# PLANNING & ZONING BOARD STAFF REPORT

**Impact Fees**

| Meeting | File No. | Application Type |
|---|---|---|
| June 15, 2026 | PZ-000667-2026 | Amendment to the Land Development Regulations |
| **Applicant** | **Property Owner** | **Authorized Agent** |
| City of Delray Beach | Not applicable. | Not applicable. |

## Request

Provide a recommendation to the City Commission on Ordinance No. 34-26, a City-initiated amendment to Chapter 8, "Special Implementation Programs" of the Land Development Regulations to enact a new Article 8.1 "Impact Fees" to establish impact fees for municipal, police, fire rescue, water, wastewater, and stormwater management, and to move the existing parks impact fee from Article 5.3.2(C) to new Article 8.1 and to increase the Parks fee.

## Background Information

Impact Fees are one-time charges to new development to help fund public facilities and infrastructure that are impacted by growth. The Florida Impact Fee Act (Section 163.31801, F.S) recognizes impact fees are an important source of revenue for managing the impacts to the services local governments provide. The Act governs the establishment of new impact fees and the amount municipalities can increase existing impact fees by requiring a "rational nexus" between the fees assessed and the necessary expenditures to accommodate growth.

To increase existing fees or establish new impact fees, a financial analysis of the impacts of anticipated growth on municipal systems is required. The City engaged DTA to perform this study for the City of Delray Beach and the final report was provided January 28, 2026 (attached).

The proposed amendments implement the study recommendations.

## Description of Proposal

Ordinance No. 34-26 is attached with the complete text of the proposed amendment, which includes the proposed "Impact Fee Schedule" as an exhibit. The proposed amendment establishes a new Article 8.1, "Impact Fees," and LDR Section 5.3.2(C) is removed, as the Parks fee is moved to the new article.

The new article includes definitions, the method of calculation, and the process for assessing and collecting impact fees. Impact fees would apply to development, including additions of 1,000 SF of gross interior square feet or more. Credit is given for existing development that will be demolished. A 2% administration fee will be applied to offset the cost of the staff that assesses and collects the fees.

While the City of Delray Beach has only collected a Parks Impact fee, the study performed by DTA (attached) recommends establishing new impact fees for Municipal (called "City Administration" in the report), Police, Fire, Water and Wastewater, and Stormwater Management. Under the analysis, the Parks fee should be increased to $6,741 per dwelling unit and $3,790 per hotel room; however, recent state legislation limits the amount existing impact fees can be raised. Therefore, the Parks will be increased to $562.50, and will gradually increase, as follows:

Table 45: Parks and Recreation Summary (Per HB 337)

| Land Use | Current Fees per Unit | Maximum Calculated Fees | Assigned Fees per Statue | | | |
|---|---|---|---|---|---|---|
| | | | 2026 | 2027 | 2028 | 2029 |
| Residential | $500 | $6,741 | $562.50 | $625.00 | $687.50 | $750.00 |
| Hotel | $500 | $3,790 | $562.50 | $625.00 | $687.50 | $750.00 |

The proposed ordinance provides credits for existing development that will be demolished, using a similar system to the County Roadway Impact fees that area assessed for all projects. The calculations for building square footage are based on climate-controlled areas, excepting out porches, balconies, parking garages. Land that has been vacant for 10 or more years will not have access to credits. Two examples of different sized development and the potential associated fees are provided below.

The first example is a new 2,000 SF house (under air) on a vacant parcel of land (no credits), with an impervious surface area of 2,500 SF, including the house footprint, driveway, and patio:

| **New 2,000 SF House with 2,500 SF of Impervious Surface** | | |
|---|---|---|
| **Impact Fee** | **Fee** | **Amount** |
| Parks | $562.50 per unit | $562.50 |
| Municipal | $1.39 per SF | $2,780.00 |
| Police | $0.61 per SF | $1,220.00 |
| Fire | $1.22 per SF | $2,440.00 |
| Water | $3,380.50 per unit | $3,380.50 |
| Wastewater | $1000 per unit | $1000.00 |
| Stormwater | 0.55 per SF | $1,375.00 |
| | **Total Impact Fees Due** | **$12,757.50** |

The second example is a 267-unit project with a Clubhouse proposed to be built on a property with a 29,488 SF industrial structure that will be demolished (credits will apply) with a net increase of impervious surface of 42,253 SF:

| **267-unit Building with 309,734 SF under air, plus 9,581 SF Clubhouse on the Property with a 29,488 SF Industrial Building to be Demolished** | | |
|---|---|---|
| **Impact Fee** | **Fee Amount** | **Fee due** |
| Parks | $562.50 per unit | $150,187.50 |
| Municipal | $1.39 per SF | $443,847.85 |
| Police | $0.61 per SF | $194,782.15 |
| Fire | $1.22 per SF | $384,689.18 |
| Water Units | $2,332.50 per unit | $622,777.50 |
| Water Club House | $3.05 per SF | $29,222 |
| Wastewater Units | $690 per unit | $267,000.00 |
| Wastewater Clubhouse | $0.91 per SF | $8,718.71 |
| Stormwater | 0.55 per SF | $23,239.26 |
| | **Subtotal Impact Fees** | **$2,124,464** |
| **Credits on Existing 29,488 Industrial Building** | | |
| Parks | N/A | 0 |
| Municipal | 0.48 per SF | ($14,154.50) |
| Police | $0.21 per SF | ($6,192.48 |
| Fire | $0.42 per SF | ($12,384.96) |
| Water | 2” existing connection | ($11,257.07 |
| Wastewater | 2” existing connection | ($3,330.00) |
| Stormwater | N/A | 0 |
| | **Subtotal Impact Fee Credits** | **($47,318.75)** |
| | **Total Impact Fees Due** | **$2,077,145** |

Since Impact Fees are specifically calculated based on each municipality's needs and growth expectations, it is important to note that the City's impact fees will be different from other municipalities' fees. Fees are based on anticipated growth and the resulting demands on services for each individual community. Per state legislative limitations, impact fees cannot be used to fix existing deficiencies, only offset the cost of services resulting from new development.

**The City of Fort Lauderdale** collects a Parks Impact fee correlated to the size of the dwelling unit (for example, a 2,000 SF house has a $2,375 Parks Impact Fee. Fort Lauderdale also assesses Capital Expansion fees of $1,977 per ERC (equivalent residential connection) and $1,888 per ERC for wastewater.

**The City of Palm Beach Gardens** collects Parks, Fire, Police, Public Buildings, and a Citywide Mobility Fee assessed per 1,000 SF. Under their fee schedule, the 2,000 SF House would owe $9,312: $2,646 Parks, $436 Fire, $322 Police, $184 Public Buildings, $5,724 Mobility. The 267-unit building would owe $2,287,923, if no credits for previous development were available.

**The City of Coral Gables** collects Parks, Fire, Police, Municipal impact fees assessed by housing size and commercial square footage, including fees specific to development on the University of Miami campus. Under their fee schedule, the 2,000 SF house would have $8,270 in impact fees ($215 Police, $242 Fire, $735 Municipal, $5,774 Parks, and $1,304 Mobility). The 267-unit example would owe $1,601,466.

The draft ordinance allows the City Commission to adjust fees for policy-driven incentives. The Comprehensive Plan recognizes both affordable/workforce housing and historic preservation as priorities. The fee schedule does not currently include discounted fees for these types of development; the board should consider in its recommendation whether reductions should be included in the final fee schedule.

## Review and Analysis

**LDR Section 1.1.6, Amendments**
*The text of these Land Development Regulations may from time to time be amended, changed, supplemented, or repealed. No such action however, shall be taken until a recommendation is obtained from the Planning and Zoning Board and until a public hearing has been held by the City Commission*.

**LDR Section 2.4.7(A), Amendments to the Land Development Regulations**
*Amendments to the LDR may be initiated by the City Commission, Planning and Zoning Board, or City Administration, or by a member of the public.*

The proposed amendment is City-initiated.

**LDR Section 2.4.7(A)(5), Findings**
*For any approval, the City Commission must make a finding that the text amendment is consistent with the Comprehensive Plan, and that the amendment furthers the implementation of an adopted neighborhood plan, if applicable*.

The following Objectives and Policies of the adopted Comprehensive Plan are applicable to the proposed amendment.

**Open Space, Parks, and Recreation**
Goal OPR 1: Provide exemplary open spaces, parks, and recreational facilities that enhance quality of life, provide recreational opportunities, enrich interaction with others, and promote physical and mental wellbeing for residents and visitors of the city.

Policy OPR 1.1.3: Provide and maintain a variety of parks, open spaces, and recreation facilities that serve the city's current and future population based on the adopted Local Level of Service Guideline criteria.

Policy OPR 1.2.4: Pursue funds from various sources including Federal, State, and County agencies and private providers for the acquisition, preservation, and maintenance of open space and recreation facilities.

**Neighborhoods, Districts, and Corridors Element.**
Objective NDC 3.5, Update the Land Development Regulations *Regularly review and update the Land Development Regulations to provide timely, equitable and streamlined processes including, but not limited to, building permit processes for residential developments and to accommodate mixed-use developments, address market changes and development trends, and other innovative development practices*.

**Economic Prosperity Element**
Policy ECP 6.1.1 Provide necessary infrastructure to encourage sustainable business growth and a diverse economy.

Policy ECP 6.1.2 Prioritize infrastructure improvements in targeted areas to create an attractive environment for new businesses.

**Housing Element**
Policy HOU 6.1.4 Implement incentives in the Land Development Regulations, such as increases in density, to establish workforce housing units within targeted areas.

**Historic Preservation Element**
HPE Goal 2: Support and expand the city's historic preservation program through financial incentives, adaptive reuse, and promotional programs.

Objective HPE 2.1 Economic Incentives: Encourage historic preservation efforts through the promotion, creation, and/or establishment of economic incentives.

## Review By Others

City Commission is anticipated to review the request in July and August 2026. Pursuant to State Statutes, a 90-day notice is required prior to assessing new impact fees.

## Options for Board Action

A. Recommend **approval** to the City Commission of Ordinance No. 34-26, a City-initiated amendment to increase the Parks impact fee and adopt new impact fees by finding that the amendment and approval thereof is consistent with the Comprehensive Plan and meets the criteria set forth in Land Development Regulations.

B. Recommend **approval as amended** to the City Commission of Ordinance No. 34-26, a City-initiated amendment to increase the Parks impact fee and adopt new impact fees, by finding that the amendment and approval thereof is consistent with the Comprehensive Plan and meets the criteria set forth in Land Development Regulations.

C. Recommend **denial** to the City Commission of Ordinance No. 34-26, a City-initiated amendment to increase the Parks impact fee and adopt new impact fees by finding that the amendment and approval thereof is not consistent with the Comprehensive Plan and does not meet the criteria set forth in Land Development Regulations.

D. Continue with direction.

## Public and Courtesy Notices

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|---|---|
| _X_ Courtesy Notices are not applicable to this request | _X_ Public Notices are not required for this request.<br>___ Public Notice was posted to the City's website on (insert date).<br>_X_ Public Notice was posted in the main lobby at City Hall on June 8, 2026. |