

IMPACT FEE REVIEW COMMITTEE REPORT
FOR
2011 BIENNIAL REVIEW OF IMPACT FEES

INTRODUCTION

The County's impact fee system assesses fees in the unincorporated area and all 37 municipalities. This revenue source is a major vehicle for funding the various capital facilities the County provides. Table 1 shows the revenues produced by the various fees for three fiscal years.

TABLE 1
IMPACT FEE REVENUE
PALM BEACH COUNTY
(\$000)

	FY07-08	FY08-09	FY09-10	TOTAL
PARKS	2,223	1,007	1,618	4,848
PUBLIC BUILDINGS	661	265	364	1,290
LAW ENFORCEMENT	225	119	164	508
FIRE RESCUE	958	356	688	2,002
LIBRARY	190	119	191	500
SCHOOLS	5,307	2,983	3,699	11,989
ROADS	17,882	5,397	5,719	28,998
TOTAL ALL FEES	27,445	10,247	12,443	50,135

Source: Impact Fee Report for Fiscal Years 2008, 2009, and 2010

IMPACT FEE REVIEW COMMITTEE

The Impact Fee Review Committee is established by Sec.10 of Article 17, Decision Making, Administrative and Enforcement Bodies, of the Unified Land Development Code (ULDC). The Committee's purpose is to oversee the County's impact fee system and to report its findings to the Board of County Commissioners (BCC).

The members of the Committee are listed in Exhibit 1, attached.

POWERS AND DUTIES

The powers and duties of the Impact Fee Review Committee are established by Article 17.10 of the ULDC as follows:

B. Powers and Duties. The Impact Fee Review Committee shall have the following powers and duties under the provisions of this Code:

1. To submit reports to the Board of County Commissioners whenever the County conducts a full review of the impact fee system relating to:
 - a. The implementation of Art. 13, Impact Fees;
 - b. Actual levels of service for the impact fees exacted in Art. 13, Impact Fees;
 - c. The collection, encumbrance, and expenditure of all impact fees collected pursuant to Art. 13, Impact Fees;
 - d. The validity of the assumptions in the technical

memoranda used to support the impact fee schedules in Art. 13, Impact Fees; and

- e. Any recommended amendment to Art. 13, Impact Fees.
2. To review amendments to Art. 13, Impact Fees, prior to their consideration by the Board of County Commissioners.
3. To perform such other duties as the Board of County Commissioners deems appropriate.

The Committee completed its review of the existing impact fee implementation system and examined proposed updates and revisions to the technical memorandum and the ordinance. The Committee reviewed the following information provided by staff:

- Article 13, Impact Fees, Unified Land Development Code
- 2012 Update of Impact Fees Prepared For Impact Fee Advisory Committee
- Impact Fee Report for FY2008, 2009 and 2010
- Capital Project Status Report, September 30, 2011
- Summary Report of Impact Fee Credit
- Capital Improvement Program 2011-2015
- Scope of Work, consultant's Contract for Update and Development of Impact Fees
- Staff and Consultant Input at Meetings

FINDINGS AND RECOMMENDATIONS

IMPLEMENTATION

FINDING #1: The Committee found that the implementation of the impact fee system is generally in accordance with Article 13.

ACTUAL LEVELS OF SERVICE FOR IMPACT FEES EXACTED

Existing levels of service are used to calculate the impact fees. The formula, generally, is as follows:

TOTAL CAPITAL COST = COST TO PROVIDE EXISTING LEVEL OF SERVICE

CREDITS = CREDIT FOR BONDS, GRANTS, TAX PAYMENTS AND ALL OTHER REVENUE DESIGNATED FOR CAPITAL PROJECTS

TOTAL CAPITAL COST / TOTAL POPULATION = PER CAPITA COST

TOTAL CREDITS / TOTAL POPULATION = PER CAPITA CREDITS

PER CAPITA COST X PERSONS PER HOUSEHOLD = COST PER UNIT

PER CAPITA CREDITS X PERSONS PER HOUSEHOLD = CREDITS PER UNIT

COST PER UNIT - CREDITS PER UNIT = NET COST (IMPACT FEE)

FINDING #2: The Committee found that the County-wide levels of service used to calculate impact fees are based on actual level of services.

COLLECTION, ENCUMBRANCE, AND EXPENDITURE OF ALL IMPACT FEES COLLECTED

Overall, the Committee found that the impact fees are being collected, encumbered, and expended properly. The Impact Fee Manager reviews proposed impact fee expenditures for compliance with the ordinance prior to a proposed project being presented to the BCC for approval.

FINDING #3: The County is currently spending impact fee monies which were collected primarily in 2008, 2009, and 2010. Some of this delay is necessary because funds have to build up in the accounts before enough is accumulated to pay for a capital project.

RECOMMENDATION: Impact Fee funds collected by the County should be spent as soon as there are sufficient funds available for eligible projects.

VALIDITY OF ASSUMPTIONS IN THE TECHNICAL MEMORANDUM

The Committee expended a great deal of effort and hours in its detailed review of Dr. James C. Nicholas' report 2012 Update of Impact Fees Prepared For Palm Beach County Impact Fee Advisory Committee (technical memorandum, methodology or impact fee report). The technical memorandum establishes the total cost of providing the capital facilities for which impact fees are imposed, an essential starting point for a fair impact fee system. The Committee was very concerned that this document is as accurate as possible. The Committee findings are as follows:

FINDING #4: The Committee found that population estimates, occupancy rates, and outstanding indebtedness all appear to be accurately reported in the methodology. The Committee accepted staff's recommendation on the level of fees.

RECOMMENDATION: The Committee recommends approval of the 2012 Update of Impact Fees Prepared For Palm Beach County Impact Fee Advisory Committee.

TOTAL IMPACT FEES

FINDING #5: The Impact Fee Review Committee's recommendation in Finding #4, represents an increase from \$10,030 to \$11,776 for an average single family residence of 1,400 sq. ft. to 1,999 sq.

The Committee acknowledges that the County is not legally required to impose these fees at their full level. It is completely within the purview of the Board of County Commissioners to impose the fees at a lower level.

RECOMMENDATION: In consideration of our review, pursuant to the powers and duties of the Impact Fee Review Committee in accordance with Article 17 of the ULDC, the Committee recommends that there be no changes in the impact fee rates at this time due to current economic conditions. Exhibit II contains a summary of this recommendation.

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IMPACT FEE REVIEW COMMITTEE
MEMBERS

Robert Gottlieb Municipal Representative

Nancy Hogan,
Nancy L. Hogan Realty & Services Municipal Representative

Jerry Beavers, Council Member
Town of Haverhill Municipal Representative

Darrell Searcy, Consultant
Chandler & Campbelle Group Business Community

E. Llwyd Ecclestone III, Developer
Four Points Construction, LLC Business Community

Scott Worley, Developer
Northstar Homes, Inc. Business Community

Arnold Broussard, Consultant At-Large