



# MEMORANDUM

DATE: June 22, 2026

TO: City Commission

FROM: Jordan Smith, AICP, PP Planning and Development Services Director  
John C. McKinney, CGFO & FRA-RP, Finance Director

THRU: Doc Dougherty, City Manager

SUBJECT: Ordinance No. 12-2026, Amendment to Chapter 94" Impact Fees" (Legislative – Public Hearing) (Jordan Smith and John McKinney, Project Manager)

---

**REFERENCES:** City Comprehensive Plan; Code of Ordinances; Section 163.31801, Florida Statutes, 2026 Municipal Impact Fee Study prepared by Raftelis Financial Consultants, Inc.

**REQUEST:** Consideration of Ordinance No. 12-2026 amending Chapter 94, "Impact Fees," of the Code of Ordinances to adopt updated Fire/Rescue, Parks, Transportation, and Law Enforcement impact fees and create a new Municipal Impact Fee based upon the findings and recommendations of the 2026 Impact Fee Study prepared by Raftelis Financial Consultants, Inc.

**BACKGROUND:** Impact fees are one time fees charged on new development to fund capital facilities and infrastructure required to accommodate growth. The purpose of impact fees is to ensure that new development pays a proportionate share of the costs associated with providing additional public facilities and infrastructure necessitated by growth, rather than shifting those costs to existing residents and taxpayers.

Impact fee revenues may only be used for growth related capital improvements and cannot be used for operational expenses, maintenance activities or staffing. Examples of eligible expenditures include roadway improvements, public safety facilities, parks and recreation facilities and municipal buildings necessary to serve future growth.

Section 163.31801, Florida Statutes, recognizes impact fees as an important source of revenue for local government to fund infrastructure necessitated by new growth and establishes requirements governing the calculation, collection, expenditure and increases of impact fees.

The City retained Raftelis Financial Consultants, Inc. (Raftelis) to prepare the 2026 Municipal Impact Fee Study. Staff conducted multiple meetings and publicly noticed workshops to review the study methodology, growth projections, capital improvement needs, and consultant recommendations.

**DISCUSSION:** The 2026 Municipal Impact Fee Study evaluated the City's impact fee program and calculated updated impact fees for Law Enforcement, Fire/Rescue, Parks and Recreation, Transportation, and a new Municipal Impact Fee.

The study includes an evaluation of existing levels of service, planned capital improvement, growth projections, population and employment forecasts, facility inventories, and current constructions costs. Based on the findings of the study, Raftelis determined that the City’s current impact fees do not fully recover the growth related costs associated with providing future public facilities and infrastructure necessary to accommodate anticipated growth.

As part of the impact fee update process, the City also completed a Demonstrated Need Analysis to evaluate whether extraordinary circumstances exist to support impact fee increases beyond the statutory phase-in limitations established in Section 163.31801, Florida Statutes. The analysis identified several contributing factors, including aging infrastructure, deferred maintenance, continued population growth and development activity, increased service demands, rising construction costs, and public safety facility needs. The City’s Five Year Capital Improvement Program identifies substantial capital improvement needs across transportation, public safety, parks and recreation, public facilities, and other municipal infrastructure. The analysis concluded that these factors constitute extraordinary circumstances that support an exemption from the phase-in limitations established in Section 163.31801, Florida Statutes.

The study recommends updates to the existing Law Enforcement, Fire/Rescue, Parks and Recreation, and Transportation impact fees and the creation of a new Municipal Impact Fee. The Municipal Impact Fee is intended to fund growth related to municipal facilities necessary to maintain adopted levels of service as development occurs.

As part of the update, the Transportation Impact Fee is being renamed the “Complete Streets Impact Fee” to better reflect the types of transportation infrastructure and multimodal improvements funded through the impact fee program.

The proposed residential impact fees are summarized below. For comparison purposes, the existing residential impact fees shown are based on a typical 1,900-square-foot single-family dwelling unit and a typical 1,500-square-foot multifamily dwelling unit.

For a typical 1,900-square-foot single-family residential dwelling unit, the total impact fee would increase from approximately \$2,937 to \$5,070, an increase of approximately \$2,133. For a typical 1,500-square-foot multifamily dwelling unit, the total impact fee would increase from approximately \$1,998 to \$4,626, an increase of approximately \$2,629.

Single-Family Residential				
Impact Fee Category	Current Fee <sup>1</sup>	Proposed Fee <sup>2</sup>	Increase	Percent Change
<b>Law Enforcement</b>	\$119.70	\$143	\$23.30	19%
<b>Fire/Rescue</b>	\$233.70	\$1,086	\$852.30	365%
<b>Parks and Recreation</b>	\$1,539.90	\$1,976	\$436.10	28%
<b>Transportation (Complete Streets)</b>	\$1,044	\$1,563	\$519	50%
<b>Municipal Impact Fee</b>	\$0	\$302	\$302	New Fee
<b>Total</b>	<b>\$2,937.30</b>	<b>\$5,070.00</b>	<b>\$2,132.70</b>	<b>73%</b>

<sup>1</sup> Amounts shown for existing single-family fees based on assumption of 1,900 square feet per unit and for multi-family fees based on 1,500 square feet per unit.

<sup>2</sup> Amounts shown for calculated single-family and multi-family fees based on occupancy of 2.88 person per dwelling unit and 2.63 persons per dwelling unit, respectively

Multi-Family Residential				
Impact Fee Category	Current Fee <sup>1</sup>	Proposed Fee <sup>2</sup>	Increase	Percent Change
Law Enforcement	\$94.50	\$130	\$35.50	38%
Fire/Rescue	\$184.50	\$991	\$806.50	437%
Parks and Recreation	\$830.50	\$1,804	\$973.50	117%
Transportation (Complete Streets)	\$888	\$1,428	\$540	61%
Municipal Impact Fee	\$0	\$276	\$276	New Fee
<b>Total</b>	<b>\$1,997.50</b>	<b>\$4,629.00</b>	<b>\$2,628.50</b>	<b>132%</b>

<sup>1</sup> Amounts shown for existing single-family fees based on assumption of 1,900 square feet per unit and for multi-family fees based on 1,500 square feet per unit.

<sup>2</sup> Amounts shown for calculated single-family and multi-family fees based on occupancy factors of 2.88 persons per single-family dwelling units and 2.63 persons per multifamily dwelling unit, respectively.

The proposed non-residential impact fees include increases to the Law Enforcement and Fire/Rescue impact fees and the creation of a new Municipal Impact Fee. The proposed non-residential impact fees are summarized below:

Impact Fee Category	Current Fee	Proposed Fee	Increase/(Decrease)	Percent Change
Law Enforcement	\$63 per 1,000 SF	\$130 per 1,000 SF	\$67	106%
Fire/Rescue	\$123 per 1,000 SF	\$700 per 1,000 SF	\$577	469%
Municipal Impact Fee	\$0	\$160 per 1,000 SF	\$160	New Fee

Although Fire/Rescue, Law Enforcement, and Municipal Impact Fees increase for non-residential development, the proposed Complete Streets Impact Fee decreases for several non-residential land use categories. According to the consultant, these decreases are primarily attributable to updated growth projections and development assumptions utilized in the study, which resulted in a lower transportation cost allocation per unit of non-residential development.

Examples of proposed non-residential transportation impact fee adjustments include:

Land Use Category	Current Fee	Proposed Fee	Increase/(Decrease)
Retail & Eating/Drinking Places	\$4,826	\$576	(\$4,250)
Office & Other Uses	\$1,530	\$187	(\$1,343)
Hotel/Motel	\$1,029	\$80	(\$949)
Institutional/Daycare/Church	\$2,416	\$162	(\$2,254)
Industrial/Warehouse	\$449	\$33	(\$416)

Section 163.31801, Florida Statutes, established limitations in impact fee increases and provides two methods for implementation. Under the statutory phase-in process, impact fee increases up to 25 percent must be phased in over two years, while increases greater than 25 percent and up to 50 percent must be phased in over four years. Approval under this process requires a majority vote of the governing body.

The statute also authorizes impact fee increases exceeding the phase-in limitations when extraordinary circumstances are demonstrated. To utilize this process, a local government must complete a demonstrated need study within twelve months prior to adoption, conduct at least two publicly noticed workshops dedicated to extraordinary circumstances necessitating the increase, and obtain unanimous approval from the governing body.

The City has completed the required impact fee study and demonstrated need analysis and has conducted the required publicly noticed workshops regarding the proposed impact fee updates and extraordinary circumstances findings. Public workshops were held on June 8, 2026, at 10:00 a.m. and June 17, 2026, at 4:30 p.m. to review the findings of the Impact Fee Study, Demonstrated Need Analysis, and proposed impact fee adjustments.

Based on the findings of the study and demonstrated need analysis, Raftelis believes the calculated fees to be reasonable, cost justified, and based on the City's capital costs to provide municipal services to new growth and development. The City recommends a combination of statutory phase-on and extraordinary circumstances processes for implementation of the calculated impact fees.

Adoption of Ordinance No. 12-2026 will provide an additional funding source to assist in financing growth related capital improvements and ensure that new development contributes a proportionate share toward the infrastructure required to maintain adopted levels of service. Impact fee revenues will be restricted to eligible capital expenditures in accordance with Section 163.31801, Florida Statutes.

**CONSISTENCY WITH THE COMPREHENSIVE PLAN:** Staff has reviewed the proposed amendments and finds them consistent with the goals, objectives, and policies of the Comprehensive Plan, including those related to capital facilities, public infrastructure, public safety, parks and recreation, fiscal sustainability, and growth management. The proposed impact fees are intended to ensure that new development contributes a proportionate share toward the infrastructure and public facilities necessary to maintain adopted levels of service and accommodate future growth.

**FIRST READING:** The City Commission approved Ordinance No. 12-2026 at first reading by a vote of 6-1. During Commission discussion, a Commissioner requested consideration of a four-year phase-in of the calculated impact fees rather than the two-year phase-in proposed by staff. As a result, staff has included a four-year phase-in alternative for Commission consideration at second reading. Staff also made minor revisions to correct clerical errors and ensure consistency between the ordinance, staff report, and supporting impact fee calculations.

**ALTERNATIVE IMPLEMENTATION SCHEDULE:** As presented at first reading, Ordinance No. 12-2026 implements the calculated impact fees in two equal annual increments, with the first phase becoming effective October 1, 2026, and the second and final phase becoming effective October 1, 2027.

During first reading discussion, the City Commission requested additional information regarding a potential four-year implementation schedule. The following tables are provided for comparison purposes and illustrate how the calculated impact fees would be implemented under a four-year phase-in approach.

As an alternative, the City Commission may consider implementing the calculated impact fees over four equal annual increments. Under this approach, the full calculated impact fees would still be achieved, but implementation would occur over a longer period.

The four-year phase-in option is provided for Commission consideration. Staff continues to recommend the two-year implementation schedule contained in Ordinance No. 12-2026, which more closely aligns impact fee revenues with anticipated growth-related capital facility needs identified in the 2026 Municipal Impact Fee Study and Demonstrated Need Analysis. While either implementation schedule would ultimately achieve the full calculated impact fees, the two-year phase-in schedule would provide impact fee revenues sooner to help address growth-related capital facility needs identified in the City's Capital Improvement Program and Impact Fee Study.

It should also be noted that impact fees may be reevaluated in the future based on updated studies and changing conditions. Any future adjustment, whether an increase or decrease, would require a new impact fee study and City Commission approval in accordance with Section 163.31801, Florida Statutes.

<b>Single-Family Residential</b>					
<b>Impact Fee Category</b>	<b>Current</b>	<b>Year 1 (10/1/26)</b>	<b>Year 2 (10/1/27)</b>	<b>Year 3 (10/1/28)</b>	<b>Year 4 (10/1/29)</b>
<b>Law Enforcement</b>	\$119.70	\$125.53	\$131.35	\$137.18	\$143.00
<b>Fire/Rescue</b>	\$233.70	\$446.78	\$659.85	\$872.93	\$1,086.00
<b>Parks &amp; Recreation</b>	\$1,539.90	\$1,648.93	\$1,757.95	\$1,866.98	\$1,976.00
<b>Transportation (Complete Streets)</b>	\$1,044.00	\$1,173.75	\$1,303.50	\$1,433.25	\$1,563.00
<b>Municipal Impact Fee</b>	\$0.00	\$75.50	\$151.00	\$226.50	\$302.00
<b>Total</b>	<b>\$2,937.30</b>	<b>\$3,470.49</b>	<b>\$4,003.65</b>	<b>\$4,536.84</b>	<b>\$5,070.00</b>

<b>Multi-Family Residential</b>					
<b>Impact Fee Category</b>	<b>Current</b>	<b>Year 1 (10/1/26)</b>	<b>Year 2 (10/1/27)</b>	<b>Year 3 (10/1/28)</b>	<b>Year 4 (10/1/29)</b>
<b>Law Enforcement</b>	\$94.50	\$103.38	\$112.25	\$121.13	\$130.00
<b>Fire/Rescue</b>	\$184.50	\$386.13	\$587.75	\$789.38	\$991.00
<b>Parks &amp; Recreation</b>	\$830.50	\$1,073.88	\$1,317.25	\$1,560.63	\$1,804.00
<b>Transportation (Complete Streets)</b>	\$888.00	\$1,022.25	\$1,156.50	\$1,290.75	\$1,425.00
<b>Municipal Impact Fee</b>	\$0.00	\$69.00	\$138.00	\$207.00	\$276.00
<b>Total</b>	<b>\$1,997.50</b>	<b>\$2,654.64</b>	<b>\$3,311.75</b>	<b>\$3,968.89</b>	<b>\$4,626.00</b>

<b>Non-Residential Impact Fees (per 1,000 SF)</b>					
<b>Impact Fee Category</b>	<b>Current Fee</b>	<b>Year 1 (10/1/26)</b>	<b>Year 2 (10/1/27)</b>	<b>Year 3 (10/1/28)</b>	<b>Year 4 (10/1/29)</b>
<b>Law Enforcement</b>	\$63.00	\$130.00	\$130.00	\$130.00	\$130.00
<b>Fire/Rescue</b>	\$123.00	\$267.23	\$411.50	\$555.75	\$700.00
<b>Municipal Impact Fee</b>	\$0.00	\$40.00	\$80.00	\$120.00	\$160.00

If the Commission elects to implement the calculated impact fees over four annual increments, the applicable Complete Streets Impact Fees would likewise be phased in over four annual increments based on the adopted fee schedule for each land use category.

Staff believes the two year implementation schedule strikes an appropriate balance between allowing for a phased adjustment while providing timely funding for growth related capital improvements identified in the City's Capital Improvement Program and Impact Fee Study.

**STAFF RECOMMENDATION:** Staff recommends approval of Ordinance No. 12-2026 at second and final reading, including the adoption of updated impact fees for Law Enforcement, Fire/Rescue, Parks and Recreation, Transportation/Complete Streets, and the creation of a new Municipal Impact Fee. Staff further recommends implementation of the fee adjustments in two equal annual increments as provided in the ordinance and consistent with the recommendations contained in the 2026 Municipal Impact Fee Study and Demonstrated Need Analysis.

**NEXT STEPS:** If adopted, the first phase of the updated impact fees will become effective on October 1, 2026. Under the staff-recommended implementation schedule, the second and final phase will become effective on October 1, 2027. If the Commission elects to implement the fees over four annual increments, the remaining phases would become effective annually through October 1, 2029.

**ATTACHMENTS:**

- Ordinance No. 12-2026
- City of Deltona Municipal Impact Fee Study, June 11, 2026
- Demonstrated Needs Analysis