

WORKSHOP ITEM SUMMARY SHEET
VILLAGE COUNCIL MEETING
May 23, 2018

Workshop Item:

Impact Fees

Description:

Update on impact fees, recent County studies, implications for Village, and options for further Council action

Background:

Impact fees are a means to offset the costs of new growth. They have been utilized in the State of Florida for many years, and in Lee County since the late 1980's. Impact fees can be used to pay for capital costs (such as building new roads, parks, schools, fire stations) but cannot be used for operation and maintenance expenses.

Lee County has impact fees for:

- Schools
- Parks
- Fire
- EMS
- Roads

The County recently updated all its impact fees. A study was done by the County consultant, Duncan Associates, identifying the new fees. As part of the County's action, they adopted the fees at the new rate identified in the study, but also adopted an ordinance for a lower collection rate of 45% for schools, parks and roads. The fire and EMS impact fees were adopted at the full 100% rate indicated in the study.

Implications for Council:

Schools –

The school impact fees are adopted by the County Commission for all municipalities in the County. Thus, the 45% collection rate (of the new updated fee) will apply in the Village, effective June 4th. This means that school fees will increase for single and multiple family uses, but will decrease slightly for mobile homes.

Action Needed: Staff must update its fee "schedule" in order to collect the correct amount of money when building permits are issued.

Parks –

The regional and community park fees are collected by the Village and used for Village purposes.

Action needed: The Village should evaluate adopting the new County study and fee rates. This would require an ordinance which necessitates public hearings at the Planning and Zoning Board review and Council.

Fire and EMS –

The fire and EMS fees are set by the County study through interlocal agreements with the fire departments. The fees will generally increase on June 4th (with the exception of a few categories which will decrease).

Action needed: Staff must update its fee schedule effective June 4th in order to collect the correct fees when building permits are issued.

Roads –

Recent action by the County adopted the new study rates at a lower rate of collection (45%). The Village's fees are different from the County fees because when the Village incorporated, it was not subject to the lower collection rate.

Action needed: Village should evaluate adopting the fees from the recent County study. This would require an ordinance which necessitates public hearings at the Planning and Zoning Board and Council.

Attachment:

1. Power Point Presentation

VILLAGE COUNCIL

Impact Fees Workshop

May 23, 2018

Village of Estero

Purpose of Impact Fees

- Used as a method to offset costs of new growth
- Used in State of Florida for many years, and in Lee County since the late 1980's
- Impact Fees are used to pay for Capital Costs:
 - Build Roads
 - Fire and EMS stations
 - Parks
 - Schools
- Impact Fees cannot be used to fund operation and maintenance



Impact Fees

County Consultant prepared updated studies in February 2018 for:

Schools

Fire

EMS

Roads

Parks

Schools

- **School Impact Fees are adopted by county and apply to all cities and unincorporated county**
- **County adopted updated study fee at collection rate of 45% which applies countywide**
- **New fees will be effective June 4, 2018**
- **Collection rate automatically increases from 45% to 47.5% on March 7, 2019**

School Impact Fees (Collected at 45% of adopted rate)

| <u>Category</u> | <u>Current Fee (\$)</u> | <u>June 4th Fee (\$)</u> |
|-----------------|-------------------------|-------------------------------------|
| Single Family | 2,043.00 | 2,467.80 |
| Multi-Family | 609.30 | 955.35 |
| Mobile Home | 553.95 | 531.90* |

* Decrease effective March 12, 2018

Schools



Next Steps:

- *No action required by Council*
- *Staff will update fee schedule in order to collect fee at issuance of building permit*

Fire & EMS

- **County adopted updated fees at 100% collection rate**
- **New fees will be effective June 4, 2018**

Fire Impact Fees (Commercial per 1,000 S.F.)

ESTERO FIRE DEPARTMENT

| <u>Category</u> | <u>Current Fee (\$)</u> | <u>June 4th Fee (\$)</u> |
|--------------------|-------------------------|-------------------------------------|
| Single-Family | 357 | 766 |
| Multi-Family | 268 | 582 |
| Hotel/Motel | 218 | 368 |
| Mobile Home (Park) | 247 | 559 |
| Retail | 421 | 820 |
| Office | 197 | 398 |
| Institutional | 129 | 237 |
| Industrial | 100 | 146 |
| Warehouse | 47 | 84 |

Village of Estero

Note: All categories increase

EMS Impact Fees*

| <u>Category</u> | <u>Current Fees (\$)</u> | <u>June 4th Fee (\$)</u> |
|--------------------|--------------------------|-------------------------------------|
| Single-Family | 50 | 55 |
| Multi-Family | 37 | 42 |
| Hotel/Motel | 30 | 26 |
| Mobile Home (Park) | 34 | 40 |
| Retail | 58 | 59 |
| Office | 27 | 29 |
| Institutional | 18 | 17 |
| Industrial | 14 | 10 |
| Warehouse | 6 | 6 |

Note: Decrease for hotel, institutional and industrial categories

***Commercial per 1,000 S.F.**

Fire & EMS



Next Steps:

- *No action required by Council*
- *Staff will update fee schedule in order to collect fee at issuance of building permit*

Roads and Parks

- **Consultant study provided updated fees**
- **Village has jurisdiction to set Park & Road Fees**
- **Ordinance needed to adopt updated fees**
- **Fee increases are not effective for 90 days per Florida Statute**

(Decreases are effective upon ordinance adoption)

Road Impact Fees

- **Recent County study shows increases in most categories***
- **Study also identified new categories of fees****
 - **Multi-family (low-rise, mid-rise, high-rise)**
 - **Super-convenience Stores**
 - **Continuing Care Retirement Community**
 - **Fast Casual Restaurants**

* Decrease in industrial and general warehouse categories

** Based on *Institute of Traffic Engineers Trip Generation Study*

Road Impact Fees (Commercial per 1,000 S.F.)

| <u>Selected Categories</u> | <u>Current Fee (\$)</u> | <u>Updated Fee (\$)</u> |
|----------------------------|-------------------------|-------------------------|
| Single-Family | 6,458 | 9,996 |
| Multi-Family | 4,517 | 7,750 |
| Mobile Home (Park) | 3,391 | 5,293 |
| Adult Living Facility | 1,369 | 2,138 |
| Hotel/Motel | 3,745 | 4,947 |
| Shopping Center | 7,648 | 11,476 |
| Restaurant | 14,240 | 22,019 |
| Fast Food | 31,053 | 48,912 |
| Office | 5,191 | 7,614 |
| Industrial | 4,407 | 3,380 |

Note: Decrease in industrial and general warehouse categories

Road Impact Fees

Options for Council:

1. Adopt revised fees at 100 %
2. Adopt revised fees at lower collection rate
3. Conduct separate impact fee study

Staff recommends Option 1



Park Impact Fees

- There are 2 categories of park fees:
 - Community
 - Regional
- Recent park study by consultant resulted in lower regional park fees, and higher community park fees (based on land costs)



The net combined effect is an overall increase of 5-10%

Park Impact Fees (Community & Regional)

| <u>Selected Category</u> | <u>Current Fee (\$)</u> | <u>Updated Fee (\$)</u> | <u>% Change</u> |
|--------------------------|-------------------------|-------------------------|-----------------|
| Single-Family | 1,463 | 1,535 | + 4.9 |
| Multi-Family/Timeshare | 1,089 | 1,162 | + 6.7 |
| Hotel | 681 | 734 | + 7.8 |
| Mobile Home (Park) | 1,015 | 1,125 | + 10.8 |

Village of Estero

Park Impact Fees

Options for Council:

1. Adopt revised fees at 100 %
2. Adopt revised fees at lower collection rate
3. Conduct separate impact fee study

Staff recommends Option 1



Impact Fees - Single Family Home

| | Current Fee (\$) | Proposed Fee (\$) |
|----------------|----------------------------|-------------------|
| ROADS | 6,458 | 9,996 |
| PARKS | 1,463 | 1,535 |
| FIRE* | 357-474* | 766 |
| EMS | 50 | 55 |
| SCHOOLS | 2043 | 2,468 |
| TOTAL | \$10,371 – \$10,488 | \$14,820 |

Council Action Summary

| | | |
|----------------|---|----------------------------------|
| ROADS | Village makes decision on Impact Fees | Council needs to select option |
| PARKS | Village makes decision on Impact Fees | Council needs to select option |
| SCHOOLS | Set by Lee County for all Cities | No Village Council action needed |
| FIRE | Set by Lee County thru inter-local agreements with Fire Districts | No Village Council action needed |
| EMS | Set by Lee County | No Village Council action needed |