

IMPACT FEE REVIEW COMMITTEE REPORT
FOR
2022 BIENNIAL REVIEW OF IMPACT FEES

INTRODUCTION

The County's impact fee system assesses fees in the unincorporated area and all 39 municipalities. This revenue source is a major vehicle for funding the various capital facilities the County provides. Table 1 shows the revenues produced by the various fees for three fiscal years.

TABLE 1
IMPACT FEE REVENUE
PALM BEACH COUNTY
(\$000)

	FY18-19	FY19-20	FY20-21	TOTAL
PARKS	3,143	3,965	4,837	11,945
PUBLIC BUILDINGS	1,400	1,671	1,964	5,035
LAW ENFORCEMENT	376	523	510	1,409
FIRE RESCUE	33	1,020	1,236	2,289
LIBRARY	692	897	1,120	2,709
SCHOOLS	7,575	17,415	33,362	58,352
ROADS	26,676	21,737	27,529	75,942
*TOTAL ALL FEES	39,894	47,228	70,558	157,679

Source: Impact Fee Report for Fiscal Years 2019, 2020, and 2021. *Numbers are rounded.

IMPACT FEE REVIEW COMMITTEE

The Impact Fee Review Committee is established by Article 2, Chapter G Decision Making Bodies, of the Unified Land Development Code (ULDC). The Committee's purpose is to oversee the County's review and update of the impact fee system and to report its findings to the Board of County Commissioners (BCC).

(Exhibit I: List of Committee Members)

POWERS AND DUTIES

The powers and duties of the Impact Fee Review Committee are established by Article 2.G.3.I of the ULDC as follows:

2. Powers and Duties. The Impact Fee Review Committee shall have the following powers and duties under the provisions of this Code:

a. To submit a Report to the Board of County Commissioners whenever the County conducts a full review or update of the impact fee system relating to:

- 1) The implementation of Art. 13, Impact Fees;
- 2) Actual levels of service for the impact fees exacted in Art. 13, Impact Fees;
- 3) The collection, encumbrance, and expenditure of all impact fees collected pursuant to Art. 13, Impact Fees;
- 4) The validity and assumptions in the technical memoranda used to support the impact fee schedules in Art. 13, Impact Fees; and

- 5) Any recommended amendment to Art. 13, Impact Fees.
- b. review amendments to Art. 13, Impact Fees, prior to their consideration by the Board of County Commissioners; and,
- c. perform such other duties as the Board of County Commissioners deems appropriate.

The Committee completed its review of the existing impact fee implementation system and examined proposed updates and revisions to the technical report and the ordinance. The Committee reviewed the following information:

- Article 2.G.3.I & Section 2.G.4.L of the Uniform Land Development Code
- Article 13, Impact Fees, Unified Land Development Code
- Palm Beach County Impact Fee Update - Revenue & Expenditure Summary Reports, April 20, 2022
- Impact Fee Financial Report for FY2019, 2020 and 2021
- Capital Project Status Report, September 30, 2021
 - Impact Fee Aging Analysis: Period Ending September 30, 2021
- House Bill 337
- Impact Fee Affordable Housing Assistance Program Overview
- Summary Report of Impact Fee Credit
- Capital Improvement Program 2022-2026
- Scope of Work, consultant's Contract for Update and Development of Impact Fees
- Staff, Consultant, and Public Input at Meetings

FINDINGS AND RECOMMENDATIONS

IMPLEMENTATION

FINDING #1: The Committee found that the implementation of the impact fee system is in accordance with Article 13.

ACTUAL LEVELS OF SERVICE FOR IMPACT FEES EXACTED

Achieved levels of service and adopted levels of service standards are used to calculate the impact fees. The formula, generally, is as follows:

TOTAL CAPITAL COST = COST TO PROVIDE EXISTING/ADOPTED LEVEL OF SERVICE (STANDARDS)

CREDITS = CREDIT FOR BONDS, GRANTS, TAX PAYMENTS AND ALL OTHER REVENUES DESIGNATED FOR CAPITAL PROJECTS

TOTAL CAPITAL COST / TOTAL POPULATION = PER CAPITA COST

TOTAL CREDITS / TOTAL POPULATION = PER CAPITA CREDITS

PER CAPITA COST X PERSONS PER HOUSEHOLD = COST PER UNIT

PER CAPITA CREDITS X PERSONS PER HOUSEHOLD = CREDITS PER UNIT

COST PER UNIT - CREDITS PER UNIT = NET COST (IMPACT FEE)

FINDING #2: The Committee found that the County-wide or service area levels of service used to calculate impact fees are based on actual levels of service and adopted levels of service standards.

Where actual levels of service exceed the adopted levels of service standards, calculations are based on the adopted levels of service standards.

COLLECTION, ENCUMBRANCE, AND EXPENDITURE OF ALL IMPACT FEES COLLECTED

Overall, the Committee found that the impact fees are being collected, encumbered, and expended properly. The Impact Fee Manager reviews proposed impact fee expenditures for compliance with the ordinance prior to a proposed project is presented to the BCC for approval.

FINDING #3: The County is currently expending impact fee revenues that were collected in 2014 - 2021. Some of this delay is necessary because funds have to accumulate in the impact fee revenue trust funds before enough revenue is accumulated to pay for capital projects.

RECOMMENDATION: Impact Fee funds collected by the County should be expended as soon as there are sufficient funds available for eligible projects.

VALIDITY OF ASSUMPTIONS IN THE TECHNICAL MEMORANDUM

The Committee completed a detailed review of Palm Beach County's Impact Fee Update Study for (technical memorandum, methodology or impact fee report), which was prepared by Benesch, f/k/a Tindale-Oliver & Associates. The technical study establishes the total cost of providing the capital facilities for which impact fees are imposed, an essential starting point for a fair impact fee system. The Committee spent a great deal of time and effort reviewing the report to ensure its accuracy and that it meets all of the requirements outlined in Articles 2 and 13 of the Uniform Land Development Code. The Committee findings are as follows:

FINDING #4: The Impact Fee Review Committee found that the new Florida legislation (i.e., House Bill 337) requires updating Article 13 of the Uniform Land Development Code (ULDC) to remain in compliance with the new law.

RECOMMENDATION: The Impact Fee Review Committee recommends updating the language in the ULDC to conform with the new Florida State legislation (i.e., HB 337).

(Exhibit II: Summary of Amendments)

FINDING #5: The Committee found that population estimates, occupancy rates, and outstanding indebtedness all appear to be accurately reported in the methodology. The Committee accepted staff's recommendation on the fee calculations for all impact fee components included in the technical memoranda with the exception of parks and public buildings.

RECOMMENDATION: The Committee recommends acceptance and approval of all impact fee components of the Palm Beach County Impact Fee Update Study with two exceptions. The first exception includes exclusion of the cost for all land categories (i.e., beach, district, and regional parks) for the park's component. The second exception is to exclude the cost of jails for the Public Buildings component.

Finding #6: The Impact Fee Review Committee's recommendation in Finding #5 represents and results in changes to the impact fee rate schedule and the Committee acknowledges that the County is not

legally required to impose these fees at their full level. It is completely within the purview of the Board of County Commissioners to impose the fees at lower levels.

RECOMMENDATION: In consideration of the Committee's review and pursuant to the powers and duties provided for the Impact Fee Review Committee under and in accordance with Article 2 of the ULDC, the Committee recommends the following:

1. An adjustment in impact fees to the level calculated in the methodology for the road, schools, library, law, and fire rescue impact fees.
2. An adjustment in impact fees to the level calculated in the methodology for the park component, excluding the cost of land for beach, district, and regional parks.
3. An adjustment in impact fees to the level calculated in the methodology for public buildings excluding the cost for jails.
4. Inclusion of a statement that the Impact Fee Review Committee relied upon the Consultant's information and report regarding HB 337, and the caps related to HB 337, and recognize that if "extraordinary circumstances" were indicated, it would be more for legal purposes and would not be to increase the fee amounts above the 50% cap.

(Exhibit III: Summary of Fee Schedules - Impact Fee Update Study)

TOTAL IMPACT FEES

FINDING #7: The Impact Fee Review Committee found that because of the statutory limits on the amount that impact fee rates may be increased, and the manner in which increases may be implemented under HB-337, there may be a need for staff to conduct a demonstrated-need study for the BCC's consideration.

RECOMMENDATION: The Impact Fee Review Committee recommends that staff conduct a demonstrated-need study demonstrating "extraordinary circumstances", pursuant to HB 337 for the BCC's consideration. Please also see the above statement in Recommendation #4 under Finding #6 above.

FINDING #8: The Impact Fee Review Committee found that the Impact Fee Affordable Housing Assistance Program is only funded through three impact fee components and the use of the impact fee funds are restricted by and within their respective benefit zones.

RECOMMENDATION: The Impact Fee Review Committee recommends the County consider all categories/components of impact fees for inclusion with Impact Fee Affordable Housing Assistance Program and that the zones be Countywide instead of by zone to maximize the areas of opportunity for affordable housing.

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EXHIBIT I

IMPACT FEE REVIEW COMMITTEE
MEMBERS

Chairman E. Llwyd Ecclestone, III, Developer Business Community
Four Points Construction, LLC

Vice-Chairman Robert J. Harvey, Attorney Business Community
Jenks & Harvey, LLP

Scott Worley, Developer/General Contractor Business Community
NorthStar Building Mgmt., LLC

Robert Gottlieb, Councilman Municipal Representative
Vice-Mayor Town of South Palm Beach

Gordon, Lawrence, Councilman Municipal Representative
President of PBC League of Cities
Vice-Mayor, Haverhill

Danowski, Laura, Councilwoman Municipal Representative
Vice-Mayor Loxahatchee Groves

Gardener, Darnell, General Contractor At-Large
Real Estate/Mortgage Broker

Vacant Alternative Municipal

Vacant Alternate Business

Vacant Alternate At Large