



**BOARD OF COUNTY
COMMISSIONERS
INDIAN RIVER COUNTY, FLORIDA**

**IMPACT FEE UPDATE STUDY
WORKSHOP MINUTES**

WEDNESDAY, JUNE 11, 2014

**County Commission Chamber
Indian River County Administration Complex
1801 27th Street, Building A
Vero Beach, Florida, 32960-3388
www.ircgov.com**

**COUNTY
COMMISSIONERS**

Peter D. O'Bryan, Chairman	District 4	Present	Joseph A. Baird, County Administrator	Present
Wesley S. Davis, Vice Chairman	District 1	Present	Dylan Reingold, County Attorney	Present
Joseph E. Flescher	District 2	Present	Jeffrey R. Smith, Clerk of Circuit Court and Comptroller	
Bob Solari	District 5	Present	Leona Adair Allen, Deputy Clerk	
Tim Zorc	District 3	Present		

Also present were: Community Development Director Stan Boling, Management and Budget Director Jason Brown, and Metropolitan Planning Organization Director Phil Matson. Also present were the consultants from Tindale-Oliver and Associates, Inc. - Chief Executive Officer Steven Tindale, and Associate Principal Nilgun Kamp, AICP.

1. CALL TO ORDER 1:30 P.M.

1.A. Added: INVOCATION Commissioner Wesley S. Davis, Vice Chairman

2. PLEDGE OF ALLEGIANCE Commissioner Peter D. O'Bryan, Chairman

3. PRESENTATIONS

A. Staff Overview of Impact Fee Update

1:31 p.m. Community Development Director Stan Boling: (1) recapped the January 22, 2014 Impact Fee Workshop where the Board of County Commissioners generally accepted update and methodology, and instructed staff to conduct on-the-road-workshops; (2) summarized the

March 11, 2014 Board of County Commission meeting where the Board of County Commissioners authorized bifurcating non-residential and residential fee changes; and (3) highlighted the April 22, 2014 Board of County Commission meeting where the Board adopted an updated schedule for non-residential fees and accepted the consultant's report/study that supported the non-residential fees.

Director Boling reported that on June 6, 2014, the consultant issued a final report, which includes residential and education impact fees.

If there is a consensus after this meeting to move forward with a residential fee update, staff will bring it to the July 15, 2014 Board of County Commission meeting, and if there are other tasks, it would probably be sometime in September.

He requested Board input and consensus on implementation issues so staff can move forward.

B. Consultant Presentation on Residential Fees (Including School Impact Fees) and Implementation Issues

1:37
p.m.

Associate Principal Nilgun Kamp gave a presentation on the findings of the technical study, which focused on residential impact fees, school impact fee calculations, and implementation issues. She clarified the consumption-based methodology, affordable growth strategy, residential land uses maximum calculated fees, and residential land uses affordable growth fees. She also elaborated on staff's recommendation to use the affordable growth strategy with the changes to include the library impact fee suspension, cutting the affordable growth strategy by 50% for public buildings, adopting parks impact fee at 75% of the affordable growth strategy, and adopting full fee for emergency services. She said the two new land uses were: (1) single family less than 1,000 square feet, and (2) high cube automated warehouse.

Ms. Kamp also spoke about the educational facilities impact fee, facilities built since 2005, ongoing/future projects, the impact fee methodology, and the educational facilities which included the total school facility cost per student station (about \$33,000), credit components, and the net impact cost per student (about \$24,114), the student generation rate total (about 0.210), and the calculated school impact fee schedule which results in a fee of \$2,387 for multi-family and \$6,077 for single family.

Ms. Kamp thereafter described the affordable growth scenario which results in an adoption percentage of 28%, and the residential fee comparison where the affordable growth fee would change from the current rate of \$1,756 to \$1,702 for single-family, from \$500 to \$668 for

multi-family, and from \$623 to \$1,026 for mobile homes.

Chief Executive Officer Steven Tindale briefly explained implementation issues relating to fee calculations, timing of payment, individual assessments, portability, and the next steps in moving forward. He thereafter responded to questions from the Board.

4. **QUESTION AND ANSWER SESSION**

A. Board of County Commissioners

1:48
p.m.

There was a discussion regarding tiered fees, growth rates, student enrollment projections, student generation rates, charter schools not being considered in the study, 17,284 permanent student stations, vacant student stations, the calculated school impact fee, enclosure improvements, the complex appeal process, and the comparison of school impact fee schedules with other counties.

Chairman O'Bryan wanted to know if the School Board had taken a formal vote to adopt the recommended impact fee.

2:55
p.m.

Indian River County School Board Chairman Carol Johnson, after providing background, informed Chairman O'Bryan that a vote had not been taken. She said she felt comfortable saying that the School Board agrees with the consultant's results. She informed the Board that they wait until the money is received before they plan to use it. She also noted that the School Board prefers that the impact fee be paid by those who are impacting growth, rather than having the entire community sharing in the expense.

3:01
p.m.

County Administrator Joseph Baird asked Ms. Johnson if she would write a formal letter stating that there was a consensus of the School Board to move forward, and she agreed to do so because all five School Board members felt the County needs to continue impact fees due to the geographic surge.

Chairman O'Bryan and Vice Chairman Davis explained why it would be best to have a formal School Board vote.

Ms. Johnson reiterated that the School Board is not planning to build new schools, just new student stations.

3:08
p.m.

Discussion ensued regarding school busses, permanent student stations, portables, the number of permanent student stations (17,284) versus student enrollment (15,245), and the variables that calculate the usage of the stations.

3:12 p.m. Ms. Johnson said she would include this item on the School Board's June 24th Agenda, see that a formal vote is taken, and forward the results to the County Administrator.

Director Boling asked that this item be brought back to the Board on July 15th, provided there is consensus at the end of the workshop to move forward with the study and the proposed fees.

3:17 p.m. Carter Morrison, Assistant Superintendent for Finance Operations at the Indian River County School District, said he had sent information to Management and Budget Director Jason Brown regarding the updated collections and expenditures for impact fees through May 31, 2014. He conveyed that since 2005, the School Board has collected about \$10.5 million in impact fees and earned about \$936,000 in interest. He also reported on expenditures, appropriations, and future projects.

Ms. Johnson informed the Commissioners that the School Board had paid to have a feasibility study done on charter schools and that money had been set aside for those schools. She also noted that this year the School Board has a small amount of Public Education Capital Outlay (PECO) funds for facility maintenance.

Commissioner Zorc questioned the fairness of the charter/public school formula, and supported a workshop with charter schools and the School Board.

3:37 p.m. There was a brief discussion regarding the payment of impact fees for newly built schools.

B. Members of the Public

3:39 p.m. Chairman O'Bryan opened to the floor for public comments.

3:40 p.m. Althea McKenzie sought and received clarification regarding the impact fee study, impact fee calculation, number of students attending schools in Indian River County, and the student generation rate for mobile homes.

3:50 p.m. Charlie Wilson said he had requested a workshop with the School Board regarding impact fees over a year ago, but it never came to be. He read a portion of the Florida Statutes and stressed that the School Board, according to their documents, does not show new growth, meaning they cannot receive impact fees. He believed it to be the School Board's responsibility to prove their "need" for impact fees; and asked the Board to: (1) send the school portion of the study back to the School

Board for a formal vote; (2) ask the School Board to conduct a workshop; and (3) discontinue collecting impact fees until the School Board can prove the need.

4:04
p.m.

A lengthy discussion ensued regarding student stations that were torn down and rebuilt elsewhere, level of service, student and county-wide capacity, and using capital dollars (not impact fees) to purchase additional busses.

Chairman O'Bryan expressed that the consultants are experienced and their attorney legally supports the study; reiterated staff's concurrence; and claimed that before the Board votes, the County Attorney and County Administrator would be asked for their concurrence.

4:31
p.m.

Mr. Tindale explained the school impact fee methodology used in the study, and the calculations used when tearing down student work stations.

Mr. Wilson and Mr. Tindale debated the legalities of using school impact fee dollars.

Director Brown provided background regarding the School Board's decision not to build a new Osceola Magnet school, and how the School Board used the impact fee dollars.

4:38
p.m.

Further discussion ensued regarding the use and collection of impact fees, not being able to replace what was torn down with impact fees, and only collecting impact fees for new growth to occur.

4:40
p.m.

Gene Waddell, Chairman of Indian River Charter High School Board of Directors, said the numbers presented show that in the traditional public schools there has been no growth, but in charter schools, the growth has increased about 12% since the year 2000. He asked the Board to send this back to the School Board requesting that some of the money go to charter schools, where the growth is actually occurring.

The Commissioners expressed their concerns over making the right decision, and felt they needed more information.

4:48
p.m.

Steve Meyer believed the solution would be to get rid of impact fees.

4:50
p.m.

Mr. Wilson sought and received calculated cost percentages. He suggested cutting the approved percentage, sending it back to the School Board, and after they show the need, the percentage can be raised.

The Chairman called for a break at 4:51 p.m., and reconvened the meeting at 5:06 p.m., with all members present.

5:06 p.m. Director Boling elaborated on the limitations of impact fees and when they can be used for charter schools. He pointed out that consideration of impact fees for charter schools would require a different study, since the current study is not structured to accommodate them. He also acknowledged that impact fees did not pay for the replacement of elementary student stations at the Osceola school.

Commissioner Solari said he had no problem with the past use of money, stressed that this is not the Board's area of expertise, and preferred for the experts to discuss this.

5:10 p.m. MOTION WAS MADE by Commissioner Solari, SECONDED by Commissioner Flescher, to send a letter to the School Board requesting they hold a Board Public Workshop to present/review the methodology of the school impact fee, and to justify their need.

5:20 p.m. Vice Chairman Davis said he had spoken to staff during the break to find out if the County had torn anything down, then used impact fees to replace or rebuild in a different area, and nothing could be recalled.

Discussion ensued regarding buildings that had been demolished in the past, capacity, and portable classrooms.

5:13 p.m. Ms. Johnson said she would remove this item from the June 24th School Board meeting agenda. She also noted that she had spoken to Mr. Waddell during the break, regarding a possible workshop with the charters, and they decided it would need to be with next year's capital funds, because they have already held their workshops on what they will be doing with their budget.

5:20 p.m. Mr. Morrison acknowledged that the 17,284 permanent student stations did not include portables, justified the existing school inventory for permanent capacity, reviewed the history of collections from 2011, and indicated that the area of growth is in the north end of the County, which is where the continuation of impact fees would be used.

5:24 p.m. County Attorney Dylan Reingold noted the issues at hand and clarified the motion.

5:26 p.m. Ms. Johnson wanted to know whether a day or evening workshop would work best; consensus was to hold a daytime workshop.

5:28 p.m. Prior to Calling the Question, Chairman O'Bryan reiterated the Board's request to the School Board.

5:32 p.m. The Chairman CALLED THE QUESTION and the Motion carried unanimously.

5:35
p.m.

Director Boling requested leaving the residential fees as they are now, and scheduling the new residential fee change after the School Board holds its workshop, which will probably be in September.

Mr. Wilson continued his presentation by naming some of the issues that he felt could be dismissed, and the issues he wanted staff to review, such as Emergency Services and Law Enforcement. He did not support an increase in impact fees and felt the current level was adequate. Using an overhead projector, he provided information regarding the level of service and affordable growth for parks and public buildings, then emphasized that impact fees are not a tax, they are a fee. He thereafter spoke about the affordable alternative method, the administration of an impact fee, and the refund policy.

Chairman O'Bryan explained the law for collecting impact fees.

Director Boling reiterated that the consultants established the park fee, which has always been value or asset based.

Vice Chairman Davis wanted to know what public building space would be needed in the next six years, and Administrator Baird responded that it will be the Courthouse and Sheriff's Department.

5. **WRAP-UP**

6:08
p.m.

Chairman O'Bryan clarified Commissioner Solari's direction for staff:

- (1) Eliminate the less than 1,000 square-foot category, or keep it the same (0 to 1,500 square feet).
- (2) Review individual assessment and appeals for a reasonable fee.
- (3) Leave portability, but drop the refunds regarding non-commencement refunds.
- (4) Continue collections at permit issuance.

Commissioner Zorc voiced concerns over the alternative method appeal process for businesses that enclose their structures.

6:10
p.m.

Discussion ensued regarding enclosures, interpretation of the Code, the amount of the fee, the appeals process, dropping the 1,000 square-foot category, eliminating the refund fee for non-commencement, and collecting impact fees at permit issuance.

Chairman O'Bryan reiterated staff's direction to continue collecting residential impact fees at the current rate, and after the School Board's workshop, scheduling the final public hearing so the Board can take final action on the fee schedule.

The Commissioners confirmed for Director Boling, that they support the high cube and reduced rate for the automated warehouse.

Director Boling reminded the Board that any change in the collection of impact fees would require a public hearing and ordinance.

Attorney Reingold informed Vice Chairman Davis that he would be performing more research on his concerns over tearing down an elementary school and using impact fees to build new capacity.

Director Boling said the consultant's attorney could also work with Attorney Reingold on this issue.

6. **ADJOURNMENT**

There being no further business, the Chairman declared the meeting adjourned at 6:21 p.m.

ATTEST:

Jeffrey R. Smith, CPA, CGFO, CGMA
Clerk of Circuit Court and Comptroller

Peter D. O'Bryan, Chairman

By: _____
Deputy Clerk

Approved: _____