Hillsborough County Adopts Mobility Fees, Ends Push for Transportation Sales Tax

April 29, 2016

As we previewed in our prior update, Hillsborough County settled part of a years-long debate over transportation funding by adopting a mobility fees ordinance, but on the very next day, by a 4-3 vote, decided against putting a half-cent transportation sales tax on the November ballot. The mobility fees imposed would have been reduced to prevent double taxation had the sales tax been adopted. The local transportation funding debate will continue. Mobility fees are described as “a charge on new development to pay for offsite transportation improvements that are necessitated by new development.” Mobility fees will replace the county’s current impact fee and concurrency programs that fund transportation improvements. The county’s impact fee model dated to 1985. As the county described, mobility fees are intended to incentivize development in urban areas, while charging higher fees to developers of land further away from primary employment centers. After hearing from a wide variety of stakeholders, the county decided to phase in the fees over a five-year period. The resulting ordinance was supported by a broad range of stakeholders—representatives of both developers and environmental groups ultimately supporting the ordinance, though there was vocal opposition from certain business owners who were concerned about rising costs. The new mobility fees are significantly higher than the current impact fees, but remove the separate concurrency obligation. The county adopted changes to the existing impact fee ordinance and comprehensive plan as part of the mobility fees ordinance, and began the process of amending its land development code. As to existing development projects, proportionate share agreements, and even preexisting contracts for sale of development of land, the county adopted a complex grandfathering process that will be available on a case-by-case basis. While mobility fees take effect January 1, 2017, the grandfathering provisions are tied to the hearing date, April 26, 2016. The program includes a “buy back” method for existing impact fee credits/offsets, using a three-year buy-back program adopted by the county on April 21, 2016 that will involve a future voluntary auction process. A developer’s existing ability to challenge a specific impact fee assessment due to site specific situations remains within the mobility fees ordinance. The night after the long public hearing on mobility fees, the county decided, by a 4-3 vote, against proceeding with the “Go Hillsborough” transportation funding proposal—a half-cent sales tax referendum that would have been put to the voters on the November ballot. As a result, the mobility fees imposed will be higher than they would have been had a sales tax been adopted. Clients interested in how mobility fees or other transportation efforts in Florida may impact their current or future development plans, should contact any member of Carlton Fields’ Government Law and Consulting Practice Group.

Authored By

H. Ray Allen II

Kenneth A. Tinkler

Related Practices

Government Law & Consulting
Real Estate

Related Industries

Real Estate