roads and the standard being used to design the road impact fee system. The cost of improvements to the existing network are not chargeable to new development, and, therefore, should not be part of the road impact fee base.

Finally, Raleigh's fee formula must also contain credits to be applied against road fees to avoid charging new development twice for the same highway facilities. There are two parts to the double payment credit. First, new development should not have to help pay to retire outstanding bonds on the existing road network serving established residents while bearing the full cost of new roads for which it generates a need. Secondly, new development should not have to pay twice for the same facilities: once through road impact fees and then, over time, through the payment of a motor fuels tax, dedicated sales tax, or as part of state and local tax payments that are used to build roads intended to serve new growth.

3. Raleigh's road impact fee system will have to provide for the separation and earmarking of fee revenues. Fees will not be mingled with general public funds.

4. The expenditure of fees must be localized so that residents of the new development will benefit from the new highway facilities that will be built with fees.

5. Finally, Raleigh's road impact fee system must take steps to ensure there will be a high degree of certainty that fee revenues will actually be expended for the benefit of the residents of the new development that pays them. This is assured by provision in the City's impact fee law that establishes a ten-year time limit within which road fees must be expended under penalty of mandatory refunds.

IMPACT FEES FOR FINANCING TRANSPORTATION INFRASTRUCTURE: THE FLORIDA EXPERIENCE

by
Richard Glaze

In Florida there is no state enabling legislation for impact fees. As a result there is no uniformity. This puts local governments more or less on their own. The fees are usually small in proportion to what the real cost of the impact is on transportation. I've seen numbers ranging from $5000 to $15,000 per single family dwelling, yet impact fees range between $500-$1,000.

The Broward County ordinance is essentially a marginal cost pricing model. It is theoretically sound, but it is expensive to administer. The Palm Beach County ordinance is essentially an average pricing model and requires less cost to administer.

One of the important aspects of an impact fee ordinance is that the fees collected for development should be spent to benefit that development. This led to the zoning concept found in the Palm Beach County model. Development, even in a high growth area like Palm Beach County, does not occur uniformly through the county. This means that revenues from impact fees may not be available to make "system" improvements (i.e., may lead to discontinuities in the system).

Another issue is revenue sharing, i.e. sharing with the state and sharing between local governments. We have had a number of major developments that are right at the county line. If the development is in county "x" yet most of the traffic will access the development through county "y", there is a need to share impact fees between county "x" and county "y". Because, the state highway system is involved, we feel that these revenues should be shared also with the state. Both Broward County and Palm Beach county share some portion of the revenues with the state highway system.

Most local governments see impact fees as a local revenue source to be spent only for local roads. This is an issue that we don't expect to be resolved without state legislation, and we don't see legislation coming. That is one of the reasons that we do not expect impact fees to have a major impact on funding for the development of state highways. There is a fundamental disagreement between state and local governments as to sharing such revenues.

A fundamental question is: why should new growth have to pay over and above what everyone else is paying? The State Comphrenshive Plan says that infrastructure costs should be divided between new growth and existing growth. New growth is supposed to pay some share of the additional costs of growth. Another reason is because the development community is willing to pay in order to get the infrastructure to make their development possible (i.e., to acquire their permits).

Another concern is growth management. Our definition of growth management is: managing the timing, nature and location of growth. Impact fees have only a small effect on the management of the time, nature, and location of growth. Impact fees are a response to the under-funding of infrastructure. They have been put in place in order to permit land development to proceed with some mitigation of its impact.

The bottom line is that impact fees are far from perfect. They are a response to a situation in which we all find ourselves. We can

not keep up with the growth in our urbanized communities around the country and at the same time maintain and reconstruct our existing transportation systems with current revenues. Therefore, where the returns from new land developments will bear the additional costs of needed transportation improvements, equity argues that those receiving the additional beneftis should pay directly for them. This is especially true in urban areas where right-of-way and construction costs are greater than revenues that will be returned through normal user changes.

IMPACT FEES FOR FINANCING TRANSPORTATION INFRASTRUCTURE: THE FLORIDA EXPERIENCE

by
Nancy Stroud
Burke, Bosselman, and Weaver

In 1985, the state took a major step forward in trying to get a handle on population growth and growth management issues by passing an omnibus act that was called the Growth Management Act of 1985. That act attempted to assure that infrastructure kept up with population growth.

The Growth Management Act of 1985, in doing this, put the burden of keeping up with growth on local goverments, by saying: you must plan for this growth; we'll give you some money for planning for it; we'll set up a study committee to figure out how to finance your infrastructure and your growth problems and come back to you in a couple of years with state solutions to finance it. In the meantime, we are encouraging you to use things like impact fees, and gas taxes.

There are basically three types of impact fees in Florida for transportation. There is the Broward County model, which is based on computer-driven trip modelling and is site-specific. It is considered the most sophisticated type of the impact fee, but because of its dependence on monitoring the computer, is expensive and has not been the one that is typical of the state.

Sarasota County has adopted a different kind of impact fee which is very similar to a special assessment. It is what we call an "improvement-driven fee." The basic methodology is for the local government to decide what improvement they want in a particular area, figure out the cost and then allocate the particular costs over the various land uses in the geographic area in which the improvements are to be made. Sarasota County planned for a 5-year improvement program on the basis of assigning costs to different land uses to pay for those particular requirements.

The third approach that has been used by most of the counties and cities in Florida is a "needs-driven impact fee." This fee is based