



Cover Memorandum/Staff Report

File #: 26-0069

Agenda Date: 1/20/2026

Item #: WS.3.

TO: Mayor and Commissioners
FROM: Jeffrey L. Oris, CECD, Assistant City Manager
THROUGH: Terrence R. Moore, ICMA-CM
DATE: January 20, 2026

REVIEW AND DISCUSSION RELATED TO DEVELOPMENT IMPACT FEE JUSTIFICATION STUDY
PREPARED BY DTA FINANCIAL, INC.

Recommended Action:

The Commission is asked to receive a presentation regarding the Development Impact Fee Justification Study by consultants DTA Financial, Inc. and discuss potential next steps

Background:

Though most cities in Palm Beach County have implemented an array of development impact fees to ensure new development pays its fair share of costs for various capital needs resulting from the impact of the new development, the City of Delray Beach has not yet implemented such a program. This has meant that existing residents and property owners have had to pay the impact costs of new development.

Impact fees are one-time fees designed to defray capital-type costs of development. Fees collected are based on current and anticipated level of services for Police, Fire, Parks and Recreation, Storm water, water and sewer and can not be used for operational expenses but can be used for costs associated with such items as new equipment and facilities.

DTA Financial has completed a review of the City's anticipated costs moving into the future and the anticipated portion that can reasonably be expected as a result of new development. The study they have prepared proportionally assign these costs to new development based on statutorily-compliant methods and outlines fees that can be implemented based on such.

NOTE: The Study document will be amended to include information contained in the attached memorandum from DTA. These modifications were last minute adjustments to address concerns of the Utility Department for clarity and ease of use that do not affect the data.

Should the Commission wish to move this item forward, a list of impact fees with associated costs will need to be drafted into ordinance format and presented to the Commission at two future meetings for formal approval.

City Attorney Review:

N/A

Funding Source/Financial Impact:

This item is to discuss the potential for the City to collect impact fees which would assist with construction of new facilities and purchase of necessary equipment in the future.

Timing of Request:

The City needs to consider the implementation of such fees. If a decision is made to move forward, the sooner such is implemented, the better off the City's finances will be for such items as building new fire stations, and acquiring new vehicles and other equipment. Formal adoption of any fees will require an ordinance and approval by the City Commission and future meetings.