LAKE COUNTY IMPACT FEE COMMITTEE

July 17, 2008

The Lake County Impact Fee Committee met on Thursday, July 17, 2008 in Room 233 of the Lake County Administration Building, 315 W. Main Street in 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 and changed membership from eleven members to ten members. 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:
James Argento, Citizen at Large
Nancy Hurlbert, Citizen at Large
Jean Kaminski, Home Builders Association of Lake County, Chairman
Carol Macleod, Lake County Schools
Jim Miller, United Chambers of Commerce
Ray San Fratello, Industrial Community Representative
Karen LeHeup-Smith, Lake County League of Cities

Members Not Present:
Bill Benham, Agricultural Industry Representative
Bill Calhoun, Citizen at Large
Marie Kiser, Lake County Conservation Council

Staff Present:
Angi Thompson, Development Processing Manager
Ed O'Malley, Impact Fee Specialist
Debbie Parker, Development Processing
Amye King, AICP, Growth Management Director
T. J. Fish, AICP, Executive Director, Lake-Sumter Metropolitan Planning Organization (MPO)

Guests Present:

Linda Nagle, Executive Director – Home Builders Association of Lake County
William J. Deas, P.A. representing Cagan's Crossing

Chairman Kaminski called the meeting to order at 9:30 A.M. Ms Kaminski noted a new member of the committee at the meeting, James Argento, Citizen at Large, and asked that a few minutes be taken so that everyone attending the meeting could introduce themselves. The Chairman confirmed that the meeting had been properly advertised in the newspaper and noted that the minutes from the April 17, 2008 meeting were available for approval by the Committee. Nancy Hurlbert asked that Marie Kiser's name be added to last month's minutes as the new member of the committee. Motion was made to approve minutes with the identified change.

MOTION made by Nancy Hurlbert, SECONDED by Carol Macleod, to approve the April 17th, 2008 Lake County Impact Fee Committee minutes with identified changes.

FOR: **Argento, Hurlbert, Kaminski, Macleod, Miller, San Fratello, LeHeup-Smith**

AGAINST: **None**

NOT PRESENT: **Benham, Calhoun, Kiser**

MOTION CARRIED: 7 – 0

School Fee Annual Report

Carol Macleod presented the annual report for the school board as prescribed by ordinance. Ms. Macleod introduced Mr. Harry Fix, the School Board Planning Director and Ms. Cindy Barrow, the School Board representative, each of whom were available to answer questions if necessary. Ms. Macleod pointed out that the prior ordinance had provided for school impact fees to be collected by zones and for funds to be expended in those same zones. The current ordinance provides for county wide collection and expenditure of school impact fees. As of June 30, 2007 all funds collected under the old ordinance had been expended and the current year, therefore, only reflects county wide totals. Current year revenues are approximately ten (10) million dollars compared to eighteen (18) million dollars in the prior year. Specific schools and projects are shown with specific expenditures and credits as indicated leaving a fund balance as of June 30, 2008 of $45,572,436.51. Estimated revenues for the upcoming year are eight point five (8.5) million dollars. Planned expenditures total $54,072,436.51. Estimated revenues and planned expenditures are updated as new information becomes available. These expenditures are calculated on the basis of new student stations to accommodate growth.

"BBB" High was identified as a new high school planned for Hills of Mineola and "CCC" was identified as the new magnet school partnership with Lake/Sumter Community College at the South Lake campus. Mr. San Fratello questioned the probability of this school being built. Ms. Macleod stated the Interlocal agreement has been approved by the School Board and is under review by the other partners. She further stated that matching funds have not been allocated by the State effectively putting the project on hold for a year. Chairman Kaminski asked why interest was not included in the 2008 estimated revenues. Ms. Macleod stated that, at this point, the eight point five (8.5) million identified includes interest. As soon as more reliable numbers become available the interest will be shown separately. Ms. Macleod further stated that while impact fees receipts per month have been lower, they have been steady. Ms. Hurlbert then inquired as to how many stations would be purchased with the ten (10) million dollars planned at Gray Middle. Mr. Fix responded that this would cover 400 to 500 new stations. Ms. Macleod indicated the school board intends to rebuild and remodel the entire middle school but these indicated expenditures were only for the new buildings being added at this location due to growth. Mr. Argento asked for a definition of a student station. Ms. Macleod explained that it refers to a desk and ancillary space, i.e. cafeteria, office space, etc. Mr. San Fratello asked when the increased school impact fees had taken effect. He was informed they became effective on March 11, 2008. He then indicated that revenues from impact fees were flat to lower even with the increase in fees and that this highlighted the more or less down economy. Chairman Kaminski asked if the School Board had a record of the total amount of school impact fees collected historically and the total expenditures of these fees. Ms. Macleod stated this record is available and she would forward this to the committee.

Mr. Harry Fix explained that the School Board is currently updating the five (5) year plan. The School board is working closely with state representatives to ensure that enrollment projections are as accurate as possible with respect to economic trends. The School Board currently envisions eight hundred (800) to one thousand (1000) units being built in Lake County this year. They are expecting an increase of some seven hundred fifty (750) students. Mr. San Fratello asked how the School Board measures or projects population growth. Mr. Fix provided an in depth overview of the process. Amye King provided further

information on how the county assists in identifying population projections which are used in the out years of School Board planning.

Joint Meeting with the Transportation Alternative Funding Taskforce (TAFT)

Mr. T. J. Fish stated that the group did not meet in July and would meet next on August 4, 2008. He provided background information on the task forces' past activity and its goals. A joint meeting of the TAFT and the Impact Fee Committee (IFC) has been proposed and will be discussed at the TAFT August 4th meeting with a tentative joint meeting to be planned for the September/October 2008 time frame. A joint meeting will be coordinated by Mr. Fish working with Angi Thompson. Chairman Kaminski suggested that Mr. Fish and Ms. Thompson should work towards setting a joint meeting to follow the IFC meeting scheduled for October 17, 2008.

MPO Funding Update

The MPO is looking out to the year 2035 to determine the transportation needs for Lake County and to determine as best as possible the costs for same. This includes Department of Transportation funds as well as funds provided by Lake County and Sumter County. Mr. Fish pointed out that the impact fee for roads has been the sole source of funding for new roads in the county and has been the same since 2001. The 2005 study of road impact fees would have dramatically increased transportation impact fees for residential development. It was pointed out by Mr. San Fratello and by Chairman Kaminski that the increase in commercial transportation impact fees was so dramatic that commercial growth in the county would have come to a standstill. Mr. Fish stated that transportation impact fees are collected by road district while the transportation issues are county wide. Mr. Fish identified the major problem in so far as the MPO is concerned is that the roads that are in place now and which are suffering due to growth that has already occurred.

Cagan's Crossing School Impact Fee

Mr. William Deas, an attorney representing Cagan's Crossing, appeared to present school impact fee information to the committee. Mr. Argento stated he was a resident of a property also owned by Cagan Properties and as a result would not participate in the discussion. The issue Mr. Deas wished to discuss centered on the number of students per living unit in the Cagan's Crossing development and the school impact fees which are being assessed on the property. It was established that the committee still had a quorum with Mr. Argento's abstention.

Mr. Deas provided background information on the Cagan's Crossing development. He stated that some one thousand (1000) rental units are in place today and no additions have been made to the development since approximately 2000. He further stated that the apartments are mostly rented to couples without children and Disney workers who often pair up to live in the apartments. Mr. Deas pointed out that several years ago a discussion with the school board demonstrated that less than a dozen children lived in some 425 units. Since 2000 most of Cagan's interest has been centered on commercial property, however, a determination was made not long ago to move forward with a six hundred sixteen (616) rental apartment project. The impact fees for this project are in excess of five million dollars ($5,000,000.00) which puts the project at risk. The impact fees represent more that ten percent (10%) of the cost of the project and the bulk of the impact fees are made up of the school impact fees. As a result the principals in the project are taking more than a casual interest in the number of school children expected to live in the apartments and the school impact fee Cagan's will be required to pay. Mr. Deas went on to point out that there feelings are that the school impact fee as presently constituted and collected is unfair in their case. He pointed out that the school fee is the same regardless of whether you are looking at a studio apartment, a one bedroom apartment or a two or three bedroom apartment. He stated that common sense would indicate that a studio apartment would generate a smaller number of school children than a three bedroom with den apartment. Yet the school impact fee is the same for each.

Mr. Deas further stated that the existing one thousand units at Cagan's Crossing, per Lake County School Board data, currently indicates eighty eight (88) students from the development attend Lake County schools. The pupil generation tool used by the school board indicates these same units should be generating some 252 students. As a result, Cagan's Crossing, in the person of Mr. Deas, asked the committee to recommend to the Board of County Commissioners (BCC) that the impact fee ordinance be reclassified to more fairly charge school impact fees based on bedrooms. Mr. Deas suggested that he had called around the state and discovered many jurisdictions which do just that.

Chairman Kaminski asked for clarification from Commissioner Hill or Ms. Thompson with respect to language in the impact fee ordinance relative to applicants performing their own study to demonstrate actual impacts of a specific project. Ms. Kaminski wanted to know if this only was available for road impact fees or was it also applicable to school impact fees. Ms. Thompson indicated this did not apply to education impact fees. Chairman Kaminski then opened the issue to discussion.

Mr. Miller indicated that in previous years the impact fee had been determined based on the number of bedrooms but the ordinance had been changed due to "dens" being added to homes and apartments and subsequently being converted to bedrooms to circumvent the ordinance. He further went on to state that when the ordinance was adopted based on units in the case of multi-family there was very little multi-family available in the county. He stated that Mr. Deas argument was valid and the data supported it. Mr. Miller suggested a motion that studio apartment pay only ten (10) percent of the fee and one bedroom apartments pay only twenty (20) percent of the fee. Mr. San Fratello seconded the motion for discussion. Ms. Hurlbert added that she respectfully disagreed with the proposed motion. She indicated that the location of Cagan's Crossing may have something to do with the numbers of school children in the apartments; this is not a conclusion which could be validated county wide. Ms. Hurlbert stated she believes the ordinance should be changed to allow the developer the opportunity to demonstrate through their own study why the impact fee for a specific development should be lower. This would match the wording in the transportation impact fee section of the ordinance.

Commissioner Hill offered that it may be wise to have the county's consultant look over the ordinance with Cagan's Crossing specifics in mind and discuss with the County Attorney what options may be legally available. Ms. Thompson added that the school board hired the consultant and paid for the study and they would have to concur with changes. Ms. Macleod stated she felt arbitrary changes to the school impact fees may invalidate the whole study. Mr. Fix contributed to the discussion by stating that the school impact fee for apartments is lower than for single family homes because of the mix of apartment sizes. He stated that to eliminate or lower fees for studio or one bedroom apartments would require a substantial increase in the fees charged for two and three bedroom apartments. Mr. Miller withdrew his motion based on the discussion. Mr. Miller suggested a new study would have to be done to determine appropriate fees for multi-family. Mr. Deas suggested waiting for a new study would kill the project. Ms. Macleod offered that she didn't want to obligate the school board to pay for a new study. Mr. Miller offered that only a partial study would be required. Ms. Kaminski felt that we needed the County Attorney to take part in this discussion. Commissioner Hill restated her opinion that the school board and the County attorney review and make a suggestion back to the committee. Ms. Thompson added that any change in the fee structure would have to be approved by the school board, recommended to the BCC, and would not take effect for a further ninety (90) days after approval by the BCC.

Mr. Deas suggested that this project was time sensitive and would hope that some fairer method could be established in a reasonable time.

MOTION made by Jim Miller, SECONDED by Nancy Hurlbert, to ask the County Attorney to discuss with the School Board what options are available to review multi-family school impact fees and to get back to the committee in a reasonable time.

FOR: **Hurlbert, Kaminski, Miller, San Fratello, LeHeup-Smith**

AGAINST: **Macleod**

ABSTENTION: Argento

NOT PRESENT: Benham, Calhoun, Kiser

MOTION CARRIED: 5 – 1

Legislative Issues

Chairman Kaminski opened the floor for discussion relative to any items committee members felt should be brought to the BCC's attention and which should be relayed by the BCC to members of the state legislature. Ms. Hurlbert brought up the proposed Amendment 5 which could impact funds available to schools in the future and we should be cautious about making any changes in school impact fees. Ms. Macleod seconded this statement. Mr. San Fratello also stated he would not want to see sales taxes used to fund schools. Further discussion revolved around the committee's ability to make a recommendation to the BCC relative to Amendment 5. Commissioner Hill stated she saw no reason why the committee could not take a stand on Amendment 5 and make their thoughts known to the BCC.

MOTION made by Nancy Hurlbert, SECONDED by Jim Miller, to make the BCC aware of the Impact Fee Committee's opposition to Amendment 5.

FOR: Argento, Hurlbert, Kaminski, Macleod, Miller, LeHeup-Smith

AGAINST: San Fratello

NOT PRESENT: Benham, Calhoun, Kiser

MOTION CARRIED: 6-1

Ms. Kaminski asked if there were any other issues member's wished to have discussed. None being identified Chairman Kaminski adjourned the meeting at 10:42 A.M.

Respectfully submitted,

Ed O'Malley	Jean Kaminski
Impact Fee Specialist	Chairman