

LAKE COUNTY IMPACT FEE COMMITTEE
May 20, 2010

The Lake County Impact Fee Committee met on Thursday, May 20, 2010 in Training Room “B” at the Lake County Agricultural Center at 1951 Woodlea Rd. Tavares, Florida. Ordinance 1996-31, effective April 19, 1996, created this Committee to review impact fees adopted by the Board of County Commissioners, evaluate the expenditure of funds collected via impact fees, and make recommendations to the Board of County Commissioners.

Ordinance 2004-26, enacted April 6, 2004, effective April 13, 2004, changed the name of the Impact Fee Evaluation and Review Committee to the Lake County Impact Fee Committee. A current commissioner of the Lake County Board of County Commissioners shall serve as liaison in a nonvoting position and shall not be considered a member.

County Commission Liaison

Commissioner Jennifer Hill

Members Present:

Bill Benham, Agricultural Industry Representative
Bill Calhoun, Citizen at Large
Carol MacLeod, Lake County Schools
Karen LeHeup-Smith, Lake County League of Cities
Linda Nagle, Home Builders Association of Lake County
Nancy Hurlbert, Citizen at Large, Chairman
Peter Glenn, Banking and Finance
Ray San Fratello, Chamber of Commerce
Richard Giacobe, Citizen at Large
Robert Foley, Lake County Conservation Council

Member Not Present:

James Argento, Citizen at Large

Staff Present:

Sanford A. Minkoff, Interim County Manager
Amye King, AICP, Growth Management Director
Angi Thompson, Development Processing Manager
Sherie Ross, Public Hearing Coordinator
James Stivender, Public Works Director
Fred Schneider, Engineering Director
Gary Kaiser, Director of Public Safety
John Jolliff, Deputy Fire Chief
Bobby Bonilla, Parks & Trails Division Director
Tom Merchant, Library Services Director and Representative for Wendy Breeden, Public Resources Director
Erin Hartigan, Assistant County Attorney
T. J. Fish, Executive Director/ Lake/Sumter Metropolitan Planning Organization (MPO)

Presenters:

Jim Duncan, Duncan & Associates
Clancy Mullen, Duncan & Associates

Guest:

Vance Jochim

Chair Hurlbert called the meeting to order at 9:38 a.m., noting that a quorum was present and that the meeting had been duly advertised. A copy of the legal advertisement for the meeting was provided. Since a large group was present, Chair Hurlbert asked for self introductions of all attendees.

Regarding the agenda update, it was the consensus of the Committee that “Annual Ordinance Review” under Old Business on the agenda be heard after the New Business, “Impact Fee Study Presentation.” When Ms. Thompson stated that she would like to discuss the expiration of terms of Committee members, Chair Hurlbert said that could be done prior to the presentation of the impact fee study.

Minutes

Chair Hurlbert requested the following changes be made to the April 15, 2010 Impact Fee Committee Meeting minutes. In the last paragraph on Page 3 of the minutes, it should read “review the items” rather than “remove the items.” In addition, on Line 6, Page 3, of the first incomplete paragraph, it should read: “this particular issue was only part” with the word “is” being deleted.

MOTION by Robert Foley, SECONDED by Bill Calhoun to approve the April 15, 2010 Lake County Impact Fee Committee minutes, as corrected.

FOR: Benham, Calhoun, Foley, Giacobe, Glenn, Hurlbert, LeHeup-Smith, MacLeod, Nagle, San Fratello

AGAINST: None

NOT PRESENT: Argento

MOTION CARRIED: 10-0

Expiration of Terms of Office for the Impact Fee Committee Members

Ms. Thompson stated that individual Committee members or the agencies that the Committee members represent have been notified that the terms of office for the entire Committee are set to expire on August 6, 2010. Committee members can apply for reappointment online at the link she provided or with a hard copy application. If a Committee is associated with an agency, she

asked that the Committee member ensure that the agency is aware of the expiration date. She noted that the agenda had been posted on Lake County's Internet site with the meeting location indicated.

Chair Hurlbert stated that she had attended two meetings yesterday, a presentation of the impact fee study given to the Parks, Recreation & Trails Board and the MPO Technical Advisory Committee. The final recommendation of the Parks, Recreation & Trails Board was to forward the Parks Impact Fee Study, as presented. The MPO Technical Advisory Committee had a great discussion, and she hoped that as this Committee begins its review of the study, it does not get too bogged down with the technical aspects as the MPO Technical Advisory Committee has looked at that and had no comments as to the methodology of the study.

Mr. Mullen gave a PowerPoint presentation of the impact fee study (summary attached).

Regarding the Park Impact Fee Update, Mr. Mullen said one of the major changes suggested was to include the public lands that have been recently acquired by the County. This would have very little effect on the fee, but it would potentially give the County flexibility to spend impact fee money when making improvements to public lands. There had been discussion with the Parks, Recreation & Trails Board about whether or not restoration of these lands back to their natural state was a legitimate use of impact fees. The position of Budget and Legal has been that this is too much like renovation and remodeling, a noncapital expenditure. However, this issue has not been resolved and requires further review. He spoke of the significant change in the level of service since the prior study was done such as the number of baseball fields, basketball courts, tennis courts, trails, and acreage, resulting in a need for higher fees. Mr. Foley confirmed that the methodology used by other counties in determining park impact fees is similar to that used by Lake County.

When Ms. Nagle asked what population projections were used, Mr. Mullen said they were not relying on population projections. However, there are some population projections shown in the report, the 2035 BEBR projections. The fees are based on current levels of service. In response to Ms. Nagle, Ms. King said BEBR medium is being used in the proposed Comprehensive Plan, which is what the MPO used for their long-range transportation plan. Ms. Nagle asked what the County is projecting for population growth in the unincorporated area. Ms. King did not have the exact number, but she said it is slightly less than half of the total population; the County is projecting that unincorporated and incorporated will go about equal, as it has been historically although it is edging with the cities growing faster than they have historically.

T. J. Fish came into the meeting.

Ms. King added that the County must also make assumptions about population shifting into annexed areas, but that cannot be an absolute determination because the County cannot dictate what the cities annex. However, that is what the trends are showing currently. In response to Mr. Foley, Ms. King said the County can and has used regression analysis for the purposes of the data inventory analysis of the proposed Comprehensive Plan.

Mr. Stivender said Parks and Public Lands used to be under Public Works. Regarding the use of

impact fees, Public Works treated restoration as building a road; restoration is not maintenance. Chair Hulbert said that issue was the main discussion point at the Parks, Recreation & Trails Board meeting in that the ordinance does not address restoration management. The recommendation from the Parks, Recreation & Trails Board was that it be addressed in the ordinance so that an allocation is made for restoration and management. Duncan and Associates has agreed to provide some language that would lend itself to using impact fees for restoration.

Mr. Merchant commented on a similarity with the use of library impact fees when expanding a library into an adjacent existing building for added capacity. He also spoke of buying public land which is currently not public land and not suitable as public land and then applying impact fees to make it suitable as public land. He felt this is the same thing as repurposing a building.

When Ms. Nagle asked if the open space requirements in the proposed Comprehensive Plan would be credited toward park impact fees, Ms. King said that would be a policy decision. Staff could look into that possibility to see what other counties have done. Mr. Mullen said he was not aware of anyone who does that for on-site open space. He said they could also look into this. Mr. Duncan added that facilities built with public money should be labeled for general public use. A tennis court within a condominium association, even though it is open space, is not available to the general public. However, that tennis court does reduce the impact of the project on public facilities elsewhere. He said he has seen it both ways but felt there must be studies to justify it.

When Ms. Nagle asked about the timeframe for the \$246 per square foot cost of new libraries, Mr. Merchant said those libraries were built in 2007 through 2009. As in the parks impact fee, Mr. Mullen said there would be almost a doubling of the library impact fee, as proposed. The potential fee would vary for single-family residences. The current fees don't apply in Eustis, and they are suggesting that the proposed fee should not apply in Leesburg as well because of the credit for all the debt they recently issued for their library.

In response to Mr. Calhoun, Mr. Mullen said they had calculated grant credits when building a library. Some credits were given for private donations for the Cagans Crossing construction.

Ms. Nagle referred to the \$22 per item in the library impact fee update. She asked what was included in "items." Mr. Mullen said that would be circulation materials such as books, CDs, and DVDs. When these materials are purchased for the library, she asked if all of it is considered growth impact. Mr. Merchant said materials for libraries are considered capital expenditures. When Ms. Nagle asked if all of that material would be contributed to growth, Mr. Merchant said it would be contributing to the level of service to the public. He said the only materials purchased with impact fees are materials that expand a collection to accommodate growth. He explained that an opening day collection is a large number of materials purchased at the time of construction so there will be an adequate collection to open a new library. That kind of material can be purchased with impact fees. The kind of material purchased on a day-to-day basis just to keep up with what is new is not purchased with impact fees. Ms. Nagle asked if credit is ever given for the updating of new materials that are purchased for a library being expanded because those materials are also benefitting current residents. Mr. Duncan said the ratio used is consumption based in order to maintain the level of service. When Mr. Glenn asked

how a hardware or software upgrade is treated, Mr. Duncan said that would be considered an enhanced level of service for which impact fees cannot be used.

Carol MacLeod came into the meeting.

In response to Mr. Benham, Mr. Merchant said money spent from the general fund may improve the existing level of service. Mr. Mullen agreed that local governments do spend general fund money to increase the level of service for libraries, which is reflected in the Impact Fee Study Update. The impact fee is designed to maintain the current level of service.

Mr. Calhoun confirmed with Mr. Merchant that the cost of monthly periodicals would not be paid with library impact fee money. Mr. Merchant said those are not considered capital expenditures.

Ms. Nagle felt an important point for the Board of County Commissioners (BCC) would be whether or not the current level of service should be continued, given the economic conditions we are under. Mr. Duncan said that would be a policy decision. Ms. Nagle felt that decision would impact the results of the study. When Mr. Benham said closing three libraries would lower the level of service, Mr. Merchant said that would be reflected in the next study; impact fees are not estimated forward.

Mr. Mullen said the main difference in the Fire Impact Fee Update was going from annualized cost to initial or one-time capital cost. Another factor contributing to the difference in impact fees is the change in call data. Three years of call data by land use was considered. However, call data is not very stable over time. He said that most of the calls are EMS emergency calls rather than fire calls.

Commr. Hill asked where airports and marinas would be placed according to land use. Mr. Mullen said marinas would be in commercial; airports would be in public institutions. Commr. Hill asked if a private airport would be in that same category. Mr. Mullen felt it would still fall under public institutions as opposed to commercial. Mr. Duncan added that it could also be a warehouse use for the hangars and the office for the airport would be in the office category. Mr. Mullen said they are trying to get away from that so that each use is defined in the ordinance and not put staff in the position of creating new categories. These are broad categories; the applicant will have the option to show that the use will have less impact than the designated land use category. Mr. Duncan added that there will always be uses that do not appear that often and are unique. With these categories, they have tried to simplify the categories and then use common sense when applying it.

In response to Mr. Foley, Mr. Mullen said they looked at the level of service for all development. All development was put in terms of equivalent dwelling units, and the call data from each land use was used in calculating the impact fee for that land use category. Mr. Foley was informed by Chief Jolliff that he felt the proposed fire impact fee is fair. Chief Jolliff commented that regardless of the type of call, the same apparatus is sent out. Ms. Nagle confirmed with Chief Jolliff that the same average level of service was used for all the categories in Table 71 on Page 58 of the Impact Fee Update. Mr. Mullen said it is likely that retirement communities would

have more calls than a non-retirement community. Their data on residential included single-family, multifamily, and mobile homes. Similarly with commercial property, Chief Jolliff said a bar will usually generate more calls than a convenience store. Ms. Nagle confirmed that normally there are more calls to a mobile home park than to single-family residences.

There was discussion as to whether to vote now for each of the individual impact fee studies presented or to vote at the end of the entire presentation for a recommendation to the BCC for the entire study. In response to Mr. Calhoun, Chair Hulbert said that with the transportation impact fee, there is the possibility that the study will show the Committee can accept the recommended fee at less than 100 percent. The impact fees just presented would be at 100 percent of the recommendation. In addition to a presentation of the transportation impact fee, there will also be a discussion of funding alternatives later in the day. Chair Hulbert commented that the Committee has not heard from the Library Committee regarding the study. The Library Committee will be meeting today after this meeting. However, this Committee could recommend approval pending the Library Committee approval. Mr. Foley said they may learn something during the transportation impact fee study presentation that may influence their decision on the individual impact fee studies. It was the consensus of the Committee to hear the presentation in its entirety before voting.

There was a ten-minute break.

Mr. Mullen stated that several persons had questioned why the methodology was changed related to equivalent dwelling units versus using a population base. It is actually not a change in methodology. It has very little effect on the fee. However, they did make significant changes in methodology in terms of the annualized cost for the fire impact fee. He said population is often used for parks and libraries because only residential is charged. A different measure must be used for fire. They are proposing to use a consistent measure that is based on relative demands to a single-family unit. The same fees would result if population is used. The advantage of using equivalent dwelling units is that assumptions do not have to be made about vacancy rates. There are better estimates available for existing dwelling units than for population. Population estimates are usually derived from dwelling units with an assumption of occupancy or vacancy rates.

Regarding the general change in methodology, Ms. MacLeod felt that could raise a lot of questions either with the validity of the new study or the validity of the original study and whether it will be challenged in court. Mr. Mullen did not feel that would be a very strong basis for challenging a fee. Mr. Duncan said that equivalent dwelling units are actually a stronger nexus for proportionality than population. Equivalent dwelling units have been used for a very long time. In Florida with the many snowbirds, population may not be a good method as a fire truck is still needed to serve the units whether the owners are present or not. Using equivalent dwelling units is not a fundamental change in methodology; it is a way of expressing it.

Regarding the Executive Summary in the Impact Fee Update, Ms. Nagle was informed by Mr. Mullen that inflation indexing will be discussed during the transportation impact fee study presentation. She asked about the population projections used on Page 6. Her understanding was that the Comprehensive Plan indicates a decline of population in the unincorporated areas.

When she asked if that could be verified, Ms. King said she can do that before the end of the meeting. In response to Ms. Nagle, Ms. King said BEBR Medium was used. Mr. Mullen said the study shows the population at 443,982 in 2030, but it does not split it out between unincorporated and incorporated. Regarding Table 3 on Page 7 showing impact fee revenues, Ms. Nagle asked why the 2009 and 2010 numbers were not included. When Mr. Mullen said the fiscal year is not over, Ms. Nagle asked for the 2009/2010 numbers to date.

Mr. San Fratello came into the meeting.

Ms. Thompson gave the following numbers as of March 31, 2010: Library Collections, \$91,377.50; Parks Collections, \$66,303.75, Fire Commercial Collections, \$10,560.04; Fire Residential Collections, \$103,936; Transportation Commercial Collections, \$206,376.11; and Road Residential Collections, \$779,548.58.

In response to Ms. Nagle regarding the collection of reservation fees at 50 percent in light of the suspension of the transportation impact fee, Mr. Fish said the current policy according to the ordinance is to collect the reservation fees; this is separate from the impact fee suspension. When Ms. Nagle asked the intent of those fees, Mr. Schneider said they would go toward paying the transportation impact fee. If there was never a transportation impact fee again, at some point the fee would be returned. Mr. Fish added that the BCC has not specified a change in that ordinance regarding the reservation fee. Ms. Thompson said she did not think they have collected any reservation fees since the suspension was put into place. Mr. Fish explained that the impact fee is under the Impact Fee Ordinance; the reservation fee is under the Concurrency Ordinance.

Mr. Mullen resumed his presentation on the transportation impact fee. He discussed the process used to determine the cost per lane-mile. For County roads, the cost per lane-mile was \$2.4 million; for State roads, it was \$3.8 million per lane-mile. When that cost is weighted, since most of the projects in the long-range plan are County projects, the cost came out very close to the \$2.57 million weighted average cost per lane-mile. Therefore, they felt this was a reasonable number on which to base the fee.

Ms. Nagle was informed by Mr. Schneider that the County is required to spend money on State roads. When she asked if the County has spent money to improve State roads in the last decade, Mr. Stivender said it has. He gave the example of the County adding turn lanes and approach lanes and modifying the signal at the intersection of US 441 and Eudora Road in Mount Dora because there was a major traffic problem. However, they try not to do that; it is by choice of the County when the County spends money on State roads. Mr. Schneider added that when a new County road connects to a State road, the County is required to improve the State road with the County road project such as at an intersection.

Mr. Mullen said they have confirmed that there is a strong consistency between the travel demand factors used in the updated fee schedule and the amount of traffic on the road system.

Ms. Nagle was informed by Mr. Mullen that no independent trip length studies were done. They used the same studies used by Tindale Oliver. Ms. Nagle asked how it is possible to know if this

is up-to-date information. Mr. Mullen said they know those trip length factors, trip generation, and pass-by factors are consistent with the amount of travel that is on the roadway system; but they have not done a study for every possible land use. Mr. Duncan commented that too many land uses overcomplicate the system so they have consolidated them.

Ms. Nagle noted that trip length has changed significantly in many areas over the years because of new development that has taken place. If new raw data was not used, she questioned how this could be a new update. Mr. Duncan acknowledged that new data would give a different trip length, but it would be a more generic trip length. When Mr. Mullen said the data used is from 2007, Ms. Nagle said she questioned if the data used in 2007 was new data. She understood the trip length used was from the last study prior to 2007. Commr. Hill said they took four different samplings in 2007 to update those numbers and reduced it by 20 percent. Mr. Schneider thought they also looked at studies done across the State. Ms. Nagle felt that if old data is used, then it is not relevant. She said she would like to see the specific data used. Ms. Thompson pointed out that the study done by Tindale Oliver is shown on the Lake County web site. Ms. Nagle said it does not give the specifics. Mr. Mullen said the specifics are in the 2007 Tindale Oliver study. Mr. Mullen explained that Duncan & Associates did make some adjustments to the Tindale Oliver data plus a new ITE manual is now available so the trip generation data was updated to correspond with the new Manual. They continued to use the local studies; but they did not, as a part of this project, perform additional studies for individual land uses. Although they use the ITE manual, when they see something that they know locally is different, they try to adapt it more to Florida or Central Florida.

Referring to the credits for the Transportation Alternative Funding Task Force (TAFTF) recommendations, Mr. Fish gave a summary of what happened with the Task Force when they worked on this report throughout 2008. They included in the report that as revenues improve, that credit is applied so the impact fee burden is lowered.

When Commr. Hill asked if there is a sunset on the optional gas tax, Mr. Fish said there are a few coming up that will have a sunset in the next few years, which will need to be addressed either by referendum or by the BCC.

Mr. Calhoun questioned if there would be any benefit to a joint meeting between the League of Cities and this Committee. Mr. Fish said he had requested that the Lake County League of Cities discuss the credits issue at a future meeting. The MPO is working on a cost feasible plan that ties all this together. Commr. Hill confirmed with Mr. Mullen that no credits have been calculated within the numbers provided in the Update.

When Mr. San Fratello asked if a summary sheet could be provided on the implications of those changes, Mr. Fish said he could do that.

Ms. LeHeup-Smith said Mr., Fish has come before the League of Cities. She will take this issue back to the League of Cities for a resolution from the municipalities and then bring the resolution to this Committee.

When Ms. Nagle asked about the last sentence on Page 14 of the Update, Mr. Mullen said that is referring to their generally being more capacity than demand although some roads may be underutilized and other roads very congested. If Lake County has more capacity than demand, Ms. Nagle questioned why it is charging impact fees. Mr. Fish explained that the capacity is on the underutilized road segments. On individual roads, Mr. Mullen said there are deficiencies; but system wide, there is no deficiency. A consumption-based approach is a conservative approach. Ms. Nagle said it is important that there be other sources of revenue for transportation because everyone benefits from having good roads in the County. Mr. Duncan agreed that it is important to look at alternatives.

There was a short lunch break until 12:30 p.m.

Mr. Mullen spoke of the shift in emphasis to simplified land use categories and showed a chart of the proposed land use categories.

Commr. Hill asked if there was a category for preservation of historic buildings. An example was given of changing an older residence to a tea room. Since this is a positive public idea, Mr. Duncan said his philosophy in this circumstance would be to try to find a way not to charge an impact fee. Because this would be a change of use, Mr. Mullen spoke of an exemption for residential expansion. Commr. Hill commented that certain criteria would need to be established. Mr. Duncan said they would look into this issue and try to come up with a resolution.

Ms. Nagle asked what criteria were used when placed medical offices under office rather than retail/commercial. Mr. Mullen agreed that a medical office does function somewhat similar to retail in terms of their traffic generation, but it is an office use.

Mr. Duncan stated that most barns are considered agricultural accessory uses and are not charged any impact fee. Ms. King said that if a barn is part of a bona fide agricultural business, a building permit is not required. A building permit triggers an impact fee. Commr. Hill commented that another trigger would be an occupational license.

Mr. Stivender said that when impact fees were implemented, there were few land use categories. As the number of categories increased, the amount of debating also increased. Fewer land use categories simplifies staff's effort to put uses in the right place. There may be a few people paying more as a result of this simplification, but there will be many more paying less. Mr. Duncan added that this is a trend that most communities are going to now.

As requested, Ms. King provided the following population figures. She said the unincorporated population projection has a less than one percent change up to 2030; the projection is 119,426 as of 2030. The incorporated population projection is 332,174. Total population for 2030 is 451,600. The municipalities account for 52 percent of the population, and the County accounts for 48 percent. It was assumed that all the population growth must be happening in vacant, unincorporated county that is going to be annexed. Mr. Stivender added that in the last five years, the cities have grown much faster than the County.

Mr. Mullen discussed the transportation benefit district options. Duncan & Associates recommended three benefit districts instead of the current six districts in order to give the County more flexibility as to where to spend the money. Money in the existing account would still be used in the six districts even if there was a change to three districts. Mr. Stivender supported the three-district concept. Mr. Fish requested that the lines for these benefit districts be set to ensure they make sense from a jurisdictional standpoint.

Mr. Calhoun felt that if people like Mr. Duncan and Mr. Fish, who work with benefit districts support three benefit districts, this Committee should also support it.

Ms. Nagle asked Commr. Hill if she felt three benefit districts would cause any political problems with the BCC; Commr. Hill did not think it would. Mr. Stivender said this was discussed in 2007. Mr. Glenn questioned if three districts are necessary. Mr. Stivender said there is some transportation logic, such as maintenance of the roads, to having the County divided into three sections. In response to Ms. LeHeup-Smith, Mr. Fish said these three transportation benefit districts closely mirror the three MPO districts except that the MPO has put Astatula in the South Lake District for planning purposes.

Mr. Mullen said he would provide Ms. LeHeup-Smith with a better map for her presentation to the League of Cities.

Regarding the impact fee administrative fee, Mr. Mullen suggested the \$142 per permit reviewed fee be considered. He discussed an annual inflation adjustment to avoid big jumps between updates. He suggested picking an index that is not extremely volatile. The purpose of indexing is to capture some of the increase. Construction cost indexes do a better job than the Consumer Price Index; Mr. Duncan agreed that the ENR factor is a good recommendation. Ms. Nagle questioned using national indexes rather than localized indexes. Mr. Stivender commented that the ENR has a southeast regional number; Ms. Nagle said that still would not be considered localized. She felt this could be a legal issue regarding the use of local data when determining impact fees. Mr. Duncan said they would check into that. Ms. Nagle confirmed that indexing is included in the proposed ordinance.

Mr. Mullen said they have added definitions for the 13 land use categories and will restructure the language so that staff can make the interpretation as to the proper categories for various land uses that are submitted. The applicant will continue to have the option to do an independent study. The fee schedules have been updated. The maximum fees are shown in the draft, but this is not a recommendation. Regarding the clarification of developer's credits for road improvements, Mr. Mullen said the language in the current ordinance is difficult to interpret. All the improvements that are funded in the five-year Capital Improvement Plan are actually eligible for credit. Mr. Fish said the developer must be willing to contribute beyond their impact as far as helping to improve a road that is already identified in the five-year program, not just in the Plan. It is anticipated to be fully funded. If it is a recognized public project that was identified not just as a need but as a cost-feasible need to the Plan, then the County would consider giving credit.

When Ms. Nagle asked if the land use types on Page 41 of the proposed ordinance are the same as in the proposed Comprehensive Plan, Ms. King said they are very similar but not exactly the

same; there is no direct relationship between the Comprehensive Plan and impact fees. Mr. Mullen commented that they try to be as consistent as possible.

Based on an informal poll taken at the MPO Technical Advisory Committee yesterday, Mr. Fish said there has been no impact since the transportation impact fee was suspended.

Mr. Stivender stated that between 1995 and 2005, Public Works was a department dominated by impact fee projects; maintenance and resurfacing roads was secondary. After that time, the department shifted their operation over to prioritizing maintenance. He discussed gas and sales taxes and future renewals. In response to Mr. Calhoun, Mr. Stivender said the gas tax is not indexed per the Legislature.

There was a ten-minute break.

Mr. Minkoff came into the meeting.

MOTION by Bill Calhoun, SECONDED by Richard Giacobe to accept the Lake County Florida Impact Fee Update for Transportation, Parks, Libraries and Fire Rescue, as presented.

Chair Hurlbert stated that the motion would include indexing, collapsing land uses, reducing districts from six to three, and changing the administrative fee from \$100 to \$142.

When Ms. LeHeup-Smith asked about a discussion regarding adopting the transportation fee at 63.4 percent, Chair Hurlbert said the motion on the floor is for adoption of all fees at 100 percent.

In response to Mr. Glenn, Ms. Thompson said the timeframe for updating the impact fees is at the discretion of the BCC. However, the ordinance mandates that the school impact fee study be updated every three years.

When Mr. Glenn asked why the 2007 study was not accepted, Chair Hurlbert said that was the decision of the BCC. The recommendation from this Committee was to move it forward at a reduced percentage to the BCC.

Ms. Nagle asked if the transportation study recommends any alternative funding. Chair Hurlbert did not think the study recommended one of the alternatives; it just provided information if the BCC implemented any of the options. In response to Ms. Nagle, Ms. Thompson said this Committee could include language in the motion going forward to the BCC that it would like the BCC to look at alternative funding as outlined by the consultant. Chair Hurlbert said it may be easier to vote on alternative funding in a separate motion. Ms. LeHeup felt there were several alternatives that need to be discussed separately. Ms. Nagle agreed.

Mr. Nagle said she would be voting against this motion as it stands because she would prefer to look at each impact fee study separately.

FOR: Calhoun, Giacobe, Hurlbert, LeHeup-Smith,
AGAINST: Benham, Foley, Glenn, MacLeod, Nagle, San Fratello
NOT PRESENT: Argento
MOTION FAILED: 4-6

MOTION by Bill Calhoun, SECONDED by Karen LeHeup-Smith to hear and vote on each element of the Lake County Florida Impact Fee Update separately.

FOR: Benham, Calhoun, Foley, Giacobe, Glenn, Hurlbert, LeHeup-Smith, MacLeod, Nagle, San Fratello
AGAINST: None
NOT PRESENT: Argento
MOTION CARRIED: 10-0

MOTION by Karen LeHeup-Smith, SECONDED by Robert Foley to accept the Parks Impact Fee section of the Lake County Florida Impact Fee Update, as presented.

FOR: Benham, Calhoun, Foley, Giacobe, Glenn, Hurlbert, LeHeup-Smith, MacLeod, San Fratello
AGAINST: Nagle
NOT PRESENT: Argento
MOTION CARRIED: 9-1

MOTION by Karen LeHeup-Smith, SECONDED by Bill Calhoun to accept the Library Impact Fee section of the Lake County Florida Impact Fee Update, as presented.

FOR: Benham, Calhoun, Foley, Giacobe, Glenn, Hurlbert, LeHeup-Smith, MacLeod, San Fratello
AGAINST: Nagle
NOT PRESENT: Argento
MOTION CARRIED: 9-1

MOTION by Karen LeHeup-Smith, SECONDED by Bill Calhoun to accept the Fire Rescue Impact Fee section of the Lake County Florida Impact Fee Update, as presented.

Ms. MacLeod said she had a concern with the one-time capital cost; she felt the annualized cost seemed to provide a better analysis.

FOR: Benham, Calhoun, Giacobe, Glenn, Hurlbert, LeHeup-Smith, Nagle, San Fratello

AGAINST: Foley, MacLeod

NOT PRESENT: Argento

MOTION CARRIED: 8-2

MOTION by Karen LeHeup-Smith, SECONDED by Bill Calhoun to accept the Transportation Impact Fee section of the Lake County Florida Impact Fee Update, as presented.

Ms. Nagle said she would be opposed to one hundred percent of the transportation impact fee as shown in the study as she was not satisfied with the information on the trip length assumptions. She did not feel this is the time to be increasing impact fees. She was also opposed to the inclusion of State roads.

Since transportation impact fees have been suspended, Mr. Glenn said the urgency does not exist. He felt this gives the Committee an opportunity to look into the impact fee further.

Mr. San Fratello asked if time is of the essence or is there a necessity in any of the discussions held. He did not realize that they would be voting on everything today. If the Committee votes to move this study forward, Mr. Calhoun said this would allow County staff to begin due diligence for the BCC. Chair Hurlbert added that the ordinance will require a public hearing.

Ms. Thompson explained that staff has already reviewed the study. If a change is made to any impact fee that would cause an increase, there would be a 90-day waiting period after the public hearing before that fee can actually take place. Although there may not be a rush, she said it will take time to go through the public hearing process and adoption process.

Mr. San Fratello said he could not figure out how to work the alternative funding options into this. He was also uncomfortable with recommending 100 percent. Some of the fee could be mitigated by other revenue sources. He questioned the best way to come up with the most appropriate percentage.

As far as the other revenue sources, Ms. Thompson said this Committee can recommend that the BCC look into that in an effort to lower the impact fee. In the past, Ms. Thompson said she had prepared a table showing what the impact fee would be for each percentage. She did not have

that table for this meeting, but she can put it together very quickly if the Committee needs it to make a decision.

Mr. Calhoun pointed out that if this Committee chose to recommend the adoption of the transportation fee at 63.4 percent, it would not double the current fee. The BCC could change that percentage. The Committee has seen the data to back up the impact fee at 63.4 percent.

AMENDMENT by Bill Calhoun, SECONDED by Karen LeHeup-Smith to accept the Transportation Impact Fee at 63.4 percent of the recommended fee in the Lake County Florida Impact Fee Update.

When Ms. Nagle said she had not had her question answered as to whether the use of the national index would satisfied the requirement of localized data, Mr. Duncan said he could not imagine anyone litigating an impact fee over that factor.

Mr. Glenn said he would recommend that this Committee suggest to the BCC that the Committee has an issue with transportation funding over the next five to eight years and ask the BCC to look into this further.

Ms. Nagle felt there were some members who are uncomfortable with recommending any percentage of the perspective fees because philosophically those members feel transportation should not be funded almost solely by impact fees. By voting on this for any percentage does not allow this Committee to send a message that the Committee does not want just impact fees for transportation.

Ms. MacLeod said she had the same concern. She felt there were many clarifying statements in the Impact Fee Update. However, she could not see a compelling reason stated that explains the change in methodology.

Ms. MacLeod reiterated that language has been used many times during the presentation that old data has been updated instead of bringing in new data. Mr. Duncan replied that any time a fee is updated, new data will be brought in. Ms. MacLeod said it is not only updating a fee; it is also updating the way the fee is calculated. Mr. Duncan said there was not a significant change in road methodology. There are changes in the benefit districts and how to consolidate uses, but that has nothing to do with methodology. The basic methodology of calculating the fee is still a consumption-based approach. Much of the data from the 2007 study was used. The only methodological change recommended by the consultant was the annualized cost in the fire impact fee.

Mr. Mullen said one change that was discussed earlier was that Tindale Oliver used a 20 percent interstate reduction factor on the travel demand factors, which probably came from a regional model. Duncan & Associates calibrated to current conditions. Mr. Duncan said that came closer to the local and current provisions in State law.

Mr. Minkoff left the meeting.

Ms. Nagle said one of her concerns on the trip lengths in the past study was that it showed Lake County's trip averages being much greater than those in surrounding areas. She requested once again the raw data that created the average trip length for Lake County. With so much development in the past ten years, she questioned why the average trip length has not shortened. Chair Hurlbert said that was a concern of this Committee in 2007, and the answer given at that time was that the difference in trip length in other counties was due to the many lakes in Lake County. That has not changed.

Mr. Duncan said they used the Tindale Oliver data with adjustments.

Although there has been change, Mr. Foley did not feel it was not significant enough to affect the overall data.

Mr. Duncan added that he felt the trip lengths used are conservative.

In terms of the selection of the consultant and the methodology that was used for this study, Ms. Thompson said that was done by an interdepartmental team of staff; Chair Hurlbert was part of that Selection Committee. The Selection Committee chose a consultant based on the presentation and information submitted and also approved the methodology, which included using the data from the 2007 study and updating it. It did not include additional studies because they are extremely expensive.

FOR: Benham, Calhoun, Foley, Giacobe, LeHeup-Smith,

AGAINST: Glenn, Hurlbert, MacLeod, Nagle, San Fratello

NOT PRESENT: Argento

**MOTION FAILED,
AS AMENDED TO
63.4 PERCENT: 5-5**

FOR: Calhoun, LeHeup-Smith, Hurlbert

AGAINST: Benham, Foley, Giacobe, Glenn, MacLeod, Nagle, San Fratello

NOT PRESENT: Argento

**ORIGINAL
MOTION FAILED,
AT 100 PERCENT: 3-7**

MOTION by Linda Nagle, SECONDED by Bill Benham to keep the Transportation Impact Fee at the old rate prior to suspension and to recommend to the Board of County Commissioners that they seek alternative funding in addition to impact fees.

Mr. Mullen confirmed that this motion would result in keeping the current fee schedule with the 83 categories. Ms. Nagle said they would just be voting on the fee, and it had nothing to do with categories. Mr. Duncan said the County would be continuing with a fee based upon a ten-year old study; that may cause a problem with the State law. Ms. Thompson said the motion needs to clarify if it pertains to the entire Transportation Study with all the changes including benefit districts and land classifications.

Mr. Duncan felt the Committee should go with the new study based on their concern about meeting the requirements of the new State law regarding current data. He added that the 63.4 percent rate would produce a transportation impact fee that is one-third higher than the current transportation impact fee. The Committee may be more satisfied with a 50 percentage rate. Mr. Mullen said a percentage could be found that would result in no change to the typical single-family transportation impact fee; other fees would change somewhat.

Linda Nagle withdrew her motion.

MOTION by Linda Nagle, SECONDED by Bill Benham to accept the Transportation Impact Fee section of the Lake County Florida Impact Fee Update at 50 percent of the Study's fee suggestion with the recommendation that the Board of County Commissioners seek alternative funding.

Ms. Thompson said this would result in a five percent increase for single-family residential units. For multifamily units, it results in a 25 percent decrease; lodging fees would be a one percent increase. Fees for retail/commercial would have a 23 percent increase; office fees would increase by six percent. Manufacturing fees would increase eight percent; fees for warehousing would decrease 23 percent.

FOR: Benham, Foley, Glenn, LeHeup-Smith, Nagle, San Fratello

AGAINST: Calhoun, Giacobe, Hurlbert, MacLeod

NOT PRESENT: Argento

MOTION CARRIED: 6-4

MOTION by Karen LeHeup-Smith, SECONDED by Bill Calhoun to accept the change for the administrative fee from \$100 to \$142 in the Lake County Florida Impact Fee Update.

FOR: Benham, Calhoun, Foley, Giacobe, Glenn, Hurlbert, LeHeup-Smith, MacLeod, San Fratello

AGAINST: Nagle

NOT PRESENT: Argento

MOTION CARRIED: 9-1

MOTION by Bill Calhoun, SECONDED by Karen LeHeup-Smith to approve the indexing recommendation of the administrative study.

Mr. Foley said he could support this with the condition that the indexing study that is used meets statutory requirements.

Mr. Calhoun said he would accept that amendment.

When Mr. San Fratello asked if it had been decided what index would be used, Chair Hurlbert said the recommendation was the ENR. Mr. Duncan said they would check to see if the State has anything more local. Ms. Thompson said she is hearing from legal that the ENR index is fine.

In response to Ms. Ross, Ms. Thompson said the use of the ENR Construction Cost Index should be included in the motion.

FOR: Benham, Calhoun, Foley, Giacobe, Glenn, Hurlbert, LeHeup-Smith, MacLeod, San Fratello

AGAINST: Nagle

NOT PRESENT: Argento

**MOTION CARRIED,
AS AMENDED: 9-1**

Ordinance Review

Chair Hurlbert said at the Parks, Recreation & Trails Board meeting yesterday, they had a concern about restoration not being “allowed” as part of a usage of impact fees. They had recommended that there be some language clarification of restoration land management in the definitions. Ms. Thompson said that would fall under Section 22-55 on Page 48 of the ordinance. She felt this is something which requires a technical and legal opinion. Therefore, it cannot be voted on today. Mr. Calhoun felt there was no reason why they could not recommend that, pending certification by legal counsel. Ms. Thompson said this Committee would not be voting on the ordinance at this meeting. When this ordinance comes back before the Committee at its next meeting, staff will add language to the ordinance if it is allowed.

Regarding Section 22-42, Chair Hurlbert said now that they have approved the collapsing of the benefit districts from six to three, those legal descriptions will need to be changed. Mr. Duncan added that they will be adjusted with the MPO as well.

Regarding Definition 16 on Page 3 of the ordinance, Chair Hurlbert asked if this complies with the Land Development Regulations (LDRs) as far as the description of a dwelling unit. Ms. Thompson said staff is still looking into that.

When Mr. San Fratello asked about the No. 46 on Page 7, Mr. Mullen said they may take this section out. He did not feel it is necessary to define "site-related improvements." If something is not in the five-year Capital Improvement Plan, no credit is going to be given. Mr. Schneider said it could be taken out and instead the decision would rely on the Florida Statute.

Regarding Paragraph C, Section 22-41 on Page 36, Mr. San Fratello asked the intent. Mr. Duncan explained that it means it can be funded by either district.

If a member finds any additional changes needed in the ordinance, Chair Hurlbert asked them to contact Ms. Thompson.

Ms. Thompson stated that at the last meeting, they began a discussion about the possibility of changing the ordinance to allow collection of the impact fees at the time of the Certificate of Occupancy as opposed to collection at the time of permit issuance, which is the current practice. The School Board had sent a letter to the County stating that they would be agreeable to allowing that with the school impact fees. However, it cannot be done for one impact fee; it must be done for all the impact fees. Ms. MacLeod said she would like to pull this off for discussion and take it back to the School Board because she did not believe what they recommended was intended to cause the County any additional aggravation; it was intended to be an assistance. Therefore, she would like to take it back to the School Board and clarify their intent. She asked if any legal opinion had been received. Ms. Thompson said it is her understanding that the County can have a Code that is more restrictive than the Florida Building Code so it could be done. As far as the cost associated with it, the software company thought it would fall into the maintenance contract; but she suggested keeping in mind that the contract allows only a certain number of hours available for maintenance each month.

Ms. LeHeup-Smith thanked Duncan & Associates for the readability of this study. Chair Hurlbert and Mr. San Fratello concurred.

The next meeting was set for June 17, 2010 at 9:30 with the location of the meeting to be determined.

The meeting was adjourned at 3:40 p.m.

Respectfully submitted,

Sherie Ross
Public Hearing Coordinator

Nancy Hurlbert
Chairman