

**LAKE COUNTY IMPACT FEE COMMITTEE
OCTOBER 18, 2007**

The Lake County Impact Fee Committee met on Thursday, October 18, 2007 at the Lake County School Board Office, 201 W. Burleigh Avenue 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

Commr. Jennifer Hill

Members Present:

Bill Benham, Agricultural Industry Representative
Bill Calhoun, Citizen-at-Large
Nancy Hurlbert, Citizen-at-Large
Jean Kaminski, Home Builders Association of Lake County, Chairman
Karen LeHeup-Smith, Lake County League of Cities
Jim Miller, Chamber of Commerce, Vice Chairman
Carol MacLeod, Superintendent of Schools Designee
Ray San Fratello, Industrial Community Representative
Ammon Smith, Citizen-at-Large

Members Not Present:

Douglas Buskers, Lake County Conservation Council

Staff Present:

Carol Stricklin, Director, Department of Growth Management
Angi Thompson, Impact Fee Coordinator
Ed O'Malley, Impact Fee Technician
Sherie Ross, Public Hearing Coordinator
Sanford A. Minkoff, County Attorney
John Jolliff, Deputy Fire Chief

Chairman Kaminski called the meeting to order at 9:30 a.m. She confirmed that the meeting had been properly advertised in the newspaper. She stated that this Committee is a recommending committee. It is at the Committee's discretion as to whether the Committee accepts comment from the public during the meeting. She would like the entire Committee rather than just the Chairman to make that decision.

MOTION by Jim Miller, SECONDED by Bill Calhoun to take comment from the public during the meeting held on October 18, 2007.

FOR: Benham, Calhoun, Hurlbert, Kaminski, LeHeup-Smith, MacLeod, Miller, San Fratello

AGAINST: None

NOT PRESENT: Buskers, Smith

MOTION CARRIED: 8-0

If a person wishing to speak is considered a lobbyist under the County’s new Lobbyist Ordinance, Angi Thompson, Impact Fee Coordinator, said there is a lobbyist sign-in sheet available. She asked that these persons please sign in before leaving the meeting.

For anyone who does speak at this meeting, Chairman Kaminski asked that he or she come up to the podium and identify himself or herself by name and if that person is representing himself or herself or an organization.

MOTION by Jim Miller, SECONDED by Nancy Hurlbert, to approve the May 17, 2007 Lake County Impact Fee Committee minutes, as submitted.

FOR: Benham, Calhoun, Hurlbert, Kaminski, LeHeup-Smith, MacLeod, Miller, San Fratello

AGAINST: None

NOT PRESENT: Buskers, Smith

MOTION CARRIED: 8-0

MOTION by Nancy Hurlbert, SECONDED by Bill Calhoun, to approve the August 16, 2007 Lake County Impact Fee Committee minutes, as submitted.

FOR: Benham, Calhoun, Hurlbert, Kaminski, LeHeup-Smith, MacLeod, Miller, San Fratello

AGAINST: None

NOT PRESENT: Buskers, Smith

MOTION CARRIED: 8-0

John Jolliff, Deputy Fire Chief, distributed information on the fire impact fee and presented the annual report for that fee. He noted the \$823,996.07 figure from the fire impact fee in the collection report, adding that there will probably be a slowdown in impact fees over the next year. The \$823,996.07 figure is average for fire impact fees for the past several years. A fire station is being built in Lake Jem and is about 20 percent completed. The fire impact fee is basically being used for new fire stations only. Another fire station is being planned for Paisley. When it will be started will depend on the availability of fire impact fee monies. Another project for this year is the staffing of available existing fire stations. Mr. Miller questioned the \$300 per square foot construction cost. In response to Mr. Miller, Mr. Jolliff said the land was purchased separately. He added that it has been his experience that other fire stations in Florida are spending \$3 to \$4 million on a fire station whereas the Lake Jem fire station will be closer to \$2 million. With a life span of 30 years or longer, it is a good investment. Commr. Hill pointed out that the fire station is not just a commercial building; it has a complete living area. Mr. Jolliff said space has been set aside for EMS and the Sheriff’s Department to be included with the Lake Jem Fire Station.

Randy Young of Henderson, Young & Company, consultant to the Lake County School District in the preparation of the updated school impact fee, said this update began in October of 2006 when he presented the proposed update to the School Board. At that time, the School Board commented that he was using State costs for schools; yet they knew local costs were different and sometimes higher. The State costs are old figures. In addition, there is a State law requiring local data to be used. The School Board asked that those numbers be changed. The revisions were made over the next few months; and in February of 2007, revised data was presented to the School Board, which they approved and submitted to this Committee.

Mr. Young said he made a presentation to this Committee in March of this year, and the Committee voted to forward the report to the Board of County Commissioners (BCC). When reviewing the report, the County Attorney noticed that the study had used a level of service that was based on not counting portable classrooms. Until recently, that was common practice. However, Mr. Minkoff pointed out at that time that the School Board had entered into an agreement with the BCC pursuant to the new school concurrency law in which the School Board was going to officially acknowledge portables under certain circumstances. Based on this, the report was revised once again and is being presented at this meeting. The revised fee has been reduced based on the new capacity figures when including portables. Mr. Young has met with the School Board to discuss this new reduced school impact fee. The School Board supported this new fee and has sent the revised report to this Committee. If the Committee recommends transmitting this report to the BCC, he is ready to meet with the BCC in a workshop and/or public hearing forum. He discussed the revised comparison table and report dated June 28, 2007, which reflected the changes. The difference between the current 2004 study and the revised 2007 study is mainly in the table dealing with the capacity of the schools because the available capacity was increased to show those portables that were counted under the formula for the level of service. There were also several minor technical changes that were made as the document was reviewed. The net effect was a change in the school impact fee of over \$17,000 recommended by this Committee in March of 2007 for a single-family dwelling to a reduction in the fee in this revised study to \$14,646 with appropriate adjustments for multifamily and mobile homes.

Ammon Smith came into the meeting.

Mr. Young said he would like to add some additional information about the inclusion in this calculation of the cost to the School District to borrow money in order to build new schools. When he first presented the impact fee to the School Board in 2004, an interest calculation was included. At that time to the best of their knowledge, schools had not yet done that with the school impact fee. The decision at that time from the School Board, the County, and this Committee was to not do that. As the School Board has continued to need to borrow in order to keep up with the growth in the County, the problem has not gone away and the School Board continues to incur interest that must be paid. That interest can either be included in the impact fee and growth pays or it is not in the impact fee and taxpayers pay. In both the 2007 update presented in the spring and the revised update, the School Board has recommended including the cost of interest because it is a real cost. He added that he has done some significant research to learn more about whether or not this really is a groundbreaking exercise. He found that this practice is not new and is in place in other schools districts in the State. Palm Beach County has included interest expense in its school impact fee since 1997, and Brevard County has included interest expense in its impact fee in the past year or two. He felt this issue is less of a legal question and more of a practical question as to who should pay.

Chairman Kaminski pointed out that when this Committee sent its recommendation to the BCC, the vote was not unanimous and some questions were not answered. Mr. Miller stated that the interest cost discussion was tabled at that time because Sanford A. Minkoff, County Attorney, felt counsel needed to research it further.

In response to Mr. Miller, Mr. Minkoff stated that the last time the fees were adjusted, both the County Attorney and outside counsel gave an opinion that the way the fee was constructed and the use of the interest were not defensible. There are still some concerns and issues about the way the fee is constructed. He has asked the School Board for a legal opinion rather than just Mr. Young's opinion as to the use of the interest in the impact fee and the way Mr. Young has reconciled the interest on both sides of the equation, both the charging and the spending of it. He believed the School Board has authorized that opinion to be obtained so the County is waiting for the evaluation. If the issue turns out to be legal, it would be the recommendation that it is fine to pass it. If it is not legal, the recommendation to the BCC would be that it should not be passed and included. He questioned whether this is an issue for the Committee; it appears to be a legal issue rather than a policy question.

From his prospective, Mr. Miller agreed that new people coming into the community should pay their fair share. However, they should not be required to pay the interest.

Mr. Young explained that new development would not be asked to pay for a school that is already built.

Bill Calhoun stated that the impact fee is designed to make new residents pay for new infrastructure. That has to include the interest because it is a financial factor. Ray San Fratello added that it is important to be aware of the enrollment numbers and projections as those numbers will critically impact how much money must be borrowed. If more money is borrowed than is needed due to inflated enrollment numbers and interest being added to the impact fee, it could be a considerable burden on the new growth beyond fairness. He felt that is an issue that should be further discussed. Ms. Kaminski asked that this issue be discussed later in the meeting, but Mr. Calhoun did not want to put it off. Mr. Miller said he would like to get input from the public on this issue.

Robert Johnson, president of the Leesburg Area Chamber of Commerce and the Chamber Alliance for Lake County, distributed the "Draft School Impact Fee Analysis" that was revised on October 16, 2007. He said he has spoken to the County staff and County Manager regarding his hope that as things move forward, the business community can support how the schools and governments are funded for the best quality services and schools in the community. He said he had five data items he wanted to discuss. Overall, he felt the methodology used is very good. He noted that the study period for this impact fee is from 2005 to 2010 with two of those years already completed. That causes several areas of concern. There are two years of data that are not included in the study although there have been significant changes in the community and economy that impact the results of this study. He specifically had a concern about the overall projected growth of student population during this five-year planning period, which is approximately 22 percent or 4.5 percent per year for that planning period. Last year Lake County only grew 2.56 percent. If the past two years of student population data were included, it would significantly affect the percentage of new student stations that are projected during that five-year period. He felt it would be well suited to take another look at the number of student stations that are projected as one percentage point annually is a tremendous difference overall. Since the study was delayed in being brought back, he felt the new data should be included.

Regarding the available revenue for school construction found in Table 11 on Page 32 of the revised report, Mr. Johnson said it identifies the five-year revenue stream from 2005 to 2010. He also spoke of the adopted September 24, 2007 School District's budget with projections for 2008 to 2012. He said he has tried to compare the revenue stream path as identified in the impact fee study to the revenue streams that are projected and adopted by the School Board. In 2007 alone, the impact fee study underestimates available capital by \$56 million; over the balance of the five-year study total, it underestimates available revenue based on the adopted School District budget by \$87 million. He would recommend that that the impact fee study be adjusted based on the adopted projections of the School Board. In the same table, Mr. Johnson said there is a transfer of about \$24 million from the capital fund to the operating budget. There is no footnote to explain why funds are being transferred out of the capital budget into an operating budget. He would like to see that clarified in the study.

Under Ancillary Facilities, Mr. Johnson said there is a section of the study that speaks of warehouse and office space being expanded as the number of schools increases. There is a portion of the impact fee that calculates those ancillary facilities. He said Dabney School was included in that calculation even though he questioned how much of that school is being used for school-related functions that would be impacted by growth.

Mr. Johnson referred to Table 2 on Page 9 of the revised report, which shows the total 2005 enrollment as 36,728 students. However, when adding the students in elementary, middle, and high schools in that year, the total is 36,278 students. In other sections of the study, the correct number is referenced. He questioned whether those 450 students were included in the future projections. If they were, that represented about \$20 million in additional capital facilities that by a scrivener's error would be added to the cost of capital facilities. If the errors he pointed out were true errors and needed to be adjusted, he questioned what impact would result. Available revenue would go from \$67 million during the five-year period to \$179 million for schools. The cost of facilities would drop from \$412 million to \$295 million, and the full cost of student stations due to the ancillary facilities and the Dabney School issue would drop to \$17,405. As a result, the credit given for available revenue would go from \$2,800 to over \$10,000 allowing the proposed impact fee to drop from \$14,000 to slightly over \$6,800. He questioned whether the best data is being used to calculate the impact fees.

Mr. Calhoun confirmed that Mr. Johnson had testified before the BCC about this same issue when it came up several months ago when the transportation impact fee was discussed. At that time, he said Mr. Johnson used a different methodology. Mr. Calhoun felt that sometime the projections must stop as accurate projections are difficult to make. Sometimes it is necessary to be prepared with student stations for every student in the County even if it is not filled for a year.

Mr. Johnson agreed that the methodology for the transportation impact fee is very different from the school impact fee. He questioned whether the BCC should adopt a document that used two-year old data when there has been a dynamic change in the economy.

Choice Edwards, speaking as a private citizen from Clermont, said impact fees should be considered from a cause and effect point of view. He said he does not want to subsidize any of the costs of growth.

Cindy Barrow, School Board member for District 3, said that in her district, the schools were underprojected this year. Two new public schools were opened; both opened with more students than what was projected. Regarding interest payments, Ms. Barrow compared it to when she purchases a car and is expected to pay both the principal and interest.

Jim Bible, president of the Home Builders Association of Lake County, said that part of the problem with the report is that the data is not there, just summary information. There are significant changes. Regarding financing costs, Mr. Bible said one thing that has not been considered in the report is the credit. New homeowners are paying financing costs associated with both new and old school construction, but they are not getting any credit in the impact fee analysis. He added that the sources and uses of funds need to be brought up to date. Mr. Miller pointed out that impact fees cannot be used to pay debt on old construction.

Scott Strong was informed that this meeting had been advertised by the School District as a public meeting with the possibility that School Board members must attend. It was also advertised by the County. He said his greatest concern is that further delay could take place. He did not feel the School Board and the Homebuilders Association are enemies as he did not feel homes could be sold in a quality development without quality schools. He would like to see a decision made so this issue can move forward to the BCC. He noted that the School Board has been very diligent in disposing of surplus property.

T. J. Fish, Executive Director of the Lake-Sumter Metropolitan Planning Organization (MPO), said it is important that public policy be consistent. There needs to be a diversification of the funding sources. He noted that the five-year program for schools is three times that of roads, based on a policy decision. He added that he hopes this Committee takes a leadership role in emphasizing the need for more comprehensive analysis. There are funding sources now competing between roads and schools; it should not be that way. When Mr. San Fratello asked about competing funding sources, Mr. Fish stated that the obvious one is the impact fee itself. There is just so much the market can bear in the homebuilding industry when impact fees are continuously being added. In addition, there are other funding sources such as special taxation districts and the whole concept of sales tax.

Jimmy Connor, School Board member, said it was his understanding that a few months ago this Committee made a recommendation of support to the BCC. The only change is that now the school impact fee amount has been lowered. The School Board hired Mr. Young at the recommendation of the BCC as Mr. Young had worked for the BCC previously. He asked that this Committee not procrastinate on this decision. It is time to move forward. Mr. Connor added that interest cost is an important component of debt. He stated that the School Board has borrowed as much as it can humanly borrow and maintain its strong credit rating. Of the two-mill money, 1.1 mills are used to pay back debt for school construction. The School Board is financially sound, but it has limited resources. The impact fee is one of those resources. He felt there needs to be some cost shifting in the tax structure from current residents to new residents. When Mr. San Fratello asked if the 1.1 mills of the two mills for new construction was for new capacity or for remodeling, Mr. Connor said it is for both.

Chairman Kaminski commented that Mr. Strong had said that the School Board is not an economic engine;

she added that this Committee is also not an economic engine. The Committee's role is to ensure that data is accurate. She said she has questions on some of the data numbers.

Mr. Miller spoke of a possible one-half cent sales tax. In response to Mr. San Fratello, Mr. Miller said the one-half cent sales tax would be for school construction only if it was passed. Carol MacLeod said there are two sales taxes that are available to the School Board. One is participating in the joint existing one-cent sales tax that is in effect until 2015; the other one is the one-half cent sales tax that is specifically for schools. She believed that the School District can only participate in one of them. Therefore, the one-half cent tax could not become effective until the other one expires. Mr. Minkoff said he would have to research that, but his initial reaction would be that the School Board does not actually participate in the one-cent sales tax; it is a County-imposed sales tax. Statute requires the cities and the county to decide how it is divided. In response to Mr. San Fratello, Ms. MacLeod said sales tax brings in about \$1 million a month to the School District as part of their one-third distribution.

Chairman Kaminski said much of the revised report is based on old data yet she can go online and there is more recent data available. The average student projection growth for the past 25 years is 2.98 so she was very concerned about the growth projections over the next five years. She felt they are overinflated. She was also concerned that the report addresses the class size amendment and yet that has nothing to do with growth. That was a State mandate that affects everyone. Chairman Kaminski said she would like to see a table with a list of the schools as well as their capacity and enrollment. She felt there were discrepancies throughout the report. She noted on Page 13, Variable (C) of the June 28, 2007 revised report, that it appears there is some missing information at the end.

Chairman Kaminski stated that she fully believed that the borrowing costs should not be included in the impact fee.

Chairman Kaminski spoke of a big discrepancy in the land cost as stated on Page 16 of the revised report. She asked if this is based on the current size of the schools. Regarding the land cost, she asked if that is the standard now being used. She referred to the 27.38 percent increase in the cost and that part of that had to do with the building construction as noted in the revised report. She said building construction has not gone up 27 percent. Regarding Page 18, she noted the inconsistency with the interlocal agreement as far as the utilization cost per student. Referring to Table 5 on Page 19 of the revised report, Chairman Kaminski said that on Page 1 of the study, it states that impact fees must have specific uses yet the ancillary facility costs are based on things in place now. She has always had a concern about the ancillary costs, and she still has that concern. When Mr. Calhoun asked about her concern, Chairman Kaminski said she felt it was not necessary to increase the ancillary facilities at the same rate as the increase in student population. Chairman Kaminski was informed by Mr. Young that there is a difference in the number of students on a school bus at different levels of schools because the size of children varies according to their age and level of school they attend.

Chairman Kaminski said there are some inconsistencies with the bus capital costs as far as the utilization as shown on Page 21 of the revised report. On Page 22, Table 7, she said she did not understand the language in Section C. She reiterated that most of her concern had to do with the most current data for capacity not being used.

Mr. Young said he would love to use the latest data at all times; the law requires the most recent local data. Although there is a spread sheet into which new numbers can be plugged in, the difficulty arises when some new numbers are plugged in but the whole study is not looked at; it can get out of sync quickly. He agreed that the report is a summary; but if details are desired, that can be provided. When analyzing this report, he felt the reader needs to determine if the best available data at the time the research was done was used and whether that research is reasonably contemporary. He acknowledged that data changes all the time.

Chairman Kaminski pointed out that Table 11 on Page 32 of the revised report does not match any of the five-year actual numbers. In the study, the revenues are lower. Mr. Young said the numbers that are in the study for Table 11 are not from the budget. They are from the adopted five-year program that is sent to the

State where it is reviewed and approved. He said he would not recommend plugging in specific data. He felt the study should be redone or the Committee should move forward with what has been presented. The report is recent enough and internally consistent that it is acceptable to rely on it. However, each Committee member has to make his/her own personal decision.

Regarding transfer to the operating budget, Mr. Young said there is a statutory authorization for school boards that allow them to make transfers from a specific set of capital revenues into the operating budget. It goes into specific operating budget accounts that have a capital purpose to them. There are rules with which the School Board must comply. Regarding Dabney, Mr. Young said the School Board had made a decision about that facility and its use. It was characterized to him that it was not a school but that it is in their inventory and used for purposes that are similar to other ancillary facility purposes. Mr. Young acknowledged a typographical error in Table 2 on Page 9 of the revised report. The number, 36,728, under the total column should have been 36, 278. All the rest of the numbers in that table and throughout the study are still accurate.

Regarding Chairman Kaminski's comment on the class size amendment, Mr. Young said the class size amendment is now built into all the Florida Inventory of School Houses (FISH) data. The FISH report explains what the State officially counts as the number of student stations that each school can house using State standards. The State data for FISH inventory is based on the class size amendment because it is the law of the State of Florida. Making up for the extra capacity for the existing students is like a deficiency, and impact fees cannot be used for that deficiency. To the extent that deficiency was created, the School Board had to pay for it out of other money. He added that new schools for new subdivisions must conform to class size amendment.

There was a ten-minute break.

The meeting reconvened at 11:40.

Mr. Young said behind each of the tables listed in the revised report, there is data available; but it is not included with the tables because it would make the document unreadable.

Chairman Kaminski spoke of the text on Page 7 about Table 1 on Page 8 that refers to a shortage, with the greatest shortage being in elementary schools; but Table 1 does not show that. She asked if the new schools that opened this year were considered in the overall capacity. Mr. Young replied that they were not as the study was done a year ago. Chairman Kaminski said those schools would have alleviated some of the shortage. Mr. Young acknowledged that the text on Page 7 that Chairman Kaminski referred to does need to be changed.

Mr. Young discussed portables and the utilization adjustment factor. He said portables will always be found on campuses, not because of growth but because of programs mandated by the State to be provided by the school district. As a practical matter, school districts add to their capacity using portables as a short-term way to accommodate these programs.

Mr. Young stated that he will be sending the complete data table set to Chairman Kaminski so she can confirm the information he has presented at this meeting.

In response to Chairman Kaminski, Mr. Young said they felt a school board is entitled to ask for impact fees to house students for whom they are legally responsible for and who show up. In addition, there are a number of students who fall into the category of the school board possibly being legally responsible for if they show up but if they don't show up, the school board would not be responsible that year. Regular charter school students would be in that category because the school district cannot assign students to those schools because those schools basically run their own enrollment and admissions programs. The whole private school system is off the table from the viewpoint of the school board. If those schools all closed and students needed a school to go to, then the school board must find space for them. In response to Chairman Kaminski, Mr. Young said students at those schools would not be included in the enrollment numbers or in the capacity. Other students that would be included in that category would be drop outs,

homeschoolers, and children in juvenile justice facilities.

On Page 13 under Variable (C), Mr. Young said there should be a period at the end of that line. When Chairman Kaminski said there was more verbiage after that line in the original report, Mr. Young said he would have to check into that. If there is more language, he will add it in the final version to the BCC.

Mr. Young discussed Table 3 on Page 15 and Table 7 on Page 22 of the revised report regarding the total cost of student stations including the interest cost. He said the recommended impact fee for a single-family residence of \$14,646 would be reduced to \$9,324 if the interest cost was removed.

When Chairman Kaminski asked about the student stations listed in Table 4 on Page 16, Mr. Young said that is the cost of the prototypes currently being used. He explained that the land costs for the schools are based on the actual cost of lands purchased. Regarding Table 5 on Page 19 of the revised report, Mr. Young said there are State guidelines for ancillary facilities. When Chairman Kaminski noted that the last paragraph on Page 22 was added since the February study, Mr. Young said this was text added to make it more understandable. He discussed Table 8 on Page 23.

Chairman Kaminski reiterated that she felt some of the numbers in the study are substantially different from numbers she had found in other documents, and she felt these differences should be explored. Mr. Young said all of the numbers in the study come from an officially adopted five-year plan that was adopted by the School Board. Chairman Kaminski confirmed that the backup for this table will be included in the information that he will be sending her.

Mr. San Fratello reiterated that since interest cost is included in the formula, it is absolutely critical that current enrollment is correct because the enrollment is going to impact how much must be borrowed. If the School Board borrows too much, the impact fee formula is set up so that new residents are being unfairly charged. Ms. MacLeod said the enrollment is monitored on a daily basis because that is their main funding mechanism for operations.

Mr. Calhoun asked if it was fair to say that because of the class size amendment, the costs will increase because more classrooms must be built to house the same number of students. Mr. Young said that is a true statement, but it is also true that the State paid part of that. In addition, the part that the school districts paid has been carefully excluded from the impact fee calculations.

Mr. San Fratello said the Industrial Development Authority (IDA) felt that it is important to ensure that in terms of fees and taxes and the way government is run in Lake County, Lake County is competitive with neighboring counties. If the impact fees were increased to \$14,000, Lake County would be the highest in the State. He asked if there was a way in the future that this could be monitored more closely; perhaps the study could be updated every two years. Mr. Miller said the change is not that great. The big difference is deciding whether to include the interest cost. Nancy Hurlbert pointed out that the counties that were considerably lower are not the counties that have included interest costs. Therefore, if a six or seven thousand dollar interest cost is added, then Lake County would be in line with other counties. Mr. San Fratello asked what other mechanisms in that model could be put in place to build schools. He also asked if there were other things that could be done in the schools to bring in more revenue. He stated that he felt the model used in the State of Florida to build and fund schools is broken.

Per ordinance, Commr. Hill stated that the study is reviewed every three years.

MOTION by Nancy Hurlbert, SECONDED by Bill Calhoun to recommend the June 28, 2007 Impact Fees for Educational Facilities in Lake County, Florida report to the Board of County Commissioners including the interest cost.

Mr. Miller said he could support the lower fee without the borrowing cost, but not the \$14,646 impact fee with the interest cost. Chairman Kaminski said she will be voting against this motion as she felt there were too many discrepancies in the numbers. She also did not agree with including the borrowing costs.

In response to Mr. San Fratello, Chairman Kaminski said this Committee’s original charge was to look at impact fees to make sure they are correct, fair, and equitable. The Committee is also charged with looking at the economic impact as well as look at alternate funding sources. Mr. San Fratello said he felt the methodology used for this impact fee is economically sound. It is a good study. However, he questioned whether the formula as currently proposed is just and fair considering the tremendous change that has taken place in this County in the past year and a half. He added that he did not feel the economics are reasonable because the whole model is broken. He said he could vote either way. On one hand, he could vote yes with tremendous reservations, but he also could vote no for it; however, he questioned what could be done in its place. Chairman Kaminski said this Committee is a recommending body only. It does not have to recommend the report in its current form to go forward. There are other options.

Commr. Hill said she would like to receive a recommendation from this Committee now so the issue can move forward.

Mr. San Fratello said he had two major concerns with this report: improper projections that will cause improper borrowing and the need for the School District to look at the one-half cent sales tax.

Ms. MacLeod said the School District has looked at all the options that are on the table.

- FOR:** Calhoun, Hurlbert, MacLeod
- AGAINST:** Benham, Kaminski, LeHeup-Smith, Miller, San Fratello, Smith
- NOT PRESENT:** Buskers
- MOTION FAILED:** 3-6

MOTION by Jim Miller, SECONDED by Ray San Fratello to recommend approval of the June 28, 2007 Impact Fees for Educational Facilities in Lake County, Florida report to the Board of County Commissioners without the interest cost.

At the request of Mr. San Fratello, Mr. Young said the impact fee without the interest cost would be \$9,324 for a single-family residence, \$5,689 for a multifamily residence, and \$3,297 for a mobile home.

Chairman Kaminski said she felt this motion was closer to the figure it should be, but she was going to vote against this motion because of her concerns about the growth projection percentage rate and the revenue projections.

When Ammon Smith asked how long it would take to revise the report to get more accurate growth projections, Mr. Young said it would be six months to a year to complete.

In response to Mr. San Fratello, Ms. MacLeod said the increase in not built into the School District’s five-year plan at this time. It would take significant revision of the five-year plan. The increased impact fee will reduce future borrowing, which will reduce future interest. In her world, interest is an absolute real cost. She said she supports the School Board recommendation of sending the full value through. However, she would support sending it through without the interest cost, not because she agrees with it but because it is the second best option at this time.

- FOR:** Benham, Calhoun, Hurlbert, LeHeup-Smith, MacLeod, Miller, San Fratello, Smith
- AGAINST:** Kaminski
- NOT PRESENT:** Buskers

MOTION CARRIED: 8-1

MOTION by Bill Calhoun, **SECONDED** by Nancy Hurlbert to recommend that the Board of County Commissioners and the School Board explore the possibility of an additional one-half cent sales tax to be dedicated strictly to schools.

FOR: Benham, Calhoun, Hurlbert, Kaminski, LeHeup-Smith, MacLeod, Miller, San Fratello, Smith

AGAINST: None

NOT PRESENT: Buskers

MOTION CARRIED: 9-0

Chairman Kaminski stated that this Committee will be meeting in November at the Home Builders office in Tavares.

There being no further business, the meeting was adjourned at 1:20 p.m.

Respectfully submitted,

Sherie Ross
Public Hearing Coordinator

Jean Kaminski
Chairman

DRAFT