ORDINANCE NO. 1665

AN ORDINANCE OF THE CITY OF PANAMA CITY BEACH, FLORIDA, AMENDING THE CITY'S CODE OF ORDINANCES RELATING TO IMPACT FEES; PROVIDING FOR IMPOSITION OF MODIFIED IMPACT FEES ON LAND DEVELOPMENT IN THE CITY OF PANAMA CITY BEACH FOR THE PROVISION OF MUNICIPAL POLICE, FIRE, RECREATION AND LIBRARY SERVICES NECESSITATED BY NEW DEVELOPMENT; REPEALING ALL ORDINANCES IN CONFLICT; PROVIDING FOR SEVERABILITY; SCRIVENER'S ERRORS; LIBERAL INTERPRETATION; MODIFICATIONS; CODIFICATION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Article VIII, Section 2(b) of the Florida constitution and section 166.021, Florida Statutes, grant the City of Panama City Beach broad home rule powers necessary to carry on municipal government; and

WHEREAS, the Florida Legislature recognizes through the Florida Impact Fee Act ("the Act") that impact fees are an important source of revenue for local governments to use in funding the infrastructure necessitated by new growth; and

WHEREAS, in September 2000, the City adopted Ordinance 673, establishing municipal services impact fees in the City to equitably distribute the proportionate fair share of new municipal services on new developments within the City of Panama City Beach that create the need for such municipal services, and thereby serve the health, safety, and general welfare of the residents of the City of Panama City Beach; and

WHEREAS, in January 2004 by Ordinance 852 and in March 2018 by Ordinance 1451, the City increased impact fees for capital facilities necessitated by new development; and

WHEREAS, an impact fee may be increased or modified pursuant to a plan for the imposition, collection, and use of impact fees which complies with the Act; and

WHEREAS, the City of Panama City Beach obtained and presented a demonstrated-need study from Raftelis Financial Consultants, Inc., which expressly demonstrates the circumstances necessitating modification and recalculation of impact fees, resulting in increases and decreases in various fees; and

WHEREAS, the City held two publicly noticed workshops dedicated to the extraordinary circumstances necessitating the need for an increase in impact fees and to eliminate the phasing-in process set forth in section 163.31801, Florida Statutes (2025); and

WHEREAS, the City Council finds that the following pertinent facts were demonstrated through the report and presentation to the Council:

(a) Permanent population has grown from ~12,000 in 2010 to ~21,000 by 2025, an average growth of 3.8% per year, well above Florida's 1.5% state average.
(b) Visiting population has surged from ~30,000 average daily visitors in 2015 to nearly 55,000 by 2023, with growth projected to continue 1.5–2.0% annually through 2030.
(c) Combined, the City is planning for a daily service population exceeding 108,000 by 2050, creating immediate strain on municipal facilities.
(d) Such compounded growth (both residents and seasonal visitors) drives immediate need for new police substations, expanded fire stations, new parks, and community facilities to preserve existing levels of service.
(e) Delayed fee collection through phased-in increases would underfund facilities in the near term and push additional burdens onto existing taxpayers, given that costs continue to climb rapidly.
(f) The projects identified in the report are expansion-driven, directly tied to growth, and must be funded upfront. Phasing would postpone revenue and jeopardize timely delivery of essential facilities; and

WHEREAS, the City Council therefore determines that extraordinary circumstances exist necessitating the recommended increase in impact fees as determined by Raftelis without a phasing-in process, of which the City Council approves by a minimum of two-thirds vote as required for adoption pursuant to section 163.31801, Florida Statutes (2025); and

WHEREAS, the City held two publicly noticed workshops dedicated to the extraordinary circumstances necessitating the need for an increase in impact fees; and

WHEREAS, the City Council finds that extraordinary circumstances exist necessitating the recommended increase in impact fees as determined by Raftelis, of which the City Council approves by a minimum of two-thirds vote; and

WHEREAS, the updated fees will help ensure that new developments contribute their fair share towards the infrastructure needed to maintain and enhance community standards and quality of life in the City, with a proactive approach supporting balanced growth, fiscal responsibility, and long-term sustainability of the City's infrastructure investments;

NOW, THEREFORE BE IT ENACTED BY THE PEOPLE OF THE CITY OF PANAMA CITY BEACH, FLORIDA, AS FOLLOWS:

SECTION 1. From and after the effective date of this ordinance, Sections 27-2, 27-6, and 27-9 of the Panama City Beach Code of Ordinances related to impact fees is amended to read as follows (new text **bold and underlined**, deleted text ~~struck through~~):

Sec. 27-2. Legislative Findings.

The Panama City Beach City Council finds, determines and declares that:

(a) In order to maintain current level of municipal and public safety service standards for police services, fire/rescue services, recreational and library services, the City of Panama City Beach must expand its municipal services system so that new development may be accommodated without decreasing current level of service standards. Expansion of the municipal services system to accommodate new growth shall promote and protect the public health, safety and general welfare of the residents of Panama City Beach.

(b) The State of Florida, through the enactment of *Section* 163.3202(3), Florida Statutes, encourages Panama City Beach to enact impact fees to meet the capital facilities needs created by new development.

(c) The imposition of impact fees is one of the preferred methods of ensuring that new development bears a proportionate share of the cost of capital facilities necessary to accommodate such development. Allocation of a proportionate share of costs promotes and protects the public health, safety and general welfare of the residents of Panama City Beach.

(d) Each of the types of land uses described in the Schedule of Impact Fees hereof shall create demands for the acquisition of, or expansion of, municipal services facilities and the construction of municipal services capital improvements;

(e) The report entitled "City of Panama City Beach~~, Florida~~ Municipal ~~Services~~ Impact Fee Study", dated **September 8, 2025** ~~October 2017~~ , sets forth a reasonable methodology and analysis for the determination of the impact of new development on the need for and costs of additional municipal services capital facilities in Panama City Beach.

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Sec. 27-6. Definitions.

(a) *Residential Structure* means each single-family dwelling unit and each dwelling unit of a condominium, duplex, triplex, mobile home, modular housing, manufactured home, apartment or multiple dwelling structure designated as a complete, separate housing unit for one or more persons, and utilized or designed or intended to be utilized for human habitation either temporarily or permanently. ***Residential Structures* that also meet the definition of *Public Lodging Establishments* shall be assessed the rates for *Public Lodging Establishments* in lieu of *Residential Structure* rates.**

~~(b) *Non-Residential Structure* means any building which encloses space for the occupancy by persons or their activities (other than residential dwellings and buildings which are accessory to residential dwellings) including but not limited to professional buildings, commercial buildings, hotels, motels, rentals, public lodging establishments, industrial buildings, warehouse, public assembly buildings or institutional buildings except public schools and governmental buildings. A building accessory to a residential dwelling is a subordinate building, the use of which is incidental to that of a principal, residential structure.~~

(b)~~(c)~~ *Bed and Breakfast Inn* means a family home structure, with no more than 15 sleeping rooms, which has been modified to serve as a transient public lodging establishment, which provides the accommodation and meal services generally offered by a bed and breakfast inn, and which is recognized as a bed and breakfast inn in the community in which it is situated or by the industry.*****

(c)~~(d)~~ *Building* means any structure, whether temporary or permanent, built for the support, shelter, or enclosure of persons, chattels, or property of any kind. This term shall include tents, trailers, mobile homes, or any vehicles serving in any way the function of a Building. This term shall not include temporary construction sheds or trailers erected to assist in construction and maintenance during the term of a Building Permit.

(d)~~(e)~~ *Building Permit* means an official document or certificate issued by the authority having jurisdiction authorizing the commencement of construction of any Building or parts thereof; the term also includes construction plan approval for new mobile home development and new recreational vehicle spaces.

~~(f) *Comprehensive Plan* means the Comprehensive Plan of the City of Panama City Beach adopted and amended pursuant to the Local Government Comprehensive Planning and Land Development Regulation Act.~~

(e)~~(g)~~ *Dwelling Unit* means a single unit within a building that provides complete and independent living facilities for one or more persons.

(f)~~(h)~~ *Encumbered,* in reference to funds for capital improvements, means funds committed in the capital improvements program for a specified improvement on a specified time schedule.

(g)~~(i)~~ *Hotel* means any public lodging establishment containing sleeping room accommodations for 25 or more guests and providing the services generally provided by a hotel and recognized as a hotel in the community in which it is situated or by the industry.*

(h)~~(j)~~ *Impact Fee Statement* means the document issued to an applicant prior to the issuance of a Building Permit containing the calculation of the Impact Fees imposed on construction under Section 9.

(i) ***Industrial / Warehousing*** **means any development or establishment primarily engaged in the manufacturing, fabrication, assembly, or processing of goods, or in the warehousing, storage, and wholesale distribution of goods (including the display and sale of goods to other firms for resale). This category encompasses both light and heavy industrial operations, covering a range of uses that include industrial parks, manufacturing plants, warehousing, and distribution centers. Typical uses include facilities such as manufacturing plants (e.g. food processing facilities, commercial bakeries, production of medical equipment and supplies, and the manufacturing of plastic, rubber, textile, wood, metal, or pharmaceutical products); industrial parks, research and development laboratories, welding or machine shops, dry cleaning plants, and bottling works; wholesale trade and distribution centers, storage warehouses, trucking and shipping terminals, moving and storage facilities, major mail or package processing centers, recycling facilities; and mini-warehouses or self-storage facilities.**

(j) ***Institutional*** **means any establishment or development primarily dedicated to public, civic, educational, religious, or cultural purposes. This category includes, but is not limited to, facilities such as churches, places of worship, civic and fraternal clubs or organizations, museums, art galleries and campuses, colleges, seminaries, universities, industrial and trade schools, professional and technical schools, primary and secondary educational facilities (public or private), and similar uses.**

(k) *Land* means the earth, water, and air above, below, or on the surface, and includes any improvements or structures customarily regarded as land.

(l) ***Mixed Use Construction*** **means construction in which more than one impact fee land use category is contemplated, with each category consisting of a separate and identifiable enterprise not subordinate to or dependent on other enterprises within the construction. Any use equal to 25% or more of the total space in a building shall be assessed a fee based on that use. Any use less than 25% will be assessed according to the predominant use. For mixed-use public lodging establishments, an impact fee per room will be assessed and all other square footage will be assessed using the mixed use formula (i.e. 25% threshold) set forth herein.**

(m)~~(l)~~ *Motel* means any public lodging establishment which offers rental units with an exit to the outside of each rental unit, daily or weekly rates, offstreet parking for each unit, a central office on the property with specified hours of operation, a bathroom or connecting bathroom for each rental unit, and at least six rental units, and which is recognized as a motel in the community in which it is situated or by the industry.*

(n) ***Office Buildings*** **means any establishment or development primarily dedicated to professional, business, or administrative functions. This category includes, but is not limited to, business or professional offices, call centers, banking and financial offices, counseling offices, medical and dental offices, real estate businesses, investigative and security services, hospitals, clinics, and similar professional or administrative uses.**

(o)~~(m)~~ *Public Facilities* means the Buildings, structures, equipment and facilities as may be necessary to meet the need for Police, Fire and Rescue, and Recreation and Library facilities, which are created by new development including those costs incidental to the above.

(p)~~(n)~~ *Public Lodging Establishment* means a hotel, motel, resort condominium, **transient residential rental,** roominghouse or bed and breakfast inn, each as defined in this Chapter.*

(q)~~(o)~~ *Resort Condominium* means any unit or group of units in a condominium, cooperative, or timeshare plan which is rented more than three times in a calendar year for periods of less than 30 days or 1 calendar month, whichever is less, or which is advertised or held out to the public as a place regularly rented for periods of less than 30 days or 1 calendar month.*

(r) ***Retail and Food Services*** **means any establishment or development primarily dedicated to the direct sale of goods or food services to the public. This category includes, but is not limited to, restaurants, bars, nightclubs, grocery stores, convenience stores, new and used merchandise stores, hardware stores, clothing stores, electronics and appliance stores, gas stations, automotive parts stores, specialty food stores, car washes, and similar retail or food service establishments.**

(s) ***Room*** **means each bedroom in a** ***Dwelling Unit*** **primarily used for sleeping.**

(t)~~(p)~~ *Rooming house* means any public lodging establishment that may not be classified as a hotel, motel, resort condominium, or bed and breakfast inn. A rooming house includes, but is not limited to a boardinghouse.~~*~~

(u)~~(q)~~*Schedule of Impact Fees* means the schedule of fees incorporated in Section 9 of this Article.

(v)~~(r)~~ *Square Footage* means the gross area measured in feet from the exterior faces of exterior walls or other exterior boundaries of the Building or structure.

(w) ***Transient residential rental*** **means any unit or group of units in a condominium or cooperative or any individually or collectively owned single-family, two-family, three-family, or four-family house or dwelling unit which is rented to guests more than three (3) times in a calendar year for periods of less than thirty (30) days or one (1) calendar month, whichever is less, or which is advertised or held out to the public as a place regularly rented to guests, but that is not a timeshare project.**

(x)~~(s)~~ *Unit* means a combination of one or more bedrooms and bathrooms held out to the public as a single habitable unit or recognized as a single habitable unit in the community in which it is situated.

~~*FS § 509242 (2003).~~

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Sec. 27-9. Municipal Services Impact Fee Schedule.

(a) Schedule of Impact Fees.

(1) The municipal services impact fee shall be the sum of the police services impact fee and the fire/rescue impact fee, the recreation impact fee and the library impact fee calculated using the following schedules:

Police Services Impact Fee Schedule:

Residential Structure	**$194.00** ~~$144.00~~/Dwelling Unit
~~Non-residential Structure~~	~~$ 0.88 /Square Foot~~
Industrial / Warehousing	**$0.026 / Square Foot**
Institutional	**$0.047 / Square Foot**
Public Lodging Establishment	**$203.00 / Per Room**
Office Buildings	**$0.22 / Square Foot**
Retail and Food Services	**$0.628 / Square Foot**

Fire/Rescue Services Impact Fee Schedule:

Residential Structure	**$292.00** ~~$249.00~~/Dwelling Unit
~~Non-Residential Structure~~	~~$ 1.14/Square Foot~~
Industrial / Warehousing	**$0.040 / Square Foot**
Institutional	**$0.073 / Square Foot**
Public Lodging Establishment	**$315.00 / Per Room**
Office Buildings	**$0.342 / Square Foot**
Retail and Food Services	**$0.975 / Square Foot**

Recreation Impact Fee Schedule:

Residential Structure	**$1,258.00** ~~$867.00~~/Dwelling Unit
Public Lodging Establishment	**$898.00 / Per Room** ~~$634.00/Lodging Unit~~
~~Non-Residential Structure~~	~~N/A~~

Library Impact Fee Schedule:

Residential Structure	**$62.00** ~~$ 72.00~~/Dwelling Unit
~~Non-Residential Structure~~	~~N/A~~

(2) Unspecified Uses. If the type of development activity that a Building Permit is applied for is not specified on the Schedule of Impact Fees, the **Building Official** ~~City Manager or designee~~ shall determine the appropriate fee by considering demographic or other documentation, which is available.

(3) Change in Use or Density. In the case of change of use, redevelopment, or expansion or modification of an existing use on a site which requires the issuance of a Building Permit, the municipal services impact fee shall be based upon the net increase in the municipal services impact fee for the new use as compared to the most intense previous use on or after September 28, 2000, or the effective date of any applicable amendment to this Chapter.

(4) Duty to Supply Information. At the time of applying for a Building Permit, feepayers are required to submit information regarding expected use, square footage, and rooms, as may be applicable, for the City to determine the appropriate impact fee. If the feepayer fails to provide necessary information, the Building Department shall determine an impact fee using available data. A feepayer who disputes this determination may submit a request for reconsideration to the Building Official, who shall make a final and binding determination as to the amount.

(b) Alternative for Developer Fee Study. If a feepayer opts not to have the municipal services impact fee determined according to the Schedule of Impact Fees, then the feepayer shall prepare and submit to the **Building Official** ~~City Manager or designee~~, an independent fee calculation study for the land development activity for which a Building Permit is sought. The independent fee calculation study shall follow the methodologies and formats used in the ~~"City of Panama City Beach, Florida Municipal Services Impact Fee Study," dated August 2000, prepared by Public Resources Management Group, Inc.~~ **report entitled "City of Panama City Beach Municipal Services Impact Fee Study", dated September 8, 2025.** The documentation submitted shall show the basis upon which the independent fee calculation was made. The **Building Official** ~~City Manager or designee~~ shall consider the documentation submitted by the feepayer but is not required to accept such documentation if it is deemed to be inaccurate or not reliable. The **Building Official** ~~City Manager or designee~~ may, in the alternative, require the feepayer to submit additional or different documentation for consideration. If an acceptable independent fee calculation study is not presented, the feepayer shall pay the municipal services impact fees based upon the Schedule of Impact Fees.

If an acceptable independent fee calculation study is presented, the **Building Official** ~~City Manager or designee~~ may adjust the municipal services impact fee as appropriate to the particular development. Determinations made ~~by the City Manager or designee,~~ pursuant to this paragraph may be appealed to the ~~City Council~~ **City Manager by serving** a written request ~~with~~ **on** the City Manager ~~or designee,~~ within ten (10) days of the **Building Official's** ~~City Manager's or designee's~~ determination.

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Sec. 27-13. Exemptions and Credits.

(a) Exemptions.

(1) The following shall be exempted from payment of the impact fee:

(i) Alterations of an existing Building where no additional residential density is created and where the use is not changed;

(ii) The *construction of* an accessory Building or structure not increasing the demand for services of the parent parcel;

(iii) The replacement of a destroyed or partially destroyed Building or structure on the same site with a new Building or structure of the same size and use;

(iv) Installation of a replacement mobile home on the same site, where a mobile home legally existed on such site on or prior to September 28, 2000.

(2) Any claim of exemption must be made no later than the time of application for a Building Permit. Any claim not so made shall be deemed waived.

(b) Credits.

(1) A Developer may obtain credit against all or a portion of municipal services impact fees otherwise due or to become due by offering to dedicate needed land or construct needed capital improvements, or both. The offer of the developer shall specifically accompany a request for a municipal services impact fee credit. If the **Building Official** ~~City Manager, or a designee,~~ accepts such an offer the credit shall be determined and provided in the following manner:

(i) Credit for Dedication of Land. Credit for the dedication of land shall be based upon the following, as determined by the City:

(ii) the most recent assessed value of the land by the Bay County Property Appraiser, or

(iii) by better evidence of value, such as a contract for sale or recorded deed, or

(iv) by fair market value established by private appraisers acceptable to the City.

(2) Credit for the dedication of municipal services facilities or land shall be provided when the property has been conveyed by warranty deed or dedicated on a recorded plat, at no charge to, and accepted by the City in a manner satisfactory to the City Council.

(3) Credit for Construction of Capital Improvements. Applicants for credit for construction of municipal services capital improvements shall submit acceptable engineering drawings and specifications, and construction cost estimates to the **Building Official** ~~City Manager, or a designee~~. The **Building Official** ~~City Manager, or a designee,~~ shall determine credit for construction based upon either these cost estimates or upon alternative engineering criteria and construction cost estimates if the **Building Official** ~~City Manager, or a designee,~~ determines that such estimates submitted by the applicant are either unreliable or inaccurate.

(4) Credit Due Upon Completion of Construction. Except as provided in subparagraph (5), credit against impact fees otherwise due shall not be provided until the construction is completed and accepted by the City; and a suitable maintenance and warranty bond is received and approved by the City.

(5) Bonding Future Improvements. Credit may be provided before completion of specified municipal services capital improvements if adequate assurances are given by the applicant that the provisions of paragraph (b)(3) shall be met and the feepayer posts security, as provided below, for the costs of such construction. Security for the costs of construction in the form of a performance bond, irrevocable letter of credit or escrow agreement shall be posted with the City and approved by the City Attorney. If the municipal service construction project shall not be constructed within one (1) year of the acceptance of the offer to construct by the **Building Official** ~~City Manager or designee~~, the amount of the security shall be increased for each year of the life of the security. In the event the municipal services construction is not completed so as to provide the required facilities at the time the impact of the development occurs, the City shall draw on the security and provide for the required improvements.

(6) Claim for Credit. Any claim for credit shall be made no later than the time of application for a Building Permit. Any claim not so made shall be deemed waived.

(7) Credits Not Transferable. Credits shall not be transferable from one project or development to another.

(8) Appeal of Credit Determinations. Determinations made by the **Building Official** ~~City Manager, or a designee,~~ pursuant to this Section may be appealed to the **City Manager** ~~City Council~~ by filing a written request with the City Manager~~, or a designee,~~ within ten (10) days of the **Building Official's** ~~City Manager's~~ determination.

SECTION 2. CONFLICT WITH OTHER ORDINANCES OR CODES. All Ordinances or parts of Ordinances of the Code of Ordinances of Panama City Beach, Florida, in conflict with the provisions of this Ordinance are hereby repealed to the extent of such conflict.

SECTION 3. SEVERABILITY. If any provision of this Ordinance is held to be illegal, invalid, or unconstitutional by a court of competent jurisdiction, the other provisions of this ordinance shall remain in full force and effect.

SECTION 4. SCRIVENER'S ERRORS. It is the intention of the City, and it is hereby provided that the provisions of this ordinance shall become and be made a part of the Code of Ordinances of Panama City Beach, Florida, and to that end, the sections of this ordinance may be renumbered or re-lettered and the word "ordinance" may be changed to "section" or "article" or other appropriate designation. Additionally, corrections of typographical errors which do not affect the intent of this Ordinance may be authorized by the City Attorney without public hearing, by filing a corrected or recodified copy with the City Clerk.

SECTION 5. ORDINANCE TO BE LIBERALLY CONSTRUED. This ordinance shall be liberally construed in order to effectively carry out the purposes hereof which are deemed not to adversely affect public health, safety, or welfare.

SECTION 6. MODIFICATIONS. It is the intent of the City that the provisions of this ordinance may be modified as a result of considerations that may arise during a public hearing. Such modifications shall be incorporated into the final version of the ordinance adopted by the City.

SECTION 7. CODIFICATION. The appropriate officers and agents of the City are authorized and directed to codify, include, and publish in electronic format the provisions of this Ordinance within the Panama City Beach Code of Ordinances, and unless a contrary ordinance is adopted within ninety (90) days following such publication, the codification of this Ordinance shall become the final and official record of the matters herein ordained. Section numbers may be assigned and changed whenever necessary or convenient.

SECTION 8. EFFECTIVE DATE. This Ordinance shall take effect ninety (90) after its adoption.

PASSED, APPROVED, and ADOPTED in regular session this 9th day of October 2025.

CITY OF PANAMA CITY BEACH

By: _____
Stuart Tettemer, Mayor

ATTEST:

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Lynne Fasone, MMC, City Clerk

Posted on pcbfl.gov on the 25th day of September 2025.

Posted on publicnoticesbaycountyfl.gov on the 29th day of September 2025.

EXAMINED AND APPROVED by me this 9th day of October 2025.

Stuart Tettemer, Mayor