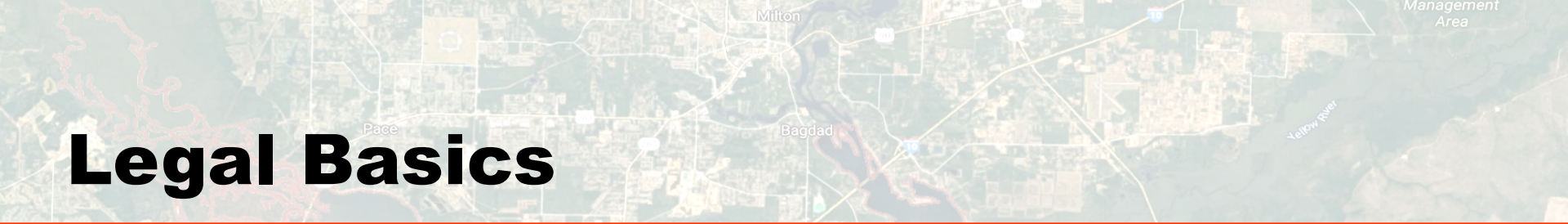


# **Impact Fee Study for Roads, Parks, and Public Safety**

City of Zephyrhills, Florida  
Extraordinary Circumstances Workshop #2

May 20, 2024





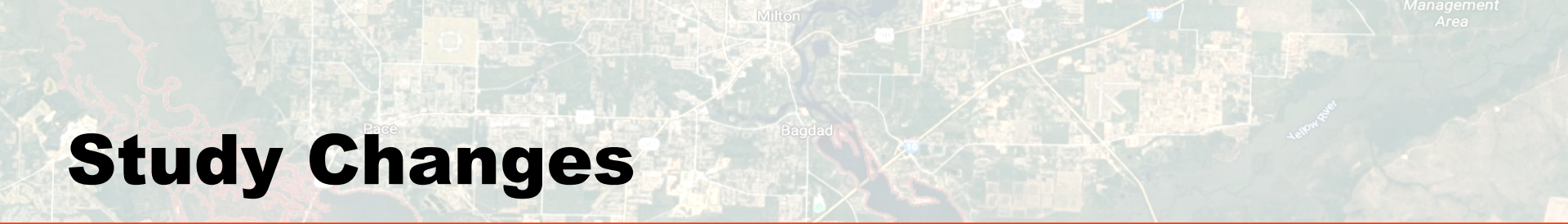
# Legal Basics

- An impact fee is designed to cover the cost to maintain the existing level of service for a shared set of capital facilities
- It must be calculated in compliance with Florida statutes and case law to be proportionate to the impact of the development, address the need created by the development, and provide a benefit to the development



# City's Impact Fee History

- Transportation fees adopted in 2008 at 40%
  - 31 categories in fee schedule based on 2008 study
  - 5 minor nonresidential categories added in 2015 at 60%
- Park fees adopted in 2004 at 100%
  - Three land use categories in fee schedule
    - Single-family, multi-family, and mobile home
- Public safety fees adopted in 2005 at 100%
  - Originally fire and police, now police only
  - Two land use categories in fee schedule
    - Residential and nonresidential



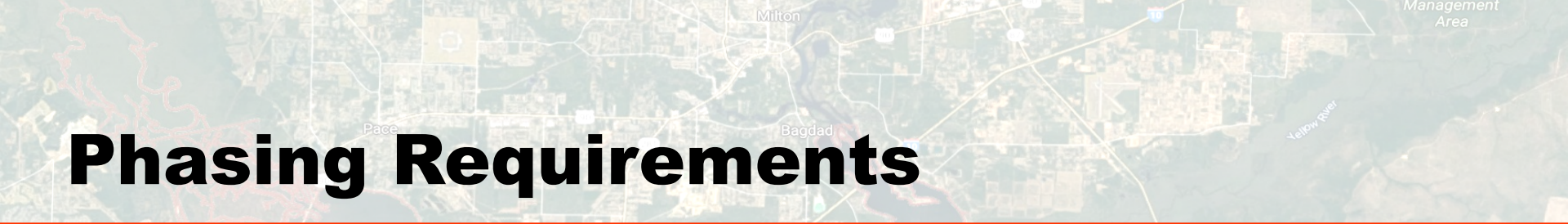
# Study Changes

## ■ Changes from original studies

- ❑ Original transportation and park studies not available
- ❑ Updated transportation fees based on local travel data, not county-wide or subarea data
- ❑ Updated public safety fees use different methodology
  - “functional population,” not calls-for-service
- ❑ Makes it more difficult to explain why fees are changing

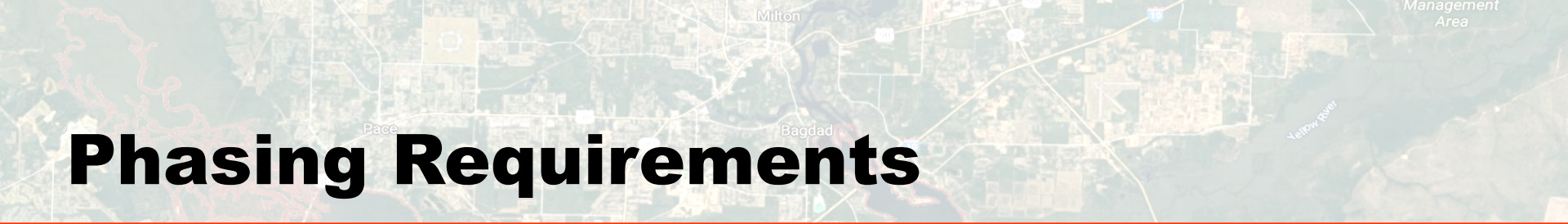
## ■ Changes to land use categories

- ❑ Simplification of transportation land uses
- ❑ Park land uses basically unchanged
- ❑ Expansion of public safety categories to mirror transportation



# Phasing Requirements

- 2021 limitations on impact fee increases
  - ❑ Any increase of up to 25% must be phased in over 2 years
  - ❑ Any increase of up to 50% must be phased in over 4 years
  - ❑ Fees may not be increased more often than once in 4 years
  - ❑ Phased increases must be in equal annual amounts
  
- Proportionality Requirement
  - ❑ Fees must be proportional to the impact of the land use
  - ❑ All fees must be the same % of updated fee
  - ❑ Fee that is increasing the most will be at lowest percent
  - ❑ All other land uses must be at same % at end of phasing



# Phasing Requirements

- Extraordinary circumstances option
  - ❑ Needs analysis must be prepared that demonstrates the extraordinary circumstances
  - ❑ Two publicly-noticed workshops must be held on the analysis
  - ❑ Ordinance adopting fee increases that vary from phasing requirements must be adopted by a two-thirds majority of the governing body

# Current and Updated Impact Fees

| Land Use Type                                          | Unit          | Transportation | Parks | Public Safety | Total   |
|--------------------------------------------------------|---------------|----------------|-------|---------------|---------|
| <b>Updated Fees</b>                                    |               |                |       |               |         |
| Single-Family Detached                                 | Dwelling      | \$4,712        | \$880 | \$532         | \$6,124 |
| Multi-Family                                           | Dwelling      | \$3,371        | \$704 | \$428         | \$4,503 |
| Retail/Commercial                                      | 1,000 sq. ft. | \$7,985        | n/a   | \$1,383       | \$9,368 |
| Office                                                 | 1,000 sq. ft. | \$4,116        | n/a   | \$799         | \$4,915 |
| Industrial/Warehouse                                   | 1,000 sq. ft. | \$835          | n/a   | \$125         | \$960   |
| <b>Current Most Comparable Fee in Updated Category</b> |               |                |       |               |         |
| Single Family                                          | Dwelling      | \$3,632        | \$770 | \$254         | \$4,656 |
| Multiple Family                                        | Dwelling      | \$3,727        | \$663 | \$254         | \$4,644 |
| Shopping Center < 50,000 sq. ft.                       | 1,000 sq. ft. | \$5,265        | n/a   | \$163         | \$5,428 |
| General Office                                         | 1,000 sq. ft. | \$1,808        | n/a   | \$163         | \$1,971 |
| Warehouse                                              | 1,000 sq. ft. | \$1,065        | n/a   | \$163         | \$1,228 |
| <b>Percent Change</b>                                  |               |                |       |               |         |
| Single-Family Detached                                 | Dwelling      | 29.7%          | 14.3% | 109.4%        | 31.5%   |
| Multi-Family                                           | Dwelling      | -9.6%          | 6.2%  | 68.5%         | -3.0%   |
| Retail/Commercial                                      | 1,000 sq. ft. | 51.7%          | n/a   | 748.5%        | 72.6%   |
| Office                                                 | 1,000 sq. ft. | 127.7%         | n/a   | 390.2%        | 149.4%  |
| Industrial/Warehouse                                   | 1,000 sq. ft. | -21.6%         | n/a   | -23.3%        | -21.8%  |

# Revenue Impacts from Phasing

## Transportation

| Land Use Type          | Retain<br>Current Fees | 4th Yr. of<br>Phase-in | No<br>Phasing |
|------------------------|------------------------|------------------------|---------------|
| Single-Family Detached | \$1,473,789            | \$1,259,944            | \$1,912,030   |
| Multi-Family           | \$541,403              | \$322,634              | \$489,689     |
| Retail/Commercial      | \$690,959              | \$690,434              | \$1,047,922   |
| Office                 | \$73,891               | \$110,837              | \$168,216     |
| Industrial/Warehouse   | \$86,036               | \$44,432               | \$67,455      |
| Total Annual Revenue   | \$2,866,079            | \$2,428,281            | \$3,685,312   |
| Change from Current    | n/a                    | -15%                   | 29%           |

## Public Safety

| Land Use Type          | Retain<br>Current Fees | 4th Yr. of<br>Phase-in | No<br>Phasing |
|------------------------|------------------------|------------------------|---------------|
| Single-Family Detached | \$73,270               | \$27,116               | \$153,463     |
| Multi-Family           | \$26,230               | \$7,848                | \$44,199      |
| Retail/Commercial      | \$15,207               | \$22,857               | \$129,026     |
| Office                 | \$4,736                | \$4,126                | \$23,215      |
| Industrial/Warehouse   | \$9,361                | \$1,263                | \$7,179       |
| Total Annual Revenue   | \$128,804              | \$63,210               | \$357,082     |
| Change from Current    | n/a                    | -51%                   | 177%          |



# Extraordinary Circumstances – Transportation

- Fees have not been updated in 16 years
- Construction cost have increased significantly
- Updated fees are based on local data
- Phasing over next 4 years would reduce fee revenue by roughly 15%; it would take eight years of phasing to fully implement updated fees



# Extraordinary Circumstances – Public Safety

- Fees have not been updated in 20 years
- Methodology has been changed to better reflect long-term impact of development, causing retail/commercial fees to increase dramatically compared to the current fee for all nonresidential
- Phasing over next 4 years would reduce fee revenue by roughly 50%; it would take 22 years of phasing to fully implement updated fees



# Implementation Options

- Without extraordinary circumstances
  - ❑ Adopt 2-year phasing schedule for parks
  - ❑ Adopt 4-year phasing schedules for trans. and public safety
  
- With extraordinary circumstances
  - ❑ Adopt 2-year phasing schedule for parks
  - ❑ Adopt trans./public safety fees at 100%
  - ❑ Adopt trans./public safety fees at less than 100%
  - ❑ Adopt trans./public safety fees at less than 100% initially, and increase percentage over several years

# Comparative Jurisdictions

| Land Use Type                                                                          | Unit          | Roads    | Parks   | Library | Fire  | Police  | Total    |
|----------------------------------------------------------------------------------------|---------------|----------|---------|---------|-------|---------|----------|
| <b>Pasco County (Transportation Fees in Suburban Unincorporated Area)</b>              |               |          |         |         |       |         |          |
| Single-Family Det.                                                                     | Dwelling      | \$9,646  | \$3,450 | \$145   | \$421 |         | \$13,662 |
| Multi-Family                                                                           | Dwelling      | \$8,372  | \$3,450 | \$97    | \$421 |         | \$12,340 |
| Retail/Commercial                                                                      | 1,000 sq. ft. | \$10,557 |         |         | \$548 |         | \$11,105 |
| Office                                                                                 | 1,000 sq. ft. | \$0      |         |         | \$548 |         | \$548    |
| Industrial/Warehouse                                                                   | 1,000 sq. ft. | \$0      |         |         | \$548 |         | \$548    |
| <b>Dade City</b>                                                                       |               |          |         |         |       |         |          |
| Single-Family Det.                                                                     | Dwelling      | \$3,228  |         |         | \$421 | \$449   | \$4,098  |
| Multi-Family                                                                           | Dwelling      | \$2,255  |         |         | \$421 | \$324   | \$3,000  |
| Retail/Commercial                                                                      | 1,000 sq. ft. | n/a      |         |         | \$548 | \$463   | n/a      |
| Office                                                                                 | 1,000 sq. ft. | n/a      |         |         | \$548 | \$220   | n/a      |
| Warehouse                                                                              | 1,000 sq. ft. | n/a      |         |         | \$548 | \$45    | n/a      |
| <b>Plant City</b>                                                                      |               |          |         |         |       |         |          |
| Single-Family Det.                                                                     | Dwelling      | \$4,383  | \$1,666 | \$403   | \$507 | \$1,148 | \$8,107  |
| Multi-Family                                                                           | Dwelling      | \$2,954  | \$1,256 | \$304   | \$383 | \$867   | \$5,764  |
| Retail/Commercial                                                                      | 1,000 sq. ft. | \$6,007  |         |         | \$862 | \$1,829 | \$8,698  |
| Office                                                                                 | 1,000 sq. ft. | \$4,309  |         |         | \$285 | \$605   | \$5,199  |
| Warehouse                                                                              | 1,000 sq. ft. | \$611    |         |         | \$35  | \$74    | \$720    |
| <b>New Port Richey</b>                                                                 |               |          |         |         |       |         |          |
| City assesses only utility impact fees, and collects Pasco County's school impact fees |               |          |         |         |       |         |          |

# City of Zephyrhills, Florida Impact Fee Study



**duncan** | associates

**May 15, 2024**

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**prepared by**  
**Duncan Associates**

Clancy Mullen, Project Manager  
17409 Rush Pea Circle, Austin, TX 78738  
(512) 423-0480  
clancy@duncanassociates.com

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## EXECUTIVE SUMMARY

This impact fee study for the City of Zephyrhills calculates recommended updated fees that could be adopted for transportation, parks and public safety facilities. This executive summary is followed by chapters on the legal framework, methodology, land use categories, separate chapters on the three types of facilities, and appendices. To make the fee calculations easier to follow, numbers in tables that are inputs into other tables are highlighted in red.

The City originally adopted transportation impact fees in 1999. It most recently amended them in 2015, but most of the fees continue to be based on 40% of the calculated fees from a 2008 study – only five of 36 land uses are based on the 2015 study. These five were new uses added at 60% of the updated 2015 fees. A proposed phase-in of the other fees did not take place. Parks and public safety fee ordinances were originally adopted in 2004 and 2005 based on a 2004 study, and have not been updated since.

### Approach

This project entails assisting the City of Zephyrhills in updating its transportation, parks, and public safety impact fees. In addition to the impact fee study, the project will include the preparation of impact fee ordinance amendments to implement the recommendations of the study. Finally, it will include a description of circumstances that reasonably demonstrate that an extraordinary need exists to exceed the limitations on impact fee increases, as provided for in the Florida Impact Fee Act.

**Legal Defensibility.** The study and ordinance amendments will need to be consistent with the Florida Impact Fee Act, as well as the body of Florida impact fee case law known as the “dual rational nexus” test. Key principles from that case law include requirements that (a) the fees are proportional to the impacts of the development, (b) the fees are based on levels of service that are no higher than that currently provided to existing development; and (c) new development does not pay twice for the same level of service, once through impact fees and again through other taxes or fees.

**Restrictions on Fee Increases.** 2021 amendments to the Florida act now place significant restrictions on impact fee increases. Any impact fee rate increase of up to 25% must be phased in over two years, and any increase more than 25% and up to 50% must be phased in over four years. The phased increases must be in equal annual amounts. Impact fees can only be increased once every four years (exclusive of phased increases over two or four years). These restrictions are more onerous than they may appear due to another statutory requirement that the impact fee rates for all land uses must be proportional to the impact of the development. This means that at the end of the phase-in period, all land uses should be assessed fees at the same percentage of the maximum fees calculated in the updated impact fee study.

**Simplified Fee Schedules.** For years we have been recommending fewer and more broadly-defined land use categories in fee schedules, arguing that a simplified fee schedule is much easier to administer and reduces the need to assess fees for changes of use in existing buildings. The phasing requirements present another argument in favor of a simplified fee schedule, and we recommend it be part of this update.

The need for simplification applies only to the City's transportation impact fee schedule, which lists 36 land uses. In contrast, the schedules include only three land use categories for parks, and only two for public safety. These require a different approach. This topic is addressed in detail in the Land Use Categories chapter.

## Current Impact Fees

The City's current impact fee schedules for transportation, parks, and public safety are presented in the following three tables.

**Table 1. Current Transportation Impact Fees**

| Land Use Type                                      | Unit          | Fee/Unit |
|----------------------------------------------------|---------------|----------|
| Single Family Residential                          | Dwelling      | \$3,632  |
| Multi-Family Residential (Apartment)               | Dwelling      | \$3,727  |
| Low-Rise Condominium/Townhome                      | Dwelling      | \$3,480  |
| Retirement Community (Age-Restricted Multi-Family) | Dwelling      | \$1,657  |
| Congregate Care Facility (Attached)                | Dwelling      | \$527    |
| Mobile Home Park                                   | Space         | \$2,270  |
| Campground/Recreational Vehicle Park               | Space         | \$873    |
| Hotel                                              | Room          | \$1,494  |
| Motel                                              | Room          | \$1,496  |
| Shopping Center under 50,000 sq. ft.               | 1,000 sq. ft. | \$5,265  |
| Shopping Center 50,001 to 200,000 sq. ft.          | 1,000 sq. ft. | \$4,211  |
| Shopping Center 200,001 to 400,000 sq. ft.         | 1,000 sq. ft. | \$4,028  |
| Shopping Center 400,001 to 600,000 sq. ft.         | 1,000 sq. ft. | \$3,904  |
| Shopping Center 600,001 to 800,000 sq. ft.         | 1,000 sq. ft. | \$3,745  |
| Shopping Center greater than 800,000 sq. ft.       | 1,000 sq. ft. | \$3,621  |
| Specialty Retail                                   | 1,000 sq. ft. | \$5,309  |
| Variety Store                                      | 1,000 sq. ft. | \$12,979 |
| Movie Theater                                      | Screen        | \$20,814 |
| Supermarket                                        | 1,000 sq. ft. | \$5,634  |
| Pharmacy Drug Store w/ Drive Thru                  | 1,000 sq. ft. | \$3,549  |
| Drive-In Bank                                      | 1,000 sq. ft. | \$17,579 |
| Quality Restaurant                                 | 1,000 sq. ft. | \$9,621  |
| Sit-Down Restaurant (High-Turnover)                | 1,000 sq. ft. | \$13,384 |
| Fast-Food/Drive-Through Window                     | 1,000 sq. ft. | \$26,944 |
| Convenience Market with Gas Pumps                  | 1,000 sq. ft. | \$30,373 |
| Gasoline/Service Station                           | Pump          | \$3,189  |
| Gasoline/Service Station w/Conv. Market            | Pump          | \$6,227  |
| Gasoline/Service Station w/Conv. Market & Car Wash | Pump          | \$5,846  |
| General Office Building                            | 1,000 sq. ft. | \$1,808  |
| Medical-Dental Office Building                     | 1,000 sq. ft. | \$5,933  |
| General Light Industrial                           | 1,000 sq. ft. | \$1,496  |
| Manufacturing                                      | 1,000 sq. ft. | \$820    |
| Warehousing                                        | 1,000 sq. ft. | \$1,065  |
| Mini-Warehouse                                     | 1,000 sq. ft. | \$411    |
| Hospital                                           | 1,000 sq. ft. | \$8,381  |
| Nursing Home                                       | Bed           | \$545    |

Source: Ord. 1003-08, passed 4/28/2008; Kimley-Horn and Associates, *Transportation Impact Fee Update*, 9/10/2015, Tables 1 and 5; *Transportation Impact Fee Schedule*, effective 10/1/2015, on City's website at <https://www.ci.zephyrhills.fl.us/500/Transportation-Impact-Fee-Schedule>.

**Table 2. Current Park Impact Fees**

| Housing Type           | Unit     | Fee/Unit |
|------------------------|----------|----------|
| Single Family/Townhome | Dwelling | \$769.56 |
| Multiple Family        | Dwelling | \$663.06 |
| Mobile Home            | Dwelling | \$573.73 |

Source: Ord. 904-04, passed 9/27/2004.

**Table 3. Current Public Safety Impact Fees**

| Land Use Type  | Unit          | Fee/Unit |
|----------------|---------------|----------|
| Residential    | Dwelling      | \$254    |
| Nonresidential | 1,000 sq. ft. | \$163    |

Source: Ord. 912-05, passed 1/10/2005; Kimley-Horn and Assoc.,  
Police and Fire Impact Fees, Sept. 2004 (police fees only).

## Updated Impact Fees

Updated maximum impact fees by land use for transportation, parks, and public safety are summarized in the upper part of Table 4. The current fees for the most comparable land uses are summarized in the middle part of the table, and the bottom part shows the percentage change from the current comparable fees to the maximum updated fees. The fees that are increasing by the largest percentage for each type of facility are highlighted.

**Table 4. Updated Impact Fees and Changes from Current Fees**

| Land Use Type                                          | Unit          | Transportation | Parks | Public Safety | Total   |
|--------------------------------------------------------|---------------|----------------|-------|---------------|---------|
| <b>Updated Fees</b>                                    |               |                |       |               |         |
| Single-Family Detached*                                | Dwelling      | \$4,712        | \$880 | \$532         | \$6,124 |
| Multi-Family**                                         | Dwelling      | \$3,371        | \$704 | \$428         | \$4,503 |
| Retail/Commercial                                      | 1,000 sq. ft. | \$7,985        | n/a   | \$1,383       | \$9,368 |
| Office                                                 | 1,000 sq. ft. | \$4,116        | n/a   | \$799         | \$4,915 |
| Industrial/Warehouse                                   | 1,000 sq. ft. | \$835          | n/a   | \$125         | \$960   |
| Public/Institutional                                   | 1,000 sq. ft. | \$2,074        | n/a   | \$386         | \$2,460 |
| <b>Current Most Comparable Fee in Updated Category</b> |               |                |       |               |         |
| Single Family                                          | Dwelling      | \$3,632        | \$770 | \$254         | \$4,656 |
| Multiple Family                                        | Dwelling      | \$3,727        | \$663 | \$254         | \$4,644 |
| Shopping Center < 50,000 sq. ft.                       | 1,000 sq. ft. | \$5,265        | n/a   | \$163         | \$5,428 |
| General Office                                         | 1,000 sq. ft. | \$1,808        | n/a   | \$163         | \$1,971 |
| Warehouse                                              | 1,000 sq. ft. | \$1,065        | n/a   | \$163         | \$1,228 |
| Hospital                                               | 1,000 sq. ft. | \$8,381        | n/a   | \$163         | \$8,544 |
| <b>Percent Change</b>                                  |               |                |       |               |         |
| Single-Family Detached                                 | Dwelling      | 29.7%          | 14.3% | 109.4%        | 31.5%   |
| Multi-Family                                           | Dwelling      | -9.6%          | 6.2%  | 68.5%         | -3.0%   |
| Retail/Commercial                                      | 1,000 sq. ft. | 51.7%          | n/a   | 748.5%        | 72.6%   |
| Office                                                 | 1,000 sq. ft. | 127.7%         | n/a   | 390.2%        | 149.4%  |
| Industrial/Warehouse                                   | 1,000 sq. ft. | -21.6%         | n/a   | -23.3%        | -21.8%  |
| Public/Institutional                                   | 1,000 sq. ft. | -75.3%         | n/a   | 136.8%        | -71.2%  |

\* includes mobile home not in mobile home park

\*\* includes space in mobile home/RV park

Source: Updated fees from Table 19 (transportation), Table 23 (parks), and Table 28 (public safety); current fees for comparable land use categories from Table 1 (transportation), Table 2 (parks), and Table 3 (public safety).

## Statutory Phasing Schedules

Unless the City prepares an analysis of extraordinary circumstances and adopts updated fees by a super-majority of the governing body, any fees increase must be phased in as required by Florida law. As described in more detail in the Legal Framework chapter, any impact fee increase of no more than 25% must be phased in over two years, and any increase between 25-50% over four years. The increases must be in equal annual increments during the phase-in period. The statutory proportionality requirement means that the impact fee for each land use must be at the same percentage of their maximum updated fee in the final year of the two-year or four-year phase-in period. The recommended phasing schedules that comply with both of these statutory requirements for transportation, parks, and public safety are shown in the following three tables.

### Transportation

The statutory phasing schedule for transportation is shown in Table 5. The updated maximum fees are higher than current fees for three of the land uses, and lower for the other three. The office fee is increasing 128% and would be at 65.9% of its maximum fee at the end of a four-year phase-in. All the other fees would need to be decreased to be at that same percentage and thus proportional with the office fees. All of the fees would be at 65.9% of the updated maximum fee in the fourth year, and it would require an additional four years of phasing, for a total of eight years, to fully implement the updated fees.

**Table 5. Transportation Phasing Schedule**

| Land Use Type          | Unit          | Current Fee | Statutory Phasing Schedule |         |         |         | Updated Max. Fee |
|------------------------|---------------|-------------|----------------------------|---------|---------|---------|------------------|
|                        |               |             | Year 1                     | Year 2  | Year 3  | Year 4  |                  |
| Single-Family Detached | Dwelling      | \$3,632     | \$3,105                    | \$3,105 | \$3,105 | \$3,105 | \$4,712          |
| Multi-Family           | Dwelling      | \$3,727     | \$2,221                    | \$2,221 | \$2,221 | \$2,221 | \$3,371          |
| Retail/Commercial      | 1,000 sq. ft. | \$5,265     | \$5,261                    | \$5,261 | \$5,261 | \$5,261 | \$7,985          |
| Office                 | 1,000 sq. ft. | \$1,808     | \$2,034                    | \$2,260 | \$2,486 | \$2,712 | \$4,116          |
| Industrial/Warehouse   | 1,000 sq. ft. | \$1,065     | \$550                      | \$550   | \$550   | \$550   | \$835            |
| Public/Institutional   | 1,000 sq. ft. | \$8,381     | \$1,367                    | \$1,367 | \$1,367 | \$1,367 | \$2,074          |
| <b>Annual Change</b>   |               |             |                            |         |         |         |                  |
| Single-Family Detached | Dwelling      | n/a         | -\$527                     | \$0     | \$0     | \$0     | n/a              |
| Multi-Family           | Dwelling      | n/a         | -\$1,506                   | \$0     | \$0     | \$0     | n/a              |
| Retail/Commercial      | 1,000 sq. ft. | n/a         | -\$4                       | \$0     | \$0     | \$0     | n/a              |
| Office                 | 1,000 sq. ft. | n/a         | \$226                      | \$226   | \$226   | \$226   | n/a              |
| Industrial/Warehouse   | 1,000 sq. ft. | n/a         | -\$515                     | \$0     | \$0     | \$0     | n/a              |
| Public/Institutional   | 1,000 sq. ft. | n/a         | -\$7,014                   | \$0     | \$0     | \$0     | n/a              |

Source: Current fees for comparable categories and updated maximum fees from Table 4; annual phasing that results in all land uses assessed at 65.9% of their maximum fee in year 4 from Duncan Associates.

### Public Safety

The statutory four-year phasing schedule for the public safety fees is shown in Table 6. The updated maximum fees are higher than current fees for all but industrial/warehouse. The retail/commercial fee is increasing the most, and would be at 17.7% of the full updated in the fourth year. To have the fees be proportional in the fourth year, all the other land uses would have to be reduced, and the industrial/warehouse fee that is already going would have to go down even more. It would require another 18 years of phasing to get to 100%.

**Table 6. Public Safety Phasing Schedule**

| Land Use Type          | Unit          | Current Fee | Statutory Phasing Schedule |        |        |        | Updated Max. Fee |
|------------------------|---------------|-------------|----------------------------|--------|--------|--------|------------------|
|                        |               |             | Year 1                     | Year 2 | Year 3 | Year 4 |                  |
| Single-Family Detached | Dwelling      | \$254       | \$94                       | \$94   | \$94   | \$94   | \$532            |
| Multi-Family           | Dwelling      | \$254       | \$76                       | \$76   | \$76   | \$76   | \$428            |
| Retail/Commercial      | 1,000 sq. ft. | \$163       | \$184                      | \$205  | \$226  | \$245  | \$1,383          |
| Office                 | 1,000 sq. ft. | \$163       | \$142                      | \$142  | \$142  | \$142  | \$799            |
| Industrial/Warehouse   | 1,000 sq. ft. | \$163       | \$22                       | \$22   | \$22   | \$22   | \$125            |
| Public/Institutional   | 1,000 sq. ft. | \$163       | \$68                       | \$68   | \$68   | \$68   | \$386            |
| <b>Annual Change</b>   |               |             |                            |        |        |        |                  |
| Single-Family Detached | Dwelling      | n/a         | -\$160                     | \$0    | \$0    | \$0    | n/a              |
| Multi-Family           | Dwelling      | n/a         | -\$178                     | \$0    | \$0    | \$0    | n/a              |
| Retail/Commercial      | 1,000 sq. ft. | n/a         | \$21                       | \$21   | \$21   | \$19   | n/a              |
| Office                 | 1,000 sq. ft. | n/a         | -\$21                      | \$0    | \$0    | \$0    | n/a              |
| Industrial/Warehouse   | 1,000 sq. ft. | n/a         | -\$141                     | \$0    | \$0    | \$0    | n/a              |
| Public/Institutional   | 1,000 sq. ft. | n/a         | -\$95                      | \$0    | \$0    | \$0    | n/a              |

Source: Current fees and updated maximum fees from Table 4; annual phasing that results in all land uses assessed at 17.7% of their maximum fee in year 4 from Duncan Associates.

### Parks

The park fees are not increasing significantly. Single-family detached increases the most, by 14%. Any increase requires a minimum two-year phase-in. The statutory phasing schedule is shown in Table 7.

**Table 7. Parks Phasing Schedule**

| Land Use Type          | Unit     | Current Fee | Phasing Schedule |        | Updated Max. Fee |
|------------------------|----------|-------------|------------------|--------|------------------|
|                        |          |             | Year 1           | Year 2 |                  |
| Single-Family Detached | Dwelling | \$770       | \$825            | \$880  | \$880            |
| Multi-Family           | Dwelling | \$663       | \$684            | \$704  | \$704            |
| <b>Annual Change</b>   |          |             |                  |        |                  |
| Single-Family Detached | Dwelling | n/a         | \$55             | \$55   | n/a              |
| Multi-Family           | Dwelling | n/a         | \$21             | \$20   | n/a              |

Source: Current fees for comparable categories and updated maximum fees from Table 4; annual phasing that results in all land uses assessed at 100% of their maximum fee in year 2 from Duncan Associates.

### Extraordinary Circumstances Analysis

The statute allows the phase-in limitations to be exceeded, based on an analysis that “expressly demonstrates the extraordinary circumstances” that require exceeding them. In addition to a written description of the extraordinary circumstances, two public workshops would need to be held on the issue within twelve months prior to ordinance adoption, and adoption would require a two-thirds vote of the governing body. The act does not define what would constitute extraordinary circumstances, but appears to leave that determination to a super-majority of the governing body.

Such an analysis is provided in the next chapter. The City could rely on this analysis to vary from the phasing requirements and adopt the updated transportation and public safety fees immediately, without phasing. The City would not have to adopt the updated fees at the full amounts, as it would be free to adopt them at a percentage less than 100%. The most important thing is to assess the fees for all the land use categories at the same percentage of the updated maximum amounts, so that the fees for all land use types are proportional to their impacts on the need for transportation and public safety improvements.

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## EXTRAORDINARY CIRCUMSTANCES ANALYSIS

This chapter provides an analysis of potentially extraordinary circumstances that could justify varying from the statutory phasing requirements. There do not appear to be any extraordinary circumstances with regard to the park impact fees. The park fee increases are very modest and would only require a two-year phase-in.

### Transportation

The transportation fees are based on a 16-year-old study and were adopted in 2008 at only 40% of the maximum amounts. It would not be surprising if fees were increasing significantly, but that is true only for three of the six land use categories – the other three are going down. It is not clear exactly how the current fees were derived, but the fees are probably not going up more because the updated fees are based entirely on travel on City roads, and do not include travel on county or state roads.

The updated fees are clearly more reflective of current trip rates. For example, the current multi-family fee is higher than the single-family fee, even though single-family has a trip rate that is about 30% higher, and industrial/warehouse trip rates have gone down significantly over the last 16 years. Most of the fee changes can be attributed to putting the fees on a sounder foundation based on current data after so many years.

The office fee is increasing the most (128%) and would be at 65.9% of its maximum fee at the end of a four-year phase-in. Because of the need to have the fees be proportional to the impact of each development, the fees that are going down would need to go down even more to be proportional with the other fees in the final year of the required four-year phasing period.

A rough estimate of the annual revenue under three scenarios is presented in Table 8. Current fees generate an average of about \$2.9 million annually. Maintaining the proportionality of impact fees to impact for each land use while phasing in fee increases would reduce annual revenue received in the final year of the initial four-year phasing period by about 15%, and it would take another four years for a total of eight years before the updated fees would generate almost 30% more revenue than current fees.

**Table 8. Estimated Annual Transportation Revenue by Phasing Scenario**

| Land Use Type          | Retain<br>Current Fees | 4th Yr. of<br>Phase-in | No<br>Phasing |
|------------------------|------------------------|------------------------|---------------|
| Single-Family Detached | \$1,473,789            | \$1,259,944            | \$1,912,030   |
| Multi-Family           | \$541,403              | \$322,634              | \$489,689     |
| Retail/Commercial      | \$690,959              | \$690,434              | \$1,047,922   |
| Office                 | \$73,891               | \$110,837              | \$168,216     |
| Industrial/Warehouse   | \$86,036               | \$44,432               | \$67,455      |
| Total Annual Revenue   | \$2,866,079            | \$2,428,281            | \$3,685,312   |
| Change from Current    | n/a                    | -15%                   | 29%           |

Source: Total revenue from current fees is average of annual revenue from FY 2019-FY 2023 provided by City Finance Department, December 11, 2023; estimated annual revenue by land use based on the mix of land uses from Table 29 and Table 30 in Appendix A and current, 4<sup>th</sup>-year, and maximum fees from Table 6.

It is not clear whether the legislature understood the implications of the combination of phasing and proportionality requirements when adopting this amendment to the statute. The bill proposing the phasing requirements was filed in reaction to an impact fee being increased to a higher percentage of the calculated maximum fees. In that particular case, all the current fees were already proportional to the maximum fees. When fees are updated, however, fees for different land uses invariably increase at different rates. If one land use increases significantly more than others, it takes a long time to increase fees for other land uses.

In the case of Zephyrhills' transportation impact fee update, the office category, which accounts for only about 3% of estimated revenue, is increasing much more than other land uses. The result is that updated fees needed to make them more legally defensible and based on current data, would actually generate less revenue than current fees in the fourth year of phasing, while requiring another four years of phasing to generate a relatively modest increase (less than 30%) in revenue eight years from now. These would appear to qualify as extraordinary circumstances that would warrant waiving the phasing requirements for the transportation fees.

## **Public Safety**

The originally-adopted public safety fees covered both fire and police facilities, but were reduced when the City ceased providing fire protection, so that now the fees cover only police protection. These fees are based on a 2004 study that is now 20 years old. The 2004 study that calculated the current police-only fees did not include the cost of all the relevant capital components, omitting land and any equipment other than patrol cars and officer equipment. It is not surprising, then, that the current relatively low fees are increasing significantly, especially in percentage terms.

An even bigger factor is the change in methodology. The change in methodology was determined to be necessary to put the fees on a sound foundation. The current police-only public safety fees were calculated on the basis of annual fire calls-for-service for two categories: residential per dwelling unit and nonresidential per 1,000 square feet. Calls-for-service per unit of development for various land use types are subject to rather extreme fluctuations over time. Even when averaged over a number of years, the number of calls attributed to the various land uses tends to change significantly when studies are updated. Compounding the fluctuation in call volumes by land use, calls per development unit are ratios of two data sets, and estimates of the amount of existing development in the various land use categories are also subject to change.

For example, in a recent 2023 Florida county study of fire/EMS impact fees using calls-for-service data,<sup>1</sup> fees for almost half of the land use categories increased or decreased by at least 42% from the previous 2017 study. Most of the land uses for which fees increased in the 2023 update had gone down in the previous study.<sup>2</sup> The calls-for-service approach is not a reliable indicator of the long-term impact of a land use, and its lack of stability over time is even more pronounced for small jurisdictions like Zephyrhills.

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<sup>1</sup> Duncan Associates, Osceola County, *Florida Fire/EMS Impact Fee Update*, 2023.

<sup>2</sup> Duncan Associates, Osceola County, *Florida Fire/EMS Impact Fee Update*, 2017.

For these reasons, this study uses “functional population” as the demand unit for public safety services. Functional population represents the number of full-time equivalent people at a land use, based on the observation that demand for public safety facilities tends to be proportional to the number of people present at the site of a land use. This approach to determining demand for public safety facilities by land use is one of the most widely used in impact fee practice in Florida. The resulting demand factors are the result of inputs that are relatively stable over time, including average household size for residential uses and trip generation rates, average vehicle occupancies by trip purpose, and employee densities by land use type for nonresidential development. These characteristics make it a reasonable measure of demand that is a more stable and reliable indicator of long-term demand for public safety services associated with various land use types, especially for small jurisdictions like Zephyrhills.

The functional population approach requires more than one residential and one nonresidential category, because average household size varies by housing type and nonresidential land uses vary by trip generation rates and other factors. (Calls-for-service also vary by land use, but the methodology itself does not inherently require a more fine-grained analysis.)

The combination of updating fees from a 20-year-old study that did not include all the costs of providing police protection and changing the methodology, which required splitting the existing two very broad categories into more detailed categories, has resulted in fees changes that range from a 23% decrease for industrial/warehouse to a more than 700% increase for retail/commercial.

As noted earlier, all the land use categories need to be assessed at the same percentage of the maximum fees for all land uses in the final year of phasing in order to comply with the proportionality requirement. The retail/commercial fee can only be assessed at 18% at the end of the first four-year phase-in period, which means that all six categories must be assessed at that same percentage in the fourth year. The other four categories that would otherwise be increasing must therefore be reduced, and the one that is going down would have to be reduced even further.

It would require a total of 22 years to get the updated maximum fees fully implemented. A rough estimate of the annual revenue under three scenarios is presented in Table 9. Current fees generate an average of about \$129,000 annually. Adopting the updated maximum impact fees immediately would yield a rough estimate of over two-and-a-half times as much revenue. Maintaining the proportionality of impact fees to impact for each land use while phasing in fee increases would reduce annual revenue received over the initial 4-year phasing period to about half of what the City would otherwise receive if current fees were retained. Even though the fees in subsequent years could be increased by 50% every four years, it would take another eight years, for a total of 12 years, before the fees would generate the same amount of revenue as current fees. It would take another ten years, for a total of 22 years, for the updated fees to be fully implemented.

**Table 9. Estimated Annual Public Safety Revenue by Phasing Scenario**

| Land Use Type          | Retain Current Fees | 4th Yr. of Phase-in | No Phasing |
|------------------------|---------------------|---------------------|------------|
| Single-Family Detached | \$73,270            | \$27,116            | \$153,463  |
| Multi-Family           | \$26,230            | \$7,848             | \$44,199   |
| Retail/Commercial      | \$15,207            | \$22,857            | \$129,026  |
| Office                 | \$4,736             | \$4,126             | \$23,215   |
| Industrial/Warehouse   | \$9,361             | \$1,263             | \$7,179    |
| Total Annual Revenue   | \$128,804           | \$63,210            | \$357,082  |
| Change from Current    | n/a                 | -51%                | 177%       |

Source: Total revenue from current fees is average of annual revenue from FY 2019-FY 2023 provided by City Finance Department, December 11, 2023; estimated annual revenue by land use based on the mix of land uses from Table 29 and Table 30 in Appendix A and current, 4<sup>th</sup>-year, and maximum fees from Table 6.

In summary, the statutory limitations on impact fee increases and the statutory proportionality requirement combine to create extraordinary circumstances that make it exceedingly difficult for Zephyrhills to update its public safety impact fees. First, updating the public safety fees that were calculated at relatively low rates 20 years ago results in big increases for most land uses. Second, changing the methodology for measuring demand by land use type required adding fee categories, one of which is increasing at a much higher rate than the others. Because the fees for all land uses need to be assessed at the same proportion of the maximum fees in the final year of the first four-year phasing period, the fees for all but the one category that is going up by the largest percentage must be decreased, resulting in the City receiving about half the revenue it would receive if it kept its current fees for the next four years. It would be another eight years before the updated fees would generate the same amount of revenue as current fees, and another ten years, a total of 22 years, to fully implement the updated fees. These would seem to qualify as extraordinary circumstances by any definition of that term.

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## LEGAL FRAMEWORK

Impact fees are a way for local governments to require new developments to pay a proportionate share of the infrastructure costs they impose on the community. In contrast to traditional “negotiated” developer exactions, impact fees are charges that are assessed on new development using a standard formula based on objective characteristics, such as the number and type of dwelling units constructed. The fees are one-time up-front charges, with the payment usually made at the time of building permit issuance. Essentially, impact fees require that each new development project pay its pro-rata share of the cost of new capital facilities required to serve that development.

Since impact fees were pioneered in states like Florida that lacked specific enabling legislation, such fees have generally been legally defended as an exercise of local government’s broad “police power” to regulate land development in order to protect the health, safety and welfare of the community. The Florida courts have developed guidelines for constitutionally-valid impact fees, based on “rational nexus” standards. The standards essentially require that the fees must be proportional to the need for additional infrastructure created by the new development, and must be spent in such a way as to provide that same type of infrastructure to benefit new development. A Florida district court of appeals described the dual rational nexus test in 1983 as follows, and this language was quoted and followed by the Florida Supreme Court in its 1991 St. Johns County decision:

*In order to satisfy these requirements, the 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.*

### Florida Statutes

The 2006 Florida Legislature passed Senate Bill 1194, which established certain requirements for impact fees in Florida. It was most recently amended by House Bill 337, which was signed by the governor and became effective on June 4, 2021. In March 2024, the Florida legislature passed HB 479, which made additional amendments to the statute, but it has not yet been signed by the governor. The full text of the act can be found in Appendix E.

Key provisions of the Florida Impact Fee Act include the following requirements:

- (1) Impact fees must be calculated based on the most recent and localized data.
- (2) Administrative charges must not exceed actual costs.
- (3) 90 days’ notice must be provided before a new or increased impact fee goes into effect.
- (4) Financial audits must include certification of compliance with the Act.
- (5) The burden of proof in any impact fee litigation is on the local government.
- (6) Fees cannot be collected prior to the date of issuance of a building permit.

- (7) Developer contributions must be credited at full market value and transferrable within impact fee zones.
- (8) The value of developer credits must be increased by the same percentage when the applicable type of impact fees for which the credit was given is increased.
- (9) Waivers of impact fees for affordable housing projects, as defined in Sec. 420.9071, do not have to be offset with other government revenues.
- (10) Capital facilities must have a minimum life expectancy of five years (although public safety vehicles are not subject to this restriction).
- (11) Public schools are exempted from the payment of impact fees in Section 1013.371(1)(a).
- (12) Impact fees cannot be increased by more than 50% over four years and can only be increased once every four years. Increases up to 50% must be phased in over four years and increases of up to 25% must be phased in over two years, in equal annual increments.
- (13) Local government must comply with annual impact fee reporting requirements.

### Phasing of Fee Increases

The most significant change made in 2021 was the imposition of restrictions on impact fee increases. Any impact fee increase of no more than 25% must be phased in over two years, and any increase between 25-50% over four years. No fee can go up more than 50% over four years. Annual increases during phasing must be in equal amounts. Aside from annual phasing of increases required by the statute, fees can only be increased once every four years. This rules out annual adjustments to account for cost inflation between fee updates.

The Florida statute also requires that impact fees be proportional to the impact of the development on the need for facilities. A strict application of the proportionality principle would seem to require that the updated fee for all land uses would have to be phased-in at the same percentage of the updated fees for all land use categories each year. This is not possible if the fee for each land use must be increased by the same dollar amount each year. The best that can be done is to have all the land uses at the same percentage of the updated fee in the final year of a two-year or four-year phase-in. Fee decreases are not subject to phasing, and should go into effect in the first year.

In this context, the impact fee rate for the land use that is increasing the most determines the percentage of the maximum fees for all land uses in the final year of phasing. For example, suppose one land use category with a current transportation fee of \$100 has an updated maximum fee of \$200 (increasing 100%), while all the other land uses also have a current fee of \$100 but have an updated fee of only \$110 (increasing 10%). At the end of a four-year phase in, the land use with a potential doubling would have increased by \$50, putting it at 75% of its maximum fee, while the fee for all the other land uses would be required to decrease to 75% of their maximum fee of \$110, or \$82.50 – this would be a decrease of \$17.50 or 17.5%. It would take another four-year phase-in to get all the land uses to the full updated fee amounts.

It is not clear whether the legislature fully understood these implications when adopting this amendment to the statute. The bill proposing the phasing requirements was filed in reaction to an impact fee being increased to a higher percentage of the calculated maximum fees. In that case, all the current fees were already proportional to the maximum fees.

The statute allows the phase-in limitations to be exceeded, based on an analysis that “expressly demonstrates the extraordinary circumstances” that require exceeding them. In addition to a written description of the extraordinary circumstances, two public workshops would need to be held on the issue within twelve months prior to ordinance adoption, and adoption would require a two-thirds vote of the governing body. The act does not define what would constitute extraordinary circumstances, but appears to leave that determination to a super-majority of the governing body.

## General Impact Fee Principles

The Florida impact fee act provides relatively little guidance on how impact fees are to be calculated, other than invoking phrases drawn from Florida case law, such as “proportional and reasonably related to” and “have a rational nexus with.” Our understanding of the principles arising from that case law and their application to impact fee calculations are described here. This discussion focuses on when credits should be provided for future revenue that will be generated by or attributable to new development. Under what circumstances revenue credits are warranted is one of the murkiest areas of impact fee law.

Deficiencies. One of the most fundamental principles arising out of case law is that impact fees should not charge new development for a higher level of service than is provided to existing development. While impact fees can be based on a higher level of service than the one existing at the time of the adoption of the fees, two things are required if this is done. First, another source of funding other than impact fees must be identified and committed to fund the capacity deficiency created by the higher level of service. Second, the impact fees must generally be reduced to ensure that new development does not pay twice for the same level of service, once through impact fees and again through general taxes that are used to remedy the capacity deficiency for existing development. In order to avoid these complications, the general practice is to base the impact fees on the existing level of service.

Debt. As noted above, if impact fees are based on a higher-than-existing level of service, the fees should be reduced by a credit that accounts for the contribution of new development toward remedying the existing deficiencies. A similar situation arises when the existing level of service has not been fully paid for. Outstanding debt on existing facilities that are counted in the existing level of service will be retired, in part, by revenues generated from new development. Given that new development will pay impact fees to provide the existing level of service for itself, the fact that new development may also be paying for the facilities that provide that level of service for existing development could amount to paying for more than its proportionate share. Consequently, impact fees should be reduced to account for future payments that will retire outstanding debt on existing facilities.

Grants. New development should not have to pay more than its proportionate share when multiple sources of payment are considered. While the need to provide credits for existing deficiencies and outstanding debt is clear, the issue is less clear when it comes to other types of revenue that may be used to make capacity-expanding capital improvements of the same type being funded by impact fees. One source of such funding is grants from other government entities to whom new development may pay taxes that in turn are used to fund the grants, such as Federal/State gasoline taxes.

Probably the clearest case in which a such a credit is warranted is for other jurisdiction's funding for improvements to County or State/Federal. roads within the jurisdiction, if such roads are included in the road impact fee calculations. That is the case in this study, and such a credit is provided.

The need to provide a revenue credit for grant funding in other circumstances is less clear. The additional funding raises the level of service for the entire community. However, it is generally a relatively predictable source of funding that has helped build the existing level of service. Credit will be provided for such grant funding in this study, but no such grants have been received for parks or public safety in at least the last five years.

Local Funding. The rationale for credits for the historical use of local non-impact fee funding for projects that are impact fee-eligible has not been well-articulated and is not specifically addressed in impact fee case law. Capacity-adding projects that may be funded in the future with non-impact fee dollars will be paid for by both existing and new development, and will increase the overall level of service, benefiting both existing and new development. Providing the credit makes it more difficult to raise the level of service, as some non-impact fee funding is necessary to offset lower impact fee revenues resulting from the credit. Providing a credit for local funding would seem to assume that the local government intends for the funding to subsidize new development's share of the cost to maintain the existing level of service, rather than to increase the level of service for the community as a whole. In the absence of such a declaration of the governing body's intent, no credit appears to be warranted for local funding, and is not included in this study.

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## METHODOLOGY

A wide range of methodologies have been developed to calculate impact fees, consistent with the legal requirements and guidelines described above. Despite variations, there are two primary types of methodologies, which can be referred to as “standards-based” and “plan-based.” Standards-based methodologies use a system-wide level of service standard, such as the system-wide ratio of road capacity to demand, the number of park acres per 1,000 residents, or the existing capital investment per service unit.

Plan-based methodologies are generally based on modeling and geographically-specific level of service standards (e.g., “all road segments and intersections shall function at LOS D or better”), and rely on a facility master plan to create the nexus between the cost of planned improvements and the projected growth over a defined time period. In general, the standards-based approach provides greater flexibility in expenditures (a plan-based approach requires a master plan update when planned projects change). The two approaches are described in more detail below.

### Standards-Based

The “standards-based” methodology uses a generalized level-of-service standard to determine the costs to accommodate new development. This approach does not require that there be a master plan, or even a list of specific planned projects that will be funded with the impact fees.

Most often, the standards-based approach uses the actual level of service (LOS) that exists at the time the study is prepared. This LOS standard can be expressed in terms of a physical ratio (e.g., park acres per 1,000 population), or in dollar terms (e.g., park cost per person). When based on the existing LOS, this approach is sometimes referred to as “incremental expansion.” The basic assumption is that it will be necessary to expand capital facilities proportional to growth. Basing the fees on the existing LOS assumes that there is little or no excess capacity in existing facilities to accommodate future growth. However, a standards-based methodology can also be based on a LOS that is lower or higher than the current existing LOS. When there is a significant amount of excess capacity, a lower-than-existing LOS may be used.

For transportation, the most common standards-based approach is often referred to as the “consumption-based” methodology. This methodology charges a new development the cost required to replace the capacity it will consume in the major roadway system. In other words, if a development will generate 100 vehicle-miles of travel (VMT) per day, it is charged impact fees based the average cost to create 100 vehicle-miles of capacity (VMC). Most well-functioning roadway systems have considerably more than one VMC for each VMT, but at least a portion of this surplus represents excess capacity. While this is the most common standards-based approach for roads, some transportation impact fees use a VMC/VMT ratio higher than 1.0, but less than the existing ratio. This is referred to as the modified consumption-based methodology. The existing ratio is seldom used, because growing communities tend to have major roads in areas that are not fully developed, and as they approach build-out are unlikely to be able to maintain the current ratio.

## Plan-Based

In contrast to standards-based methodologies, which rely on generalized, system-wide LOS standards, plan-based methodologies rely on a specific list of planned improvements. A plan-based methodology basically divides the cost of planned improvements over a fixed time period by the anticipated growth in service units over the same time period. The least defensible of these approaches are those based on a short-term capital improvements plan, because there is not necessarily any strong correlation between short-term planned improvement costs and long-term costs to accommodate new development. Much more defensible are those based on a long-range master plan or build-out plan.

As discussed above, plan-based methodologies seldom account for the cost of existing excess capacity. Instead, they focus solely on future costs to be incurred, and generally exclude any future costs to retire debt on existing capacity.

Regardless of the methodology used, an impact fee calculation must comply with the legal principles established by impact fee case law, as described earlier. The most fundamental principle is that impact fees should only charge new development for the costs attributable to growth, and should not charge for the correction of existing capacity deficiencies. In addition, the fees should be proportional to the impact of the development. Finally, new development should not be required to pay twice for the same improvements through other taxes and fees.

Plan-based approaches are not exempt from the fundamental requirement that the fees do not exceed the existing level of service. For example, a transportation fee based on a master plan that determines the cost to maintain LOS D on all roadways over the next 20 years should identify any existing roadways that currently function at a LOS worse than D and develop a funding plan to remedy the deficiencies. Because new development will generally contribute toward whatever funding source is used for this purpose, it is usually necessary to calculate a revenue credit that accounts for such contribution. Many impact fee studies that use the plan-based approach omit this critical component.

## Recommendation

The consultant's recommendation is to continue to use the standards-based methodology. The plan-based approach requires a current master plan that identifies the improvements that will be needed to serve anticipated development over a long term, such as 20 years. The standards-based approach allows the City to adjust its capital improvements plan to respond to changing development patterns without triggering the need for an impact fee and master plan update.

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## LAND USE CATEGORIES

This chapter discusses the land use categories to be used in the updated impact fee schedules for transportation, parks, and public safety facilities. The definitions of the land use categories to be included in the service unit demand schedules and the impact fee schedules have important implications for the fees assessed on different land uses and the ease or difficulty of impact fee administration. Definitions of the proposed land use categories are provided in Appendix D.

### Transportation

The current transportation impact fee schedule has seven residential and 29 nonresidential land use categories. This is not uncommon, because published national trip generation rates available from the Institute of Transportation Engineers (ITE) have long been available for hundreds of use categories. However, the fact that trip generation rates are available for so many land uses does not mean a large number must be included in the fee schedule. An alternative approach is to simplify the fee schedule by eliminating many of the uses and replacing them with a fewer number of broader, more generalized categories. Many communities are now moving in this direction.

There are several advantages to this approach: (1) it may better reflect the long-term use of the development; (2) it will make it easier to classify proposed development; and (3) there will be fewer changes of use or independent fee calculation studies. The primary motivation for including many nonresidential categories is to have the fees more accurately reflect the impact of the development. While this may be true for the initial occupant of the structure, many nonresidential buildings can accommodate a variety of more specialized uses that can change over time. A broader category may be more reflective of the long-term impacts of the development, while reducing the need to assess fees for future changes of use and incentivizing the reuse of existing buildings. Paradoxically, having more land use categories often makes it more difficult to classify proposed development projects. The descriptions of land uses in the ITE manual are often vague, requiring judgements to be made to distinguish between, for example, a quality or high turnover restaurant.

This study recommends reducing the number of land uses in the transportation fee schedule from 36 to six – single-family detached, multi-family, retail/commercial, office, industrial/warehouse, and public/institutional. These are discussed below.

Single-Family Detached. This category will be retained, and will be defined to include a mobile home not located in a mobile home park.

Multi-Family. The other five residential uses would be included in the multi-family category. The trip generation rate for this category is based on low-rise multi-family, which is slightly lower than for single-family attached (townhome). ITE does not provide a trip rate for age-restricted multi-family, and condominium is an ownership type, not a dwelling type. A mobile home park is also included in this category because it has a very similar trip generation rate, falling between those for multi-family and townhome. Recreational vehicle parks are also classified here because they are likely to have impacts similar to mobile home parks.

Retail/Commercial. Most commercial uses occur within shopping centers, and trip generation rates for shopping centers reflects a mix of uses. The ITE *Trip Generation Manual* notes that some of the centers in its surveys include “non-merchandising facilities, such as office buildings, movie theaters, restaurants, post offices, banks, health clubs and recreational facilities.” It also notes that some of the centers surveyed include outparcels, which often contain service stations, drive-in banks and fast-food restaurants. The proposed approach is to utilize the shopping center rate for all retail/commercial uses, which avoids charging a higher fee for the same use if it is located outside a shopping center.

The current fee schedule includes six shopping center categories ranging from up to 50,000 square feet to 800,000 square feet or more. The most recent ITE manual has three size categories, ranging from up to 40,000 square feet to more than 150,000 square feet. This study uses the largest size category, which has the lowest shopping center trip generation rate. It also has a lower trip generation rate than all the other current retail uses that are included in this category that have rates per 1,000 square feet. The category also includes hotel and motel uses, for which the ITE manual only provides trip rates per room. However, a rough calculation suggests that a hotel rate per 1,000 square feet would be similar to a retail/commercial rate per 1,000 square feet.<sup>3</sup>

Office. Current general office categories are based on the size of the building, using two square footage categories (up to or higher than 50,000 square feet). While ITE provides only an average trip rate, different rates by building size could be derived based on a formula. The formula shows that as office buildings increase in size, the number of trips generated per 1,000 square feet declines. However, it is well-known that large, regional shopping centers have a lower percentage of pass by trips than smaller, more neighborhood-oriented centers. It is also clear that large, regional shopping centers have a much larger market area than smaller centers, and thus attract trips from longer distances. These countervailing effects undoubtedly help offset the lower trip rates of larger office buildings as well. This study recommends collapsing the size categories and charging commercial and office uses based on the average trip rate per 1,000 square feet. Medical offices have higher trip generation rates, but are often located in buildings with a mix of general and medical offices. Medical office uses are included in the office category.

Industrial/Warehouse. The current ordinance includes four land uses that are proposed to be included in a single category: general light industrial, manufacturing, warehousing, and mini-warehouse. Warehouse and mini-warehouse uses account for about a third of the total industrial/warehouse square footage in Zephyrhills. The mini-warehouse trip rate is slightly lower than warehouse, and is the lowest of the four uses. To ensure that no land use is overcharged, the fees are based on the mini-warehouse trip rate.

Public/Institutional. This category encompasses a variety of governmental, quasi-public, and institutional uses, including schools, day care centers, hospitals, nursing homes, churches, libraries, and fire and police stations. Rather than attempt to list all such uses that don’t fit into the other five proposed categories, they are included into this broad category. The current fee schedule lists only three such uses: hospitals, nursing homes, and congregate care facilities. The fees are based on the trip rate for nursing homes, which is the lowest of the included categories.

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<sup>3</sup> Assuming an average hotel room size of 300 square feet, and increasing that by 50% to account for walkways, common space, and maintenance space, suggests a trip rate of 8.9 daily trips per 1,000 sq. ft. A shopping center generates about 8.8 new trips after adjusting for pass-by trips.

The current and proposed land use categories for transportation impact fees are summarized in Figure 1 below.

**Figure 1. Current and Proposed Transportation Categories**

| Current Categories                             | Unit          | Proposed Categories  | Unit          | Updated Fee Basis       |
|------------------------------------------------|---------------|----------------------|---------------|-------------------------|
| Single Family Residential                      | Dwelling      | Single-Family Det.*  | Dwelling      | Single-Family Det.      |
| Multi-Family Residential (Apartment)           | Dwelling      | Multi-Family         | Dwelling**    | Multi-Family (Low-Rise) |
| Age Restricted Multi-Family                    | Dwelling      |                      |               |                         |
| Congregate Care Facility (Attached)            | Dwelling      |                      |               |                         |
| Low-Rise Condominium/Town-home                 | Dwelling      |                      |               |                         |
| Mobile Home Park                               | Space         |                      |               |                         |
| Recreational Vehicle Park                      | Space         |                      |               |                         |
| Hotel                                          | Room          | Retail/Commercial    | 1,000 sq. ft. | Shop Ctr >150k sf       |
| Motel                                          | Room          |                      |               |                         |
| Shopping Center under 50,000 sq. ft.           | 1,000 sq. ft. |                      |               |                         |
| Shopping Center 50,001 to 200,000 sq. ft.      | 1,000 sq. ft. |                      |               |                         |
| Shopping Center 200,001 to 400,000 sq. ft.     | 1,000 sq. ft. |                      |               |                         |
| Shopping Center 400,001 to 600,000 sq. ft.     | 1,000 sq. ft. |                      |               |                         |
| Shopping Center 600,001 to 800,000 sq. ft.     | 1,000 sq. ft. |                      |               |                         |
| Shopping Center greater than 800,000 sq. ft.   | 1,000 sq. ft. |                      |               |                         |
| Specialty Retail                               | 1,000 sq. ft. |                      |               |                         |
| Variety Stores (small box stores)              | 1,000 sq. ft. |                      |               |                         |
| Movie Theater                                  | Screen        |                      |               |                         |
| Supermarket                                    | 1,000 sq. ft. |                      |               |                         |
| Pharmacy Drug Store w/ Drive Thru              | 1,000 sq. ft. |                      |               |                         |
| Drive-In Bank                                  | 1,000 sq. ft. |                      |               |                         |
| Quality Restaurant                             | 1,000 sq. ft. |                      |               |                         |
| Sit-Down Restaurant (High-Turnover)            | 1,000 sq. ft. |                      |               |                         |
| Fast-Food/Drive-Through Window                 | 1,000 sq. ft. |                      |               |                         |
| Convenience Market with Gas Pumps              | 1,000 sq. ft. |                      |               |                         |
| Gasoline/Service Station                       | Pump          |                      |               |                         |
| Gasoline/Service Station w/Conv. Market        | Pump          |                      |               |                         |
| Gasoline/Service Station w/Conv. Market & Café | Pump          |                      |               |                         |
| General Office Building                        | 1,000 sq. ft. | Office               | 1,000 sq. ft. | General Office          |
| Medical-Dental Office Building                 | 1,000 sq. ft. | Industrial/Warehouse | 1,000 sq. ft. | Mini-Warehouse          |
| General Light Industrial                       | 1,000 sq. ft. |                      |               |                         |
| Manufacturing                                  | 1,000 sq. ft. |                      |               |                         |
| Warehousing                                    | 1,000 sq. ft. |                      |               |                         |
| Mini-Warehouse                                 | 1,000 sq. ft. | Public/Institutional | 1,000 sq. ft. | Nursing Home            |
| Hospital                                       | 1,000 sq. ft. |                      |               |                         |
| Nursing Home                                   | Bed           |                      |               |                         |

\* includes mobile home not located in a mobile home park

\*\* or a space in a mobile home/RV park

## Parks

The three categories in the current park impact fee schedule are proposed to be consolidated into two: single-family detached and multi-family. As with the transportation use categories, mobile homes are essentially split between the other two, with mobile homes outside of a mobile home park treated the same as single-family, and a space in a mobile home park treated like a multi-family unit.

**Figure 2. Current and Proposed Park Categories**

| Current Categories     | Unit     | Proposed Categories | Unit       | Updated Fee Basis  |
|------------------------|----------|---------------------|------------|--------------------|
| Single Family/Townhome | Dwelling | Single-Family Det.* | Dwelling   | Single-Family Det. |
| Mobile Home            | Dwelling |                     |            |                    |
| Multiple Family        | Dwelling | Multi-Family        | Dwelling** | Multi-Family       |

\* includes mobile home not located in a mobile home park

\*\* or a space in a mobile home/RV park

## Public Safety

The current public safety impact fee schedule contains only two categories: residential and nonresidential. The recommended switch from calls-for-service to functional population requires more use categories, because a major component of the functional population calculation for nonresidential uses is trip generation, which differs by land use. Consequently, the transportation categories are used for public safety as well.

**Figure 3. Current and Proposed Public Safety Categories**

| Current Categories | Unit          | Proposed Categories  | Unit          | Updated Fee Basis      |
|--------------------|---------------|----------------------|---------------|------------------------|
| Residential        | Dwelling      | Single-Family Det.*  | Dwelling      | same as Transportation |
|                    |               | Multi-Family         | Dwelling**    | same as Transportation |
| Nonresidential     | 1,000 sq. ft. | Retail/Commercial    | 1,000 sq. ft. | same as Transportation |
|                    |               | Office               | 1,000 sq. ft. | same as Transportation |
|                    |               | Industrial/Warehouse | 1,000 sq. ft. | same as Transportation |
|                    |               | Public/Institutional | 1,000 sq. ft. | same as Transportation |

\* includes mobile home not located in a mobile home park

\*\* or a space in a mobile home/RV park

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## TRANSPORTATION

This chapter calculates updated transportation impact fees based on current data and costs. In an attempt to make the fee calculations easier to follow, numbers in a table that are inputs into another table are highlighted in red.

### Major Roadway System

The transportation impact fees are designed to recover the costs of design, right-of-way and construction for capacity improvements to the major roadway system necessitated by growth. For the purposes of this update, the major road system is defined as roads within the city limits that are classified as arterials or collectors. Pasco County does not collect transportation impact fees from development in the City's jurisdiction, so there is no double-charging for County roads. State highways are also included. County and State roads are major components of the city's major roadway network. Even though these facilities are not the primary responsibility of the City, it will need to provide funding for components of the improvements that will be needed to accommodate traffic growth, given the shrinking availability of State and Federal funding, and credit is provided for anticipated funding based on the Pasco County 2045 long-range transportation plan. For U.S. 301 (Gall Road), however, significant amounts of State and Federal funding are programmed for improvements, and the City is unlikely to bear much of the cost of improvements. Gall Road also carries a high percentage of through traffic that is unrelated to development in Zephyrhills. While County and State roads in the city also carry some through traffic, development in the City also generates through trips in other jurisdictions.

A detailed inventory of the major roadway system in Zephyrhills is provided in Table 10 on the following page. It shows the street name, segment description, functional classification, jurisdictional ownership, segment length in miles, average daily volume, maximum capacity at Level of Service D, daily vehicle-miles of travel, and daily vehicle-miles of capacity.

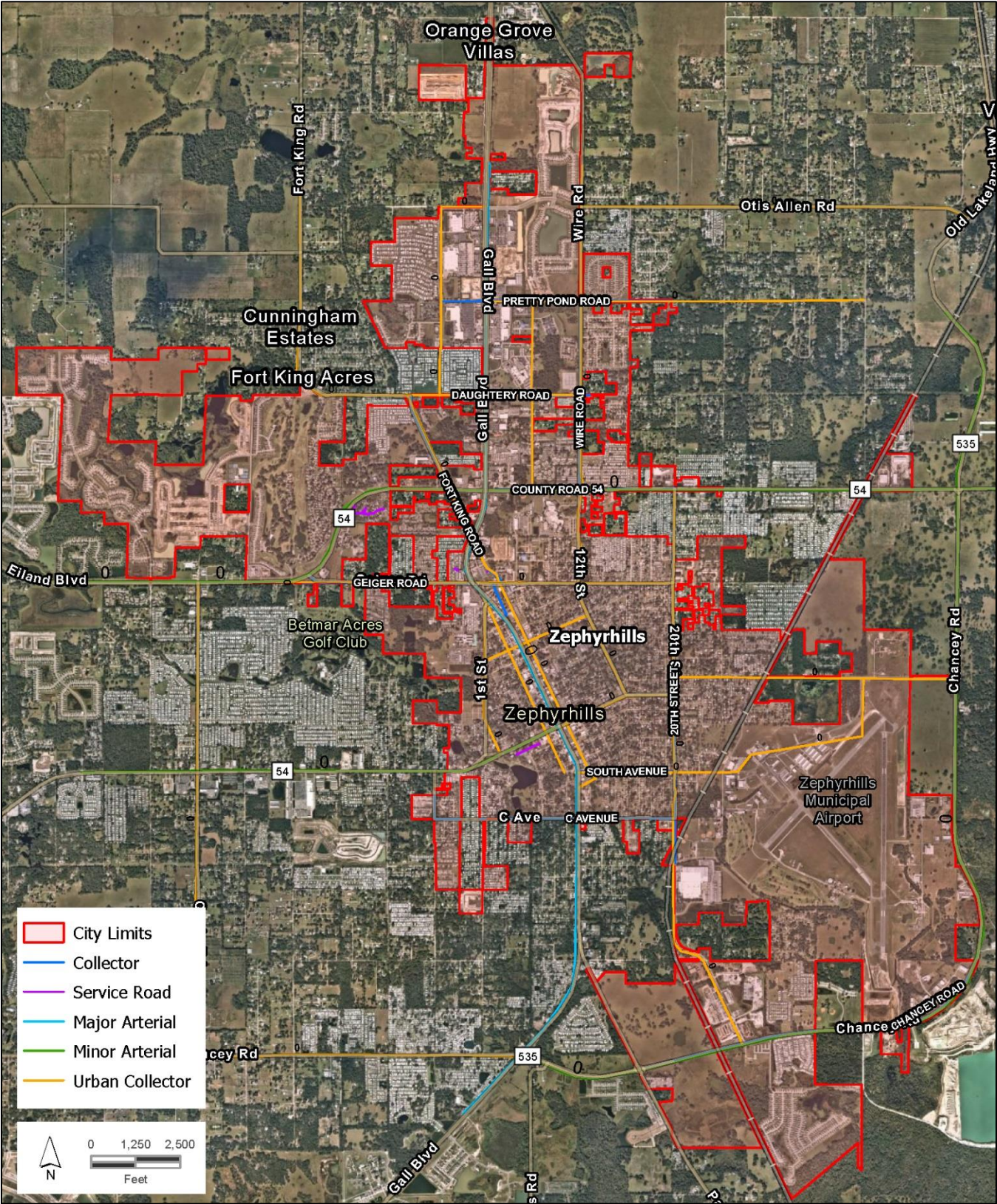
**Table 10. Existing Major Roadway System**

| Street Name            | Segment                    | Func. Class | Miles | Lanes | ADT    | VMT     | LOS D Cap. | VMC     |
|------------------------|----------------------------|-------------|-------|-------|--------|---------|------------|---------|
| <b>City Roads</b>      |                            |             |       |       |        |         |            |         |
| 6th Avenue             | 20th St - E city limit     | Collector   | 1.21  | 2     | 4,200  | 5,082   | 13,000     | 15,730  |
| 6th Street             | Gall Blvd - South Ave      | Collector   | 1.04  | 2     | 4,700  | 4,888   | 13,000     | 13,520  |
| 6th Street             | South Ave - C Ave          | Collector   | 0.25  | 2     | 1,500  | 375     | 13,000     | 3,250   |
| 7th Street             | North Blvd - Gall Blvd     | Collector   | 1.21  | 2     | 4,200  | 5,082   | 13,000     | 15,730  |
| Daughtery Rd           | Gall Blvd - Wire Rd        | Collector   | 0.49  | 2     | 4,200  | 2,058   | 13,000     | 6,370   |
| Dairy Road             | CR 54 - Pretty Pond Rd     | Collector   | 1.00  | 2     | 6,800  | 6,800   | 13,000     | 13,000  |
| Green Slope Dr         | Pretty Pond - Daugherty Rd | Collector   | 1.00  | 2     | 4,200  | 4,200   | 13,000     | 13,000  |
| Kossik Rd              | Green Slope Dr -Gall Blvd  | Collector   | 0.24  | 4     | 4,000  | 960     | 13,000     | 3,120   |
| Pretty Pond Rd         | Green Slope Dr -Gall Blvd  | Collector   | 0.19  | 2     | 2,100  | 399     | 13,000     | 2,470   |
| Pretty Pond Rd         | Gall Blvd - Dairy Rd       | Collector   | 0.25  | 2     | 2,100  | 525     | 13,000     | 3,250   |
| South Avenue           | Gall Blvd - 6th Ave        | Collector   | 1.76  | 2     | 4,200  | 7,392   | 13,000     | 22,880  |
| Subtotal, City Roads   |                            |             | 8.64  |       |        | 37,761  |            | 112,320 |
| <b>County Roads</b>    |                            |             |       |       |        |         |            |         |
| 12th Street            | CR 54 - SR 54              | Collector   | 1.15  | 2     | 5,100  | 5,865   | 13,000     | 14,950  |
| 20th Street            | s/of Henry Dr - C Ave      | Collector   | 1.49  | 2     | 5,100  | 7,599   | 13,000     | 19,370  |
| 20th Street            | C Ave - city limit         | Collector   | 0.15  | 2     | 5,100  | 765     | 13,000     | 1,950   |
| 20th Street            | city limit - Chauncey Rd   | Collector   | 0.91  | 2     | 5,100  | 4,641   | 13,000     | 11,830  |
| C Avenue               | Court St - Gall Blvd       | Collector   | 0.77  | 2     | 1,325  | 1,020   | 13,000     | 10,010  |
| C Avenue               | Gall Blvd - 20th St        | Collector   | 0.52  | 2     | 900    | 468     | 13,000     | 6,760   |
| Chancey Rd (Co 535)    | SR 39 - E city limit       | Collector   | 0.97  | 2     | 11,000 | 10,670  | 13,000     | 12,610  |
| Chancey Rd (Co 535)    | Yonkers Blvd - city limit  | Collector   | 1.02  | 2     | 11,000 | 11,220  | 13,000     | 13,260  |
| CR 54 (Eiland Blvd)    | Simons Rd - Gall Blvd      | Arterial    | 2.17  | 2     | 18,000 | 39,060  | 15,800     | 34,286  |
| CR 54                  | Gall Blvd - 23rd St        | Collector   | 1.26  | 2     | 11,900 | 14,994  | 13,000     | 16,380  |
| Court Street           | C Avenue - N to city limit | Collector   | 0.15  | 2     | 2,100  | 315     | 13,000     | 1,950   |
| Daughtery Road         | Fort King Rd - Gall Blvd   | Collector   | 0.49  | 2     | 4,200  | 2,058   | 13,000     | 6,370   |
| Fort King (CR 41)      | Gall Blvd - Daugherty Rd   | Collector   | 0.83  | 2     | 10,200 | 8,466   | 13,000     | 10,790  |
| Geiger Road            | Eiland Blvd - Gall Blvd    | Collector   | 0.88  | 2     | 4,500  | 3,960   | 13,000     | 11,440  |
| North Avenue           | Gall Blvd - 20th St        | Collector   | 1.06  | 2     | 8,400  | 8,904   | 13,000     | 13,780  |
| Pretty Pond Road       | Dairy Rd - 20th St         | Collector   | 0.52  | 2     | 2,100  | 1,092   | 13,000     | 6,760   |
| Wire Road              | CR 54 - Pretty Pond Rd     | Collector   | 1.00  | 2     | 7,800  | 7,800   | 13,000     | 13,000  |
| Subtotal, County Roads |                            |             | 15.34 |       |        | 128,897 |            | 205,496 |
| <b>State Roads</b>     |                            |             |       |       |        |         |            |         |
| SR 39                  | US 301 - s/of Chauncey Rd  | Arterial    | 0.74  | 2     | 7,300  | 5,402   | 15,800     | 11,692  |
| SR 39                  | city limit - S city limit  | Arterial    | 0.15  | 2     | 14,500 | 2,175   | 15,800     | 2,370   |
| SR 54                  | Court St - Gall Blvd       | Arterial    | 0.71  | 2     | 11,100 | 7,881   | 15,800     | 11,218  |
| SR 54                  | Gall Blvd - 20th St        | Collector   | 0.64  | 2     | 11,100 | 7,104   | 15,800     | 10,112  |
| Subtotal, State Roads  |                            |             | 2.24  |       |        | 22,562  |            | 35,392  |
| Grand Total            |                            |             | 26.22 |       |        | 189,220 |            | 353,208 |

Source: Functional classification map from City of Zephyrhills, August 17, 2023, length and number of lanes from Google Maps; average daily trips (ADT) are 2022 counts from Florida Dept. of Transportation (FDOT) on-line traffic count website, 2023; vehicle-miles of travel (VMT) is product of miles and ADT; capacities are based on FDOT, *Quality/Level of Service Handbook*, January 2023 (arterial is 90% of LOS D maximum volume for State--signalized urban roadways based on adjustment factor for non-State-signalized roads; and collector is 80% of urban arterial based on the adjustment factor for a 2-lane undivided road with no exclusive left turn lanes); vehicle-miles of capacity (VMC) is product of miles and capacity.

The network of major roads in Zephyrhills is illustrated in Figure 4 on the following page.

Figure 4. Map of Existing Major Roads



## Level of Service

The methodology used in this study is the standards-based approach known as “consumption-based.” The consumption-based approach uses a system-wide ratio of capacity to demand (vehicle-miles of capacity to vehicle-miles of travel, or VMC/VTM). A VMC/VTM ratio of one-to-one is the level of service used in the consumption based approach. However, the City has a current level of service significantly higher than that. This study uses a modified consumption-based approach, based on a level of service of 1.50, which is between the typical one-to-one ratio and the existing 1.87 ratio.

Total demand and capacity from the major roadway inventory is summarized in Table 11, which demonstrates that the existing major roadway system currently has a level of service well in excess of the recommended level of service. Because the updated fees are based on a level of service that is lower than the recommended level of service, there are no existing deficiencies in the context of the modified consumption-based methodology.

**Table 11. Current Major Roadway System Level of Service**

|                                       |         |
|---------------------------------------|---------|
| Daily Vehicle-Miles of Capacity (VMC) | 353,208 |
| ÷ Daily Vehicle-Miles of Travel (VTM) | 189,220 |
| Existing VMC/VTM Ratio                | 1.87    |
| Recommended VMC/VTM Ratio             | 1.50    |

Source: Existing VMC and VTM from Table 10.

## Service Units

Service units create the link between demand (traffic generated by new development) and supply (roadway capacity). An appropriate service unit basis for transportation impact fees is vehicle-miles. Vehicle-miles is a combination of the number of vehicles traveling during a given time period and the distance (in miles) that those vehicles travel.

The two time periods most often used in traffic analysis are the 24-hour day (average daily trips or ADT) and the single hour of the day with the highest traffic volume (peak hour trips or PHT). Average daily trips are used in this study.

On the demand side, this update uses average daily trip generation, new trip factors (which account for pass-by and diverted trips), and average trip lengths. The product of these three factors is the average daily vehicle-miles of travel (VTM) associated with a unit of development for various land use types. The service unit on the supply side is average daily vehicle-miles of capacity (VMC). VMC is calculated as the product of the length and capacity of each roadway. System-wide VMC is the sum of the VMC for all major roadways. Capacity is measured in terms of the generalized maximum daily volume that can be accommodated on the roadway at Level of Service “D.”

## Travel Demand Schedule

The travel demand generated by specific land use types is a product of three factors: 1) trip generation, 2) percent new trips and 3) average trip length. The first two factors are well documented in the professional literature. In contrast, trip lengths are much more likely to vary between communities, depending on the geographic size and shape of the community and its major roadway system.

### Trip Generation

Trip generation rates represent trip ends, or driveway crossings. A one-way trip from home to work counts as one trip end for the residence and one trip end for the workplace, for a total of two trip ends. To avoid over-counting, all trip rates have been divided by two. This splits the travel demand equally between the origin and destination of the trip, and avoids double-charging. The trip generation rates are based on information published in the most recent edition of the Institute of Transportation Engineers' (ITE) *Trip Generation Manual*.

### New Trip Factor

Trip rates also need to be adjusted by a "new trip factor" to exclude pass-by and diverted trips. This adjustment is intended to reduce the possibility of over-counting travel induced by the new development. Pass-by trips are those trips that are already on a particular route for a different purpose and simply stop at a development on that route. For example, a stop at a convenience store on the way home from the office is a pass-by trip for the convenience store. A pass-by trip does not create an additional burden on the street system and therefore should not be counted in the assessment of impact fees. A diverted-linked trip is similar to a pass-by trip, but a diversion is made from the regular route to make an interim stop. The reductions for pass-by and diverted trips utilized in this study were drawn from the ITE handbook and Florida origin and destination studies.

### Average Trip Length

The average trip length is the most difficult travel demand factor to determine. In the context of a road impact fee using a consumption-based methodology, the relevant input is the average length of a trip on the major roadway system. This will vary between jurisdictions based on their size and configuration. The starting point is state-wide data on average trip lengths for specific land uses and trip purposes. The Florida data is summarized in Table 12.

**Table 12. Average Trip Length by Trip Purpose, Florida**

| Trip Purpose                   | Vehicle Miles          | Trips                 | Miles/<br>Trip |
|--------------------------------|------------------------|-----------------------|----------------|
| To/From Work                   | 38,504,318,620         | 3,502,175,095         | 10.99          |
| Shopping                       | 34,919,451,374         | 3,996,794,701         | 8.74           |
| School/Church                  | 12,178,353,884         | 2,024,255,349         | 6.02           |
| Medical/Dental                 | 3,987,609,784          | 554,716,116           | 7.19           |
| Other Family/Personal Business | 25,612,073,608         | 3,865,452,931         | 6.63           |
| Other Social/Recreational      | 33,417,943,045         | 4,080,428,940         | 8.19           |
| Work-Related Business          | 2,516,394,053          | 206,835,371           | 12.17          |
| Visit Friends/Relatives        | 18,518,385,558         | 1,111,173,099         | 16.67          |
| Other                          | 7,543,076,032          | 995,075,954           | 7.58           |
| <b>Total Trips</b>             | <b>177,197,605,958</b> | <b>20,336,907,557</b> | <b>8.71</b>    |

Source: Federal Highway Administration, *National Household Travel Survey* data for Florida, 2017.

While Florida average trip lengths provide reasonable estimates of relative magnitudes associated with different land use types, the actual distances are likely to be unrepresentative of travel on the City's major roadway system. An adjustment factor can be derived by dividing the VMT actually observed on the major roadway system by the VMT that would be expected using state-wide average trip lengths.

The first step in developing the adjustment factor is to estimate the total VMT that would be expected on the major roadway system based on state and national travel demand characteristics. Existing land uses are multiplied by trip generation rates, percent new trips and average trip lengths and summed to estimate total VMT. As shown in Table 13, existing land uses within the city, using state and national trip data, would be expected to generate 646,565 VMT per day.

**Table 13. Expected Vehicle-Miles of Travel**

| Land Use                | ITE Code | Unit     | Existing Units | Trip Rate | % New Trips | Avg. Trip Miles | Expected VMT   |
|-------------------------|----------|----------|----------------|-----------|-------------|-----------------|----------------|
| Single-Family Detached* | 210      | Dwelling | 7,665          | 4.71      | 100%        | 8.71            | 314,450        |
| Multi-Family            | 220      | Dwelling | 2,744          | 3.37      | 100%        | 8.71            | 80,544         |
| Retail/Commercial       | 820      | 1,000 sf | 2,479          | 18.50     | 43%         | 8.74            | 172,357        |
| Office                  | 710      | 1,000 sf | 772            | 5.42      | 92%         | 7.19            | 27,678         |
| Industrial/Warehouse    | 151      | 1,000 sf | 1,526          | 0.72      | 92%         | 10.99           | 11,109         |
| Public/Institutional    | 620      | 1,000 sf | 2,239          | 3.37      | 89%         | 6.02            | 40,427         |
| <b>Total</b>            |          |          |                |           |             |                 | <b>646,565</b> |

\* existing units includes mobile homes, due to lack of data on number in mobile home parks

Source: Existing city-wide units from Table 29 and Table 30 in Appendix A; trip rates and percent new trips from Table 15; average trip length in miles from Table 12; expected VMT is product of existing units, trip rate, % new trips, and average trip length.

The final step in developing the local adjustment factor is to compare the expected VMT using Florida and national trip characteristics to actual daily VMT on the major roadway system, as shown in Table 14. Expected VMT based on existing land uses and travel demand characteristics significantly over-estimates VMT actually observed on the city's existing major roadway system. This is not surprising, because the major roadway system does not account for travel on local streets or roads outside the city limits. Consequently, the travel demand based on state-wide and national data will be adjusted downward by multiplying by the local adjustment factor of 0.293, as calculated in Table 14.

**Table 14. Local Travel Demand Adjustment Factor**

|                                                |              |
|------------------------------------------------|--------------|
| Actual Daily Vehicle-Miles of Travel (VMT)     | 189,220      |
| ÷ Expected Daily Vehicle-Miles of Travel (VMT) | 646,565      |
| Ratio of Actual to Expected VMT                | <b>0.293</b> |

Source: Actual VMT from Table 11; expected VMT from Table 13.

### Travel Demand Summary

The result of combining trip generation rates, new trip factors, average trip lengths and the local adjustment factor is a travel demand schedule that establishes the vehicle-miles of travel (VMT) generated on the major roadway system during the average weekday by various land use types per unit of development. The recommended travel demand schedule is presented in Table 15.

**Table 15. Travel Demand by Land Use**

| Land Use Type          | ITE Code | Unit          | Trip Rate | Percent New | Avg. Trip Miles | Adjust. Factor | VMT/ Unit |
|------------------------|----------|---------------|-----------|-------------|-----------------|----------------|-----------|
| Single-Family Detached | 210      | Dwelling      | 4.71      | 100%        | 8.71            | 0.293          | 12.02     |
| Multi-Family           | 220      | Dwelling      | 3.37      | 100%        | 8.71            | 0.293          | 8.60      |
| Retail/Commercial      | 820      | 1,000 sq. ft. | 18.50     | 43%         | 8.74            | 0.293          | 20.37     |
| Office                 | 710      | 1,000 sq. ft. | 5.42      | 92%         | 7.19            | 0.293          | 10.50     |
| Industrial/Warehouse   | 151      | 1,000 sq. ft. | 0.72      | 92%         | 10.99           | 0.293          | 2.13      |
| Public/Institutional   | 620      | 1,000 sq. ft. | 3.37      | 89%         | 6.02            | 0.293          | 5.29      |

Source: Trip rates are ½ of average daily trip ends on a weekday from Institute for Transportation Engineers (ITE), *Trip Generation Manual*, 11th edition, 2021; percent new trips for retail from ITE *Trip Generation Handbook* 3rd edition, 2017 for shopping center, other nonresidential from a summary of Florida origin and destination studies presented in Tindale Oliver, *Volusia County Impact Fee Study*, July 2022, Appendix C; average trip length in miles from Table 12 for the following trip purposes: residential is average of all local trips, retail/commercial is shopping, office is medical/dental, industrial/warehouse is home to work, and public/institutional is school/church; local adjustment factor from Table 14; daily VMT is product of trip rate, percent new trips, average trip length, and the local adjustment factor.

## Cost per Service Unit

Expanding the capacity of the major roadway system is primarily accomplished by widening existing roadway cross-sections to accommodate additional through lanes and by building new roads. The transportation impact fee is designed to cover the cost of adding capacity to the roadway system. All of the normal components of a roadway expansion project are eligible for impact fee funding, including engineering and design, right-of-way acquisition, construction of new lanes, reconstruction of existing lanes and relocation of utilities where necessary as part of a widening project, and installation of sidewalks, street lighting and landscaping as part of an improvement project. Intersection improvements, signalization and timing, and similar types of improvements also expand roadway capacity and are eligible improvements, but the vehicle-miles of travel added would be much more difficult to quantify.

The cost to add roadway capacity to the major roadway system is estimated based on three new 2-lane collector road projects, two of which have been completed and one (the South Avenue extension) that is in the design and permitting stage. The average cost of these projects is \$273 per vehicle-mile of capacity (VMC) added, as shown in Table 16. Because the modified consumption-based methodology justifies more than a one-to-one ratio of capacity to demand, the cost per VMC is multiplied by 1.50 to determine the cost of \$410 per VMT.

**Table 16. Transportation Cost per Vehicle-Mile**

| Project                                 | Cost        | Miles | Cost/Mile   |
|-----------------------------------------|-------------|-------|-------------|
| Simons Rd                               | \$4,843,408 | 1.33  | \$3,641,660 |
| Dairy Rd, Pretty Pond-Kossik Rd         | \$855,258   | 0.55  | \$1,555,015 |
| South Ave Extension                     | \$1,900,000 | 0.26  | \$7,307,692 |
| Total                                   | \$7,598,666 | 2.14  | \$3,550,779 |
| ÷ Capacity at LOS D                     |             |       | 13,000      |
| Cost per Vehicle-Mile of Capacity (VMC) |             |       | \$273       |
| x VMC/VMT Ratio                         |             |       | 1.50        |
| Cost per VMT                            |             |       | \$410       |

Source: Projects, costs, and miles from City of Zephyrhills, August 9, 2023; capacity of two-lane collector from Florida Dept. of Transportation, *Quality/Level of Service Handbook*, January 2023; VMC/VMT ratio from Table 11.

## Net Cost per Service Unit

As described in the Legal Framework chapter, impact fees will be reduced for new development's contribution toward funding existing deficiencies, retiring outstanding debt for existing facilities that are included in the existing level of service on which the fees are based, and County, State, and Federal funding. The updated transportation impact fees are based on a level of service that is actually lower than the existing LOS, so no deficiency credit is warranted. The City does not have any outstanding debt attributable to transportation improvements.

Some County and State/Federal funding is programmed for the improvement of road capacity for only one of the city's major road system over the next 20 years, namely for the widening of County Road 54/Eiland Boulevard between Fort King Road and Gall Boulevard. At this rate of funding, new development would be expected to generate a net present value of \$18 per VMT over the long-term, approximated as the next 20 years. The credit calculations for programmed outside funding are summarized in Table 17.

**Table 17. Transportation Funding Credit**

| Project Location                           | Type       | Amount      |
|--------------------------------------------|------------|-------------|
| Eiland Blvd (CR 54), Ft. King Rd-Gall Blvd | Widen 2-4D | \$4,667,586 |
| Total Non-City Funding, FY 2025-2045       |            | \$4,667,586 |
| ÷ Number of Years                          |            | 20          |
| Annual Non-City Funding                    |            | \$233,379   |
| ÷ Existing VMT                             |            | 189,220     |
| Annual Non-City Funding per VMT            |            | \$1.23      |
| x Net Present Value (20 years)             |            | 14.74       |
| Non-City Funding Credit per VMT            |            | <b>\$18</b> |

Source: Pasco County Metropolitan Planning Organization, *Mobility 2045 Long Range Transportation Plan*, 2020; existing VMT from Table 11; net present value factor based on discount rate of 3.10%, which was the average national yield on AAA 20-year municipal bonds from fmsbonds.com on January 11, 2024.

The net cost per service unit is the cost per vehicle-mile of travel (VMT) less the funding credit per VMT. It amounts to \$392 per VMT, as shown in Table 18.

**Table 18. Transportation Net Cost per Service Unit**

|                                       |              |
|---------------------------------------|--------------|
| Cost per Vehicle Mile of Travel (VMT) | \$410        |
| – Non-City Funding Credit per VMT     | -\$18        |
| Net Cost per VMT                      | <b>\$392</b> |

Source: Cost per VMT from Table 16; funding credit from Table 17.

## Net Cost Schedule

The transportation impact fees are based on the daily vehicle-miles of travel (VMT) on the major roadway system generated by a development. The VMT per development unit is multiplied by the net cost per VMT to determine the maximum fee per unit. The updated transportation impact fees are presented in Table 19. A comparison of current and updated fees is provided in the Executive Summary.

**Table 19. Transportation Net Cost Schedule**

| Land Use Type          | Unit          | VMT/<br>Unit | Net<br>Cost/<br>VMT | Net<br>Cost/<br>Unit |
|------------------------|---------------|--------------|---------------------|----------------------|
| Single-Family Detached | Dwelling      | 12.02        | \$392               | \$4,712              |
| Multi-Family           | Dwelling      | 8.60         | \$392               | \$3,371              |
| Retail/Commercial      | 1,000 sq. ft. | 20.37        | \$392               | \$7,985              |
| Office                 | 1,000 sq. ft. | 10.50        | \$392               | \$4,116              |
| Industrial/Warehouse   | 1,000 sq. ft. | 2.13         | \$392               | \$835                |
| Public/Institutional   | 1,000 sq. ft. | 5.29         | \$392               | \$2,074              |

\* includes mobile home not in a mobile home park

Source: VMT per unit from Table 15; net cost per VMT from Table 18; net cost/unit is product of VMT/unit and net cost/VMT.

# PARKS

Zephyrhills provides a number of parks and recreational facilities for the enjoyment of city residents and visitors. The locations of existing parks and currently undeveloped parkland are illustrated in Figure 5 on the following page. This chapter updates the cost attributable to new residential development to maintain the City’s current park level of service.

## Service Units

Disparate types of development must be translated into a common unit of measurement that reflects the impact of new development on the demand for park facilities. This unit of measurement is called a “service unit.” The most obvious and commonly-used measure of demand for park facilities is residential population. This can be expressed either in terms of average household size (persons per occupied unit/household) or persons per unit (person per unit, including currently vacant units).

This report uses a relative measure based on average household size called the “equivalent dwelling unit” or EDU. One EDU represents the impact of a typical single-family detached dwelling. Other types of units each represent a fraction of an EDU, based on their relative number of persons per unit. The number of EDUs by housing type are calculated in Table 20.

Table 20. Park Service Units per Dwelling Unit

| Housing Type           | Average HH Size | EDUs/ Unit |
|------------------------|-----------------|------------|
| Single-Family Detached | 2.27            | 1.00       |
| Multi-Family           | 1.81            | 0.80       |

Source: Average household size from Table 31 in Appendix B; EDUs per unit is ratio of average household size by housing type to average household size of single-family detached unit.

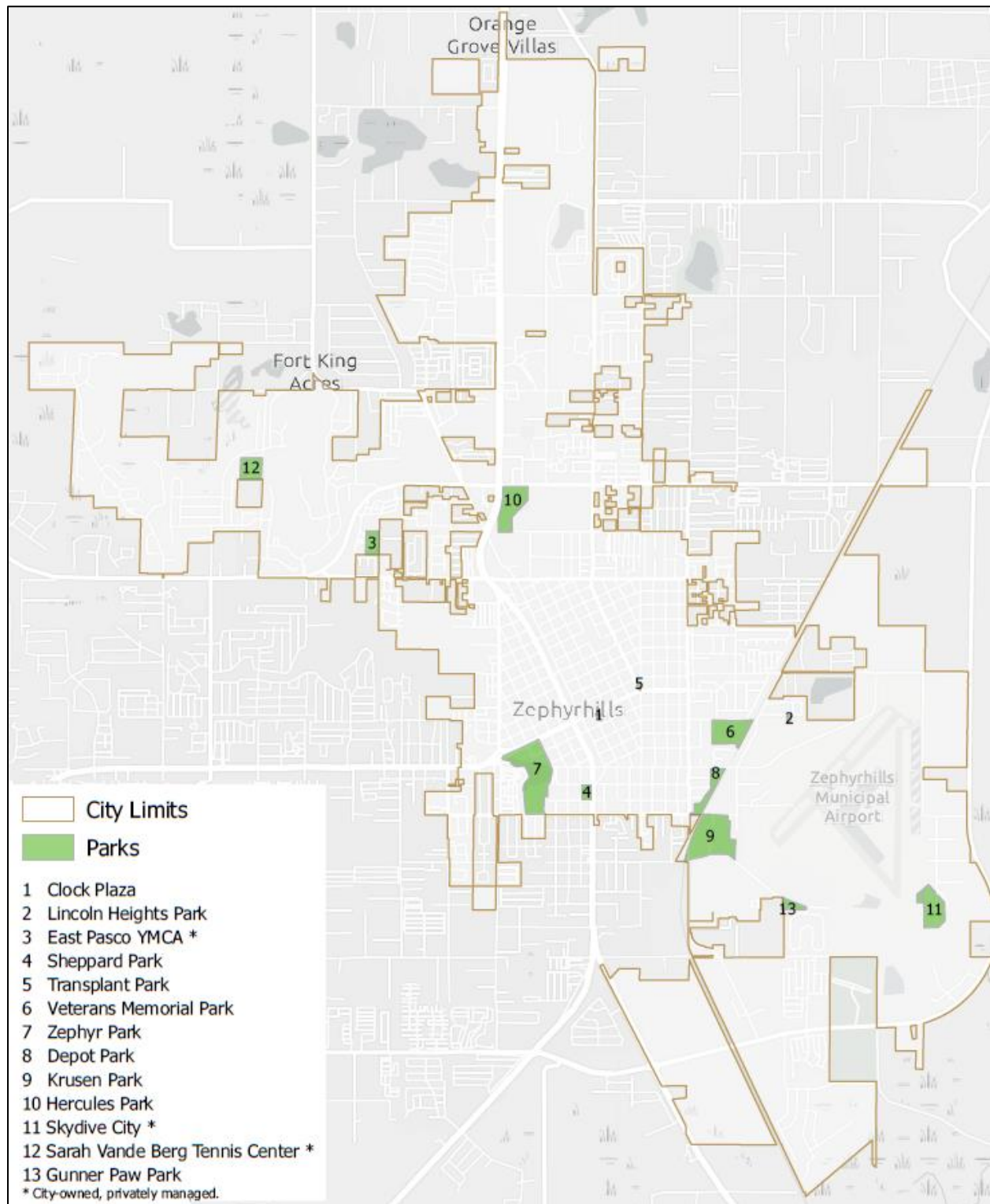
In order to determine the existing level of service, it is necessary to estimate the total number of service units in the city. The total EDUs are developed by multiplying the number of existing dwelling units of each housing type by the appropriate EDUs per unit, and summing the results for all housing types. As shown in Table 21, there are an estimated 9,860 existing park service units (EDUs) in the city.

Table 21. Existing Park Service Units

| Housing Type           | Existing Units | EDUs/ Unit | Existing EDUs |
|------------------------|----------------|------------|---------------|
| Single-Family Detached | 7,665          | 1.00       | 7,665         |
| Multi-Family           | 2,744          | 0.80       | 2,195         |
| Total                  |                |            | 9,860         |

Source: Existing units from Table 29 in Appendix A; EDUs per unit from Table 20.

Figure 5. Park Locations



## Cost per Service Unit

This study bases the park impact fee on the existing level of service, and measures that level of service in terms of the ratio of the total replacement value of existing facilities to existing residential development. Dividing the total cost of existing park land, improvements, and vehicles/equipment by the number of park service units results in a cost of \$880 per equivalent dwelling unit (EDU) to maintain the current park level of service, as shown in Table 22.

**Table 22. Park Cost per Service Unit**

| Park Facility                         | Address            | Acres  | Land Value  | Imp. Value  | Total Value  |
|---------------------------------------|--------------------|--------|-------------|-------------|--------------|
| Clock Plaza                           | 8th St at 5th Ave  | 0.50   | \$10,455    | \$200,645   | \$211,100    |
| Depot Park                            | 39110 South Ave    | 4.00   | \$83,640    | \$881,393   | \$965,033    |
| Gunner Paw Park                       | 39536 Alston Ave   | 5.66   | \$118,351   | \$64,826    | \$183,177    |
| Hercules Park                         | 38110 CR 54        | 11.92  | \$249,247   | \$0         | \$249,247    |
| Krusen Park                           | Krusen Field Rd    | 33.00  | \$690,030   | \$1,820,998 | \$2,511,028  |
| Lincoln Heights Park                  | Lincoln Ave        | 0.50   | \$10,455    | \$46,262    | \$56,717     |
| Shepard Park                          | U.S. 301 and A Ave | 2.00   | \$41,820    | \$620,674   | \$662,494    |
| Transplant Park                       | 5th Ave at 12th St | 0.20   | \$4,182     | \$0         | \$4,182      |
| Veterans's Memorial Park              | 3rd Ave            | 10.00  | \$209,100   | \$0         | \$209,100    |
| Zephyr Park                           | 38116 5th Ave      | 34.00  | \$710,940   | \$1,983,967 | \$2,694,907  |
| Subtotal, Parks                       |                    | 101.78 | \$2,128,220 | \$5,618,765 | \$7,746,985  |
| Subtotal, Park Vehicles and Equipment |                    |        |             |             | \$931,254    |
| Total Park Facility Replacement Value |                    |        |             |             | \$8,678,239  |
| ÷ Existing Park EDUs                  |                    |        |             |             | 9,860        |
| Cost per Park Service Unit            |                    |        |             |             | <b>\$880</b> |

*Source:* Park description and acres from City of Zephyrhills, November 28, 2023; land value based on average market value of vacant residential land in the city (\$20,910) from Pasco County Property Assessor records for 2023; improvement and vehicle/equipment values are original costs from the City's fixed asset records adjusted by the change in the Consumer Price Index from November of acquisition year to November 2023; existing park service units (EDUs) from Table 21.

## Net Cost per Service Unit

As described in the Legal Framework chapter, impact fees should be reduced to account for new development's contribution toward the cost of remedying existing deficiencies, retiring outstanding debt for existing facilities that are included in the existing level of service on which the fees are based, and State/Federal grants. The park fees calculated in this study are based on the existing level of service, so there are no deficiencies. The City does not have any outstanding debt on existing facilities, nor any outstanding payments for capital leases on park vehicles or other equipment. The City has not received any grants for park land, improvements, or non-replacement vehicles or equipment over the last five years. Consequently, no credits are warranted, and the net cost per service unit is the same as the cost per service unit calculated in the table above.

## Net Cost Schedule

The maximum park impact fees that can be adopted by the City based on this study are derived by multiplying the number of service units (EDUs) associated with each dwelling unit type by the net cost per EDU. The updated maximum park fees are shown in Table 23. For a comparison with current fees, see the Executive Summary.

**Table 23. Park Net Cost Schedule**

| Land Use type      | Unit     | EDUs<br>Unit | Net Cost/<br>EDU | Net Cost/<br>Unit |
|--------------------|----------|--------------|------------------|-------------------|
| Single-Family Det. | Dwelling | 1.00         | \$880            | \$880             |
| Multi-Family       | Dwelling | 0.80         | \$880            | \$704             |

*Source:* EDUs per unit from Table 20; net cost is cost per EDU from Table 22.

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## PUBLIC SAFETY

The City's public safety impact fee originally included both police and fire facilities, based on a 2004 study. When the City ceased providing fire protection, the fees were adjusted so that they now only include the cost of police protection. This chapter calculates updated public safety impact fees that could be assessed on new residential and nonresidential development in the city.

### Service Units

In impact fee analysis, disparate types of development must be translated into a common unit of measurement that reflects the impact of new development on the demand for new facilities. This unit of measurement is called a "service unit." There are two generally-accepted ways to measure the demand for police: calls-for-service and functional population.

The current public safety fees use calls-for-service as the service unit. For reasons discussed in Appendix C, this study recommends using functional population. The main advantage of functional population is that the land use multipliers are more stable than calls-for-service, and are less likely to change dramatically between periodic impact fee updates.

Functional population by land use for Zephyrhills is calculated in Appendix C. The functional population multipliers by land use and total functional population are summarized in Table 24.

**Table 24. Functional Population Multipliers**

| Land Use type        | Unit          | Existing Units | Func. Pop./ Unit | Functional Population |
|----------------------|---------------|----------------|------------------|-----------------------|
| Single-Family Det.   | Dwelling      | 7,665          | 1.02             | 7,818                 |
| Multi-Family         | Dwelling      | 2,744          | 0.82             | 2,250                 |
| Retail/Commercial    | 1,000 sq. ft. | 2,479          | 2.65             | 6,569                 |
| Office               | 1,000 sq. ft. | 772            | 1.53             | 1,181                 |
| Industrial/Warehouse | 1,000 sq. ft. | 1,526          | 0.24             | 366                   |
| Public/Institutional | 1,000 sq. ft. | 2,239          | 0.74             | 1,657                 |
| Total                |               |                |                  | 19,841                |

Source: Existing units from Table 29 (residential) and Table 30 (nonresidential) in Appendix A; functional population per unit from Table 34 (residential) and Table 35 (nonresidential) in Appendix C; functional population is existing units times functional population per unit.

### Cost per Service Unit

The public safety impact fee is based on the existing level of service. The level of service used in developing the impact fees in this study is the ratio of the replacement value of existing facilities and equipment to the total service units in the city.

The current replacement cost of public safety buildings and land totals \$5.62 million, as shown in Table 25 below.

**Table 25. Public Safety Facility Cost**

| Facility                                  | Address     | Units<br>(sq. ft./ac.) | Unit<br>Cost | Replacement<br>Value |
|-------------------------------------------|-------------|------------------------|--------------|----------------------|
| Police Station Building (sq. ft.)         | 6118 8th St | 15,946                 | \$326        | \$5,198,396          |
| Police Station Land (acres)               | 6118 8th St | 3.52                   | \$118,370    | \$416,662            |
| Total Building and Land Replacement Value |             |                        |              | <b>\$5,615,058</b>   |

*Source:* Building square feet and acres from Zephyrhills Police Department, September 14, 2023; building cost per square foot based on 2018 cost of City Hall construction; cost per acre is average market value of vacant commercial parcels of two to five acres in the city from Pasco County Property Assessor records for 2023; replacement value is quantity times unit cost.

Public safety vehicles consist of police patrol and administrative vehicles. The replacement value of the current vehicle fleet is based on unit cost of recent purchases and totals \$2.75 million, as shown in Table 26.

**Table 26. Public Safety Vehicle Cost**

| Vehicle Type            | Units | Unit Cost | Total Cost         |
|-------------------------|-------|-----------|--------------------|
| Patrol Vehicles         | 40    | \$61,220  | \$2,448,800        |
| Administrative Vehicles | 6     | \$50,328  | \$301,968          |
| Vehicle Total           | 46    |           | <b>\$2,750,768</b> |

*Source:* Zephyrhills Police Department, September 1, 2023.

The cost per service unit is determined by dividing the replacement cost of existing police facilities, land, and vehicles and equipment by the total number of service units in the city. As shown in Table 27, dividing the total replacement cost by the existing service units (functional population) yields a cost of \$522 per functional population.

**Table 27. Public Safety Cost per Service Unit**

|                                |              |
|--------------------------------|--------------|
| Buildings and Land Value       | \$5,615,058  |
| Vehicle Value                  | \$2,750,768  |
| Equipment Value                | \$1,996,161  |
| Total Police Replacement Value | \$10,361,987 |
| ÷ Police Service Units         | 19,841       |
| Police Cost per Service Unit   | <b>\$522</b> |

*Source:* Building and land cost from Table 25; vehicle cost from Table 26; equipment cost is original cost from the City's fixed asset records adjusted by the change in the Consumer Price Index from November of acquisition year to November 2023; existing service units from Table 24.

## Net Cost per Service Unit

As described in the Legal Framework chapter, impact fees should be reduced to account for new development's contribution toward the cost of remedying existing deficiencies, retiring outstanding debt for existing facilities that are included in the existing level of service on which the fees are based, and State/Federal grants. The public safety fees calculated in this study are based on the existing level of service, so there are no deficiencies. The City does not have any outstanding debt on existing facilities, nor any outstanding payments for capital leases on police vehicles or other equipment. The City has not received any grants for public safety land, improvements, or non-replacement vehicles or equipment over the last five years. Consequently, no credits are warranted, and the net cost per service unit is the same as the cost per service unit calculated in the previous table.

## Net Cost Schedule

The updated maximum public safety impact fees that can be adopted by the City based on this study are derived by multiplying the service units (functional population) associated with each land use type by the net cost per service unit, as shown in Table 28. A comparison with the current fees can be found in the Executive Summary.

**Table 28. Public Safety Net Cost Schedule**

| Land Use type        | Unit          | Func. Pop./<br>Unit | Net Cost/<br>Func. Pop. | Net Cost/<br>Unit |
|----------------------|---------------|---------------------|-------------------------|-------------------|
| Single-Family Det.   | Dwelling      | 1.02                | \$522                   | \$532             |
| Multi-Family         | Dwelling      | 0.82                | \$522                   | \$428             |
| Retail/Commercial    | 1,000 sq. ft. | 2.65                | \$522                   | \$1,383           |
| Office               | 1,000 sq. ft. | 1.53                | \$522                   | \$799             |
| Industrial/Warehouse | 1,000 sq. ft. | 0.24                | \$522                   | \$125             |
| Public/Institutional | 1,000 sq. ft. | 0.74                | \$522                   | \$386             |

*Source:* Functional population per unit from Table 24; net cost per functional population is the same as the cost per functional population from Table 27.

## APPENDIX A: EXISTING LAND USE

This appendix estimates existing land uses in the city. The amount of existing residential and nonresidential development is an important input into an impact fee analysis, because it is critical to determining the existing levels of service for the various types of facilities.

### Residential

The most reliable estimates of existing residential development can be developed from Census data and building permit records. The estimates are derived by adding the number of building permits issued in the last three years to the 2020 census counts.

The most recent and reliable estimate of the number of housing units in the city is the 2020 U.S. Census 100% enumeration. The distribution of those units by housing type is estimated from the American Community Survey (ACS) conducted by the Census Bureau. Combining the 2020 housing unit estimates with the new units permitted in the last three years yields the estimates of current housing units by type presented in Table 29.

**Table 29. Existing Housing Units by Type, 2023**

| Housing Type            | Share of Housing | Est. 2020 Units by Type | 2020-22 Permits | Est. 2023 Units |
|-------------------------|------------------|-------------------------|-----------------|-----------------|
| Single-Family Detached* | 74.9%            | 6,742                   | 923             | 7,665           |
| Multi-Family            | 25.1%            | 2,260                   | 484             | 2,744           |
| Total                   | 100.0%           | 9,002                   | 1,407           | 10,409          |

\* includes mobile homes (which account for roughly 7% of combined category)

Source: Housing type distribution in the city from U.S. Census, American Community Survey 2017-2021 5% sample tabular data; total 2020 units from 2020 decennial census, 2020 units by type based on 2017-2021 distribution; new units permitted in 2020-2022 calendar years from City of Zephyrhills, September 5, 2023; estimated 2023 units is sum of 2020 units and units permitted over last three years.

### Nonresidential

Estimates of existing nonresidential building floor area, in square feet, were derived from current Pasco County Property Assessor records for the four land use categories, as summarized in Table 30.

**Table 30. Existing Nonresidential Building Square Feet**

| Land Use Type                | Square Ft. | Sq. Ft. (000s) |
|------------------------------|------------|----------------|
| Retail/Commercial            | 2,478,737  | 2,479          |
| Office                       | 771,672    | 772            |
| Industrial/Warehouse         | 1,526,265  | 1,526          |
| Public/Institutional         | 2,239,016  | 2,239          |
| Total Nonresidential Sq. Ft. | 7,015,690  | 7,016          |

Source: Pasco County Property Assessor records, October 25, 2023.

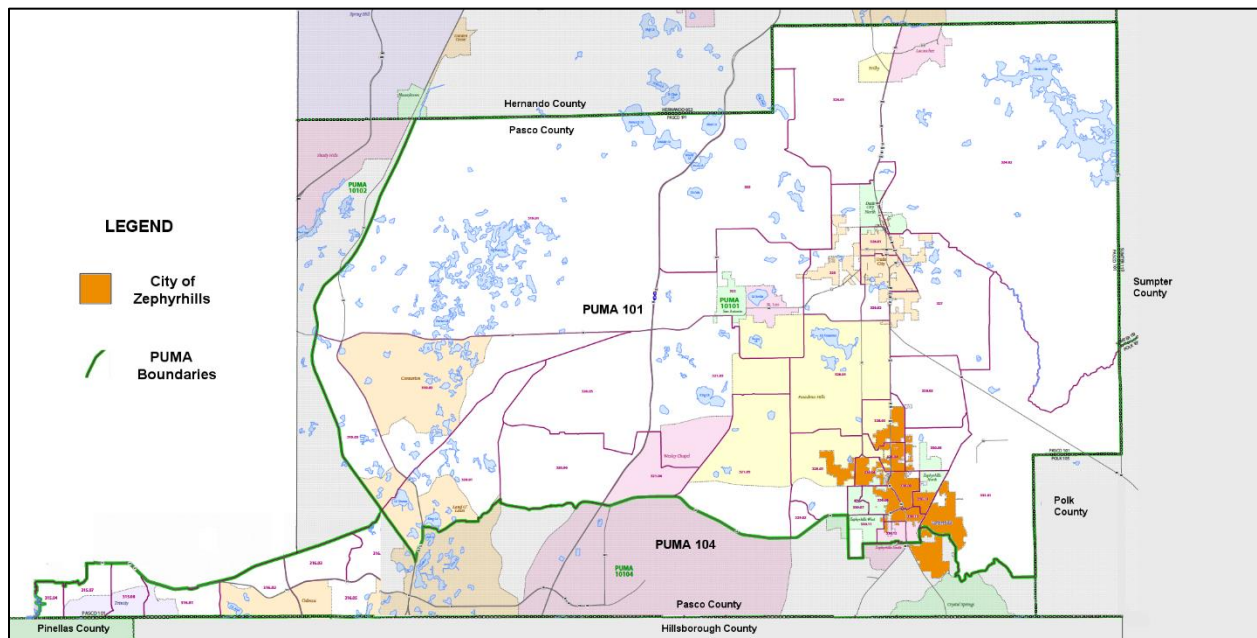
## APPENDIX B: RESIDENTIAL OCCUPANCY

The average number of persons residing in different types of housing units is a key input into impact fee analysis, because the impact on parks and public safety facilities is directly related to the number of people that reside in them. This can be measured for different housing types in terms of either average household size (persons per occupied unit) or persons per unit (including vacant units).

For small cities like Zephyrhills, the most local and recent data available for determining average residential occupancies are limited to the 2020 decennial census 100% enumeration and a 5% sample derived from annual 1% samples collected in 2017 through 2021. However, the 2020 census 100% data does not include any breakdown by housing type, while the 5% sample data for the city has a sample size that is too small to be statistically reliable for a ratio of persons to units by housing type, where the margins of error for each are compounded.

To get a sufficiently large sample size, it is necessary to use a larger geographic area. The Census Bureau calls these areas, which have more than 100,00 residents, Public Use Microdata Areas (PUMAs). Pasco County is divided into four PUMAs, and Zephyrhills straddles two of them – Florida PUMAs 101 and 104 (see map in Figure 6). This study uses these two areas for determining the relative relationship between single-family and multi-family occupancies, because they provide the most localized data available for this purpose.

**Figure 6. U.S. Census Florida Public Use Microdata Areas (PUMAs) 101 and 104**



The regional sample data can be used to estimate how single-family and multi-family occupancies compare. In the 2020 decennial census 100% counts, the average household size in Zephyrhills (2.21) is about 8% lower than the regional sample (2.40). Adjusting the average household sizes by housing type by this calibration factor results in the estimates for the city presented in Table 31.

**Table 31. Average Household Size by Housing Type**

| Housing Type       | Regional 2017-2021 Sample Data |                |                 | Calibration Factor | City Average HH Size | Ratio to Single-Family Unit |
|--------------------|--------------------------------|----------------|-----------------|--------------------|----------------------|-----------------------------|
|                    | Household Population           | Occupied Units | Average HH Size |                    |                      |                             |
| Single-Family Det. | 245,787                        | 99,360         | 2.47            | 92.08%             | 2.27                 | 1.000                       |
| Multi-Family       | 35,695                         | 18,113         | 1.97            | 92.08%             | 1.81                 | 0.797                       |
| All Units          | 281,482                        | 117,473        | 2.40            | 92.08%             | 2.21                 | n/a                         |

Source: Regional 5% sample microdata from U.S. Census Bureau American Community Survey for 2017-2021; total city average household size for all units from 2020 census 100% enumeration; calibration factor is ratio of city to regional average household size for all units; city average household size by housing type is product of regional average household size and calibration factor.

A similar approach is used in Table 32 to estimate persons per unit by housing type for the City of Zephyrhills.

**Table 32. Persons per Unit by Housing Type**

| Housing Type       | Regional 2017-2021 Sample Data |             |               | Calibration Factor | City Persons/ Unit | Ratio to Single-Family Unit |
|--------------------|--------------------------------|-------------|---------------|--------------------|--------------------|-----------------------------|
|                    | Household Population           | Total Units | Persons/ Unit |                    |                    |                             |
| Single-Family Det. | 245,787                        | 103,243     | 2.38          | 83.41%             | 2.19               | 1.000                       |
| Multi-Family       | 35,695                         | 19,649      | 1.82          | 83.41%             | 1.68               | 0.767                       |
| All units          | 281,482                        | 122,892     | 2.29          | 83.41%             | 1.91               | n/a                         |

Source: Regional 5% sample microdata from U.S. Census Bureau American Community Survey for 2017-2021; total city persons per unit for all units from 2020 census 100% enumeration; calibration factor is ratio of city to regional persons per unit for all units; city average household size by housing type is product of regional persons per unit and calibration factor.

The final column in the two tables above show the ratios of multi-family to single-family residential occupancies. Multi-family units tend to have 79.7% of the average household size of single-family units, and 76.7% as many persons per unit. The two ratios differ by only about three percent.

In this study, the service unit for park impact fees is the equivalent dwelling unit, or EDU. An EDU is defined as one single-family detached residential occupancy, with other housing types expressed as the ratio to single-family occupancy. As noted above, the two measures of occupancy are very similar, and will result in similar fees. Average household size is more stable over time, because it is not affected by fluctuations in vacancy rates, seasonally and over time. For this reason, this study uses average household size for calculating the park service units.

In this study, the service unit for public safety impact fees is functional population, which represents the number of people at a land use during a typical weekday. The functional population methodology assumes that all nonresidential buildings are occupied, so it is necessary to use average household size in order to be consistent. Average household size is therefore recommended for both parks and public safety impact fee calculations.

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## APPENDIX C: FUNCTIONAL POPULATION

There are two generally-accepted ways to measure the demand for public safety facilities: “calls-for-service” and “functional population.” Calls for service are emergency responses. Functional population represents the number of full-time equivalent people at a land use, based on the observation that demand for public safety facilities tends to be proportional to the number of people present at the site of a land use.

Calls-for-service is not as precise a measure of demand as it might appear. The land use categories used for recording responses are not precisely defined and may not be fully consistent with how the impact fee categories are defined. In addition, calls per unit of development for various land use types are subject to rather extreme fluctuations over time. Even when averaged over a number of years, the number of calls attributed to the various land uses tends to change significantly. For example, in a recent Florida county study of fire/EMS impact fees using calls-for-service data, almost half of the land use categories increased or decreased by at least 42% from the previous 2017 study.<sup>4</sup> Compounding the fluctuation in call volumes by land use, calls per development unit are ratios of two data sets, and estimates of the amount of existing development in the various land use categories are also subject to change. The lack of stability in call rates over time is even worse for smaller jurisdictions like Zephyrhills.

This study uses functional population as the demand unit for public safety services. This is a more generalized approach than calls-for-service, but as discussed above that does not necessarily make it any less accurate. The main advantage of functional population is that the land use multipliers are more stable over time than calls-for-service, and for that reason the fees are less likely to change dramatically by land use between periodic impact fee study updates.

### Residential

For residential land uses, functional population is based on the average number of persons in the dwelling unit and the percentage of residents time that is spent at home. These factors are discussed below.

#### Average Household Size

The number of persons in a dwelling unit can be measured in two ways: average household size (household population divided by occupied units) or persons per unit (household population divided by total units). Because the methodology for determining nonresidential functional population does not account for vacant buildings, residential functional population should also be based on the assumption of full occupancy for all buildings for consistency. For this reason, average household size is the most appropriate. Average household sizes for Zephyrhills are calculated in Appendix B.

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<sup>4</sup> Duncan Associates, *Osceola County, Florida Fire/EMS Impact Fee Update*, 2023.

## Time Spent at Home

The next step is to determine the percentage of time people spend at their place of residence versus away from home. In 2021, the U.S. Bureau of Labor Statistics interviewed one person each from 9,600 randomly-selected households to determine how people spent their time during a recent day. Survey respondents were limited to persons aged 15 or older in the civilian population. The survey determined the average number of waking hours spent on various types of activities. While it did not itemize where the activities occurred, reasonable assumptions have been made about which activities were more likely to take place at the place of residence or away from home. The results, summarized in Table 33, indicate that people spend an average of 45% of waking hours each day at their place of residence.

**Table 33. Time Usage Survey Data**

| Primary Activity                               | Waking Hrs.<br>per Day | At<br>Home | Away |
|------------------------------------------------|------------------------|------------|------|
| Personal care activities (other than sleeping) | 0.76                   | 0.76       | –    |
| Eating and drinking*                           | 1.14                   | 0.86       | 0.28 |
| Household activities                           | 1.80                   | 1.80       | –    |
| Purchasing goods and services                  | 0.65                   | –          | 0.65 |
| Caring for and helping household members       | 0.48                   | 0.48       | –    |
| Caring for and helping non-household members   | 0.18                   | –          | 0.18 |
| Working and work-related activities            | 4.45                   | –          | 4.45 |
| Educational activities                         | 0.51                   | –          | 0.51 |
| Organizational, civic and religious activities | 0.17                   | –          | 0.17 |
| Watching television                            | 2.57                   | 2.57       | –    |
| Other leisure and sports                       | 2.16                   | –          | 2.16 |
| Telephone, mail and email                      | 0.22                   | 0.22       | –    |
| Other activities                               | 0.20                   | 0.20       | –    |
| Total Waking Hours                             | 15.29                  | 6.89       | 8.40 |
| Percent of Time                                | 100%                   | 45%        | 55%  |

\* assumed 3/4 of meals eaten at home

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, *American Time Use Survey*, Table 2: Time spent in primary activities per weekday, civilian population 15 years or older, 2021 annual averages, June 23, 2022.

## Summary

Functional population per dwelling unit by housing type is calculated by multiplying average household size by the percentage of waking hours spent at home. The results are shown in Table 34.

**Table 34. Functional Population per Unit by Housing Type**

| Housing Type           | Unit     | Average<br>HH Size | % of Waking<br>Hours at Home | Func. Pop.<br>per Unit |
|------------------------|----------|--------------------|------------------------------|------------------------|
| Single-Family Detached | Dwelling | 2.27               | 0.45                         | 1.02                   |
| Multi-Family           | Dwelling | 1.81               | 0.45                         | 0.82                   |

Source: Average household size from Table 31; percentage of waking hours spent at home from Table 34.

## Nonresidential

The functional population methodology for nonresidential uses starts with trip generation rates. The number of daily trips is multiplied by the average vehicle occupancy to determine the total number of persons going to the site each day. The number of employees is estimated from average employee densities. Non-employees are the remaining persons going to the site. Employees are estimated to spend eight hours per day at their place of employment, and visitors are estimated to spend one hour per visit. Functional population per 1,000 square feet is derived by dividing the total number of hours spent by employees and visitors during a weekday by 24 hours. The formula used to derive the nonresidential functional population estimates is summarized in Figure 7.

**Figure 7. Nonresidential Functional Population Formula**

|                        |          |                                                                        |
|------------------------|----------|------------------------------------------------------------------------|
| <b>FUNCPOP/UNIT</b>    | <b>=</b> | <b>(employee hours/1000 sf + visitor hours/1000 sf) ÷ 16 hours/day</b> |
| <b>Where:</b>          |          |                                                                        |
| Employee hours/1000 sf | =        | employees/1000 sf x 8 hours/day                                        |
| Visitor hours/1000 sf  | =        | visitors/1000 sf x 1 hour/visit                                        |
| Visitors/1000 sf       | =        | weekday ADT/1000 sf x avg. vehicle occupancy – employees/1000 sf       |
| Weekday ADT/1000 sf    | =        | one-way avg. daily trips (total trip ends ÷ 2)                         |

Using the formula above and trip generation rates from the *Trip Generation Manual*, vehicle occupancy rates from the *National Household Travel Survey* and employee densities from the U.S. Department of Energy, nonresidential functional population estimates per 1,000 square feet of gross floor area are calculated. Table 35 presents the results of these calculations for the nonresidential land use categories.

**Table 35. Nonresidential Functional Population per Unit by Land Use**

| Land Use             | Unit          | Trip Rate | Persons/ Trip | Workers/ Unit | Visitors/ Unit | Functional Pop./Unit |
|----------------------|---------------|-----------|---------------|---------------|----------------|----------------------|
| Retail/Commercial    | 1,000 sq. ft. | 18.50     | 1.98          | 0.82          | 35.81          | 2.65                 |
| Office               | 1,000 sq. ft. | 5.42      | 1.96          | 1.97          | 8.65           | 1.53                 |
| Industrial/Warehouse | 1,000 sq. ft. | 0.72      | 1.30          | 0.41          | 0.53           | 0.24                 |
| Public/Institutional | 1,000 sq. ft. | 3.37      | 2.76          | 0.36          | 8.94           | 0.74                 |

Source: Trip rates are ½ of average daily trip ends on a weekday from Institute for Transportation Engineers (ITE), *Trip Generation Manual*, 11th edition, 2021 for shopping center, general office, mini-warehouse, and nursing home; persons/trip is average vehicle occupancy from Federal Highway Administration, *National Household Travel Survey*, 2017 by trip purpose for shopping, medical/dental, to from work, and school/church; employees/unit from U.S. Department of Energy, *Commercial Buildings Energy Consumption Survey*, 2018; visitors/unit is trips times persons/trip minus employees/unit; functional population/unit calculated based on formula from Figure 7.

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## APPENDIX D: LAND USE DEFINITIONS

Definitions for the land use categories used in this study are provided below. These definitions are intended to assist City staff in classifying proposed developments and assessing appropriate impact fees. If these definitions are adopted by ordinance or resolution, they should be accompanied by a disclaimer that they only apply to interpretation of the impact fee schedule.

**Single-Family Detached** means a building containing only one dwelling unit, including a mobile home not located in a mobile home park.

**Multi-Family** means a building containing two or more dwelling units. It includes duplexes, apartments, residential condominiums, townhouses, and timeshares. The fee per dwelling unit for this category also applies per space for new mobile home and recreational vehicle parks.

**Mobile Home/RV Park** means a parcel (or portion thereof) or abutting parcels of land designed, used or intended to be used to accommodate two or more occupied mobile homes or recreational vehicles, with necessary utilities, vehicular pathways, and mobile home/RV pads or spaces.

**Retail/Commercial** means an integrated group of commercial establishments planned, developed, owned or managed as a unit, or a free-standing retail or commercial use. A retail or commercial use shall mean the use of a building or structure primarily for the sale to the public of nonprofessional services, or goods or foods that have not been made, assembled or otherwise changed in ways generally associated with manufacturing or basic food processing in the same building or structure. This category includes but is not limited to all uses located in shopping centers and the following typical types of free-standing uses:

- Amusement park
- Bank
- Camera shop
- Car wash
- Convenience store
- Department store
- Discount store
- Florist shop
- Health or fitness club
- Hobby, toy and game shop
- Hotel
- Laundromat
- Laundry or dry cleaning
- Lawn and garden supply store
- Marina
- Massage establishment
- Motel
- Movie theater
- Music store
- Newsstand

Racetrack  
Recreation facility, commercial  
Restaurant  
Service station  
Specialty retail shop  
Used merchandise store  
Variety store  
Vehicle and equipment rental.

**Office** means a building exclusively containing establishments providing executive, management, administrative, financial, medical or professional services, and which may include ancillary services for office workers, such as a restaurant, coffee shop, newspaper or candy stand, or childcare facilities. It may be the upper floors of a multi-story office building, excluding ground floor retail uses. Typical uses include offices for medical services, real estate, insurance, property management, investment, employment, travel, advertising, secretarial, data processing, telephone answering, telephone marketing, music, radio and television recording and broadcasting studios; professional or consulting services in the fields of law, architecture, design, engineering, accounting and similar professions; interior decorating consulting services; and business offices of private companies, utility companies, trade associations, unions and nonprofit organizations. This category does not include an administrative office that is ancillary to the primary use of the site.

**Industrial/Warehouse** means any of the following:

Industrial - a facility primarily intended for the production or assembly of goods, processing of foods, mining of raw materials, or similar activities. Typical uses include factories, welding shops, wholesale bakeries, and water and wastewater treatment plants.

Warehouse - an establishment primarily engaged in the display, storage and sale of goods to other firms for resale, as well as activities involving significant movement and storage of products or equipment. Typical uses include wholesale distributors, storage warehouses, moving and storage firms, trucking and shipping operations and major mail processing centers.

Mini-warehouse - an enclosed storage facility containing independent, fully enclosed bays that are leased to persons for storage of their household goods or personal property.

**Public/Institutional** means a governmental, quasi-public or institutional use, or a non-profit recreational use, not located in a shopping center or separately listed in the impact fee schedule. Typical uses include schools, colleges, day care centers, hospitals, nursing homes, churches, prisons, city halls, courthouses, post offices, jails, libraries, fire stations, museums, military bases, airports, bus stations, parks and playgrounds.

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## APPENDIX E: FLORIDA IMPACT FEE ACT

The 2006 Florida Legislature passed Senate Bill 1194, which established certain requirements for impact fees in Florida. It was most recently amended by House Bill 337, which was signed by the governor and became effective on June 4, 2021. The current Florida Impact Fee Act reads as follows (substantive changes made by HB 337 are indicated by underline/strike-out). Subsequent amendments to the impact fee act were passed by the legislature in HB 479 on March 4, 2024, and will take effect on October 1, 2024. Although this bill has not yet been signed by the governor, these likely changes are highlighted in red.

### 163.31801 Impact fees; short title; intent; minimum requirements, audits; challenges. --

- (1) This section may be cited as the "Florida Impact Fee Act."
- (2) The Legislature finds that impact fees are an important source of revenue for a local government to use in funding the infrastructure necessitated by new growth. The Legislature further finds that impact fees are an outgrowth of the home rule power of a local government to provide certain services within its jurisdiction. Due to the growth of impact fee collections and local governments' reliance on impact fees, it is the intent of the Legislature to ensure that, when a county or municipality adopts an impact fee by ordinance or a special district adopts an impact fee by resolution, the governing authority complies with this section.
- (3) For purposes of this section, the term:
  - (a) "Infrastructure" means a fixed capital expenditure or fixed capital outlay, excluding the cost of repairs or maintenance, associated with the construction, reconstruction, or improvement of public facilities that have a life expectancy of at least 5 years; related land acquisition, land improvement, design, engineering, and permitting costs; and other related construction costs required to bring the public facility into service. The term also includes a fire department vehicle, an emergency medical service vehicle, a sheriff's office vehicle, a police department vehicle, a school bus as defined in s. 1006.25, and the equipment necessary to outfit the vehicle or bus for its official use. For independent special fire control districts, the term includes new facilities as defined in s. 191.009(4).<sup>5</sup>
  - (b) "Public facilities" has the same meaning as in s. 163.3164 and includes emergency medical, fire, and law enforcement facilities.<sup>6</sup>
- (4) At a minimum, each local government that adopts and collects an impact fee by ordinance and each special district that adopts, collects, and administers an impact fee by resolution must:
  - (a) Ensure that the calculation of the impact fee is based on a study using the most recent and localized data available within 4 years of the current impact fee update. The new study must be adopted by the local government within 12 months of the initiation of the new impact fee study if the local government increases the impact fee.
  - (b) Provide for accounting and reporting of impact fee collections and expenditures and account for the revenues and expenditures of such impact fee in a separate accounting fund.
  - (c) Limit administrative charges for the collection of impact fees to actual costs.
  - (d) Provide notice at least 90 days before the effective date of an ordinance or resolution imposing a new or increased impact fee. A local government is not required to wait 90 days to decrease, suspend, or eliminate an impact fee. Unless the result is to reduce the total mitigation costs or impact fees imposed on an applicant, new or increased impact fees may not apply to current or pending permit applications submitted before the effective date of a new or increased impact fee.

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<sup>5</sup> 191.009(4) ... As used in this subsection, "new facilities" means land, buildings, and capital equipment, including, but not limited to, fire and emergency vehicles, radiotelemetry equipment, and other firefighting or rescue equipment. ...

<sup>6</sup> 163.3164(39) ... "Public facilities" means major capital improvements, including transportation, sanitary sewer, solid waste, drainage, potable water, educational, parks and recreational facilities. ...

- (e) Ensure that collection of the impact fee may not be required to occur earlier than the date of issuance of the building permit for the property that is subject to the fee.
  - (f) Ensure that the impact fee is proportional and reasonably connected to, or has a rational nexus with, the need for additional capital facilities and the increased impact generated by the new residential or commercial construction.
  - (g) Ensure that the impact fee is proportional and reasonably connected to, or has a rational nexus with, the expenditures of the funds collected and the benefits accruing to the new residential or nonresidential construction.
  - (h) Specifically earmark funds collected under the impact fee for use in acquiring, constructing, or improving capital facilities to benefit new users.
  - (i) Ensure that revenues generated by the impact fee are not used, in whole or in part, to pay existing debt or for previously approved projects unless the expenditure is reasonably connected to, or has a rational nexus with, the increased impact generated by the new residential or commercial construction.
- (5) (a) Notwithstanding any charter provision, comprehensive plan policy, ordinance, development order, development permit, or resolution, the local government or special district that requires any improvement or contribution must credit against the collection of the impact fee any contribution, whether identified in a development order, proportionate share agreement, or ~~other any~~ form of exaction, related to public ~~education~~ facilities, including monetary contributions, land dedication, site planning and design, or construction. Any contribution must be applied on a dollar-for-dollar basis at fair market value to reduce any ~~education-based~~ impact fee collected for the general category or class of public facilities or infrastructure for which the contribution was made.
- (b) If a local government or special district does not charge and collect an impact fee for the general category or class of public facilities or infrastructure contributed, a credit may not be applied under paragraph (a).
- (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.
  - (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.

(h) This subsection operates retroactively to January 1, 2021.

(7) If an impact fee is increased, the holder of any impact fee credits, whether such credits are granted under s. 163.3180, s. 380.06, or otherwise, which were in existence before the increase, is entitled to the full benefit of the intensity or density prepaid by the credit balance as of the date it was first established. ~~This subsection shall operate prospectively and not retrospectively.~~ If a local government adopts an alternative transportation system pursuant to s. 163.3180(5)(i), the holder of any transportation or road impact fee credits granted under s. 163.3180 or s. 380.06 or otherwise that were in existence before the adoption of the alternative transportation system is entitled to the full benefit of the intensity and density prepaid by the credit balance as of the date the alternative transportation system was first established.

(8) A local government, school district, or special district must submit with its annual financial report required under s. 218.32 or its financial audit report required under s. 218.39 a separate affidavit signed by its chief financial officer or, if there is no chief financial officer, its executive officer attesting, to the best of his or her knowledge, that all impact fees were collected and expended by the local government, school district, or special district, or were collected and expended on its behalf, in full compliance with the spending period provision in the local ordinance or resolution, and that funds expended from each impact fee account were used only to acquire, construct, or improve specific infrastructure needs.

(9) In any action challenging an impact fee or the government's failure to provide required dollar-for-dollar credits for the payment of impact fees as provided in s. 163.3180(6)(h)2.b., the government has the burden of proving by a preponderance of the evidence that the imposition or amount of the fee or credit meets the requirements of state legal precedent and this section. The court may not use a deferential standard for the benefit of the government.

(10) Impact fee credits are assignable and transferable at any time after establishment from one development or parcel to any other that is within the same impact fee zone or impact fee district or that is within an adjoining impact fee zone or impact fee district within the same local government jurisdiction and which receives benefits from the improvement or contribution that generated the credits. This subsection applies to all impact fee credits regardless of whether the credits were established before or after the effective date of this act.

(11) A county, municipality, or special district may provide an exception or waiver for an impact fee for the development or construction of housing that is affordable, as defined in s. 420.9071. If a county, municipality, or special district provides such an exception or waiver, it is not required to use any revenues to offset the impact.

(12) This section does not apply to water and sewer connection fees.

(13) In addition to the items that must be reported in the annual financial reports under s. 218.32, a local government, school district, or special district must report all of the following information on all impact fees charged:

(a) The specific purpose of the impact fee, including the specific infrastructure needs to be met, including, but not limited to, transportation, parks, water, sewer, and schools.

(b) The impact fee schedule policy describing the method of calculating impact fees, such as flat fees, tiered scales based on number of bedrooms, or tiered scales based on square footage.

(c) The amount assessed for each purpose and for each type of dwelling.

(d) The total amount of impact fees charged by type of dwelling.

(e) Each exception and waiver provided for construction or development of housing that is affordable.

## **WORKSHOP ITEMS 1.2**

Public Safety Impact Fees

**Issue:**

**Background:**

**Attachment(s):**

None

**Fiscal Impact:**

**Staff Recommendation:**

## **WORKSHOP ITEMS 1.3**

Park Impact Fees

**Issue:**

**Background:**

**Attachment(s):**

None

**Fiscal Impact:**

**Staff Recommendation:**