



MEMORANDUM

DATE: March 29, 2025
TO: City Commission
FROM: Jordan Smith, AICP, PP Planning and Development Services Director
THRU: Doc Dougherty, City Manager
SUBJECT: Impact Fees

DISCUSSION: What are Impact Fees? Impact fees are one-time charges imposed on developers by municipalities to help fund the cost of new public services, infrastructure, or transportation facilities needed to accommodate new development.

The City of Deltona originally adopted impact fees for transportation, parks, fire rescue and law enforcement in 2005. The fees were updated in 2015. The fees calculated in the 2015 study were adopted at 100% for parks, fire and law enforcement. Transportation fees for four of the 17 land use categories were adopted at 100% (multi-family, hotel/motel, industrial and warehouse), while the fees for single-family homes and other non-residential uses were adopted at lower rates.

The last impact fee study for the City of Deltona was done in 2021. It was presented to the City Commission at a workshop on July 11, 2022, but it was never brought to the Commission at a Regular meeting for consideration.

On June 4, 2021, Governor DeSantis signed HB 377, limiting a local government's ability to impose impact fees on builders and developers embarking on new residential and commercial construction projects. Prior to the bill, Florida counties and cities could raise impact fees as much as they wanted. The provisions of HB 377 include:

- 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.
- 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.
- An impact fee increase may not exceed 50 percent of the current impact fee rate. A local government interested in surpassing the 50 percent cap would be required to perform a study demonstrating why the increase is justified, host two workshops dedicated to the extraordinary circumstances necessitating the need, and secure the approval of at least 2/3 in a vote of the governing body for the increase.
- An impact fee may not be increased more than once every 4 years.

Per F.S. 163.31801 a new impact fee study using the most recent localized data available within 4 years of the current impact fee update is required. 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. Through a piggy-back contract, the City of Deltona will be using Raftelis

Financial Consultants, Inc. Raftelis is a consulting firm that specializes in impact fee studies, helping municipalities and utility providers determine and implement fair and effective fees to cover the costs of new development on infrastructure. Examples of Raftelis studies in Florida:

- City of Winter Haven: Raftelis conducted a study to update the water and wastewater impact fees for the City of Winter Haven.
- City of Auburndale: Rafetlis performed a comprehensive utility rate and impact fee study for Auburndale.
- Florida Governmental Utility Authority: Raftelis evaluated the water and wastewater connection fees for the FGUA, specially related to the North Fort Myers water and wastewater utility systems.
- Collier County: Raftelis worked with Collier County to evaluate financing alternatives for capital projects, including those funded by impact fees.
- Ormond Beach: Raftelis recommended changes to the impact fees for Ormond Beach.
- Port Orange: Raftelis prepared impact fee studies for Port Orange.
- Mount Dora: Fatelis prepared a sewer connection fee study for Mount Dora.

