

IMPACT FEE REVIEW COMMITTEE REPORT
FOR
2009 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)

	FY05-06	FY06-07	FY07-08	TOTAL
PARKS	9,187	3,033	2,223	14,443
PUBLIC BUILDINGS	1,891	966	661	3,518
LAW ENFORCEMENT	520	280	225	1,025
FIRE RESCUE	2,401	1,195	958	4,554
LIBRARY	1,138	314	190	1,642
SCHOOLS	23,409	8,533	5,307	37,249
ROADS	41,080	17,059	17,882	76,021
TOTAL ALL FEES	79,626	31,381	27,445	138,452

Source: Impact Fee Report for Fiscal Years 2006, 2007, and 2008

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
- 2009 Update of Impact Fees Prepared For Impact Fee Advisory Committee
- Impact Fee Report for FY2006, 2007 and 2008
- 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 2006, 2007, and 2008. 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 "2009 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 not adjust the existing school impact fees.

RECOMMENDATION: The Committee recommends approval of the "2009 Update of Impact Fees Prepared For Palm Beach County Impact Fee Advisory Committee" with the exception of the school impact fee methodology. The Impact Fee Review Committee recommends that the Board of County Commissioners accepts the recommendation of the School Impact Fee Workgroup.

TOTAL IMPACT FEES

FINDING #5: The Impact Fee Review Committee's recommendation in Finding #4, including the School Impact Fee Workgroup's recommendation, represents an increase from \$10,030 to \$13,617 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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EXHIBIT 1

IMPACT FEE REVIEW COMMITTEE
MEMBERS

Robert Gottlieb	Municipal Representative
Nancy Hogan,	Municipal Representative
Jeffrey Naftal	Municipal Representative
E. Llwyd Ecclestone III, Developer Ecclestone Signature Homes	Business Community
Joseph Pollock, Engineer	Business Community
Arnold Broussard, Consultant	At-Large
Jerry Beavers, Council Member Town of Haverhill	Alternate - Municipal
Bruce Malasky, Developer DCM & Associates	Alternate - Business
Dennis Thomas, Engineer	Alternate - At-Large