




Marion County Transportation Impact Fee Study Presentation of Extraordinary Circumstances Necessitating Need to Exceed Statutory Phase-In Limitations

May 6, 2025




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Background



Transportation impact fees in Marion County:

- Last updated in 2015
- Adopted at **11 percent to 20 percent** of the calculated rates
- 2025 Update Study:
 - ✓ To reflect most current data
 - ✓ Increases exceed 50% limit



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Extraordinary Circumstances



HB 337 (2021)

- Placed limits on impact fee increases
- Exception
 - ✓ A study within the past 12 months demonstrating extraordinary circumstances
 - ✓ Two public workshops to discuss the extraordinary circumstances
 - ✓ Increase to be approved by 2/3rd of the governing body

Extraordinary Circumstances



- Not defined in the Statutes
- Jurisdictions that utilized this clause indicated:
 - ✓ High growth levels/permitting
 - ✓ Outdated fees/artificially low fees due to prior policies
 - ✓ Higher cost levels
 - ✓ List of projects that need funding

Extraordinary Circumstances



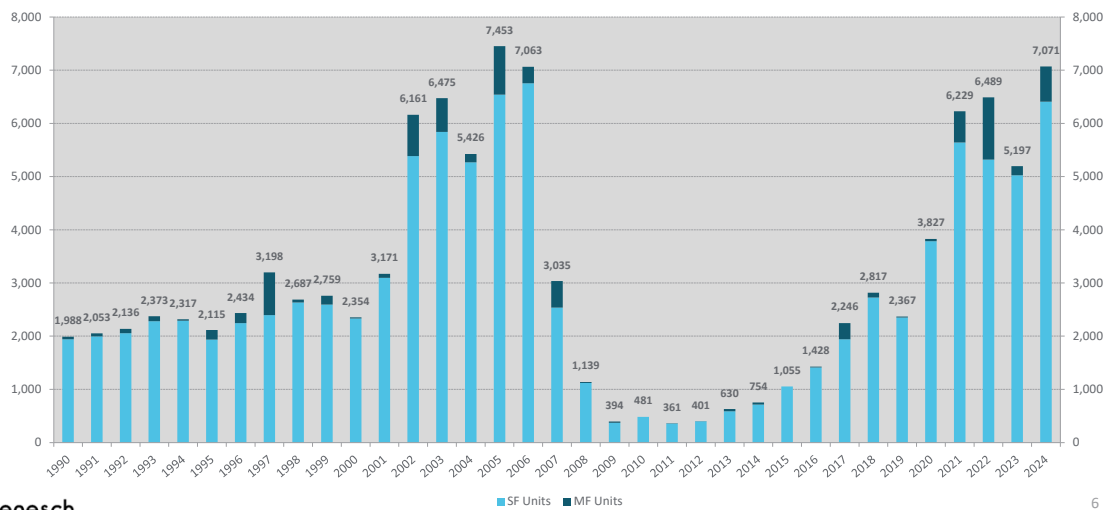
Marion County Compared to 67 Florida Counties

- **18th** in population
- **17th** in projected growth rate
 - ✓ 1.1% projected growth per year for next 10 years
- **18th** in projected absolute growth
 - ✓ 107,000 new residents projected by 2050
- **15th** in residential permitting
 - ✓ Permitting increase from **360 permits in 2011** to **over 7,000 permits in 2024**

Extraordinary Circumstances



Marion County Residential Permitting Trend



Extraordinary Circumstances



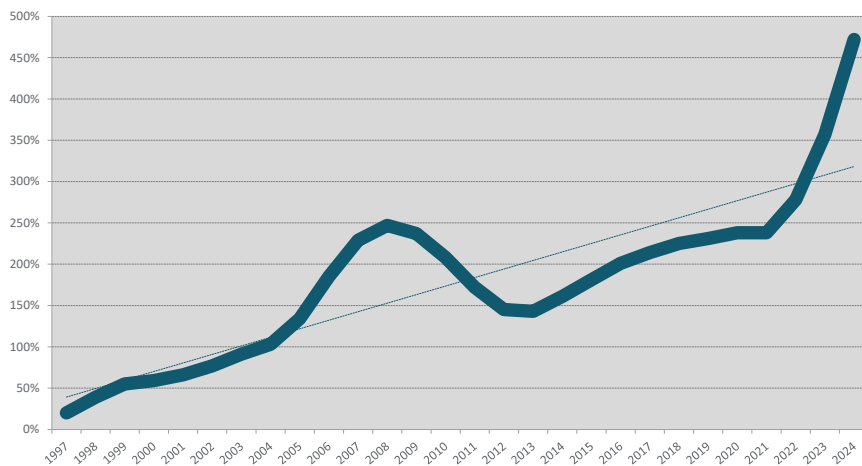
Cost Increases (since 2015):

- FDOT Long Range Estimates = **+134%**
- FDOT District 7 Long Range Estimates = **+173%**
- Producer Price Index (Hwy) = **+53%**
- National Highway Construction Cost Index = **+88%**

Extraordinary Circumstances



FDOT Long Range Estimates Construction Cost Trend (3-yr Avg)



Extraordinary Circumstances



- 2015 calculated rates were heavily discounted before adoption

Land Use	Unit	Marion Current	Marion Calculated	% Change	Marion Calculated	% Change*	Marion Capped	% Change**
Study Date	-	2015	2025	-	2015	-	2025	-
Assessed Portion	-	11-20%	100%	-	100%	-	N/A	-
Single Family (2,000 sf)	du	\$1,397	\$5,318	+281%	\$6,994	-24%	\$2,095	-61%
Light Industrial	1,000 sf	\$428	\$2,145	+401%	\$4,048	-47%	\$642	-70%
Office (50k sq ft)	1,000 sf	\$676	\$4,766	+605%	\$6,391	-25%	\$1,014	-79%
Retail (125k sq ft)	1,000 sfgla	\$1,014	\$6,435	+535%	\$9,592	-33%	\$1,521	-76%

*Percent change from Marion Calculated (2015) to Marion Calculated (2025)

**Percent change from Marion Calculated (2025) to Marion Capped (2025)

Extraordinary Circumstances



Project Needs

- 36 roadway improvements identified = \$800 million

Jurisdiction	2045 Lane Miles	Lane Miles Over Capacity	% Over Capacity
County	950	191	20%
Other	692	145	21%
Total	1,642	336	20%

Extraordinary Circumstances



Project Needs

- 336 City/County Lane Miles over Capacity by 2045 (CFRPMv7)
 - \$4,722,000 per lane mile
 - 2045 Needs ≈ **\$1.59 billion**

Existing Transportation Revenues (2025 to 2045)

- Sales Tax ≈ **\$900 million**
- Transportation Impact Fees ≈ **\$200 million**
 - Based on current rates and recent permitting levels

Shortfall

- \$1.10B Revenue - \$1.59B Needs ≈ **\$490M shortfall**

Extraordinary Circumstances



Marion County Transportation Impact Fee Revenue Projections

Rates	Annual (Low-End)	Annual (High-End)	5-Yr Estimate (Low-End)	5-Yr Estimate (High-End)
Full Calculated	\$23,474,000	\$28,874,000	\$117,370,000	\$144,370,000
F.S. 163.31801 Capped	\$9,225,000	\$11,338,000	\$46,125,000	\$56,690,000

Extraordinary Circumstances



Transportation Impact Fee Revenue Projections (based on 2019-2023 Permitting Levels)

Rates	Annual (Low-End)	Annual (High-End)	20-Yr Estimate (Low-End)	20-Yr Estimate (High-End)
Full Calculated	\$23,474,000	\$28,874,000	\$470 Million	\$578 Million
F.S. 163.31801 Capped	\$9,225,000	\$11,338,000	\$184 Million	\$226 Million

Low-End = Based on average permitting from 2019 to 2023
High-End = Based on average permitting from 2021 to 2023

Shortfall
≈\$490 Million

Scenario	Revenue	Shortfall	Adoption %
Cap, Low	\$184 Million	-\$306 M	-
Cap, High	\$226 Million	-\$264 M	-
Full, Low	\$470 Million	-\$20 M	-
Full, High	\$578 Million	+\$88 M	≈84%

Extraordinary Circumstances



Transportation Impact Fee **Alternate** Revenue Projections (based on 2020-2024 Permitting Levels)

Rates	Annual (Low-End)	Annual (High-End)	20-Yr Estimate (Low-End)	20-Yr Estimate (High-End)
Full Calculated	\$31,500,000	\$34,000,000	\$630 Million	\$680 Million
F.S. 163.31801 Capped	\$12,100,000	\$13,000,000	\$242 Million	\$260 Million

Low-End = Based on average permitting from 2020 to 2024
High-End = Based on average permitting from 2022 to 2024

Shortfall
≈\$490 Million

Scenario	Revenue	Shortfall	Adoption %
Cap, Low	\$242 Million	-\$248 M	-
Cap, High	\$260 Million	-\$230 M	-
Full, Low	\$630 Million	+\$140 M	≈77%
Full, High	\$680 Million	+\$190 M	≈72%

Next Step



- Ordinance Update
- Adoption Hearing (May 23, 2025)
- Any increases become effective 90 days after adoption

Questions?