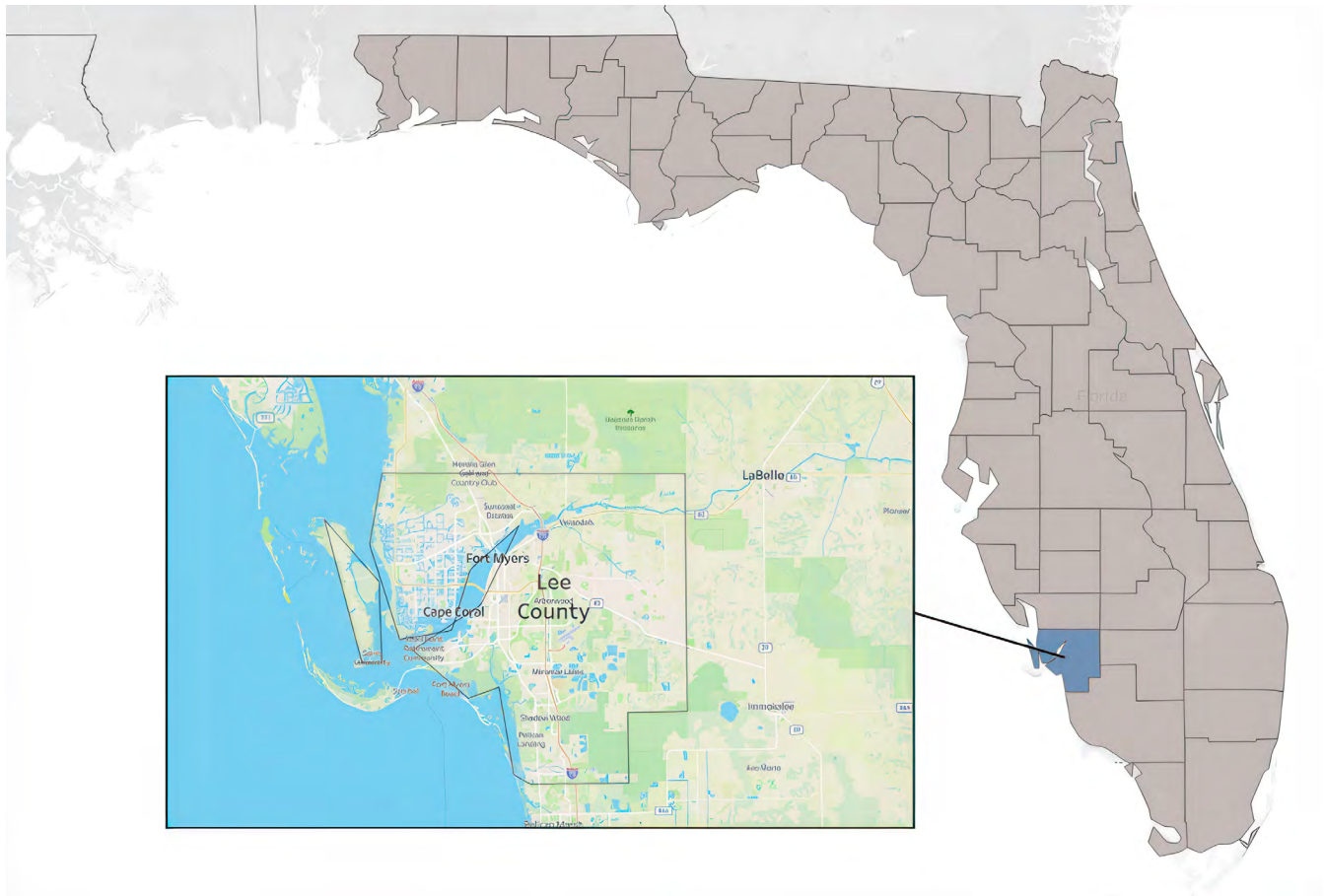


Assessing Impact Fees in the City of Fort Myers & Lee County, Florida 2024-2025

Figure 1. Map of the City of Fort Myers and Lee County



DeVoe L. Moore Center at Florida State University

Crystal Taylor, Ph.D. *Research Director*

Housing Initiative Research Team

Parker Ridaught *Team Manager*

Shane Dabney *Policy Analyst*

Eliza Terziev *Policy Researcher*

Jamisen Holder *Editor for Tables*

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Overview

This 2025 James Madison Institute (JMI) profile “Assessing Impact Fees in the City of Fort Myers and Lee County, Florida: 2024-2025” serves as a complement to the JMI backgrounder report “Assessing Florida Local Government Impact Fees: 2024-2025.” This profile provides a closer analysis of local impact fees beginning with a brief overview of the demographic and economic context. This is followed by a brief discussion of permitting and administrative fees associated with residential development as well as general permitting and fee revenue trends. Next, up-to-date impact fee schedules are presented and analyzed detailing the facilities for which fees are charged, the structure of the fee schedule including maximum and minimum fee ranges in dollar amounts, and any recent fee schedule changes. Fee schedules are also evaluated for regressivity in terms of the potential impact of fee burdens on the affordability of single-family homes for households earning below, at, or above the county’s area median income (AMI). For consistency, this profile assumes that all single-family residential developments analyzed are not eligible for fee waivers or reductions, which some local governments offer for affordable housing projects. This profile concludes with key takeaways that summarize the findings and highlight noteworthy trends.

Introduction

Lee County, located in southwest Florida’s Gulf Coast, had an estimated population of 834,573 in 2023, reflecting an approximate nine percent increase since 2020. Seniors make up well over a quarter of the population— higher than Florida’s average. The median household income in the county is \$69,368, with a poverty rate of 11.7%. Lee County’s median home value is \$290,900 (see Table 1).

The City of Fort Myers, located within Lee County, has an estimated population of 97,372, an increase from 86,395 in 2020. Seniors account for over 20% of the population. The city’s median

household income is \$57,403, with a poverty rate of approximately 16%. The City of Fort Myers also has a lower owner-occupied housing rate than Lee County overall, possibly due to its demand for seasonal rentals, though its median home value of \$318,900 exceeds the county median.

Permitting and Administrative Costs

As with other counties, residential developments in Lee County are subject to both permitting and administrative fees, which are detailed on the county website. Table 2 summarizes some of the key costs associated with constructing single-family homes. As in every county, the amount of the fee depends on the features of the development and the specifics of the application process.

Table 2. Key Permit and Administrative Costs Excluding Impact Fees

FEE DESCRIPTION	FEE AMOUNT
Single-Family Building Permit	\$0.25 per square foot with \$200 minimum
Occupancy Permit	\$35
Plan Review-Residential	\$50
Residential Zoning Review	\$25

Source: “DCD Fee Schedule Update.” 2019. Lee County Southwest Florida. 2019. Accessed December 11, 2024, <https://www.leegov.com/dcd/fees-v2>.

Permitting activity (see Figure 2) and impact fee revenue (see Figure 3) over the past two decades for Lee County show some similar patterns, with the mid-2000s boom coinciding with sharp declines in permitting and subsequently revenue following 2008. During 2022, the number of permits issued started to rebound after the slump, while county fee revenue skyrocketed to nearly 74 million dollars.

Table 1. Population, Median Income, and Median Home Value in Lee County

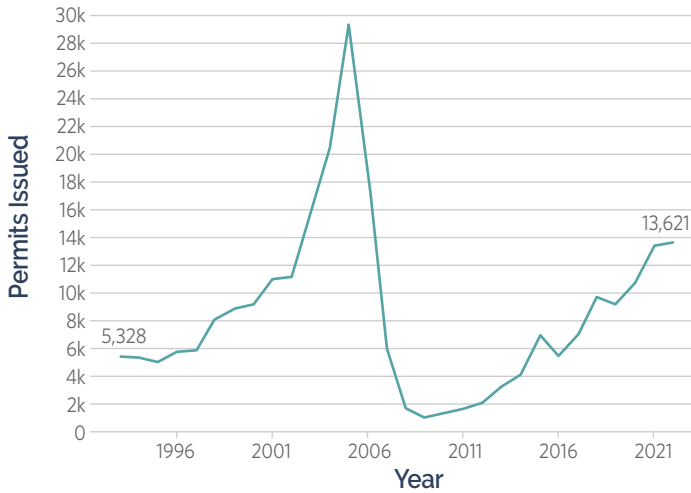
COUNTY	POPULATION ESTIMATE*	POPULATION GROWTH % (2020-2023)	POPULATION OVER 65	MEDIAN HOUSEHOLD INCOME**	POVERTY (PERSONS) %	MEDIAN HOME VALUE***
Lee County	834,573	9.0%	229,480	\$69,386	11.7%	\$290,900

*2023 population data is from the U.S. Census, Population Division, Annual Estimates of the Resident Population for Counties in Florida: April 1, 2020 to July 1, 2023 (CO-EST2023-POP-12).

**Median household income data is from the U.S. Census, 2022 American Community Survey 5-Year Estimates, S1901 Income in the Past 12 Months (in 2022 Inflation-Adjusted Dollars, [https://data.census.gov/table?q=median+household+income+2022&g=040XX00US12\\$0500000](https://data.census.gov/table?q=median+household+income+2022&g=040XX00US12$0500000)

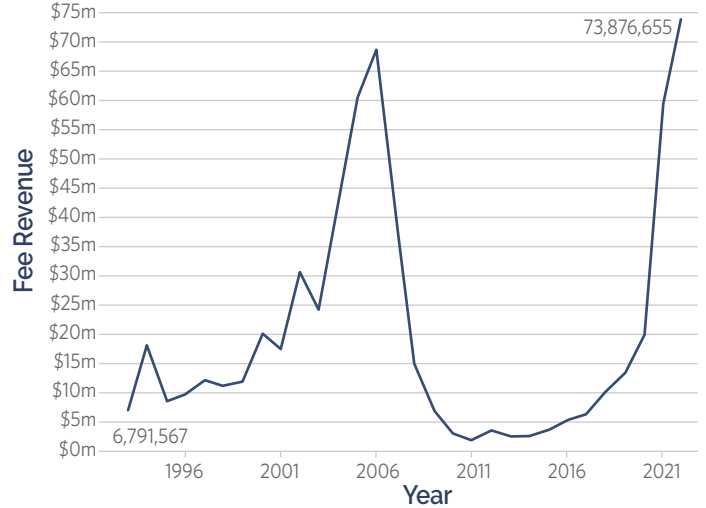
***Median home value data is from the U.S. Census, 2022 American Community Survey 5-Year Estimates, DP04 Selected Housing Characteristics, [https://data.census.gov/table/ACSDP5Y2022.DP04?q=median+home+value+ng=040XX00US12\\$0500000&moe=false](https://data.census.gov/table/ACSDP5Y2022.DP04?q=median+home+value+ng=040XX00US12$0500000&moe=false)

Figure 2. Lee County Permits Issued: 1993 - 2022



Source: U.S. Department of Housing and Urban Development.

Figure 3. Lee County Reported Impact Fee Revenue: 1993 - 2022



Source: FL Office of Economic and Demographic Research

Impact Fees in Lee County

Lee County levies impact fees for Roads, Fire, EMS, Schools, Regional Parks, and Community Parks, all calculated on a per-unit basis. All fees, except for Fire and EMS, are subject to a collection rate, which reduces the effective fee charged to 52.5% of the full fee. As per Lee County’s land development code, the county reevaluates its impact fee schedule every five years, with the most recent update in 2018.¹

Table 3. Impact Fee Schedules

FEE TYPE	FEE BASIS	IMPACT FEE	COLLECTION RATE	EFFECTIVE FEE
Roads	per unit	\$9,996	52.5%	\$5,248
Fire	per unit	\$766	100%	\$766
EMS	per unit	\$55	100%	\$55
Schools	per unit	\$5,484	52.5%	\$2,879
Regional Park	per unit	\$651	52.5%	\$342
Community Park	per unit	\$884	52.5%	\$464
Total		\$17,836		\$9,754

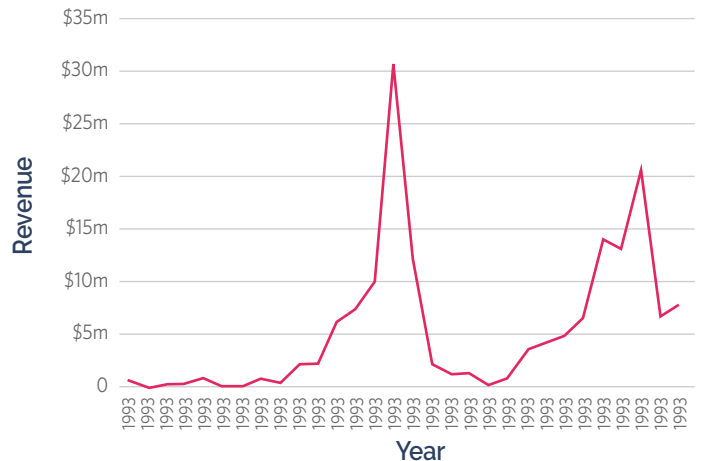
Source: “Impact Fees.” 2019. Lee County Southwest Florida. 2019. Accessed December 11, 2024 <https://www.leegov.com/dcd/BldPermitServ/ImpFees>.

1 “Lee County Impact Fee Schedule.” 2018. Lee County. Retrieved December 11, 2024, from https://www.leegov.com/dcd/Documents/ImpactFees/Impact%20Fee%20Table_051823.pdf

Impact Fees in the City of Fort Myers

The City of Fort Myers (see Table 4 for the City of Fort Myers) collects fees for Meter Installation, Water, and Sewer, in addition to the fee categories assessed in unincorporated Lee County. Unlike the unincorporated areas, the city collects all impact fees in full without applying collection rates, with each fee also incurring a minor administrative fee (except the meter installation fee). Impact fee revenue for the City of Fort Myers follows similar trends to the county. Unlike the county, which experienced peak revenue in 2022, the City of Fort Myers experienced a decline in revenues after 2020 (see Figure 4 illustrating the impact fee revenue trends for the City of Fort Myers).

Figure 3. Lee County Reported Impact Fee Revenue: 1993 - 2022



Source: FL Office of Economic and Demographic Research

Table 4. Impact Fee Schedules for the City of Fort Myers

FEE TYPE	FEE BASIS	IMPACT FEE	ADMIN FEE	TOTAL FEE
Roads	per unit	\$5,248	\$157	\$5,405
Fire	per unit	\$338	\$10	\$348
EMS	per unit	\$55	\$2	\$57
Meter	per unit	\$150	\$0	\$150
Water	per unit	\$3,278	\$75	\$3,353
Sewer	per unit	\$3,435	\$79	\$3,514
Schools	per unit	\$2,879	\$86	\$2,965
Regional Park	per unit	\$342	\$10	\$352
Community Park	per unit	\$780	\$23	\$803
Total				\$16,947

Source: "Fort Myers, FL - Official Website | Official Website." n.d. www.cityftmyers.com. Accessed December 11, 2024 <https://www.cityftmyers.com/>.

Regressivity Analysis

Table 5 presents affordable home prices across different income brackets in Lee County, along with the estimated square footage for homes at each price point. Note that the median income in Lee County allows a household to afford a home priced at just under \$250,000, lower than the median home value of \$290,000.

The impact fees in Lee County, both in unincorporated areas and Fort Myers, are assessed on a per-unit basis, making them inherently regressive. Lower-income households pay a higher percentage of their home price in fees. Further, at very low AMI thresholds, fees constitute a significant portion of the home price, with fees in Fort Myers exceeding 15% of home prices for households at 50% AMI.

Table 5. Impact Fees by Home Affordability for Lee County, Florida

HOUSEHOLD INCOME	HOME SPECIFICATIONS		MAXIMUM IMPACT FEE		MINIMUM IMPACT FEE		FEE RANGE
	AMI THRESHOLD	AFFORDABLE HOME	SQUARE FOOTAGE*	MAXIMUM IMPACT FEE (FORT MYERS)	MAXIMUM FEE AS % OF HOME PRICE	MINIMUM IMPACT FEE (UNINCORPORATED LEE)	MINIMUM FEE AS % OF HOME PRICE
50%	\$106,837	2,112.5	\$16,948	15.86%	\$9,754	9.13%	\$7,194
80%	\$191,813	2,286.5	\$16,948	8.84%	\$9,754	5.09%	\$7,194
100%	\$248,464	2,313	\$16,948	6.82%	\$9,754	3.93%	\$7,194
120%	\$305,115	3,167	\$16,948	5.55%	\$9,754	3.20%	\$7,194
150%	\$390,091	4,535.5	\$16,948	4.34%	\$9,754	2.50%	\$7,194
200%	\$531,718	4,981	\$16,948	3.19%	\$9,754	1.83%	\$7,194
300%	\$814,972	5,185	\$16,948	2.08%	\$9,754	1.20%	\$7,194

Source: *Fee schedule data from "Lee County Impact Fee Schedule | Lee County, FL." <https://www.colliercountyfl.gov/home/showpublisheddocument/108233/638644973704600000>

*AMI data based on 2022 ACS 5-year estimates of median household income.

*Maximum affordable home based on monthly payment for a 7% interest rate for a 30-year mortgage, see JMI's backgrounder report Assessing Florida Local Government Impact Fees: 2024-2025, Appendix B for detailed methodology.

Takeaways

Several observations emerge from the analysis of Lee County and Fort Myers, highlighting potential areas for improvement in their impact fee structures. Both unincorporated Lee County and Fort Myers rely on flat, per-unit fees, which are regressive. As home prices increase, the impact fee as a percentage of home value decreases. This disproportionately affects lower-income households, for whom these fees represent a significant portion of the total home price. For instance, fees constitute over 9% of the home price for households at 50% AMI in unincorporated Lee County and nearly 16% for the same income level in Fort Myers. In contrast, at higher income levels, such as 300% AMI, the fee burden drops to about 1% in unincorporated Lee and just over 2% in Fort Myers.

Fort Myers imposes higher fees per single-family residential unit compared to unincorporated Lee County, notable given that rural areas often require more infrastructure development for new residential units. This difference stems from Fort Myers' additional fees for water, sewer, and meter installation, as well as the absence of collection rate reductions that are applied in unincorporated Lee County. These added costs contribute to the significant gap in fee burden between the two jurisdictions.

To address these challenges, Lee County and Fort Myers could consider adopting a square footage-based impact fee model, as used in other Florida counties in this report. Scaling fees according to home size can reduce the financial burden on lower-income households, who are more likely to purchase smaller homes. This approach could allow Lee County and Fort Myers to better balance the need for infrastructure funding with the goal of promoting housing affordability.



✉ The James Madison Institute
The Columns
100 North Duval Street
Tallahassee, FL 32301

☎ 850.386.3131

💻 www.jamesmadison.org

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