**LAKE COUNTY IMPACT FEE COMMITTEE**

**August 5, 2009**

The Lake County Impact Fee Committee met on Wednesday, August 5, 2009 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. 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 (Arrived at 10:36 AM) (Left at 11:30 AM
Bill Benham, Agricultural Industry Representative
Richard Giacobe, Citizen at Large
Robert Foley, Lake County Conservation Council (Arrived at 10:12 AM)
Peter Glenn, Banking and Finance
Nancy Hurlbert, Citizen at Large, Chairman
Karen Leheup-Smith, Lake County League of Cities (Left at 11:26 AM)
Carol Macleod, Lake County Schools
Ray San Fratello, Chamber of Commerce

**Members Not Present:**

Bill Calhoun, Citizen at Large
Linda Nagle, Home Builders Association of Lake County

**Staff Present:**
Angi Thompson, Development Processing Manager
Ed O'Malley, Impact Fee Specialist
Fred Schneider, Engineering Director Public Works
T. J. Fish, Executive Director MPO
Cindy Hall, County Manager
Sandy Minkoff, County Attorney

**Transportation Alternative Funding Task Force Representatives:**

Virgil Park
Dwayne Booth
Bennett Walling
Bud Beucher

Chairman Hurlbert called the meeting to order at 10:00 A.M. and noted that the meeting had been duly advertised. The chairman then asked for self introductions of all members and staff present for the meeting including members of the Transportation Alternative Funding Task Force (TAFTF) who had been invited as special guests to the meeting. She then asked if all members had had an opportunity to review today's agenda and asked if there were any additions or changes. None being offered the Chairman confirmed that

the meeting had been properly advertised in the newspaper and noted that the minutes from the July 16, 2009 meeting were available for approval by the Committee.

**MOTION made by Karen Leheup-Smith to approve the minutes SECONDED by Ray San Fratello, to approve the July 16, 2009 Lake County Impact Fee Committee minutes.**

**FOR:** **Benham, Giacobe, Glenn, Hurlbert, Leheup-Smith, Macleod, San Fratello**

**AGAINST:** **None**

**NOT PRESENT:** **Argento, Calhoun, Foley, Nagle**

**MOTION CARRIED:** **7 – 0**

**New Business**

- Discussion of the Transportation Alternative Funding Task Force Recommendation Report

Chairman Hurlbert introduced the subject by providing some conclusions after having read the report and she then reminded the committee that county staff has an RFQ out soliciting responses for an update to the county's impact fee studies and that the rates used today to assess road impact fees are based on the results of studies completed in 2001. The Chair then asked Mr. Bud Beucher, Vice Chairman of the TAFTF to provide some insight for the committee on the results and recommendations made by this task force.

Mr. Beucher identified the purpose of TAFTF as a committee established by the Board of County Commissioners (BOC) to look into funding options for Lake County roads. It was deemed necessary to look at options based on the 2007 results of an impact fee study which recommended a large increase in road impact fees.

Mr. Beucher stated that too little of the county's available funds go towards the county roads. He also stated that only a small portion of the gas tax is now available for road improvements or maintenance. The rest of the county budget for roads comes from impact fees. He pointed out that prior to the imposition of impact fees fully eight percent (8%) of the General Fund was used to pay for county road improvement and maintenance and the task force felt the county needs to return to this type of funding before additional sources of funds are addressed. Mr. Beucher also indicated the task force felt standards may need to be addressed. As an example he cited costly sound barriers that are placed alongside new or improved roads.

The TAFTF, through the words of Mr. Beucher, felt that all citizens of the county should be required to contribute to the well being of the road system but these contributions should only come after the county had reallocated its existing General Fund budget to ensure that eight percent (8%) of the fund went back to supporting county roads. He further stated that any new impact fee study initiated without taking this issue into account would only result in a study that returned an exorbitant road impact fee structure which would put the impact fee committee back into the same position they were in 2007.

Mr. Bennett Walling of the TAFTF also contributed to the discussion by pointing out, in his opinion, impact fee collections will continue to decline due to the worsening nature of today's economy. He stated that the roads in the county will continue to decline and that the county at some point will be forced to reallocate a portion of its existing budget to address this need.

Mr. Virgil Park of the TAFTF also contributed to the discussion by advising the Impact Fee Committee (IFC) that funding of the roads is a very complex issue that needs to be separated out into its parts. While the IFC is interested in identifying the appropriate level for road impact fees to fund new roads, he feels the IFC will not be successful unless it takes into account unfunded road projects and the ongoing maintenance

of the county roads.

Mrs. Hurlbert thanked the members of TAFTF for their input and welcomed them to listen to the IFC discussion and, additionally, they were welcome to participate in the discussion.

Mr. Foley of the IFC pointed out that Chapter 22 cites that impact fees may only be used for the purpose of capital improvements and that the TAFTF had mentioned that impact fee funds were being used for maintenance. Ms. Thompson indicated that impact fees were not being used for maintenance. Mr. Fred Schneider from Public Works was asked to contribute to the discussion.

Chairman Hurlbert pointed out that a three foot wide shoulder was recently added to County Road 44 and the road was resurfaced and impact fees were used to pay for this work. Fred Schneider did confirm that impact fees were used to fund the project. He maintains that turn lanes and improvement to intersections improve traffic flow and are attributable to growth.

Fred Schneider went on to explain road work and the use of impact fees. He outlined the case that these funds are being used solely for increasing capacity. He explained that many new roads are public/private partnerships.

Much discussion followed among TAFTF members and the IFC over the specifics of Route 44 and the recent work completed on the road. The discussion also carried over into theoretical work and what constituted growth versus maintenance. Specific sites were also discussed as examples of road improvements at commercial development sites which were necessitated as a condition of approval.

Ray San Fratello suggested that the IFC devote some time talking about the recommendations as opposed to discussing growth versus maintenance. The sales tax on gasoline was highlighted as a way to generate income for the roads as was an idea put forth by TAFTF to have the various municipalities share in the cost of the increased capacity where that need was generated by growth along the corridor within the municipality.

Discussion continued with input from T.J. Fish, TAFTF members, Impact Fee Committee members and the County Manager Cindy Hall relative to needs in the county for new and improved roadways. Sources of funding were discussed including reallocation of existing General Fund collections. Due to the fact that the only source for funds currently is through impact fee collections, the fact that the economy is in recession and the inadvisability of the county attempting to raise existing taxes or impose new taxes poses further issues. The County Attorney was asked if the impact fee studies under consideration could include revenue sources other than impact fees to resolve funding issues. Mr. Minkoff confirmed that other revenue sources could and should be included in the studies. In-depth discussion led by T. J. Fish focused on the recommendations of the TAFTF. Mr. Fish suggested that one or more of these recommendations could potentially be included as alternatives in the upcoming impact fee studies.

Ms. Thompson informed the committee and guests that a number of the alternatives identified by TAFTF for funding road improvements would be included in the impact fee studies undertaken as a result of the current Request for Price (RFP).

Fred Schneider, Bud Beucher and Sandy Minkoff shared thoughts on the separation of funds for maintenance versus growth with respect to county road projects. Mr. Minkoff provided insight into the legalities; Mr. Schneider provided examples to show how public works determined funding and Mr. Beucher expressed his concerns relative to how the county funded projects.

At this point Ms. Hurlbert thanked all for their input, ideas and explanations. She then reaffirmed with the County Attorney that including funding alternatives in the impact fee studies soon to be undertaken would be permissible. Mr. Minkoff stated that these alternatives could certainly be used in the new studies and in fact could be applied to old studies.

Ms. Hurlbert asked for an update on the RFP process. Ms. Thompson informed the committee that responses were due today and the selection committee would then begin their work. Ms. Hurlbert then put the question to the committee as to whether alternatives should be recommended to staff which should be included in the study. Discussion followed among committee members relative to the various options included in the TAFTF recommendations. The committee settled on four (4) options as follows:

a. Option 2 – bring back the general fund 8% dedicated to transportation and phase in over four (4) years.
b. Option 4b – redirect new commercial ad valorem revenue for the first five (5) years.
c. Option 5a – introduce a MSTU (1/4 – 1 mil)
d. Option 7 – fuel tax dedicated to capacity

**MOTION made by Carol Macleod, SECONDED by Peter Glenn, to have the four (4) above listed recommendations from the TAFTF forwarded to the selected consultant and that thee options should be evaluated as part of the impact fee studies to be conducted.**

**FOR:** **Benham, Giacobe, Foley, Glenn, Hurlbert, Macleod, San Fratello**

**AGAINST:** **None**

**NOT PRESENT:** **Argento, Calhoun, Leheup-Smith, Nagle**

**MOTION CARRIED:** **6 – 0**

- School Impact Fee Report

Carol Macleod, Chief of Business Services, Lake County School Board and a member of this committee provided the committee with the School Boards annual report of revenues and expenditures. For the committee's benefit Ms. Macleod pointed out that like Public Works the School Board wrestles with determining new construction versus maintenance. The question comes down to is new construction strictly "first time" construction? The School Board does have access to state funds which do make this distinction. However, the School Board clearly understands that impact fees may only be used for new construction which increases capacity.

Ms. Macleod presented a chart showing the school fund balances, revenues and expenditures from the fiscal year 2008 and projected revenue and expenditures for fiscal year 2009. Ms. Macleod pointed out that impact fee collections are done on a county wide basis and the all planning and expenditures are done on a county wide basis as well.

Ms. Macleod pointed out that all school board spending for the most part is predetermined by the state, i.e., a certain portion of the budget must go towards transportation, etc. Last year no new schools were added which provided a breather in the School Board's budget. This year new construction has started again.

Ms. Hurlbert asked if there were any other business to bring before the committee. Ms. Thompson pointed out that the Board of County Commissioners would be awarding a certificate of appreciation to Jean Kaminski for her years of service to this committee. Ms. Thompson invited all members who would like to be there to attend this meeting in the board chambers on September 1, 2009.

Ms. Hurlbert asked if there were any further items to bring before the committee. The next meeting will be a regularly scheduled meeting on October 15, 2009.

Ms. Hurlbert entertained a motion to adjourn which was seconded at 12:13 PM.

Respectfully submitted,

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| Ed O'Malley<br>Program Specialist | Nancy Hurlbert<br>Chairman |