

# Palm Beach County

## Impact Fee Update Study

April 22, 2022



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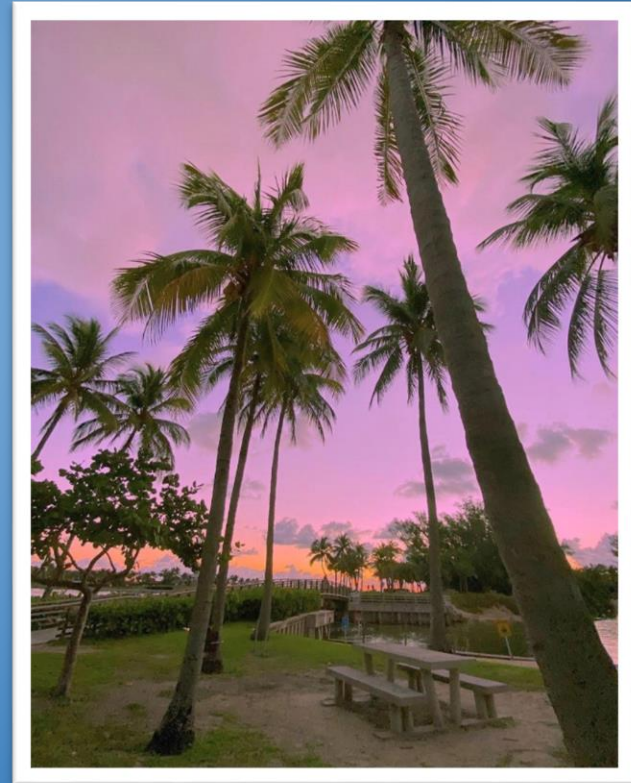
# Presentation Overview

## 1) Background/Purpose

## 2) Technical Study

- Fire Rescue
- Summary

## 3) Next Steps







# Background/Purpose

- Palm Beach County:
  - ✓ 3<sup>rd</sup> largest county in population out of 67 counties (1.5 million)
  - ✓ 32<sup>nd</sup> in terms of population growth rate (0.8 percent per year through 2045)
  - ✓ 5<sup>th</sup> in terms of absolute population growth
    - Projected to add 250,000 residents through 2045
  - ✓ 10<sup>th</sup> in terms of residential permitting levels
- Implemented impact fees in 1988
- Last updated in 2014-2018
  - Most fees remained at 2012-study levels



# Background/Purpose

- Began updating the technical study in February 2021
- Presented initial study findings on April 1, 2022
- Recommended changes to fire rescue impact fee calculations
  - ✓ Review of station square footages
  - ✓ Removal of training facility from the inventory
  - ✓ Use of 2021 incident data
  - ✓ Include incidents in the Glades area



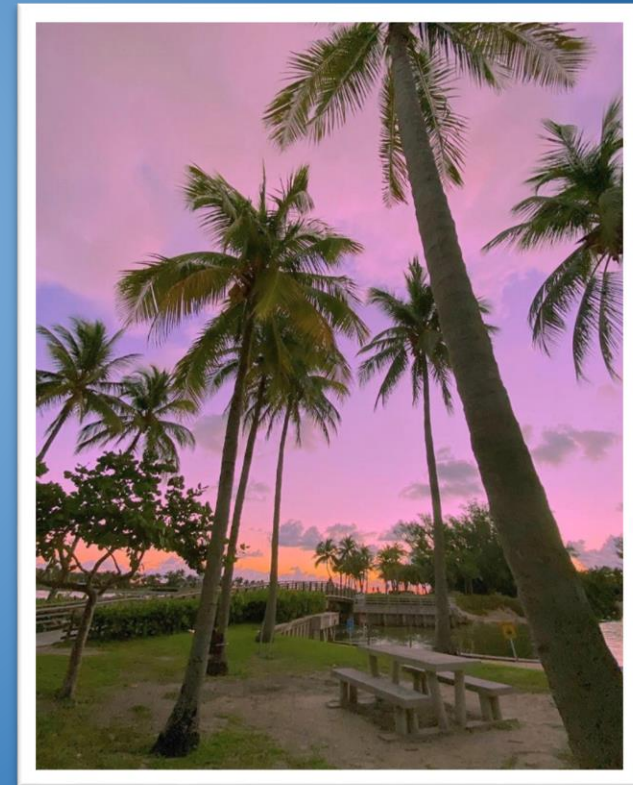
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# Fire Rescue

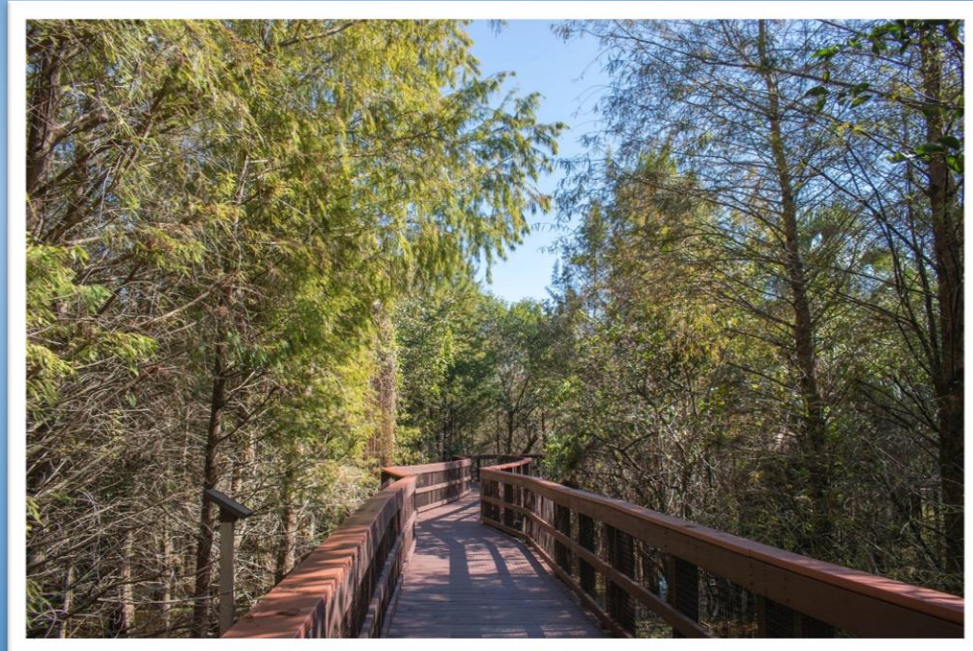






# Fire Rescue

- Impact Fee Components
  - Inventory
  - Level of Service
  - Cost Component
  - Credit Component
  - Net Impact Cost
  - Calculated Fee
  - Fee Comparison





# Fire Rescue

## Inventory

- 43 Fire Rescue Stations
  - ≈297,129 sf (*from 387,000 sf*)
  - ≈89 acres of land (*from 113 acres*)
- Vehicles/equipment
- Unit Costs:
  - Land: **\$325,000** per acre
  - Buildings: **\$525** per square foot







# Fire Rescue

## Level of Service

Service Area: **Unincorporated County & 19 Cities**

Variable	Figure
Number of Stations	43
Total Number of Incidents (2020)	131,746 (from 114,642)
LOS (Incidents per Station)	<b>3,064 (from 2,666)</b>



# Fire Rescue

## Cost Component

Variable	Figure (Revised)	Figure (Original)	% of Total Revised
Building Value	\$156.0 M	\$203.2 M	50%
Land Value	\$28.8 M	\$36.8 M	9%
Vehicle & Equipment Value	<u>\$130.0 M</u>	<u>\$130.0 M</u>	<u>41%</u>
<b>Total Asset Value</b>	<b>≈ \$314.7 M</b>	<b>≈ \$370.0 M</b>	<b>100%</b>
Number of Incidents	131,746	114,642	-
<b>Total Impact Cost per Incident</b>	<b>≈ \$2,389</b>	<b>≈ \$3,227</b>	-





# Fire Rescue

## Credit Component: Annual Cash Credit

Variable	Total FY 2017-2021
Ad Valorem Funding	\$3,212,665
Average Annual Capital Expansion Expenditures	\$642,533
Average Annual Incidents	124,431
<b>Capital Expansion Expenditures per Incident</b>	<b>\$5.16</b>
Residential Land Uses Credit Adjustment Factor	1.70
<b>Residential Land Uses: Adjusted Capital Expansion Expenditures per Incident</b>	<b>\$8.77</b>



# Fire Rescue

## Credit Component: **Total Credit**

Variable	Credit (Revised)	Credit (Original)
<b>Revenue Credit</b>		
Cash Credit per Incident		
- Residential Land Uses	\$8.77	\$9.50
- Non-residential Land Uses	\$5.16	\$5.59
Capitalization Rate	2.4%	2.4%
Capitalization Period (in years)	25	25
<b>Total Credit</b>		
Total Capital Improvement Credit per Incident		
- Residential Land Uses	<b>\$163.45</b>	<b>\$177.05</b>
- Non-residential Land Uses	<b>\$96.17</b>	<b>\$104.18</b>







# Fire Rescue

## Net Impact Cost

Variable	Figure (Revised)	Figure (Original)
<b><i>Impact Cost</i></b>		
Total Impact Cost per Incident	\$2,389	\$3,227
<b><i>Revenue Credit</i></b>		
Total Credit per Incident		
- Residential Land Uses	\$163	\$177
- Non-Residential Land Uses	\$96	\$104
<b><i>Net Impact Cost</i></b>		
Net Impact Cost per Incident		
- Residential Land Uses	<b>\$2,226</b>	<b>\$3,050</b>
- Non-Residential Land Uses	<b>\$2,293</b>	<b>\$3,123</b>



# Fire Rescue

## Calculated Impact Fee

Land Use	Unit	Calls for Service Coefficient*	Fully Calculated Fee (Revised)	Fully Calculated Fee (Original)	Current Adopted Fee	Maximum Allowable Fee**
<b>Residential</b>						
Single Family (attached/detached/mobile home)	du	0.2821	<b>\$628</b>	<b>\$852</b>	\$276	\$414
Multi-Family	du	0.1717	<b>\$382</b>	<b>\$518</b>	\$185	\$277
<b>Non-Residential</b>						
General Industrial	1,000 sf	0.0673	<b>\$154</b>	<b>\$193</b>	\$80	\$120
Office	1,000 sf	0.0370	<b>\$85</b>	<b>\$114</b>	\$50	\$75
General Retail	1,000 sfgla	0.0749	<b>\$172</b>	<b>\$235</b>	\$121	\$172

\* Average of 2016-2019, 2021

\*\*Over the next four years





# Fire Rescue

## Impact Fee Component Changes:

Input Variable	2014-18 Study*	2021 Study Revised	% Change
<b><i>Single Family (per du)</i></b>			
Total Impact Cost per Incident	\$1,285	\$2,389	+86%
Total Credit per Incident	\$165	\$163	-1%
<b>Net Impact Cost per Incident</b>	<b>\$1,119</b>	<b>\$2,226</b>	<b>+99%</b>
Calls for Service Coefficient	0.2601	0.2821	+8%
<b>Calculated Impact Fee</b>	<b>\$291</b>	<b>\$628</b>	<b>+116%</b>

\*Full calculated rate is shown for comparison purposes. Fee was adopted at 95% (\$276)



# Fire Rescue

## Impact Fee Comparison

Land Use	Unit	Palm Beach County			Hillsborough County	Martin County	Miami-Dade County	Orange County	St Lucie County
		Current Adopted	Fully Calculated	Maximum Allowable*					
Study Date	-	2014-2018	<b>2021</b>	N/A	2018	2012	N/A	2017	2016
Assessed Portion	-	95%	<b>N/A</b>	N/A	100%	100%	N/A	100%	100%
<b>Residential</b>									
Single Family (2,000 sf)	du	\$276	<b>\$628</b>	\$414	\$335	\$599	\$447	\$339	\$667
Multi-Family (1,300 sf)	du	\$185	<b>\$382</b>	\$277	\$249	\$599	\$447	\$232	\$436
<b>Non-Residential</b>									
General Industrial	1,000 sf	\$80	<b>\$154</b>	\$120	\$57	\$12	\$1,448	\$84	\$76
Office	1,000 sf	\$50	<b>\$85</b>	\$75	\$158	\$80	\$355	\$269	\$668
Retail	1,000 sfgla	\$121	<b>\$172</b>	\$172	\$313	\$319	\$478	\$307	\$536

\*Over the next four years





# Fire Rescue

## Revenue Projections

- Based on permitting levels from 2015+
  - Full calculated rates ≈\$1.3 million per year
  - Max allowable rates ≈\$0.9 million per year
- Examples of projects eligible for impact fee funding
  - Agricultural Reserve North Fire Station (≈\$7 M)
  - Agricultural Reserve South Fire Station (≈\$6.2 M)
  - Southern Blvd 20 Mile Bend Station (≈\$7.3 M)



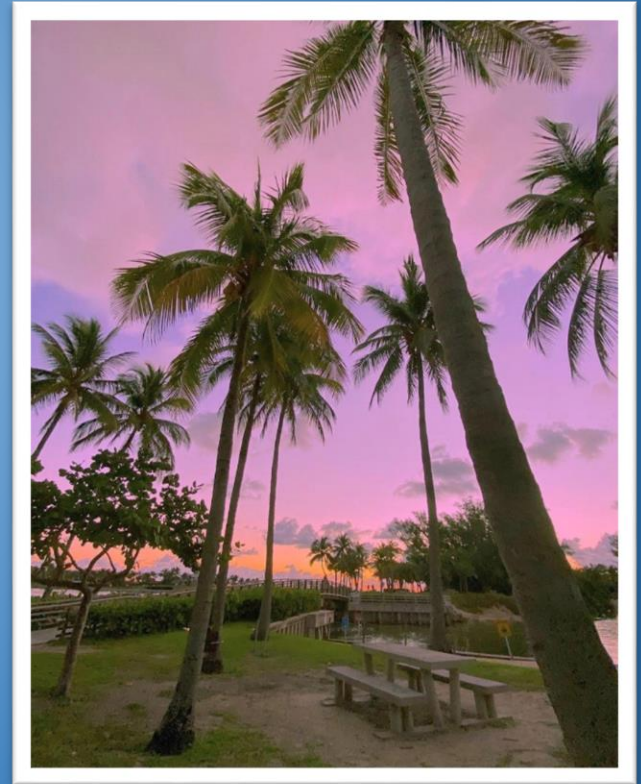
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# Summary

## Summary of Calculated Impact Fee Rates:

Land Use	Unit	Public Buildings	Fire Rescue	Law Enforcement	Library Facilities	Parks & Recreation	School Facilities	Transportation	Total Calculated	Total Adopted
<b>Residential</b>										
Single Family (2,000 sf)	du	\$1,573	\$628	\$230	\$311	\$2,967	\$8,322	\$5,892	<b>\$19,923</b>	<b>\$13,055</b>
<b>Non-Residential</b>										
Light Industrial	1,000 sf	\$466	\$154	\$59			-	\$2,633	<b>\$3,312</b>	<b>\$1,683</b>
Office (50,000 sf)	1,000 sf	\$951	\$85	\$120			-	\$5,847	<b>\$7,003</b>	<b>\$3,609</b>
Retail (125,000 sf gla)	1,000 sf gla	\$2,503	\$172	\$315			-	\$8,323	<b>\$11,313</b>	<b>\$8,170</b>





# Summary

## HB 337 in 2021:

- Limit on fee increases:
  - No more than 12.5% per year
  - Cannot be increased more than 50%
  - Cannot be increased more than once every four years
- Exception:
  - A study within the past 12 months demonstrating extraordinary circumstances
  - Two public workshops to discuss the extraordinary circumstances
  - Increase to be approved by 2/3<sup>rd</sup> of the governing body



# Summary

## Summary of Maximum Allowable Impact Fee Rates:

Land Use	Unit	Public Bldgs	Fire Rescue	Law Enf	Library	Parks & Recr	School	Transp	Total Maximum Allowable*	Total Adopted
<b>Residential</b>										
Single Family (2,000 sf)	du	\$334	\$414	\$192	\$311	\$1,290	\$8,322	\$5,892	<b>\$16,755</b>	<b>\$13,055</b>
<b>Non-Residential</b>										
Light Industrial	1,000 sf	\$110	\$120	\$11			-	\$2,284	<b>\$2,525</b>	<b>\$1,683</b>
Office (50,000 sf)	1,000 sf	\$196	\$75	\$15			-	\$5,127	<b>\$5,413</b>	<b>\$3,609</b>
Retail (125,000 sfgla)	1,000 sfgla	\$504	\$172	\$86			-	\$8,323	<b>\$9,085</b>	<b>\$8,170</b>

\*Over the next four years



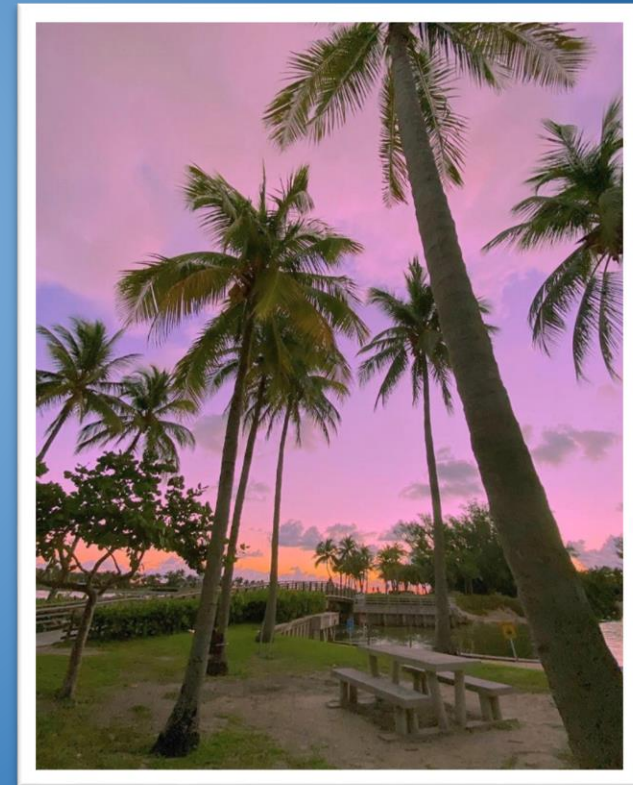
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# Next Steps

- Impact Fee Review Committee Input
- Final Technical Report
- BOCC Workshop
- Implementation Process





# Questions?

