

SUMTER COUNTY BOARD OF COUNTY COMMISSIONERS
EXECUTIVE SUMMARY

SUBJECT: Voluntary Road Impact Fee Increase Agreement (Staff Recommends Approval)

REQUESTED ACTION: Staff Recommends Approval

Meeting Type: Special Meeting **DATE OF MEETING:** 2/16/2021

CONTRACT: N/A Vendor/Entity: The Villages Companies
Effective Date: 5/1/2021 Termination Date: October 22, 2024
Managing Division / Dept: **Office of Management & Budget**

BUDGET IMPACT: Fund 153 – the impact is positive but varies on the volume of age-restricted detached dwelling permits issued per fiscal year until the termination date. See detail below.

FUNDING SOURCE: The Villages Voluntary Payment to Fund 153
Type: N/A **EXPENDITURE ACCOUNT:** N/A

HISTORY/FACTS/ISSUES:

As part of the Board’s direction, I was to explore alternative approaches to increasing the road impact fee. The Villages® developer and I discussed an alternative approach used in the past between Sumter County and The Villages® developer. They viewed the approach as worth considering. I received a cover letter and voluntary agreement to increase the age-restricted detached dwelling use road impact fee on The Villages® development today. This alternative approach aligns with some of the comments made by Board members during the open meetings as a desire to have the ability to target a use for an increase without impacting the other uses in the road impact fee schedule. The County Attorney provided the legal memorandum that the Board cannot accomplish that desire through the ordinance fee schedule process; however, the County Attorney views the voluntary and contractual approach as a legal means of accomplishing this desire.

The voluntary agreement will be placed on the special called meeting agenda for your decision on 2/16/21 as that is the date provided in the voluntary agreement. If approved, then this resolves the issue regarding impact fees. If it is not approved, then I will continue my analysis of the benefits/impacts of raising the fee schedule at varying degrees across the uses in the fee schedule for your July workshop.

The cover letter indicates a desire to partner with the Board to accomplish the Board’s goals without adversely impacting the economic development diversification of the community as adopted as a strategic goal of the Board.

The basics of the agreement are as follows:

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1. The age-restricted residential-detached dwelling fee voluntary increases from \$972.00 to \$1,372.00 for The Villages® development effective May 1, 2021, through October 22, 2024. In the last twelve months (2/10/2020 to 2/10/2021), there were 2,413 age-restricted detached dwellings permitted an average of 201 units per month. The low estimate range of revenue increase from this voluntary agreement would be \$400 per unit x 1,200 units (100 units per month) = \$480,000 per year or \$1,680,000 for the duration of the contract. The most recent twelve months could be considered the high estimate range of revenue increase from this voluntary agreement would be \$400 per unit x 2,412 (201 per month) = \$965,800 per year or \$3,376,800 for the duration of the contract. Please note that this is a highly conservative estimate since the last twelve month's activity was during the current pandemic.
2. The Board agrees to not increase the road impact fee for the duration of the agreement. The Board agrees to not impose any other impact fee. The Board agrees to abandon the agreement should a competitor for age-restricted detached dwelling units for a development of 500 units or greater pull the first building permit for one of these units.
3. The duration of the agreement is connected with the duration of the adopted road impact fee study or any of the termination provisions noted in #2 above.

Prepared by: Bradley Arnold

Grammarly Check