



**II. FISCAL IMPACT ANALYSIS**

**A. Five Year Summary of Fiscal Impact:**

Fiscal Years	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Capital Expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
External Revenues	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Program Income (County)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
In-Kind Match (County)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
 NET FISCAL IMPACT	 <u>-0-</u>	 <u>-0-</u>	 <u>-0-</u>	 <u>-0-</u>	 <u>-0-</u>
 # ADDITIONAL FTE POSITIONS (Cumulative)	 <u>-0-</u>	 <u>-0-</u>	 <u>-0-</u>	 <u>-0-</u>	 <u>-0-</u>

Item Included In Current Budget?    Yes \_\_\_\_\_    No

Budget Account No.: Fund \_\_\_\_\_ Agency \_\_\_\_\_ Org. \_\_\_\_\_ Object  
Reporting Category \_\_\_\_\_

**B. Recommended Sources of Funds/Summary of Fiscal Impact:**

**C. Departmental Fiscal Review:**

**III. REVIEW COMMENTS**

**A. OFMB Fiscal and/or Contract Administration Comments:**

_____	_____
OFMB	Contract Administration

**B. Legal Sufficiency:**

\_\_\_\_\_

Assistant County Attorney

**C. Other Department Review:**

\_\_\_\_\_

Department Director

This summary is not to be used as a basis for payment.

Attachment C

**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 which 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)

	FY03-04	FY04-05	FY05-06	TOTAL
PARKS	13,896	13,158	9,187	36,241
PUBLIC BUILDINGS	2,742	2,644	1,891	7,277
LAW ENFORCEMENT	1,028	731	520	2,279
FIRE RESCUE	3,631	3,406	2,401	9,438
LIBRARY	2,096	1,837	1,138	5,071
SCHOOLS	17,007	28,032	23,409	68,448
ROADS	46,404	49,141	41,080	136,625
TOTAL ALL FEES	86,804	98,948	79,626	265,379

Source: Impact Fee Report for Fiscal Years 2004, 2005, and 2006

#### IMPACT FEE REVIEW COMMITTEE

The Impact Fee Review Committee is established by Sec.11 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 17.11 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
- 2007 Update of Impact Fees Prepared For Palm Beach County  
By James C. Nicholas, PhD, January 5, 2008
- Impact Fee Report for FY2004, 2005 and 2006
- Summary Report of Impact Fee Credit
- Capital Improvement Program 2008-2012
- 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 2005, 2006, and 2007. 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 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. Nicholas' "2007 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. However, the Impact fee Review Committee agreed to accept the recommendation of the School Impact Fee Workgroup to make no adjustments to the 2005 school impact fee methodology pending further review.

**RECOMMENDATION:** The Committee recommends approval of the methodology subject to further review of the school impact fee methodology.

#### **TOTAL IMPACT FEES**

**FINDING #5:** The methodology calculates total impact fees that are 70% higher than the current levels for residential and 109% - 117% higher than the current levels for non-residential uses. The summary provided by staff shows a total proposed increase of \$6,973 over the existing residential impact fees, from \$10,030 to \$17,003 for an average single-family residence of between 1,400 and 1,999 sq. ft. The proposed increases also assume the establishment of a solid waste impact fee component. The proposed solid waste impact fee contributes \$90 of additional impact fees to the average single family home, and accounts for 1% - 4% of proposed impact fee increases for non-residential uses.

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:** The Committee recommends that there be no change in the current impact fee rates. The Committee recommends the proposed solid waste impact fee not be added as an impact fee component. Exhibit II contains a summary of this recommendation.

#### **Text Amendments**

**FINDING #6:** The Committee reviewed one text amendments to Article 13 as proposed by the Impact Fee Coordinator's Office. The proposed amendment involves impact fee credits for land donations.

**RECOMMENDATION:** The Committee recommends approval of the text amendment as proposed by the Impact Fee Coordinator's Office.

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EXHIBIT 1

IMPACT FEE REVIEW COMMITTEE  
MEMBERS

Robert Gottlieb, Councillor Town of South Palm Beach	Municipal Representative
Nancy Hogan, Commissioner Town of Ocean Ridge	Municipal Representative
Matty Mattioli, Council Member Village of Royal Palm Beach	Municipal Representative
E. Llwyd Ecclestone III, Developer Ecclestone Signature Homes	Business Community
Joseph Pollock, Vice President Kimley-Horn & Associates, Inc.	Business Community
Arnold Broussard, Consultant	At-Large
Jeffrey Naftal, Town Manager Town of Juno Beach	Alternate - Municipal

Bruce Malasky, Developer  
DCM & Associates

Alternate - Business

Dennis Thomas, Engineer  
Miller Legg

Alternate - At-Large

