

**Official Minutes of
MARION COUNTY
BOARD OF COUNTY COMMISSIONERS**

May 6, 2025

CALL TO ORDER:

The Marion County Board of County Commissioners (BCC) met in a workshop session in Commission Chambers at 3:02 p.m. on Tuesday, May 6, 2025 at the Marion County Governmental Complex located in Ocala, Florida.

INTRODUCTION OF WORKSHOP BY CHAIRMAN KATHY BRYANT

Chairman Bryant advised that the workshop was scheduled this afternoon to discuss Transportation Impact Fees (TIF).

PLEDGE OF ALLEGIANCE

The meeting opened with the Pledge of Allegiance to the Flag of our Country.

ROLL CALL

Upon roll call the following members were present: Chairman Kathy Bryant, District 2; Vice-Chairman Carl Zalak, III, District 4; Commissioner Craig Curry, District 1; Commissioner Matthew McClain, District 3; and Commissioner Michelle Stone, District 5. Also present were County Attorney Matthew G. Minter, County Administrator Mounir Bouyounes and Assistant County Administrator (ACA) Tracy Straub.

It was noted for the record that the Deputy Clerk was in receipt of a 2 page letter from the City of Ocala Manager Peter A. Lee regarding City Recommendations – Transportation Impact Fee Update; and 108 page Agenda packet to follow along with the PowerPoint presentation.

WORKSHOP PRESENTATION

1. Workshop to Discuss Marion County Transportation Impact Fees and Consideration of Extraordinary Circumstances

ACA Tracy Straub presented the following recommendation:

Description/Background: This workshop is per Florida Statute 163.31801, to allow the Board to consider “extraordinary circumstances” necessitating the need to exceed the phase-in limits associated with Transportation Impact Fees. “Extraordinary circumstances” are necessary should the Board increase fees by more than 50% of the current rate or increase fees by annual increments greater than 12.5%.

Staff with Benesch Consulting will present why “extraordinary circumstances” should be considered.

Florida Statute requires two public workshops for consideration of “extraordinary circumstances” prior to an adoption Public Hearing. The first workshop was held on April 8, 2025. A Public Hearing is required to adopt an Ordinance that re-establishes or increases Transportation Impact Fees; that Public Hearing has been scheduled for May 23, 2025 at 2 p.m.

Recommended Action: For discussion.

ACA Tracy Straub advised that Florida Statute 163.31801 allows the Board to consider extraordinary circumstances necessitating the need to exceed the phase in limits

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associated with Transportation Impact Fees. Those extraordinary circumstances are necessary should the Board increase fees by more than 50 percent (%) of the current rate or increase fees by an annual increment greater than 12.5%. She stated in order to consider extraordinary circumstances the Board is required to hold 2 public workshops, noting this is the second of the two workshop. The first workshop was held on Tuesday, April 8, 2025. Ms. Straub advised that at the conclusion of this workshop staff are looking for direction to move forward with a public hearing to consider adoption of the TIF. The public hearing is scheduled for Friday, May 23, 2025.

Ms. Straub advised that the Agenda packet includes a supplemental report that goes over the demonstration of extraordinary circumstances; the table of proposed rates; the current rates; the full study; and a PowerPoint presentation that the consultant will address. She stated the current TIFs are adopted at 20% and 11% of what the full rates were.

Nilgun Kamp, Benesch, advised that the TIF was last updated in 2015 and reiterated they were adopted at 11% to 20% of the calculated rates. She stated due to the low adoption percentages the calculated fee increases exceed the 50% limit. Ms. Kamp commented on House Bill 337, which limits how much the fees can be increased and includes phasing requirements. The exception clause requires that there will be a study that demonstrates extraordinary circumstances; two public workshops are held discussing those circumstances; and the increase has to be approved by 2/3rd of the governing body. She advised that the extraordinary circumstances themselves are not currently defined in the Statutes; therefore, jurisdictions that utilize this clause show that they have high growth levels; outdated fees or artificially low fees; experiencing high costs; and have unfunded needs.

Ms. Kamp addressed the growth in Marion County, noting it is 18th in population out of the 67 Florida Counties. She referred to the chart on page 6 of the Agenda packet, which shows the trends in residential permitting going back to the 1990s. Similar to other jurisdictions there was a peak in 2002 through 2006 during the economic boom. After the recession and since the pandemic the County's permitting levels increased significantly. Ms. Kamp advised that there has been significant costs increases since the last study was performed, noting the indices available put the increase from 50% to approximately 170% compared to 2015 cost levels.

Ms. Kamp advised that the County has identified approximately 36 improvement projects for a total cost of roughly \$800,000,000.00, noting even after completion of these projects 20% of the roads will still be over capacity. She stated it will cost about \$1,600,000,000.00 to bring all the roads up to standard.

Ms. Kamp stated the revenue source is Sales Tax at \$900,000,000.00, which is assuming everything is going to capacity. The current TIF will generate approximately \$200,000,000.00 over the next 20 years. She advised that the shortfall is roughly \$490,000,000.00. Ms. Kamp stated if the County were to adopt the full calculated rate it would likely generate anywhere from \$23,000,000.00 to \$29,000,000.00 annually, noting with the 50% limit the revenues will range anywhere from \$9,000,000.00 to \$11,000,000.00 annually. At the full rate the revenue generated would be approximately \$470,000,000.00 to \$578,000,000.00 and with the cap it is roughly \$184,000,000.00 to \$226,000,000.00 overall. She advised that the County will not be able to fully fund the projects until it gets to the high end of the permitting with the full rates and then adopts the fees at 84%, noting these projections are based on 2019 through 2023 permitting. Ms. Kamp stated alternative projections were also created because the 2024 permitting

was very high. If the revenues continue at these rates the program can be funded if the fees were adopted at 70% to 77%.

Ms. Kamp advised that the next step is for the Board to provide input; update the Ordinance and hold an adoption hearing. She stated increases would become effective a minimum of 90 days after adoption.

In response to Commissioner Curry, Ms. Straub advised that the House Bill 337 has been passed; however, it has not been sent to the Governor. The Governor can choose to veto the Bill or take no specific action, and it will become incorporated into Statute. She stated the Bill will be effective as of October 1, 2025.

Ms. Kamp advised that if the County has not raised the impact fees within the past five years it is not eligible to use extraordinary circumstances under the new Bill. The Bill also requires any increase above 50% to be approved by a unanimous vote.

Commissioner Zalak stated when the economy was struggling the Board provided relief by removing impact fees for a long time. He advised that he thought the Sales Tax would be enough to address transportation needs. Commissioner Zalak opined that the TIF should be funded at 100%, noting costs are going to increase and the County may not continue to build as much as what is being done now over the next 20 years. He stated there are some road projects which will be needed in the future that are not included in the current list.

Mr. Bouyounes advised that alternatives needed for State Road 200 are going to be very expensive and at this point the County has not even selected routes.

Commissioner McClain stated he understands the need, but also wants to consider everything that is being done within the County. He advised that he is opposed to implementing too high of an impact fee all at once, noting he would rather there be a gradual increase over time.

Chairman Bryant advised that the Board is in agreement to move forward with declaring the extraordinary circumstance. She stated today's meeting is a workshop; therefore, no action will be taken, but there is consensus to move forward.

Ms. Straub stated staff will prepare a draft Ordinance that will identify what is being indicated today. She advised that several options can be brought back for Board consideration at the Public Hearing on Friday, May 23, 2025.

Ms. Straub referred to the letter received from the City of Ocala relating to the impact fees.

Chairman Bryant advised that the City of Ocala is requesting that they have their own Impact Fee District.

Mr. Bouyounes stated the major issues that the City is concerned about is transparency and how projects are coordinated within the City, as well as ensuring that the impact fees collected in the City are being spent to benefit the City system. He advised that the City would prefer to have a third District that would be the City of Ocala, noting upon discussions with the consultant and attorney it was determined that the Ordinance can be prepared in a way to create a third District. Mr. Bouyounes advised that the City also questioned when a mobility fee will be implemented, which would provide a little more flexibility. He stated he had a discussion with the City Manager who thinks that within 2 years the County/City should move to a mobility fee, noting that he feels it will be between 4 to 5 years before mobility fees are in place. Mr. Bouyounes advised that staff can review the data collected and bring options back to the Board for consideration. He recommended County staff meet with City staff to discuss the Interlocal Agreement (ILA) and include a timeline for when things will be implemented.

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Mr. Bouyounes advised that the City of Ocala also provided a 2 page letter relating to Emergency Medical Services (EMS) Impact Fees. He stated the City does support the efforts to implement an EMS Impact Fee, but staff will need to work with the City to create a collection agreement. Mr. Bouyounes advised that the City does have some concerns with the level of service (LOS) and response time of EMS. He stated the City requested clarification relating to what stations will be built in the City, as well as future units. Mr. Bouyounes stated the County has built the central office on State Road 441, which is serving the core of the urban area and the City of Ocala, noting the plan is to build another station on the west side of Interstate 75 (I-75) that is purely for EMS. There is also a need to build a station on the east side of Ocala. He commented on the potential to coordinate with the City. Mr. Bouyounes stated the County does have a number of units that are being used within the urban area and those units will be augmented in the future. Operation funding will also be a factor when determining new stations/units. He reiterated the final hearings to address the Transportation, Fire, and EMS Impact Fees will take place on Friday, May 23, 2025.

Commissioner Curry questioned the difference between a Mobility Fee and an Impact Fee. Mr. Bouyounes advised that a Mobility Fee would allow fees to be used for more than just road expansion, but are collected the same as a Impact Fee.

In response to Commissioner Curry, Commissioner McClain advised that he would take direction from staff and the experts on the appropriate way to implement the fees. He addressed the upcoming Legislative changes and expressed concern with the impact the fees will have on the economy if they are increased in one fell swoop, noting he is in support of anything under 50%.

Chairman Bryant advised that the Legislature has not shared with local government the reason why these changes are being made, noting Counties are faced with explosive growth and demands on their infrastructure with no way to fund it other than Sales Tax and the limited way to raise Impact Fees due to changes in Legislation in 2021. She stated the reason she has received in the past was due to "Bad Actors" in other places and expressed opposition to punishing all 67 Counties, as well as municipalities, because someone did something that may be harmful. Chairman Bryant advised that Marion County has been very conservative, noting a \$4,000.00 Transportation Impact Fee spread over a 30 year mortgage is a minimal impact.

Commissioner McClain opined that it is not a minimal impact when 30% of the cost of any house sold in Florida is based on taxes, fees and government regulation.

Chairman Bryant questioned how else can expected infrastructure be funded.

Commissioner McClain opined that if the Board moves forward at 100% then they are becoming one of the "Bad Actors".

Chairman Bryant disagreed.

Commissioner Zalak advised that Impact Fees are utilized as a negotiating tool for subdivisions, roads, etc. He commented on the costs associated with obtaining right-of-way (ROW) for projects. Commissioner Zalak opined that Impact Fees should have been implemented 24 to 48 months ago, but the Board could not because a new study was needed. He advised that Marion County is one of the top 5 most affordable places in the market in Florida.

Chairman Zalak stated he is not against growth, but wants to have a very efficient LOS and transportation system. In order to do that the County will have to have Impact Fees in a different way than how they have been done previously.

Chairman Bryant advised that the decision being made today will set the community up for success for decades to come.

General discussion ensued.

Commissioner Curry stated over the next 20 years \$1,400,000,000.00 is needed to pay for projects, noting staff has identified \$900,000,000.00 will come from the Sales Tax.

Chairman Bryant advised that there is no guarantee that \$900,000,000.00 will come from Sales Tax, because there is talk in the Legislature about taking Sales Tax off of clothing and cutting Sales Tax permanently off of different things.

Commissioner Curry stated at a minimum the County will be \$600,000,000.00 short and the only way to fill the gap is with Impact Fees. He advised that Impact Fees will allow the Board to bond projects quicker to conserve costs.

In response to Commissioner Curry, Ms. Kamp advised that at the full rate the revenues are projected at \$630,000,000.00 to \$680,000,000.00; therefore, if the fee is adopted at 77% the County would recover the shortfall.

Commissioner Curry commented on the County growth in recent years and the uncertainty of future growth.

In response to Commissioner Zalak, Ms. Straub advised that the projected cost for the 49th Street interchange in 2012 was \$45,000,000.00, noting the estimated cost today is \$150,000,000.00. She stated staff is working to lower the costs.

General discussion ensued.

Mr. Bouyounes advised that in the next 2 to 3 years starting in 2026 there will be a lot of new roads being built. He commented on the deficit in overlay on existing roads within the County, noting a lot of Sales Tax funds were utilized to rehabilitate those roads.

Chairman Bryant directed staff to reach out to the Florida Department of Transportation (FDOT) relating to the off ramp of Highway 484 and I-75 southbound and opined that something can be done to make that area run smoother.

Commissioner McClain stated a lot of congestion issues could be resolved by building new roads, new corridors and reprioritizing projects. He questioned if the reason the County cannot keep up is because it continues to fix little things here and there instead of focusing on new projects. Ms. Straub advised that there are small places that take time and need attention just as well as bigger projects.

Mr. Minter advised that Marion County is exposed to a lot of liability with 2,000 miles of roads, noting sovereign immunity does not protect the County from not maintaining roads that the public are invited to drive on. He stated in 1 year three tree limbs fell on top of people driving down County roads. Two people were seriously injured as a result.

Ms. Straub clarified that maintenance is not part of Impact Fee expenditures. She stated the same staff who work to create new roads is the staff that provides maintenance. Ms. Straub advised that the County utilizes the same pool of consultants as the developing world; therefore, the County projects are turned down by the consultants because they are also busy.

Commissioner McClain questioned how much money the County can reasonably spend from the Sales Tax and have projects completed. Ms. Straub advised that approximately \$100,000,000.00 in construction bids will be out by the end of the year.

Chairman Bryant stated there will never be a time where the County has more money than it needs.

County Engineer Steven Cohoon, Office of the County Engineer (OCE), advised that staff are moving things forward as quickly as possible, noting the County will spend in excess

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of \$120,000,000.00 this calendar year. He commented on some of the projects currently taking place and that will take place in the near future.

BOARD DISCUSSION AND CLOSING COMMENTS

Chairman Bryant advised that the next public hearing will be on Friday, May 23, 2025, noting Fire/EMS will be at 1:30 p.m. and Transportation will be at 2:00 p.m.

There being no further business to come before the Board, the meeting thereupon adjourned at 3:46 p.m.

Kathy Bryant, Chairman

Attest:

Gregory C. Harrell, Clerk