

MARTIN COUNTY, FLORIDA
Comprehensive Planning Division



Amendment to Article 6
Impact Fees, Land Development Regulations,
Martin County Code

A. Application Information

Report Issuance Date:	August 6, 2024	
Applicant:	Martin County Board of County Commissioners 2401 S.E. Monterey Avenue Stuart, FL 34996	
Planner:	Clyde Dulin, Comprehensive Plan Administer Growth Management Department	
Growth Management Director:	Paul Schilling	
Request Number:	LDR 24-06, Article 6, Impact Fees	
<u>PUBLIC HEARINGS:</u>	<u>Date</u>	<u>Action</u>
Local Planning Agency Board of County Commissioners Adoption:	August 15, 2024 September 10, 2024	Recommend approval 5-0

B. Project description and analysis

This request for an amendment to Article 6, Impact Fees, Land Development Regulations, Martin County Code (LDR). The proposed changes effect Division 1, Generally and Figure 6.1 the Impact Fee Schedule. No changes are proposed for Division 2, School Impact Fees or the School Impact Fee Schedule.

On December 5, 2023 the Board of County Commissioners adopted an Impact Fee Study, attached. The Board directed staff to amend Article 6, Land Development Regulations, Martin County Code, to increase impact fees by a maximum of 50 percent.

The Local Planning Agency considered the proposed changes and recommended approval. The LPA motion also recommended revisiting the impact fee credit for new development that may have more impact than the existing development on an existing lot.

C. Background:

Impact fees are charges assessed on new development to help cover the costs of capital improvements and may be used for land acquisition, building construction, utilities construction and other capital improvements necessary because of development. Impact fees may not be used for salaries, repairs, or on-going maintenance. Fees must be based upon data and documentation showing the cost of providing capital facilities. The authority for use of impact fees in Florida has largely been established through local home rule power, rather than through legislative authorization and statutory mandates. As a result, significant legal limitations on impact fees in Florida were first established in Florida case law.

In 2006, the legislature enacted the “Florida Impact Fee Act,” codified in Florida Statutes §163.31801. The Act explicitly recognizes that impact fees are an important source of revenue for a local government to use in funding the infrastructure necessitated by new growth and places restrictions on the use of impact fees. Governments have the burden of proving, by a preponderance of evidence, that the imposition or amount of the fee meets legal requirements. It also requires that notice be provided no less than 90 days before the effective date of an ordinance or resolution imposing a new or increased impact fee.

Florida courts have applied the “dual rational nexus test” for determining the validity of impact fees adopted under local government police powers. Under this test, an impact fee must be based on a reasonable connection between the need for additional facilities and the growth in population that will be generated. The fees must be an equitable pro rata share of the cost of reasonable capital expansion required because of new development. The rational nexus test also requires that the development that pays the fee benefit from its use.

In Martin County impact fees are charged for new development to offset the impact of providing each of the following public services: Transportation, Public Buildings, Corrections and Law Enforcement, Fire Rescue, Parks and Recreation, Conservation (Open Space), and Libraires. Impact fees are established in Article 6 of the Martin County Land Development Regulations.

D. Analysis

The 2023 Impact Fee Study was completed by Alfred Benesh & Company (formerly Tindale-Oliver) and provides the basis for the proposed changes to Figure 6.1, the impact fee schedule. Additional consulting service was performed by Tyson Smith, White & Smith, LLC Planning and Law Group. Mr. Smith drafted proposed changes to Article 6 to comply with changes to the Florida Impact Fee Act that have occurred since 2006.

Article 6, text.

Section 6.1. Text added to the Intent and purpose summarizes many of the other changes. “Impact fees are intended to fund the need for capital improvements... generated by new development and are intended to be spent in a manner that benefits new development...” Multiple changes to Florida Statutes over the past few years have emphasized that impact fees must benefit new development.

Terms were added or amended in the Glossary to follow the general intent of Florida Statutes and consistent with the current use of the terms. Staff recommends changes to the term Site related improvements to distinguish between improvements within a site plan and outside a site plan.

An editor's note was added (page 1) explaining that Figure 6.2 Community Parks Impact Fee Districts was deleted by Ordinance 927. The change occurred in 2013 but a reference to Figure 6.2 remained.

Changes to Section 6.5., 6.6. and 6.7. are made to comply with Florida Statutes requiring collection of impact fees at time of building permit. Internal practices changed when Florida Statutes superseded local land development regulations. Martin County no longer collects any impact fees at time of Final Site Plan approval.

When the attached impact fee study shows an impact fee should be decreased, the proposed fees will decrease. Where the Impact Fee study calculates an increase is necessary to provide a service (such as Transportation or Fire Rescue or Public Buildings) the study calculates the fee for each of the land uses listed. However, Florida Statutes only permit impact fees to increase a maximum of 50 percent above the existing fees. Statutes also require the 50 percent increase to occur over a four-year period, instead of all at once. Section 6.6.A. of the draft LDR describes how impact fees may be increased each year for four years.

Sections 6.8 and 6.9 establish a special revenue fund for each benefit district. For example, the Fire Rescue benefit district includes unincorporated areas and lists all Municipalities except the City of Stuart. Other benefit districts such as public buildings and libraries include unincorporated areas and all the municipalities. Section 6.8.B. references interlocal agreements with municipalities where additional detail may be found.

The preceding changes and the proposed changes to Section 6.9. make the detailed text of Sections 6.9.D. thru 6.9.K. unnecessary. Florida Statutes clearly require impact fees to fund capital improvements that benefit new development.

No change is proposed for Section 6.11.A. Exemptions. Changes proposed in the balance of Section 6.11. are driven by Florida Statutes and have already been implemented through internal procedures. Section 6.11.D. is stricken because all impact fees must now be collected at time of building permit issuance.

The proposed text of Section 6.12. strikes the text requiring the impact fee schedule and interlocal agreements to be reviewed every two years. Instead, it requires the fee schedule to be updated consistent with the Florida Impact Fee Act and requires interlocal agreements to be updated every two years. However, the Board may wish to update interlocal agreements concurrent with updates to the impact fee schedule.

Figure 6.1

Please see the existing impact fees that have been in place since 2016. Figure 6.1 effective June 20, 2016. Also see the proposed Figure 6.1 showing proposed impact fees for 2025, 2026, 2027

and 2028. If the proposed changes are adopted these four tables will be included with the text of Article 6. Prior to adoption, staff will remove the column showing the Institute of Traffic Engineers (ITE) codes to save space.

Impact fees increases are only proposed where the impact fee study shows the cost of a public facility requires increases to cover the cost. For example, the impact fee study showed the transportation impact fee for a single-family detached dwelling (greater than 2,300 square feet) should increase from \$4,063 to \$7,224 a 78 percent increase. The current and proposed transportation impact fees for a single-family detached dwelling (greater than 2,300 square feet) are shown in the following table. The proposed 2028 fee of \$6,094 is 50 percent more than the current transportation impact fee \$4,063 and the maximum increase permitted by Statute.

Single family greater than 2300 square feet	Current Transportation fee	Proposed 2025	Proposed 2026	Proposed 2027	Proposed 2028
	\$4,063	\$4,571	\$5,079	\$5,587	\$6,094

Consider another example. The impact fee study showed Fire Rescue impact fees for a single-family dwelling (greater than 2,300 square feet) should increase by 24 percent above the current fee. The following table shows proposed fee increases in 2025 and 2026 but does not increase in 2027 or 2028. Florida Statute permits fee increases of 25 percent or less to be spread over two years.

Single family greater than 2300 square feet	Current Fire Rescue fee	Proposed 2025	Proposed 2026	Proposed 2027	Proposed 2028
	\$780	\$875	\$969	\$969	\$969

However, impact fee increases only occur for some public facilities. Public Building impact fees for a single-family detached dwelling (greater than 2,300 square feet) are shown in the following table. The proposed fee will go down from the current fee and remain constant through 2028.

Single family greater than 2300 square feet	Current Public Building fee	Proposed 2025	Proposed 2026	Proposed 2027	Proposed 2028
	\$809	\$752	\$752	\$752	\$752

The fee increases and decreases for different public facilities and for different land uses (residential and nonresidential) in the proposed Figure 6.1, make it difficult to generalize the nature of the impact fee changes.

Please see the table comparing the existing impact fees (adopted 2016) and the proposed 2028 fees. It shows the total fees in each land use category along with administrative fees and the percentage increase or decrease. With some exceptions, the proposed impact fees in most land use categories will be higher in 2028. None will increase by more than 50 percent. Single family under 800 square feet, Motel, Public Park, RV Park, Warehousing and Mini-Warehouse all go down.

Another impact fee study could be conducted near the end of 2028 and become the basis for additional adjustments to the draft fee schedule. The proposed changes discussed above cannot become effective for 90 days after adoption. Staff recommends the LPA hear the presentation, take public comment, and provide a recommendation to the Board of County Commissioners:

E. Figures/Attachments

Ordinance

Exhibit A Draft Article 6, Impact fees.

Current impact fee schedule Figure 6.1 stricken.

Exhibit B. Martin_Master IF Schedule showing proposed fees for 2025, 2026, 2027 and 2028.

Comparison table showing the current (2016) fee schedule versus the proposed 2028 fee schedule.

Existing Figure 6.3 Transportation Impact Fee Districts. No change proposed.

Florida Impact Fee Act. Chapter 163.31801

Adopted 2023 Impact Fee Study

Advertisement for the public hearing