A GUIDEBOOK:

USING MOBILITY FEES TO FUND TRANSIT IMPROVEMENTS

NOVEMBER 2016

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TABLE OF CONTENTS

LIST OF FIGURES / TABLES

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INTRODUCTION

INTRODUCTION

PURPOSE OF THIS GUIDEBOOK

This guidebook helps local governments plan, develop, and implement a mobility fee program to fund local or regional transit and transit-supportive investments. It serves as a resource for communities in the early stages of considering mobility fees to those interested in improving an existing mobility fee program.

Florida has long been recognized as a national leader in growth management efforts to mitigate the transportation impacts occurring from development activities. Dating back to the inception of roadway impact fees in the 1970s, the passage of concurrency requirements in the 1985 Growth Management Act [1], and more recently with the implementation of mobility fees, these efforts continue to evolve to help support and fund important transportation infrastructure projects. Over the past several years, there has been growing interest in developing an alternative to transportation concurrency in Florida that "...equitably charges all new development for its impacts and results in growth that is consistent with growth management goals."[2] Specifically, alternative mobility funding systems have allowed local governments to expand from a narrow focus on roadway improvements to broader funding mechanisms designed to allow the implementation of a full range of multimodal mobility improvements.

FROM IMPACT FEES TO CONCURRENCY TO MOBILITY FEE PROGRAMS

Florida's efforts to deal with the transportation impacts of new development have evolved over time. Impact fees were implemented in many locations beginning in the 1970s.Transportation concurrency was adopted as part of the 1985

Growth Management Act. Dating from the late 1980s and through the 2000s, there were numerous redefinitions of concurrency and the creation of transportation concurrency management areas and transportation concurrency exception areas. More recently, transportation concurrency was removed as a state requirement and there has been widespread implementation of transportation mobility fee programs.

The impact fees initiated in the 1970s charged a one-time fee on new development to help pay for the cost of infrastructure needed to serve that development. For legal reasons, impact fees must pass a rational nexus test that demonstrates:

- A reasonable connection between the new development and the need for additional facilities for which the fee is imposed
- A reasonable relationship between the benefits received by a development and the fees collected.

USING MOBILITY FEES TO FUND TRANSIT IMPROVEMENTS

ADVANTAGES OF MOBILITY FEES

Mobility fees allow for more flexibility in the use of collected funds than a traditional roadway impact fee and can promote compact, mixed-use, and energy-efficient development. Mobility fees are shared by all developments creating the need for transportation system investments.

photo courtesy of seefloridago.org

Historically, the use of transportation impact fees has been limited to infrastructure investments with most local governments using the fees to fund roadway capital improvements, such as roadway widening or other capacity improvements. Many local governments continue to use impact fees as a mechanism to assist with funding transportation improvements needed to serve new development.

Public facility concurrency was first implemented as part of the 1985 Growth Management Act. Concurrency requires that public facilities and services that are needed to support development be available/“concurrent” with the impacts of development. For transportation, concurrency required that adopted roadway level of service standards be achieved and maintained. While the rationale for concurrency had a logical appeal, for transportation it had unintended consequences that promoted urban sprawl and resulted in placing undue burden on specific developments that caused level of service failures, while allowing earlier developments to freely consume available capacity. Beginning in 1989 and continuing into the 2000s, there were a series of legislative and administrative rule changes that had the effect of softening the requirements for transportation concurrency.

In 2009, the Legislature eliminated the requirement for transportation concurrency in most urban areas and also directed that a study of transportation mobility fees be performed. In 2011, the Legislature totally removed the requirement for transportation concurrency, but allowed local governments to continue transportation concurrency at their discretion. In 2013, the Florida Legislature changed the law to encourage local governments repealing transportation concurrency to adopt an alternative mobility funding system that allows developers to pay a fee as mitigation for their transportation impacts and to move forward with development. Since then, there has been

FIGURE 1: FLORIDA’S HISTORY OF MOBILITY FEE CONCEPT AND ASSOCIATED LEGISLATIVE CHANGES

1985-EARLY 2000s	2009	2011	2013	2016
Concurrency fell short in addressing congestion and infrastructure demands while creating unintended negative consequences; numerous legislative and rulemaking modifications to concurrency.	Florida Community Renewal Act provided legislative direction for establishing mobility fees. CUTR evaluates mobility fee concept. Florida Department of Community Affairs and Florida Department of Transportation develop Joint Report on the Mobility Fee Methodology Study.	Florida adopts the Community Planning Act, removing the requirement for transportation concurrency and allowing local governments to adopt an alternative mobility funding system; the first mobility fee is adopted.	Legislature encourages the adoption of mobility fees if a local government repeals transportation concurrency.	More than 20 jurisdictions have implemented mobility fee programs.

considerable effort at creating mobility fee programs. Mobility fee programs have allowed local governments to expand from a narrow focus on roadway improvements through a system of transportation concurrency, proportionate share, and impact fees to broader funding mechanisms designed to promote the implementation of a full range of multimodal mobility improvements.

The recent transition to mobility fees has resulted in a much broader inclusion of transit-supportive infrastructure, including transit capital needs and in some cases transit operating expenses. Mobility fees can also serve as a credit towards proportionate share requirements for local governments that continue to implement a transportation concurrency system.[3] Many local governments that adopt mobility fees do so to replace transportation concurrency and proportionate share.

WHAT IS A MOBILITY FEE?

Simply put, a mobility fee is a transportation system charge on development that allows local governments to assess the proportionate cost of transportation improvements needed to serve the demand generated by development projects. It can be expressed as an equation:

Mobility fee = Additional transportation demand from development x identified cost for transportation improvements to mitigate associated development impact

At the most basic level, a mobility fee is an impact fee that allows funds to be expended not only on roadways, but also on transit-supportive investments such as bus shelters/amenities, and bicycle and pedestrian infrastructure. However, mobility fees are not limited to just transit-supportive infrastructure. Fees also may be expended on more significant transit capital, including buses, stations, and rail infrastructure. The most progressive mobility fee programs include funding for both transit capital and operating expenses.

MOBILITY FEE

=

ADDITIONAL TRANSPORTATION DEMAND FROM DEVELOPMENT

X

IDENTIFIED COST FOR TRANSPORTATION IMPROVEMENTS TO MITIGATE ASSOCIATED DEVELOPMENT IMPACT

There are important statutory requirements (Section 163.3180 of the Florida Statutes)[4] that mobility fee programs need to meet:

- Any alternative mobility funding system adopted may not be used to deny, time, or phase an application for site plan approval, plat approval, final subdivision approval, building permits, or the functional equivalent of such approvals provided that the developer agrees to pay for the

photo courtesy of seefloridago.org

development's identified transportation impacts via the funding mechanism implemented by the local government.

- The revenue from the funding mechanism used in the alternative system must be used to implement the needs of the plan which serves as the basis for the fee imposed.
- A mobility fee-based funding system must comply with the rational nexus test applicable to impact fees.
- An alternative system that is not mobility fee-based shall not be applied in a manner that imposes upon new development any responsibility for funding an existing transportation deficiency.

In addition, the legislation, along with the practice, continues to promote the use of mobility fees to achieve recommended strategies, such as:

- Creating an alternative to concurrency systems for transportation
- Allowing for more flexibility in the use of collected funds than a traditional road impact fee
- Promoting compact, mixed-use, and energy-efficient development
- Funding transit supportive capital improvements and operations
- Supporting the development of new tools and techniques, such as:
    - Long-term strategies to facilitate development patterns that support multimodal solutions
    - Area wide level of service standards not dependent on any single road segment function or multimodal level of service standards
    - Primary prioritization of ensuring a safe, comfortable, and attractive pedestrian environment, with convenient interconnection to transit
    - Exempting or discounting impacts or impact/local access fees to support locally desired development or redevelopment (e.g., in urban areas and multimodal transportation districts, with mix of land uses, or with affordable housing)

Although mobility fees are encouraged in Florida Statutes, there are no administrative rules related to mobility fees. In addition, there has yet to be case law established about the specific features of mobility fees in Florida. In spite of that, numerous local governments have implemented mobility fees. The following section briefly describes their characteristics.

FLORIDA COMMUNITIES WITH MOBILITY FEE PROGRAMS

Numerous Florida counties and cities have already implemented mobility fee programs and several communities elsewhere in the nation have implemented notable programs with mobility fee characteristics (see Figure 2).

There is a wide diversity in the characteristics of mobility fee programs implemented in Florida. A number of features can be used to classify and distinguish the mobility fee programs:

- **COST BASIS OF FEE** - Some programs make no explicit inclusion of transit projects into the cost basis of the fee calculation. Others include transit capital projects, and yet others include both transit capital and operating in the cost basis.
- **TRIP BASIS OF FEE** - Some of the fee programs base their assessments on the number of trip ends generated by a new development, while others use the number of trips, as adjusted for trip length considerations as the basis of the fee.
- **DISPOSITION OF EXPENDITURES** – Almost all programs allow fees collected to be used for transit-supportive projects such as sidewalks, bicycle amenities, and bus shelters. Many of the mobility fee programs go beyond this and also allow expenditures on transit capital investments and some go even further, allowing expenditures for transit operation expenses over a specific period of time. The guidebook highlights some of the programs that allow transit expenditures.
- **CREDITS AND DISCOUNTS** - Some programs discount the mobility fee element of a program of projects by other known sources of transportation program revenue. Other programs apply anticipated motor fuel and other revenue sources that might be generated by a particular development as a credit in the computation of the attributable fee. Yet others offer mobility fee discounts based on design characteristics of new development such as proximity to existing transit, inclusion of transit oriented design features, or provision of transportation demand management programs.

It is important to note that each one of these features may be independent of the others, creating quite a nuanced range in programs across Florida.

NO TWO MOBILITY FEES ARE THE SAME

photo courtesy of pedbikeimages.org / Dan Burden

FIGURE 2: EXISTING MOBILITY FEE AND SIMILAR PROGRAMS IN FLORIDA

CITIES

1 Altamonte Springs Mobility Fee

2 Boca Raton Planned Mobility Developments

3 Destin Multimodal Transportation District (MMTD)

4 Gainesville Transportation Mobility Program*

5 Jacksonville Mobility Fee

6 Jacksonville Beach Mobility Fee*

7 Kissimmee Mobility Fee*

8 Maitland Mobility Fee*

9 Miami Lakes Mobility Fee

10 Orlando Multimodal Transportation Impact Fee

11 Ormond Beach Mobility Fee

12 Panama City Mobility Fee

13 Plant City Transportation Mobility Fee*

14 Sarasota Multimodal Fee

15 Tampa Multimodal Impact Fee

16 Tarpon Springs MMTD

COUNTIES

17 Alachua County Multi-Modal Transportation Mitigation

18 Broward County Transportation Concurrency Assessment

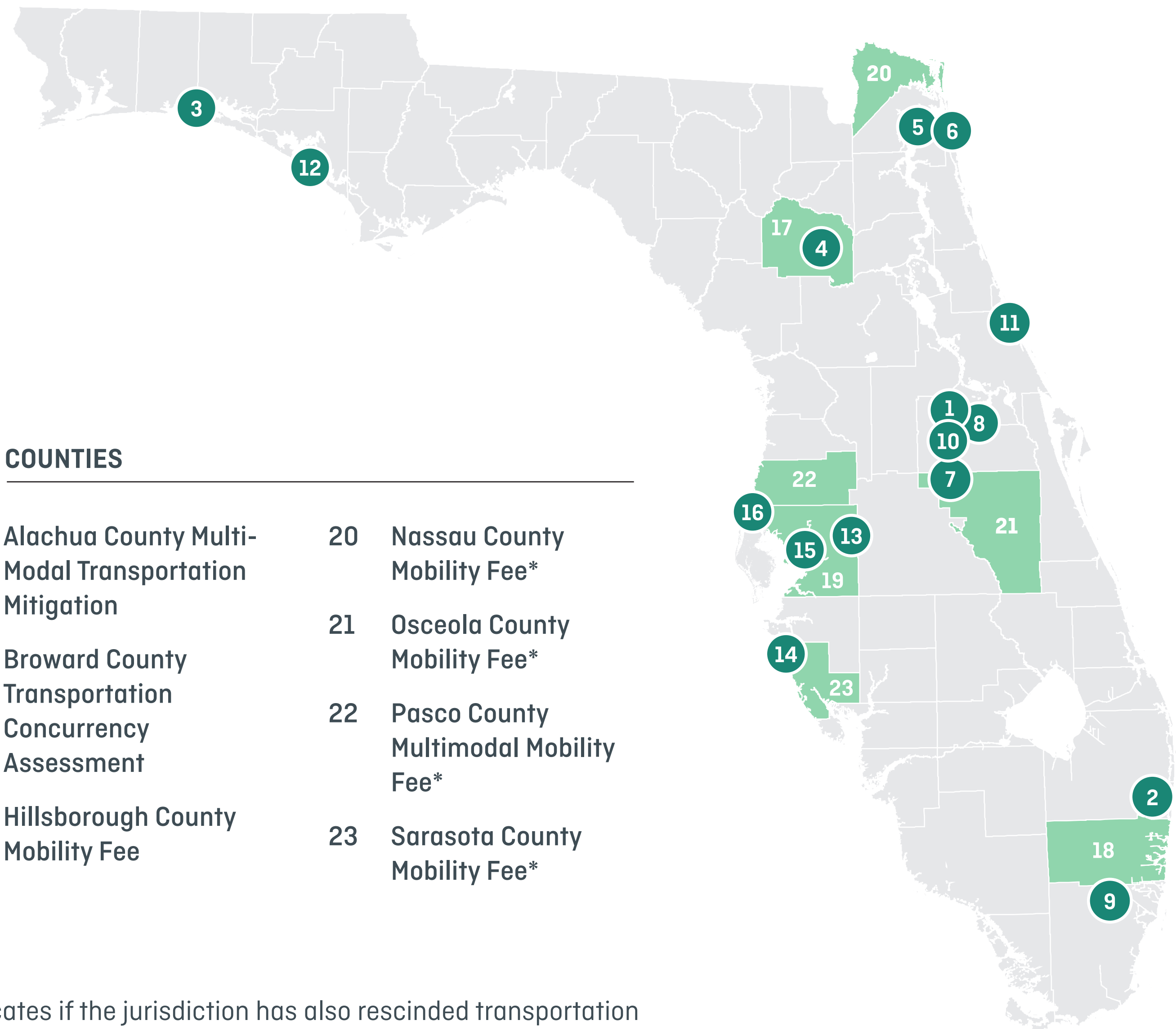
19 Hillsborough County Mobility Fee

20 Nassau County Mobility Fee*

21 Osceola County Mobility Fee*

22 Pasco County Multimodal Mobility Fee*

23 Sarasota County Mobility Fee*



* indicates if the jurisdiction has also rescinded transportation concurrency in their Comprehensive Plan, as provided by the Florida Department of Economic Opportunity (4/2016)

FIVE PHASES OF MOBILITY FEE PROGRAM IMPLEMENTATION

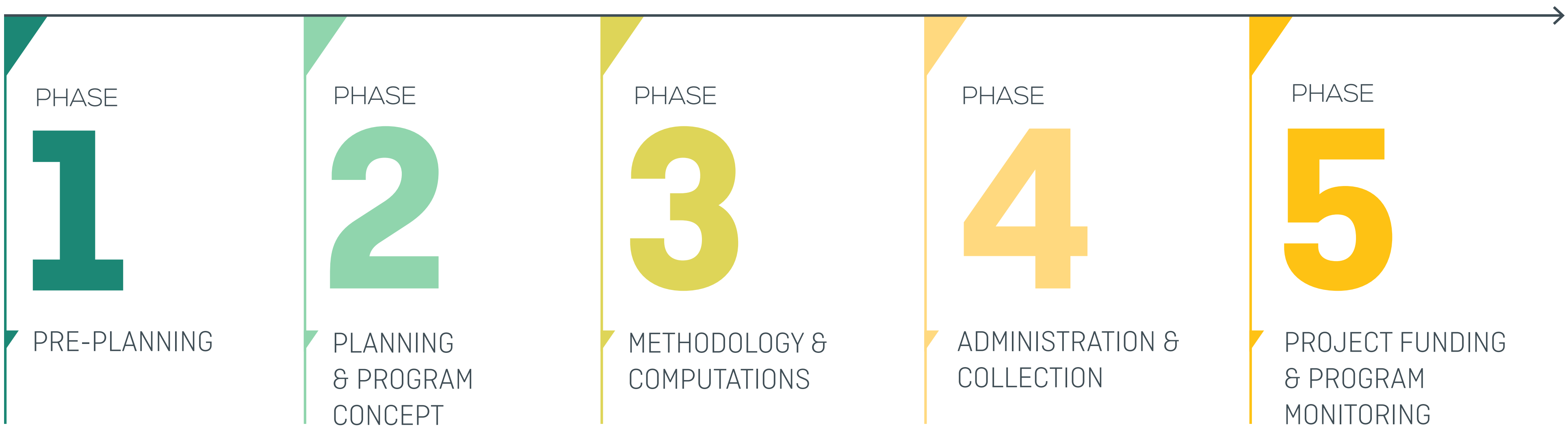
Although there is a diversity of practices among mobility fee programs, five phases are common (see Figure 3):

1. **PRE-PLANNING:** determining the rational nexus (legal basis/framework) for transit expenditures and desired program outcomes.
2. **PLANNING AND PROGRAM CONCEPT:** deciding on a program structure (timeframe, fee basis, benefits, etc.) and quantifying development impacts to transit.
3. **METHODOLOGY AND COMPUTATIONS:** outlining the fee rate structure and potential system of credits.
4. **ADMINISTRATION AND COLLECTION:** determining how fees are collected and administered and applied to transit.
5. **PROJECT FUNDING AND PROGRAM MONITORING:** determining which transit projects are funded and how well the program is working to achieve its intended objectives.

This guidebook is organized by these five phases. Each phase is presented in a chapter that explores approaches and notable practices, and presents a spotlight case study.

The five phases of a mobility fee program generally follow a sequential decision-making path: however, decisions can often be made independently among the different phases. This can lead to a wide variety of program configurations. This mobility fee guidebook outlines the diverse choices and decisions that need to be made within each phase, helping to tailor or improve a mobility fee program to each community's needs.

FIGURE 3: FIVE PHASES OF A MOBILITY FEE PROGRAM



This guidebook is based on a thorough literature review that covered both Florida programs and national best practice programs. Starting with the consideration of over 50 communities, 28 programs were studied in detail. The ***mobility fee programs in green*** were supplemented with interviews with agency staff and are foundational to the organization of the five-phased approach. They represent a diversity of approaches and notable practices.

Altamonte Springs Mobility Fee Program

Alachua County Multi-Modal Transportation Mitigation

Bellingham (WA) Transportation Impact Fee

Boca Raton Planned Mobility Developments

Broward County Transportation Concurrency Assessment

Destin Multimodal Transportation District

Gainesville Transportation Mobility Program

Hillsborough County Mobility Fee Program

Jacksonville Mobility Fee

Kissimmee Mobility Fee

Maitland Mobility Fee

Miami Lakes Mobility Fee

Nassau County Mobility Fee

Orlando Multimodal Transportation Impact Fee

Ormond Beach Mobility Fee

Osceola County Mobility Fee

Panama City Mobility Fee

Pasco County Multi-Modal Mobility Fee

Plant City Transportation Mobility Fee

Portland (OR) Transportation System Development Charge

Sacramento County Transportation Development Fee

Sacramento Countywide Transportation Mitigation Fee

San Francisco Transit Impact Development Fee

Sarasota Multimodal Fee

Sarasota County Mobility Fee

Seattle Transportation Mitigation Payments

Tampa Multimodal Impact Fee

Tarpon Springs Multimodal Transportation District

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1. Excerpt from the 2010 Florida County Government Guide by the Florida Association of County www.fl-counties.com/docs/pdfs/pages-from-florida-county-government-guide---growth-management.pdf?sfvrsn=2
2. Center for Urban Transportation Research, "Evaluation of the Mobility Fee Concept: Final Report." Nov 2009 www.cutr.usf.edu/wp-content/uploads/2012/08/Evaluation-of-the-Mobility-Fee-Concept-CUTR-Webcast-04.21.11.pdf
3. Florida Statutes, Section 163.3180(5)(h)(2)(e) www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=0100-0199/0163/Sections/0163.3180.html
4. Florida Statutes, Section 163.3180(5)(h)(2)(e) www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=0100-0199/0163/Sections/0163.3180.html

1 PHASE

PRE-PLANNING

PHASE 1

PRE-PLANNING

Prior to creating a mobility fee program, certain considerations help to determine whether a mobility fee is suited for a particular community and its needs. Phase 1 outlines items a community can consider prior to creating a mobility fee and provides information that will help guide communities towards the best program concept and implementation strategy. After considering the key decisions in Phase 1, the community should have a better understanding of how it will develop the program concept and implementation strategy.

WHY IMPLEMENT A MOBILITY FEE?

One of the first steps in creating a mobility fee program is to determine the desired goals and outcomes. A key legislative requirement is that the mobility fee program must be used to implement the needs identified in a local government's plan. Ideally, local governments will engage in a visioning process with significant community and stakeholder involvement to establish an integrated transportation and land use plan with clear goals and objectives. If a community has a long-term vision in place, continuing to engage the public during the development of the mobility fee will assure meaningful public input. In addition, consideration should be given to coordination with neighboring local governments and multimodal provider organizations.

The desired outcomes will impact subsequent decisions in later phases, such as the selection of the appropriate geographic scale. For example, a community that is interested in replacing transportation concurrency in a specific corridor or in a specific geographic district may want to limit their mobility fee to that corridor or district.

A mobility fee can be an effective funding strategy for communities seeking alternative ways to fund transportation improvements, providing an alternative to concurrency, funding transit improvements, and supporting land use goals such as facilitating compact development. Examples of community goals that certain communities addressed in part through a mobility fee program include the following:

- **SUPPORTING COMPACT DEVELOPMENT** – The City of Bellingham, WA decided that the best way to improve transportation options would be to update the comprehensive plan to emphasize infill strategies and emphasize multimodal transportation.

COMMUNICATING THE PROGRAM GOAL CLEARLY TO GUIDE PROGRAM DEVELOPMENT

Pasco County implemented a mobility fee to address three key goals, which they communicated clearly from the beginning of the process. The county wanted to use the mobility fee to encourage development in urban areas, to attract certain types of job-creating and transit-ready land uses by providing incentives, and to provide more flexibility in the use of collected funds towards vehicles, transit, bicycles, and walking. This clarity of intent helped secure the passage of the program as well as withstand potential judicial challenges. To ensure the mobility fee achieves these goals, the county created a transit-oriented mobility plan for its urban areas that provides reductions for projects located in the urban area and that adhere to a defined set of design standards.

- **PROVIDING GREATER TRANSPORTATION FUNDING FLEXIBILITY** (specifically for multimodal projects) – In Broward County, the County Commission explicitly wanted more flexibility to fund transit improvements than the previous road impact fee allowed.

- **INCREASING OVERALL LEVELS OF LOCAL TRANSPORTATION FUNDING/ADDITIONAL REVENUE GENERATION** – The City of Kissimmee needed to transition away from a roadway impact fee. Because the community is built out, impact fees limited to roadway projects could not be used to fund needed multimodal transportation needs.

- **EXPLORING AN ALTERNATIVE TO CONCURRENCY** – The City of Ormond Beach determined that they could not afford more road widenings as demanded by concurrency requirements and needed to find a new solution to address growth issues.

- **INCREASING FUNDING OPTIONS FOR TRANSIT** – The City of San Francisco paid for its transit service through its general revenues, but significant downtown redevelopment led to exploring more user-based systems, such as enhancing transit revenue generation via office space development fees.

IS A MOBILITY FEE FEASIBLE?

In addition to establishing program goals, it is also important to understand other factors that may impact the program's likelihood of adoption, implementation, and success. Many challenges can arise in this evaluation, such as:

- **A RELUCTANCE TO CHANGE EXISTING FEES AND TAXES.** This could be based on concerns that the mobility fee may not generate enough revenue or that it will dramatically increase the cost of development. Although the mobility fee is not a tax, overall local tax and fee burden concerns may be a factor in evaluating mobility fee feasibility.

- **A LACK OF LOCAL STAFF RESOURCES.** For example, some cities, especially small cities with limited staff and budget, rely on the MPO to do all transportation planning. The value derived from a potential mobility fee program may be less than the activities required to implement and maintain the program.

Understanding the local context is critical toward assessing the feasibility of developing a mobility fee. Practitioners can assess the following topics to better understand the local context.

- **EVALUATING ALL POTENTIAL SOURCES OF TRANSPORTATION FUNDING.** Mobility fees are only one part of a local government's transportation funding portfolio. Other common sources of transportation funding include motor fuels taxes, ad valorem taxes, general and dedicated sales taxes, toll revenues, and special taxing districts. Several of the communities reviewed first applied all other anticipated revenue sources and then built their mobility fees to make up the difference in funding needed to implement an adopted program of projects.

- **ASSESSING POLITICAL FEASIBILITY.** Local political considerations will greatly affect the feasibility of implementing a mobility fee. In several cases, notably Hillsborough County, the implementation of mobility fees was phased in incrementally, or in the case of the City of Jacksonville was delayed pending an economic recovery. There is commonly a need to balance the need for transportation revenues with the potential economic impact on development.

- **ANALYZING AND ESTABLISHING THE BASIS FOR RATIONAL NEXUS.** As mentioned earlier, mobility fee programs need to meet the rational nexus test where they must demonstrate the need for additional public facilities as a result of the proposed development and that benefits received will accrue to those paying the fees. Not only must this test be met, it will need to be documented clearly to withstand legal challenges.

RATIONAL NEXUS TEST

Bellingham and several compact cities in Washington argued that over time all members of the city will use all of the roads and that therefore, all members of the city benefit from all transportation improvements. This idea was successfully upheld by the Washington Supreme Court.

- **DETERMINING WHICH TYPES OF PROJECTS TO INCLUDE IN THE MOBILITY FEE PROGRAM.** Practitioners can consider including limited access facilities, Strategic Intermodal System (SIS) facilities, and other state facilities. Some programs include these types of projects, while others limit the mobility fee program to local facilities. Local governments should be ensuring avoidance or mitigation of adverse impacts to transportation facilities of state importance as a result of local land use/development decisions through land use and other strategies or investments funded with mobility fees or other local sources. For transit elements of the mobility fee program, consideration needs to be given to the inclusion of transit supportive projects for regional transit systems. For example, some of the local governments in Central Florida explicitly include station facilities and shuttle services for SunRail.

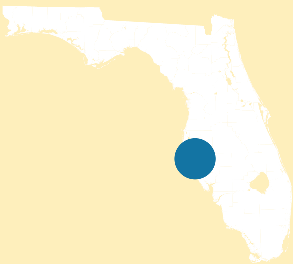
photo courtesy of seefloridago.org

MOBILITY FEE MOTIVATIONS

The City of Ormond Beach faced multiple transportation challenges in several major corridors. Each of the corridors was considered constrained for roadway widening purposes. City staff developed a multi-modal strategy that addressed the issues and decided that a mobility fee that supported transit, walking, biking, and roadway efficient improvements was the best solution.

CASE STUDY: **SARASOTA COUNTY MOBILITY FEE**

PROGRAM PROFILE



DISPOSITION OF EXPENDITURES: Allows expenditure on transit-supportive uses and transit capital.

COST BASIS OF FEE: Based on a planned program of projects.

TRIP ENDS VS. LENGTH: Allocated based on Vehicle Miles Traveled (VMT) / Person Miles Traveled (PMT).

Sarasota County did a particularly noteworthy effort of public information and briefings for local officials as part of their mobility fee program development. The County and its elected officials were interested in adopting a multi-modal approach to transportation and wanted to expand beyond the limited capabilities of the previous roadway impact fee system. ***The mobility fee funds will be used to create complete streets through multimodal improvements such as bicycle lanes, sidewalks, multi-use paths, and transit infrastructure including transit stops, transit pullout bays, and transit vehicles.*** It will not, however, use funds towards transit operations.

Communication and stakeholder outreach was evident throughout the program development and was a key factor in their successful implementation. County staff began by holding meetings with the County Commission to inform them of what a mobility fee is, what it can fund, and the potential cost of the fee. They began discussions on the mobility fee in 2013, but started regular meetings with the County Commission in 2014. They did not want to present the commission with a finished study without having explained the purpose of a mobility fee, as well as having had adequate stakeholder meetings.

County staff held many stakeholder outreach meetings with both developers and neighborhoods and any other interested groups. When the public and elected officials were informed on the characteristics of a mobility fee program, generally they were in support of the change from a road impact fee to a mobility fee. County staff was open throughout the whole process and tried to balance the interests of all stakeholders involved in developing the fee structure. County staff provided the County Commission information and updates on a regular basis, in particular the feedback they received from the public and stakeholders.

Sarasota County adopted the mobility fee in September 2015, and it went into effect January 1, 2016.

The County is working on establishing inter-local agreements with the municipalities that fall within its jurisdiction. There are four municipalities within Sarasota County, of which three collected the County road impact fee. Of those, only one has signed an inter-local agreement to change to collection of a mobility fee. The remaining two municipalities are still considering the mobility fee. The County is continuing to inform and communicate with these jurisdictions of the benefits of the mobility fee.

photo courtesy of seefloridago.org

PHASE 2

PLANNING & PROGRAM CONCEPT

PHASE 2

PLANNING & PROGRAM CONCEPT

After deciding to implement a mobility fee, the local government can begin to determine the fee structure. As the research demonstrated, there is a wide diversity in design of the programs, and no two programs are exactly the same. Each community must decide what approach works best for the outcomes they wish to achieve.

WHAT ARE THE BASIC PARAMETERS OF THE PROGRAM?

Among the early critical decisions a local government must make in creating a mobility fee are the geographic area to which the mobility fee applies and the timeframe on which transportation costs are based. Some communities, such as the City of Ormond Beach, are prioritizing multimodal improvements in specific planning areas where the development restrictions caused by transportation concurrency are specific or where the community would like to prioritize multimodal transportation options. Other communities, such as Sarasota County, have decided to apply the program to the entire county.

WHAT IS THE APPROPRIATE GEOGRAPHIC SCALE?

Mobility fees can be implemented by counties, cities, and at a regional level through intergovernmental agreements; however only city and county examples currently exist. Local governments may implement programs at different scales: county-wide, city, or within more compact planning districts or individual corridors.

CITY/COUNTY PARTNERSHIPS

The City of Ormond Beach Staff recommends that smaller cities consider partnering with the county to develop a mobility fee program because the fee requires the use of limited staff time and resources. Additionally, the transit portion of Ormond Beach's fee relies on the County transit service, the County, and nearby cities to fund improvements to transit routes.

Several counties in Florida have adopted mobility fees at the countywide scale, but all of them further subdivide their communities into other zones or districts.

Pasco County, the first to adopt a mobility fee, divides the county into three fee assessment areas: urban, suburban, and rural. Each area has its own fee schedule for different land uses, with the lowest fees occurring in the denser urban area. The urban area focuses on transit-oriented mobility, while the suburban and rural areas focus more on roadways.

Sarasota County's mobility fee also applies varying fees based on three land use types: mixed use, urban infill, and the remainder of the county. It also distinguishes among three benefit districts (north, central, and south) where funds are collected and expended, to meet the rational nexus test.

Most commonly, mobility fees are implemented at the citywide scale, which can be more manageable administratively. A city can also have more focused goals for integrating the mobility fee with the city's land use and transportation goals. It is also easier to justify the collection and distribution of mobility funds towards transit and transit-supportive improvements because most cities are typically denser than some outlying unincorporated portions of counties.

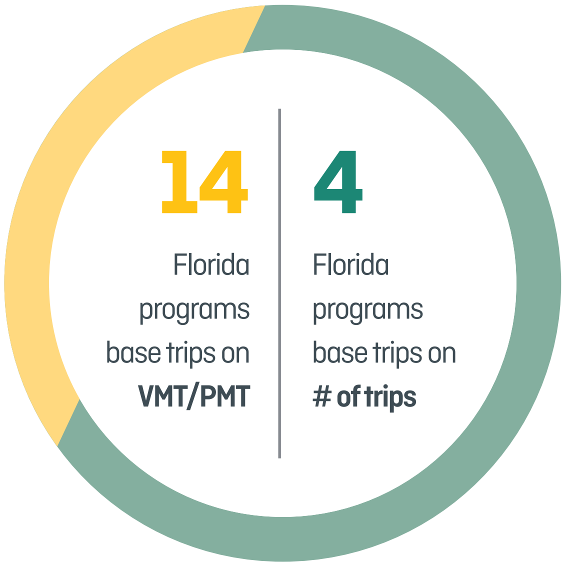
The City of Kissimmee used traffic analysis zones (TAZ) to divide the City into 10 mobility fee districts to delineate zones for estimating the proportionate number of trips forecasted for the determination of fee payments. Mobility fees must be spent either in the district in which it was collected or in an adjacent district. Additionally, the mobility fee includes citywide projects that benefit the entire city and not one district and support the citywide mobility strategy. These include projects like the Intermodal Center and the Kissimmee Circulator.

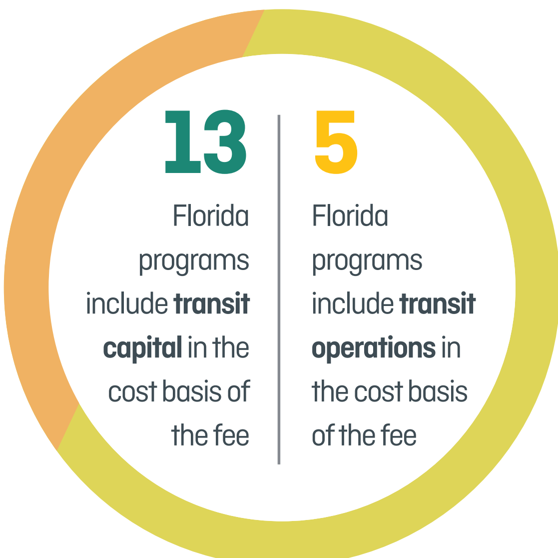
The City of Boca Raton implemented a program that includes fees in special planned mobility districts, to fund transit operations and maintenance. The program is aimed at connecting employees to the Boca Raton Tri-Rail station. Boca Raton is in the process of updating the fee that supports this service.

Some local governments also implement mobility fees within a specific district or corridor. Ormond Beach has applied a mobility fee to four transportation concurrency exception areas, specifically located along major corridors because roadways in the corridor were exceeding the adopted level of service, which was limiting development and roadway widenings were not desired.

SELECTING THE RIGHT GEOGRAPHY

In Bellingham, Washington, the City originally created ten transportation impact fee districts, which grew to 18 districts over time. The funding system required development within a district to pay for the projects in that district. Districts were not evenly sized and projects were typically concentrated in a few districts, requiring development in those districts to pay more than other districts. The City ultimately decided to consolidate the districts into one citywide district.





HOW IS THE TRANSIT AGENCY INVOLVED?

Transit agency involvement during the planning and execution of a mobility fee depends on whether the transit agency is a department within the city or county government or if it is a separate entity. If it is housed within the government, intragovernmental coordination between departments involved in creating the mobility fee needs to occur. If the transit agency is a separate entity or authority, the transit agency and the local government can develop an interlocal agreement to outline responsibilities, coordinate projects, and establish how project funding will occur. It is best if the transit department or agency is a full partner involved in the planning and implementation for the mobility fee. A local government's Intergovernmental Coordination Element may provide additional guidance on working with transit agencies.

In Florida, transit agencies are required to do a major update to their 10-year Transit Development Plan (TDP) every five years, which requires public outreach. In addition, they are required to do annual updates that report on progress and challenges to implementing the TDP. Both provide opportunities for mobility fee program collaboration.

WHAT IS THE TIMEFRAME ON WHICH THE PROGRAM OF PROJECTS IS BASED?

The timeframe for the mobility fee program varies by program goal as well as what types of improvements may be funded. Many communities piggyback on either the local transit agency's 10-year TDP (most common) or follow the local Metropolitan Planning Organization (MPO) Long Range Transportation Plan (LRTP) schedule. In Sarasota County, mobility fee projects are listed in the 2050 Mobility Plan, but the County identifies projects for funding on an annual basis.

WHAT IS THE TRIP BASIS?

Ultimately, mobility fees are linked to the trip making characteristics of various land uses. The basis of measuring trips can be reported in vehicles trips, person trips, vehicle miles traveled (VMT), person miles traveled (PMT), corridor capacity consumed, or multimodal level of service (MMLOS). Most Florida programs are based either on VMT or trip ends (number of trips). VMT is calculated by multiplying the number of trips by the typical length for a given land use type. Almost always, PMT is derived from VMT. The City of Ormond Beach, and others, use person trips by calculating vehicle trips and multiplying by an average vehicle occupancy. Panama City established a MMLOS

standard within the mobility fee area and developed projects that could accommodate requirements over the planning horizon. The City of Maitland differentiates between funded and unfunded projects and needs. The City uses the mobility fees strategically to cover the unfunded multimodal needs. The use of trip ends is somewhat more justifiable for compact assessment districts, while maintaining a degree of simplicity. On the other hand, incorporation of trip length probably better reflects the variable impact of different land uses for larger geographic areas.

WHAT IS THE COST BASIS?

Once the trip basis is determined, this must be linked in some way to a broad monetary assessment. The cost basis is the total cost of mobility projects or services for a particular geographic area within a specific timeframe and is used to develop the fee paid by developers. A number of mobility fees discount the cost basis by known sources of transportation funds, such as motor fuel tax receipts, any portion of ad valorem that supports transportation, state and federal sources, and other sources, and then rely on the mobility fee for the unfunded remainder. Mobility fees may fund both funded and unfunded needs in capital improvement plans, TDPs, and long range transportation plans (LRTPs).

Some programs, while allowing expenditures on transit, make no explicit inclusion of transit

photo courtesy of seefloridago.org

TABLE 1: TRANSIT ALLOWABLE EXPENSES

	Transit-Supportive Uses	Transit Capital	Transit Operations
Alachua County	X	X	X
Altamonte Springs	X	X	
Boca Raton	X	X	X
Broward County		X	
Destin	X		
Gainesville	X	X	X
Hillsborough County	X	X	
Jacksonville	X	X	
Kissimmee	X	X	X
Maitland	X	X	
Miami Lakes	X	X	
Nassau County	X		
Orlando	X	X	
Ormond Beach	X	X	X
Osceola County	X	X	
Panama City	X	X	X
Pasco County	X	X	
Plant City	X	X	
Sarasota	X	X	
Sarasota County	X	X	
Tampa	X	X	X
Tarpon Springs	X	X	X

projects into the cost basis of the fee calculation. Others include transit capital projects, and yet others include both transit capital and operating in the cost basis. For example, Alachua County includes transit vehicles, transit infrastructure, and transit operations in the cost basis of their fee. Many of the fee programs are based on a specific program of projects, typically expected to be implemented in a ten-year period. Several programs have successfully included the cost of transit operations over a ten-year period into the cost basis of their fees.

WHAT TYPES OF IMPROVEMENTS ARE SUPPORTED?

A range of practices exist with respect to mobility fee expenditures. Historically, roadway impact fees limited expenditures to roadway projects. Since the advent of the mobility fee, almost all programs, at a minimum, allow fees collected to be used for transit-supportive projects such as sidewalks, bicycle amenities, and bus shelters. Many of the mobility fees go beyond this and also allow expenditures on transit capital investments that may include vehicles, special construction to accommodate bus rapid transit, and even construction of rail facilities, stations, and maintenance support activities. Several fee programs also allow expenditures for transit operation expenses, sometimes taking the form of special circulator routes and operations. Ormond Beach's mobility fee is split into transit, bike/pedestrian, and roadway categories with 50 percent provided to the county transit agency for increased service and 39 percent for bike/pedestrian improvements. Table 1 summarizes the categories of improvements funded by mobility fee programs in Florida.

At the very least, most programs can easily cover transit-supportive infrastructure as well as transit capital expenses. Mobility fee programs, both in practice and concept, are very well-suited to supporting these multimodal enhancements. If possible and in alignment with other regional and local goals, local jurisdictions can also explore the ability to fund certain transit operations.

HOW IS THE POLICY AND PROGRAM JUSTIFIED AND DOCUMENTED?

The program of projects included in the development of mobility fees and the justification of a rational

nexus are documented in a variety of ways. A special purpose mobility plan, TDP, MMTD, community redevelopment agency master plan, comprehensive plan, or some combination of these can be used to demonstrate the anticipated future conditions, estimate travel within the area, and identify a program of projects. Sarasota County's mobility plan and fee document explains the rationale for the mobility fee, how mobility fees are calculated, and where mobility fees can be applied. The City of Ormond Beach developed a multimodal strategy document to outline the rationale and methodology for the mobility fee. Both the City of San Francisco and Sacramento County, California conducted detailed nexus reports to support their transit impact fees. These studies specifically outline how their programs meet the rational nexus test, similar to mobility plans in Florida.

HOW IS THE PLAN OR FEE ADOPTED?

Local governments implement the mobility plan through updates to the Comprehensive Plan goals, objectives, and policies and the local governments code of ordinances, and other plans where appropriate. Pasco County adopted its mobility plan and established the rational nexus in the county's comprehensive plan and TDP. The county also adopted mobility fee regulations in its land development code.

Some communities forego developing a separate mobility plan and adopt a mobility fee program directly into their comprehensive plan and local government code to implement the fee. The City of Kissimmee adopted amendments to the Comprehensive Plan, the land development regulations, and Community Redevelopment Agency (CRA) master plan to implement the mobility fee. The city also provides background information on their website.

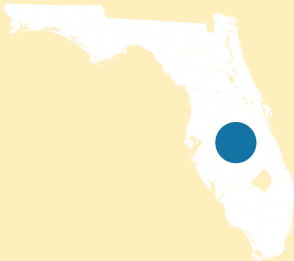
WHAT TYPES OF PROJECTS ARE FUNDED?

The City of Jacksonville is using mobility fees to fund transit capital improvements. The City uses the North Florida Transportation Planning Organization LRTP as the project list and cost basis for the mobility fee. The LRTP includes a streetcar line and an extension of the Skyway, a fully—automated, elevated monorail system.


photo courtesy of seefloridago.org

CASE STUDY: **KISSIMMEE MOBILITY FEE**

PROGRAM PROFILE



DISPOSITION OF EXPENDITURES: Allows expenditure on transit-supportive uses, transit capital, and transit operations.

COST BASIS OF FEE: Includes transit capital and transit operating in cost basis. Based on a planned program of projects.

TRIP ENDS VS. LENGTH: Allocated based on trip generation.

In November 2012, the Kissimmee City Commission replaced its transportation impact fee with a multimodal mobility fee program. The City Commission was concerned that the transportation impact fee was not providing incentives for developers to create more urban, pedestrian-friendly developments that were desired. Additionally, the City wanted to develop a funding source that could be used for multimodal improvements. Previously they had a road impact fee in place for developers, but the road impact fee could only be used for roadway capacity projects. The City is fully developed and roadway widenings not already programmed are likely to be infeasible. They wanted to focus more on implementing pedestrian, bicycle, and transit infrastructure, and the mobility fee concept gave them the flexibility they needed to expand the City's transportation options.

The mobility fee is established through the City Code of Ordinances (Chapter 13, Section 3) and is supported by policies set forth in the MMMTD, CRA Master Plans, and the Comprehensive Plan. The mobility fee uses ten mobility fee districts, based on aggregations of existing TAZs. For each district the fee was computed by dividing the cost of projects in the district by the number of trips forecasted to be generated in the district with an additional accounting for citywide trips, portions of which were allocated to each district. The regional transportation planning model was used to estimate the increment in trips from 2015 to 2030. Trips were divided into long trips (generally more than two miles) and short trips, which occur within a TAZ or between adjacent TAZs. Roadway projects are assigned to long trips, multimodal trips to short trips, and both include projects that benefit the entire City. These projects are defined as projects that provide overall citywide benefit and support the citywide mobility strategy rather than the strategy for individual districts.

The cost basis for the mobility fee is projects-based, which identifies specific improvements that are projected to be needed in order to accommodate traffic generated by new development. This list of improvements is mostly drawn from the project list in the capital improvement plan (CIP), sidewalk and trail master plan, and the Kissimmee Circulator study. The inclusion of projects from these sources makes it much easier for people (including elected officials) to understand and support these investments. ***Funds can be used to support transit capital investments, including buses, a SunRail intermodal center, and ten years of transit operating costs for the Kissimmee Circulator.*** Mobility fee funds will be transferred to LYNX as the transit operator responsible for the transit circulator.

3 PHASE

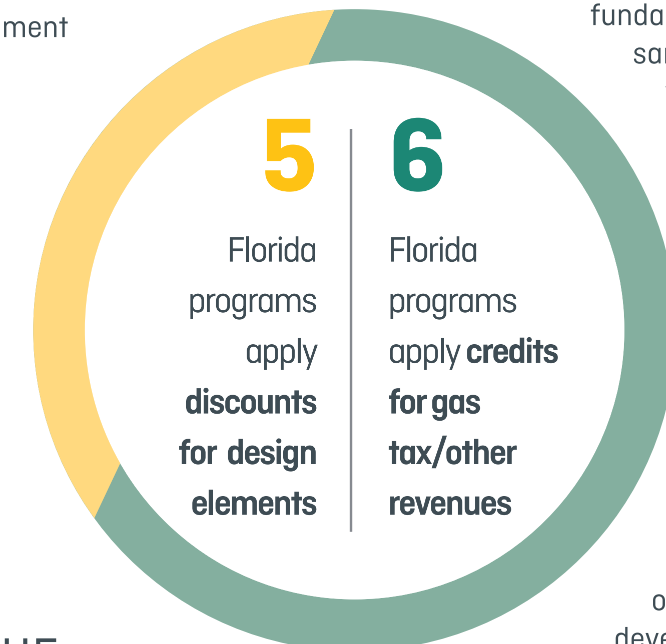
METHODOLOGY & COMPUTATIONS

3 PHASE

METHODOLOGY & COMPUTATIONS

The next step involves developing the fee methodology and computing the actual amounts of the mobility fee, turning the program goals and structure into actual incremental monetary values through addressing two key actions:

- Developing computational methods to determine fee levels based on development impacts and identified needs
- Identifying other credit or discount system for contributions (i.e. fuel taxes, ad valorem, etc.) that impact this methodology



HOW TO DETERMINE THE FEE LEVELS?

The standard fee is the amount that a local government charges to implement its mobility fee program in the absence of any discounts.

The standard fee incorporates all projects and funding required to meet the programming goals identified in Phase 2. To determine the standard fee, a local government needs to develop the specific computational methods to create the fee. Even though there are many variations on the fee methodology used by local governments, they all fundamentally follow the same overall formula in which the cost basis is divided by the trip basis/travel impact, expressed simply here:

Standard fee = Cost Basis ($) / Trip Basis

In this formula, the cost basis represents the total identified amount of funding needed to develop transit-supportive improvements – from building local infrastructure, purchasing transit capital, and operating transit vehicles within the program geography and over the established planning horizon. In addition, this cost could include any administrative costs.

For example, the City of Boca Raton estimated the capital and operating costs necessary to operate shuttles for ten years in the Light Industrial Research Park zoning district and included the total administrative fees and a contingency fee. Formulating the cost basis is a relatively straight forward process, though technical expertise in forecasting costs is required. Generally, calculating the cost basis involves summing the anticipated cost of each anticipated mobility improvement over the planning horizon. The City of Boca Raton developed a Draft Transit Feasibility and Funding Report, which calculated the cost of the capital and operational improvements needed to meet the target transit levels of service over the 10-year planning horizon in the fee area with a six percent annual cost inflation rate.

The trip basis is an estimate of the amount of travel that is likely to occur in the geographic area of the mobility fee program. The quantity of travel is typically based on the characteristics of development and redevelopment anticipated to occur in the mobility fee geography. Jurisdictions throughout Florida have included several factors into the fee structures to determine the trip basis such as:

- Square feet of development (property-specific development impact)
- Land use categories (broad development impact)
- Transportation or mode categories (trip characteristics)
- Development type (i.e. single use vs. mix of uses)

The trip basis can either be in the form of number of trip ends or average trip length associated with new development. In Sarasota County, rates vary depending on land use types and location within urban infill, mixed use, or the rest of the county. Generally, accounting for trip lengths associated with various land use types will provide a more defensible rational nexus; however, for compact areas the use of trip ends is significantly simpler and for compact areas more easily defended.

CAN A MOBILITY FEE PROGRAM INCLUDE CREDITS, DISCOUNTS, OR COMPLEMENTARY PROGRAMS?

Many mobility fee programs use credits, discounts, and complementary programs to incentivize the development in desired locations. Some fee programs discount the mobility fee by known sources of transportation program revenue.

THE CITY OF BOCA RATON USES THE DEVELOPMENT TYPE TO ASSESS MOBILITY FEES IN THE DISTRICT BY:

1. Assessing the level of existing and potential development by land use and report the development by square feet
2. Converting the square footage of each land use to trips using the latest ITE manual
3. Assessing the total cost of mobility improvements over the planning horizon (cost basis)
4. Dividing the cost basis by the total number of trips to generate a cost per trip (transportation scenario); or
5. Dividing the cost basis by the square footage in each land use (land use scenario)

Using this methodology, Boca Raton's fee was $40.71 per trip based on the transportation scenario and ranged from $0.28 per square foot of light industrial to $2.42 per square foot of retail and $362.95 per hotel room using the land use scenario.

photo courtesy of seefloridago.org

MOBILITY FEE PROGRAMS CAN OFFER CREDITS TO INCENTIVIZE CERTAIN TYPES OF DEVELOPMENT

Under Bellingham's Urban Village Transportation Impact Fee (TIF) Reduction Program, up to 50 percent of a TIF can be waived to encourage development within an urban village and close to transit facilities and to encourage employer activities that support multimodal transportation goals.

Other programs apply anticipated motor fuel and other revenue sources that might be generated by a particular development as a credit in the fee computation. For example, Sarasota County provides credits to new developments based on federal and state capacity funding, gas tax revenue, transportation infrastructure surtax funding, and debt service funding.

Additionally, some communities offer mobility fee incentives based on design characteristics of new development such as proximity to existing transit, inclusion of transit oriented design features, or provision of transportation demand management programs. The city of Bellingham, Washington, while not a mobility fee, provides transportation impact fee credits to developments that include transit supportive components in designated infill areas and near transit stops. Finally, some mobility fee programs can be paired with other supportive programs such as transportation demand management strategies, multimodal transportation districts, tax increment financing, and/or expedited development review processes.

CASE STUDY: **ORMOND BEACH MOBILITY FEE**

PROGRAM PROFILE

DISPOSITION OF EXPENDITURES: Allows expenditure on transit-supportive uses, transit capital, and transit operations.

COST BASIS OF FEE: Includes transit capital and transit operating in cost basis. Based on a planned program of projects.

TRIP ENDS VS. LENGTH: Allocated based on VMT/PMT.

Like many other communities, the City of Ormond Beach used transportation concurrency to maintain adopted roadway LOS prior to implementing a mobility fee. However, the limitations of transportation concurrency became evident as landowners in certain corridors interested in developing their property found that existing roadways had no available capacity and were constrained for roadway widening, effectively limiting development. When the city prepared its 2008 Evaluation and Appraisal Report (EAR), it determined that the city, county, and state could no longer afford to continue widening the roadways within these corridors and that multimodal approaches to future transportation was needed. The City determined that a mobility fee could support the multi-modal and roadway efficiency projects associated with the new transportation vision.

Using the EAR as guidance, City staff developed a Multimodal Strategy Planning document in 2010 to increase the efficiency of the existing roadway system, facilitate transit ridership, reduce vehicle miles traveled, and integrate land use considerations into transportation planning. ***The core objectives of the mobility strategy included designating three multimodal corridors, increasing densities and intensities to 15 dwelling units per acre and 25 employees per acre within the corridor, developing a sidewalk LOS Standard requiring 75 percent of each corridor's population within ¼ mile to have sidewalk accessibility, and developing a form-based code that includes Transit Design Guidelines.*** These corridors are situated along US1, SR40, and AIA as and run through Downtown and the CRA area. The multimodal strategy includes the mobility fee calculations and serves as the basis for the City's mobility fee regulations, which became effective January 18, 2011.

METHODOLOGY AND COMPUTATIONS

The Ormond Beach mobility fee is derived by calculating person trips generated by a development, then multiplying the person trips by the mobility fee. To determine the number of person trips, staff first calculates the number of vehicle trips by multiplying a project's density or intensity by the assigned trip generation rate from the latest Institute of Transportation Engineers (ITE) Generation Manual and subtracts the number of pass-by trips. This calculation provides the net trip generation rate. Staff multiplies the net trip generation rate by an average vehicle occupancy factor of 1.502 to determine person trips. Finally, person trips are multiplied by the mobility fee rate to determine the total mobility fee.

Person Trips = (Project Trips – Pass-by Trips) x Average Vehicle Occupancy

City staff initially developed two mobility fee rates using a land use based methodology and a transportation based methodology. Both methodologies begin with the calculation of total modal need, which includes funding for roads (12 percent), transit operations (58 percent), and bicycles and pedestrian facilities (30 percent). The land use methodology estimated the number of trips that could occur based on established land uses, while the transportation methodology determined the existing roadway deficiency over a 15-year planning horizon. The city assessed the new growth by subtracting the existing trip deficiency from the projected traffic volumes. The analysis calculated a fee of $66.40 per person trip for the land use scenario and $77.82 per person trip based on the transportation scenario. The fee adopted by City Commission in 2011 reduced the rate to $16.00 in response to economic conditions in order to encourage redevelopment.

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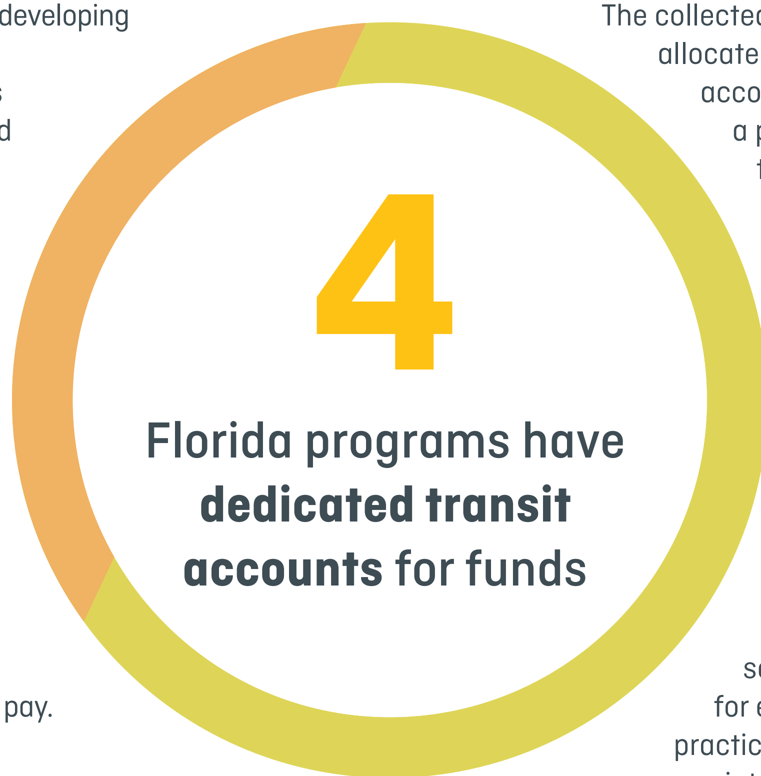
PHASE 4

ADMINISTRATION & COLLECTION

PHASE 4

ADMINISTRATION & COLLECTION

The fourth phase of developing and administering a mobility fee involves determining how and when to collect the mobility fee and the disposition of collected funds. The previous phase focused on how to develop the fee across the entire program; this phase focuses on articulating when and how individual property owners will pay.



The collected funds are allocated to either an account established for a particular mode, to the general fund, or involve a hybrid approach where a portion of the fees are allocated to a mode specific account and a portion of the fees are allocated to the general fund. Maintaining separate accounts for each mode is a practice that ensures appropriate funds collected are spent on transit projects. Examples of these approaches include:

- Separate/Dedicated Fund Approach: Pasco County allocates mobility fee revenues to dedicated funds that can only be spent on a specified mode and within the specific benefit district in which it was collected.
- General Fund Approach: Sarasota County allocates mobility fee funds to a general fund.

WHEN AND HOW TO COLLECT FEES?

Local governments typically collect funds at the site planning or building permit phase of the project review, although some communities collect the fee prior to issuing a certificate of occupancy. The City of Boca Raton assesses building owners in the fee district annually to support the transit shuttle program.

- Hybrid Approach: The City of Gainesville designates a portion of its mobility fee collections to a transit account, separate from the city's general fund.

Some mobility fee programs are sufficiently complex they require detailed accounting that causes the local government to incur additional administrative costs. To defer some of these costs, Pasco County charges an administrative fee to help the County recover labor costs of administration.

HOW TO COMMUNICATE THE FEE EFFECTIVELY?

Communicating the mobility fee is integral to a successful program. This communication includes informing the public about how the mobility fee is used, the benefits of the mobility fee program, how to calculate the mobility fee, and how fees are collected. Sarasota County developed a communications plan at the outset of the creation of its mobility fee. County staff developed the communications plan with significant public input and County Commission guidance.

Several strategies are available to local governments interested in improving communication. These include:

- Developing materials and tools to communicate key information about the

INFORMING PEOPLE ABOUT THE FEE

Pasco County developed a detailed fee matrix that developers can use to estimate mobility fee payments. The worksheet is conveniently located on the county website. Sarasota County has convenient look up tables, and Jacksonville has GIS based look up system.

photo courtesy of seefloridago.org

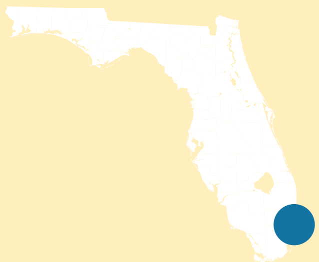
photo courtesy of seefloridago.org

mobility fee. Effective mobility fee programs allow developers to estimate the fee prior to submitting an application. Local governments can clearly communicate the extent of the mobility fee district through publicly available maps. Most local governments provide an online map with the mobility fee areas. Sarasota County has developed easy-lookup tables that can be used to estimate costs. Sarasota County retained the consultant that created the fee to help answer developer's questions and to ensure that fee was implemented as intended. Pasco County provides an online tool that helps developers estimate the cost of a proposed development. The City of Jacksonville also has a Geographic Information System tool that provides developers with mobility fee estimates.

- Conducting internal communication sessions to identify key challenges and effective procedures. Internally, the project leaders must work with the planning, building, engineering and finance departments to develop a collection process and identify administrative and accounting challenges.
- Communicating effectively with partner agencies, such as transit agencies or local government partners, begins at the pre-planning phase and continue through the remainder of the process. Staying connected to partners is important in order to ensure consistency, provide a unified message, ensure that progress and expectations are tracked and managed, and potentially to share resources and materials.

CASE STUDY: **BROWARD COUNTY TRANSPORTATION CONCURRENCY ASSESSMENT**

PROGRAM PROFILE



DISPOSITION OF EXPENDITURES:
Allows expenditure on transit capital.

COST BASIS OF FEE:
Includes transit capital in cost basis. Based on a planned program of projects.

TRIP ENDS VS. LENGTH: Allocated based on VMT/PMT.

Broward County was beginning to reach build-out and were running out of options as the road impact fee could only support traditional capital improvements, such as road widenings. The County Commission wanted more flexibility than the road impact fee allowed and wanted to be able to fund transit improvements. They supported the development of the transportation concurrency assessment program to help fund transit and transit-supportive improvements. The transportation concurrency assessment program is established through the transportation element of the comprehensive plan.

The County is divided into ten concurrency districts, eight of which are subject to a transportation concurrency assessment. The other two districts maintain the existing roadway concurrency system. The boundaries were determined through extensive conversations with the municipalities in the county. Transportation Concurrency assessments are based on the first five years of the TDP adopted by the County Commission. The districts have specific LOS including some combination of the following: maintenance of transit service, service at neighborhood transit center(s), number of community bus routes, increase in peak-hour weekday fixed-route transit ridership, and reduction in traffic signal communication failures.

Broward County assesses development prior to the application for a building permit, to cover all new development and redevelopment, not just development subject to platting. Prior to the application for a building permit with any local government within Broward County, an applicant must obtain a Transportation Concurrency Satisfaction Certificate from Broward County. Under certain circumstances, a developer may opt not to pay some or all of the Transportation Concurrency Assessment, and may instead implement or participate in implementing an alternative transit improvement. This alternative improvement must be intended to enhance transit ridership, and cannot focus predominantly on the occupants or users of the applicant's property. The alternative improvement must be determined to be beneficial to the regional transportation system within the relevant district.

All funds collected are placed into a dedicated fund for the district in which they were collected. ***Revenues must be used to fund transit enhancements.*** They cannot be used for pedestrian or bicycle projects. Each year, Broward County collects approximately $3 million in transportation concurrency assessments.

Originally, the then transit concurrency fee was designed to fund transit operations improvements, such as adding new service or expanding existing service. They were able to fund many transit improvements through this fee, but during the economic downturn the funds decreased dramatically due to the limited amount of active development. ***Because of this, the Board decided to direct the funds from transit operations to only funding transit capital improvements.***

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5 PHASE

PROJECT FUNDING & PROGRAM MONITORING

5 PHASE

PROJECT FUNDING AND PROGRAM MONITORING

Phase 5 involves funding projects with collected mobility fees and monitoring the transportation system to ensure that the mobility plan and mobility fee program remain effective. Often, communities use the mobility plan as a guideline for identifying priorities and funding mobility projects. The plan can also provide criteria for determining if projects are effective in meeting the stated goals of the mobility fee program. Many communities establish monitoring programs to track the progress of the mobility fee system.

WHAT PROJECTS ARE FUNDED?

An integral part of the mobility fee program is the procedure for identifying mobility projects to be funded. A common approach that local governments use to identify projects is to develop a project list in conjunction with a mobility plan. The projects identified as part of this procedure are able to meet the transportation demands identified in the plan. Several local governments, such as the City of Kissimmee, use a project list that incorporates the local TDP. Some local governments also include improvements in the Comprehensive Plan's Five-Year Schedule of Capital Improvements. A combination of approaches can be used to identify a complete list of projects.

Among the various mobility fee programs examined, a variety of types of projects have been programmed:

- Nearly all the mobility fee programs of projects include transit-supportive projects, such as sidewalks, bike paths and bus shelters.
- The City of Maitland and the City of Kissimmee include elements of SunRail station improvements.
- The City of Kissimmee and others include transit circulators
- Pasco County's mobility fee helps fund SIS facilities.
- The City of Jacksonville's mobility fee program includes commuter rail and streetcar projects
- The City of San Francisco's program includes buses, light rail and their famous cable cars
- The City of Seattle's program includes queue jumps, transit priority systems and streetcars

photo courtesy of seefloridago.org

HOW ARE PROJECTS FUNDED?

The mobility fee program also needs to establish clear procedures for funding mobility projects. The mobility fee funding process for specific capital projects is similar to other capital improvements funding processes. In Seattle, Washington, transportation mitigation payments are held in a separate account and if they are not expended within five years, are returned to the developer. While no state statutory timeframes exist for expending collected mobility fee funds in Florida, it is good planning practice for local governments to fund projects within a reasonable period of time to implement the community's mobility plans.

If mobility projects are identified in multiple locations (i.e. mobility plan, TDP, Five-Year Schedule of Capital Improvements), local governments can clarify the process of prioritizing and funding projects by outlining the process in the regulations that govern the program. Sarasota County selects projects on an annual basis, although those projects are based on the County's 2050 Mobility Plan. Ideally, projects should be coordinated among all plans to clearly identify the methodology and funding priorities.

WHY AND HOW TO EVALUATE THE MOBILITY FEE PROGRAM?

The best mobility fee programs incorporate monitoring and evaluation. It is important to reevaluate the mobility fee over time in terms of transportation network performance, to determine if changes in growth patterns warrant changes to projects or project priorities. Some mobility fee programs incorporate automatic inflation adjustments or include periodic evaluation of changing projects and fee requirements. Several approaches to monitoring and evaluating the mobility fee program have been established. The evaluation timeframe ranges from an annual evaluation to an evaluation over a period of years (i.e. every three years), to evaluation on an ad hoc basis. Local governments can evaluate the program in two ways: performance evaluation and fee evaluation.

PERFORMANCE EVALUATION

In a performance evaluation of the mobility fee, a local government reviews the performance of the transportation system funded by the mobility fee. Some local governments, such as the City of Kissimmee, use multimodal quality of service (MMQOS) standards to evaluate the performance of the transportation system. The City of Ormond Beach has outlined a report card to assess progress, although it has not yet conducted the assessment. Another performance evaluation technique is ongoing monitoring and adjustments to the system. After it adopted a mobility fee, Sarasota County hired the consultants who drafted the fee to monitor its implementation to ensure it ran as intended. The county's consultants also consulted with developers and the public to answer questions and gain feedback about the mobility fee.

FEE UPDATE AND EVALUATION

It is necessary to recalibrate the mobility fee as project costs for bicycle, pedestrian, transit and road improvements change or projects are completed. A fee adjustment may also be necessary due to changes in transit operating and maintenance costs. Florida communities have taken an incremental approach to updating mobility fees. During the first year of adoption, the City of Kissimmee made adjustments to their mobility fee and subsequently updated the mobility fee in 2015.

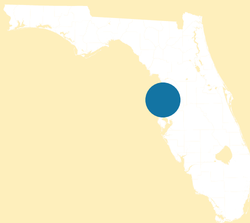
Updating the mobility fee ideally is a transparent process. Local governments typically include stakeholders at the beginning of the mobility fee development. In the City of Ormond Beach, local land owners and city staff identified the concurrency system as an impediment to development along several corridors. The City worked closely with its citizens to craft the mobility fee to allow development and facilitate mobility along selected corridors. Some local governments continuously update elected officials and the public on the state of the system and the contribution of the mobility fee program.

SOME PROGRAMS ADJUST COSTS FOR INFLATION

Pasco County initially implemented an "indexing" process, where mobility fees are adjusted based on changes in construction costs every three years. Indexing decisions require Board of County Commission approval. Pasco County last indexed the fee in 2014 and decided to expand incentives for land uses that generate employment or support tourism.

CASE STUDY: **PASCO COUNTY MULTI-MODAL MOBILITY FEE**

PROGRAM PROFILE



DISPOSITION OF EXPENDITURES: Allows expenditure on transit-supportive uses and transit capital.

COST BASIS OF FEE: Includes transit capital in cost basis. Based on a planned program of projects.

TRIP ENDS VS. LENGTH: Allocated based on VMT/PMT.

The Pasco County Multi-modal Mobility Fee was adopted in 2011 to replace the County's transportation impact fee, the first county in Florida to do so. Historically Pasco County has been a bedroom community for Hillsborough and Pinellas Counties, with many of its residents working outside of the County. They wanted to diversify the County's employment base by encouraging tourism, office, and industrial businesses. Additionally, they wanted to follow a land use vision that focuses growth in certain areas of the County where transit exists, or is planned, and that encourages compact, walkable, transit-ready forms of development. Finally, the prior transportation impact fee was very high and may have been discouraging development from occurring in the County.

Fees are assessed depending on whether a project is in the urban, suburban, or rural assessment district. ***The mobility fee provides flexibility in the application of the fee to four modes of transportation—roads, transit, bicycle and pedestrian capital facilities.*** Fees are collected and expended in three collection/benefit districts, which have different boundaries than the urban, suburban and rural assessment districts. The expenditure of fees varies in each district, with more transit funding in the urban and suburban districts. Bicycle facilities and sidewalks are anticipated in all areas.

The Pasco Mobility Fee is supplemented by tax increment finance (TIF) funds to meet the capital requirements of new projects and transportation maintenance and operations. TIF funds are first to be applied to meet bond obligations, then to fund the buy-down of mobility fees, then to fund transit operations, and then to be applied to transportation capital or operation and maintenance needs. The mobility fees and TIF funds are supplemented by a local gas tax to ensure that projects have a sustainable source of funding.

Using these sources they have been able to increase transit service on SR 54/56 and added service to the Moon Lake area. They have also added park and rides, new buses, and shelters. Approximately 20 percent of their mobility fee funding is reserved for transportation facilities that benefit the interstate or SIS.

Pasco County has emphasized the inclusion of funding for ongoing operations and maintenance. A sustainable source of funding is needed for operation and maintenance, and the mobility fee needs to be combined with other funding options to account for fluctuations in the economy or dips in revenue from year to year.

An update to the mobility fee is required every three years at a minimum to evaluate changes in growth rates, transportation revenue programs, and costs of providing transportation facilities. Fees are not currently automatically indexed, and Board of County Commissioner action is required to alter the fees. In 2014, the mobility fee had a major update that evaluated the above concepts. A provision was added allowing developments to opt-out of the mobility fee system and remain under the prior transportation impact fee/transportation concurrency system, but so far no development has opted-out.

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SUMMARY

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As a new implementation and funding mechanism for local governments, mobility fees are an alternative method of funding transportation improvements beyond transportation concurrency exactions, proportionate share payments, and conventional transportation impact fees. Because there are few state mandates on mobility fees, local governments have been very creative in funding a wide spectrum of transportation improvements and have created fees tailored to meet the needs of their communities. Notably, mobility fees serve as an additional funding mechanism for improving multimodal options for all communities – from smaller infrastructure projects like bicycle and pedestrian improvements to major transit capital projects and transit operations. Many local governments in Florida have adopted mobility fees and incorporated a range of innovative approaches. Reflecting this understanding, this guidebook helps local governments plan for, develop, and implement mobility fees to fund local transit and transit-supportive investments – it reflects both what has been done and what can be possible within local communities in Florida. While Florida Statutes encourage mobility fees, there is limited statutory guidance and no case law on defensible mobility fees. As such, the following are suggested best practices that can be implemented with the caveat that practices may change if and as case law is established.

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BEST PRACTICES

BASING FEES ON VMT/PMT VS. TRIP ENDS

The majority of mobility fee programs in Florida have made use of estimates of VMT or PMT as a way to allocate costs in the calculations of mobility fees for various types of land use development. A smaller number in Florida, along with all of the national west coast examples use trip ends, as opposed to VMT/PMT. In general, the use of VMT or PMT would be expected to better represent the differences in impacts of various land use types, as it reflects the difference in trip lengths associated with various land uses. However, in the case of compact areas, such as the downtown of Tarpon Springs, or the City of Kissimmee, the use of trip ends may be justifiable and is simpler.

INCLUDE TRANSIT SUPPORTIVE IMPROVEMENTS AND TRANSIT CAPITAL IN ALLOWABLE EXPENSES

If transit supportive improvements and transit capital are included in the cost basis, they should likewise be included as an allowable expense for the mobility fee program. The flexibility of the mobility fee allows funds to readily be applied toward transit-supportive improvements and towards transit capital, such as buses, stations, and other infrastructure.

INCLUDE TRANSIT OPERATIONS IN THE COST BASIS OF THE FEE AND IN THE ALLOWABLE EXPENSES

Although there have not yet been case law precedents established and there is a lack of state rulemaking on the creation of mobility fees, several of the examples studied have included transit operations as part of the cost basis and their mobility fees. Some of these, notably several of the Florida examples, have taken the form of including the operating cost of circulator or shuttle services for a ten year period, while the City of San Francisco did a calculation of the marginal cost of providing transit service for each additional rider. The inclusion of transit operating costs is advantageous to the provider of transit services.

SUPPLEMENT MOBILITY FEE WITH OTHER SOURCES OF REVENUE IF FUNDING TRANSIT SERVICES

Mobility fees are only one potential component for funding transit services. Sources of revenue that can help to supplement mobility fees include fuel taxes, ad valorem taxes, or TIF funds, as is the case in Pasco County. Mobility fees are dependent on the health of the economy. In economic downturns, the amount of funds collected from mobility fees can decrease significantly due to decreases in the amount of development occurring. This variability makes relying on mobility fees as an element of transit funding subject to these economic fluctuations.

INCLUDE TRANSIT SUPPORTIVE IMPROVEMENTS AND TRANSIT CAPITAL IN COST BASIS

If the mobility fee is intended to fund transit supportive improvements or transit capital, these costs should be included in the cost basis to accurately account for the full cost of projects in the program. It also helps justify the rational nexus for funding of these types of projects from the mobility fee program.

INDEXING THE MOBILITY FEES

To keep up with increases in project cost, mobility fees should be indexed or updated on a regular basis to keep up with inflation and the variable construction price index. This is so that cost of projects are kept up-to-date and maintains the ability of the mobility fee to fund the program of projects.

UPDATE PROGRAM OF PROJECTS EVERY 5 YEARS AND UPDATE FEES ACCORDINGLY

The list of projects included in the cost basis of the fee to be funded with collected mobility fee funds should be updated every five years. Most mobility programs base their fees on a TDP or LRTP, which need to be updated every five years. The mobility fee should be updated to reflect the new program of projects from these plans.

IMPLEMENTATION CHECKLIST:

Use the checklist below to plan for, develop, and implement mobility fees to fund local transit and transit-supportive investments in your community.

PHASE 1: PRE-PLANNING

- ☐ What are the goals/ desired outcomes of the mobility fee program? Can these goals be met successfully through a mobility fee program or are other fee programs stronger candidates?
- ☐ What important local conditions exist that would affect a mobility fee program?
- ☐ What is the current local tax context and the mobility fee's place within that context?
- ☐ What is the political context?
- ☐ Are other agencies, especially transit organizations, involved in the early planning for a mobility fee program?
- ☐ What information is required to make decisions and gain approval for a mobility fee?

PHASE 2: PLANNING AND PROGRAM CONCEPT

- ☐ How will the program be structured/applied geographically and under what timeframe?
- ☐ How will meeting the rational nexus test be demonstrated?
- ☐ What is the trips basis for determining development impact and fees?
- ☐ What is the cost basis for determining development impact and fee?
- ☐ What existing plan(s) support or what plan(s) will be developed to support the fees?
- ☐ What are the roles and responsibilities for those involved? How are their commitments formalized?

PHASE 3: METHODOLOGY AND COMPUTATIONS

- ☐ What are the computational methods used?
- ☐ Are current taxes credited and if so how (fuel tax, etc)?
- ☐ Are discounts provided?
- ☐ Are there additional credit, discounts, fee shifts, or benefit programs?
- ☐ How are transit project costs included in the calculations?

PHASE 4: ADMINISTRATION AND COLLECTION

- ☐ How are the individual fees computed? Communicated?
- ☐ How is the fee collected? What information is required?
- ☐ When is the fee collected? Upon permit application?
- ☐ What resources are available to developers to determine the fees for their proposed projects?
- ☐ What happens to the fee after collection?

PHASE 5: MONITORING AND FUNDING OF PROJECTS

- ☐ How does the fee get to transit agencies (if it does) and what accounts? In the case of programs that include transit capital and/or operating in the cost basis, to what extent has it been the practice to direct collected revenues to transit projects?
- ☐ How are the fees adjusted and on what timeframe? Are they indexed?
- ☐ How is the fee's performance evaluated and monitored?
- ☐ What are the specific improvement projects and how are they prioritized?
- ☐ How are the projects and fee evaluated towards the program outcome?

LIST OF REFERENCES

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