# Business Impact Estimate

*This form should be included in the agenda packet for the item under which the proposed ordinance is to be considered and must be posted on the City of Delray Beach's website by the time notice of the proposed enactment of the ordinance is published.*

Proposed ordinance's title/reference:

ORDINANCE NO. 34-26: AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF DELRAY BEACH, FLORIDA, AMENDING THE LAND DEVELOPMENT REGULATIONS OF THE CODE OF ORDINANCES OF THE CITY OF DELRAY BEACH, CHAPTER 5, "SUBDIVISION REGULATIONS," ARTICLE 5.3 "DEDICATION AND IMPACT REQUIREMENTS" SECTION 5.3.2 "PARK LAND DEDICATION REMOVING SUBSECTION (C) "IMPACT FEE REQUIRED" TO MOVE THE PARKS IMPACT FEE TO A NEW ARTICLE 8.1 "IMPACT FEES"; BY AMENDING CHAPTER 8, SPECIAL IMPLEMENTATION PROGRAMS TO ENACT A NEW ARTICLE 8.1, "IMPACT FEES", INCREASING THE PARKS IMPACT FEE AND ESTABLISHING IMPACT FEES FOR MUNICIPAL, POLICE, FIRE RESCUE, WATER, WASTEWATER, AND STORMWATER FACILITIES; ADOPTING THE CITY OF DELRAY BEACH IMPACT FEE JUSTIFICATION FEE STUDY; AND ESTABLISHING THE IMPACT FEE SCHEDULE; PROVIDING A CONFLICTS CLAUSE, A SEVERABILITY CLAUSE, AND AUTHORITY TO CODIFY; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES (FIRST READING / PUBLIC HEARING).

This Business Impact Estimate is provided in accordance with section 166.041(4), Florida Statutes. If one or more boxes are checked below, a business impact estimate is <u>not</u> required by state law[1] for the proposed ordinance. This Business Impact Estimate may be revised following its initial posting.

- ☐ The proposed ordinance is required for compliance with Federal or State law or regulation;
- ☐ The proposed ordinance relates to the issuance or refinancing of debt;
- ☐ The proposed ordinance relates to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget;
- ☐ The proposed ordinance is required to implement a contract or an agreement, including, but not limited to, any Federal, State, local, or private grant or other financial assistance accepted by the municipal government;
- ☐ The proposed ordinance is an emergency ordinance;
- ☐ The ordinance relates to procurement; or
- ☐ The proposed ordinance is enacted to implement the following:
    a. Development orders and development permits, as those terms are defined in s. 163.3164, and development agreements, as authorized by the Florida Local Government Development Agreement Act under ss. 163.3220-163.3243;

[1] See Section 166.041(4)(c), Florida Statutes.

b. Comprehensive plan amendments and land development regulation amendments initiated by an application by a private party other than the municipality;
c. Sections 190.005 and 190.046, Florida Statutes, regarding community development districts;
d. Section 553.73, Florida Statutes, relating to the Florida Building Code; or
e. Section 633.202, Florida Statutes, relating to the Florida Fire Prevention Code.

In accordance with the provisions of controlling law, the City of Delray Beach hereby publishes the following information:

1. Summary of the proposed ordinance (must include a statement of the public purpose, such as serving the public health, safety, morals and welfare):

Proposed Ordinance 34-26 implements the Development Impact Fee Justification Study by t updating the Parks impact fee and establishing new impact fees for Municipal, Police, Fire Rescue, Water, Wastewater, and stormwater facilities for new development in the City of Delray Beach. Impact fees are one-time charges imposed on new construction to fund the infrastructure and services necessitated by that growth. The purpose of the ordinance is to ensure that developers pay their fair share for public facilities and infrastructure needed to serve new development. This will protect the public health, safety, and welfare by maintaining adequate service levels, avoiding overburdening existing infrastructure, and reducing the financial burden on current taxpayers.

2. An estimate of the direct economic impact of the proposed ordinance on private, for- profit businesses in the City of Delray Beach, if any:
   (a) An estimate of direct compliance costs that businesses may reasonably incur;
   (b) Any new charge or fee imposed by the proposed ordinance or for which businesses will be financially responsible; and
   (c) An estimate of the City of Delray Beach's regulatory costs, including estimated revenues from any new charges or fees to cover such costs.

   The proposed ordinance will primarily affect developers, builders, and businesses engaged in new construction or expansion. The extent of the impact will vary depending on the type, size, and intensity of development. Utilizing permit data from 2025 as a typical year, the following are examples of what the cost might be to an average development for each use type for which fees will collected based on this proposed ordinance:
   • An average 5,188 square foot new 5,188 square foot single-family residence will pay approximately $ 24,461.87 more in impact fees.
   • An average 34-unit multifamily residential development would pay approximately $366,388 more in impact fees.
   • A 55,379 square foot industrial building will pay approximately $299595.67 in impact fees
   • A 19,540 square foot Office building would pay an additional $123,361.42 in impact fees
   • A 10,784 square foot building classified as "Other" will pay an additional $53,987.13 in impact fees.

2. (continued)

For commercial and hotel uses, the City had insignificant permits issued so the following examples are used based on a typical commercial and the on the last hotel built in the City
• A typical 10,000 square foot commercial building would pay $78,730.81 in impact fees
• A 119,490 square foot hotel would pay an additional $325,011.79 in impact fees.

The City anticipates fluctuating revenue based on the number of permits issued annually, however using 2025 as a typical year, the City would anticipate generating $9,969,017.08 in impact fee revenues.

3. Good faith estimate of the number of businesses likely to be impacted by the proposed ordinance:

Impact fees are assessed against developers/builders of new projects and expansions over 1,000 square feet. The number of businesses would therefore be equal to the number of new development permits, 191.

Existing businesses that do not undertake new development or expansion will not be affected by the ordinance.

4. Additional information the governing body deems useful (if any):

The City engaged independent consultants, DTA, to prepare and present a study to justify impact fees and note the maximum fee the City's Development Impact Fee program could implement. The Final Development Impact Fee Justification Study was dated and delivered to the City on January 28, 2026. The purpose of the study was to establish a nexus between anticipated development and future facility/infrastructure needs of the City, and to ensure that all the new development within the City is required to pay its "fair share" of the future facility/ infrastructure needs. Given the results of the study, the City desires to adopt and implement such fees for Water, Wastewater, and Stormwater facilities and for Municipal Facilities, Police, Fire Rescue. An Administrative fee of 2% will also be established and the existing Parks impact fee will be updated.

Date Reviewed by Legal _____/_____/_____
Date Reviewed by Finance _____/_____/_____