

SARASOTA COUNTY IMPACT FEES

A PEER REVIEW OF THE  
PUBLIC REVIEW DRAFT

PREPARED BY

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AUGUST 2006

## I. Introduction

This peer review of the Public Review Draft impact fees prepared for Sarasota County was commissioned by the Board of County Commissioners. The goal of this review is to assess the draft impact fees in terms of their consistency with the principles and practices of impact fees recognized in Florida.

Duncan Associates prepared the draft “Road, Park and Library Impact Fee Study for Sarasota County, Florida.” It is the “Public Review Draft,” dated July 2006. As the title indicates, this study covers road, park and library impact fees. Sarasota County already has implemented road, park and library impact fees so the Duncan Associates study constitutes an update to those existing impact fees.

This review will proceed by first establishing the general criteria for permissible impact fees recognized in Florida. Once these general principles have been established, the review will then continue by assessing the individual impact fee calculations using those criteria.

In *St. Johns County v Northeast Home Builders*, 583 So.2d 635 (Fla. 1991), the Florida Supreme Court observed that “[t]he use of impact fees has become an accepted method of paying for public improvements that must be constructed to serve new growth.” This landmark declaration changed the discussion of impact fees from the legality of impact fees to the methods by which impact fees are to be established. This review will identify, discuss and critique the methods by which the proposed Sarasota County road, park and library impact fees are established.

Note may be taken of the fact that a prior peer review has been shared with Duncan Associates so they have had the benefit of a review. Additionally, Duncan Associates responded to several of the issues raised to the satisfaction of this reviewer.

## II. The Criteria for Impact Fees in Florida

While there is recently adopted impact fee legislation in Florida, there is no general enabling act that sets standards for the preparation and use of impact fees. Rather, impact fees evolved through Florida's courts starting in the late 1960's, ultimately being recognized as being within local governments' home rule authority. This method of evolution was perhaps the only option since Florida cities and counties were exploring new issues of governance and government finance since the adoption of the new constitution in 1967, which granted broad home rule authority while requiring authorization by general law for the imposition of taxes. The body of law that came out of this evolutionary process clearly established that:

- Impact Fees are permissible as exercise of the police powers;
- Impact fees cannot exceed a pro rata share of the cost of expanding facilities required to serve new development;
- Impact fees cannot be imposed or structured to provide a "windfall" to existing residents;
- Impact fees must satisfy the dual rational nexus between the need for facility improvements and new development; and
- Local governments are required to show that developments paying impact fees will receive benefit from the expenditure of those fees.

The Florida Supreme Court, beginning with *Contractors and Builders Association of Pinellas County v City Of Dunedin*, 329 So. 2d 314 (Fla. 1976), dealt first with the conditions under which impact fees may be utilized and then with the amounts that may be charged as impact fees. In *Dunedin* the Florida Supreme Court wrote:

Raising expansion capital by setting connection charges, which do not exceed a pro rata share of reasonably anticipated costs of expansion, is permissible where expansion is reasonably required, if use of the money collected is limited to meeting the costs of expansion. Users 'who benefit especially, not from the maintenance of the system, but by the extension of the system . . . should bear the cost of that extension.'" (citations *omitted*)

The *Dunedin* court also makes clear that such charges, now known as impact fees, are not unlimited. Extending their rationale:

[t]he cost of new facilities should be borne by new users to the extent new use requires new facilities, but only to that extent. When new facilities must be built in any event, looking only to new users for necessary capital gives old users a windfall at the expense of new users.

New users can only be held responsible for the costs attributable to new use and not for other costs, especially any charge that would yield a “windfall” to the existing community.

*Dunedin* was a case involving a municipally owned water and sewer utility. It fell to *Hollywood Inc. v Broward County*, 431 So.2d 606 (Fla. 4<sup>th</sup> DCA 1983) to deal with the application of the *Dunedin* logic to parks, the facility that the Florida cities of Gulf Breeze, Maitland and Hollywood unsuccessfully tried to fund with development charges. In *Hollywood Inc.* the court wrote:

[w]e discern the general legal principle that reasonable dedication or impact fee requirements are permissible so long as they offset needs sufficiently attributable to the subdivision and so long as the funds collected are sufficiently earmarked for the substantial benefit of the subdivision residents. In order to satisfy these requirements, the local government must demonstrate a reasonable connection, or rational nexus, between the need for additional capital facilities and the growth in population generated by the subdivision. In addition, the government must show a reasonable connection, or rational nexus, between the expenditures of the funds collected and the benefits accruing to the subdivision. In order to satisfy this latter requirement, the ordinance must specifically earmark the funds collected for use in acquiring capital facilities to benefit the new residents.

The *Hollywood Inc.* Court provides the principles of the Dual Rational Nexus Test. Specifically, that:

- The local government must demonstrate a reasonable connection, or rational nexus, between the need for additional capital facilities and the growth generated by the development being charged the impact fees, and
- The government must specifically earmark the funds collected for use in acquiring capital facilities to benefit the development charged the impact fees.

The paramount issue with respect to impact fees is nexus. The local government must demonstrate that there is a nexus between new development and the need to expand infrastructure. This demonstration is to be accomplished in the consultant’s report. The second crucial issue is the identification of a pro rata share of the cost of expanding that infrastructure. This too is to be accomplished in the consultant’s report.

During the 2006 session, an act was passed by the Legislature and signed into law by the Governor that dealt with impact fees. The only portions of this act that deal with the calculation of impact fees are the requirements that calculation of impact fees be based on the most recent and localized data.

The general criteria for impact fees in Florida are:

- Impact fees adopted must be based upon the establishment of a nexus between new development and the need to expand infrastructure;

- The calculation of impact fees must use the most recent and localized data; and
- The resulting impact fees may be no more than a pro rata share of the reasonably anticipated cost of expanding that infrastructure.

### III. General Methodology

The general approach to impact fees used by Duncan Associates is the so-called consumption based approach. This commonly used method calculates impact fees based on the value of public infrastructure consumed per unit of land use, such as a dwelling unit. The value of the public infrastructure is developed by calculating a unit cost of public capital infrastructure, such as cost per lane-mile of road or acre of park. Levels of service are used to translate these unit costs into cost per unit of development. For example, a park level of service of seven acres of park per 1,000 population, would equate to 305 square feet of parks per capita. A single family home with 2.38 persons in residence would require 726 square feet of park land. Historic records or improvement cost estimates would yield a park improvement cost per acre or per square foot, which would be multiplied by the 726 square feet to get the cost per single family dwelling. The resulting cost is then reduced by available revenues or reductions that reflect payments by new development toward park costs to get the pro rata share that will be charged as an impact fee.

The consumption based approach is the most commonly used method of establishing impact fees in Florida, especially by counties. The consumption methodology has been subject to judicial review several times:

- The park impact fee reviewed in *Hollywood Inc. v Broward County*, 431 So.2d 606 (Fla. 4<sup>th</sup> DCA 1983) employed consumption methodology. The Fourth District Court of Appeals characterized Broward County's impact fee assessment thusly:

. . . Broward County demonstrated a reasonable connection between the need for additional park facilities and the growth in population that will be generated by the subdivision and, in addition, that the fees were an equitable pro rata share of the cost of reasonable capital expansion required because of new development. Although the developer attempted to refute this showing, the trial court resolved the conflicts in the evidence in a permissible manner and the judgment is supported by competent substantial evidence.

Here we have judicial acceptance of the consumption methodology.

- The road impact fee reviewed in *Home Builders and Contractors Association v Palm Beach County*, 446 So.2d 140 (Fla. 4<sup>TH</sup> DCA 1983) also employed the consumption based methodology. After reviewing the fees, the court wrote "it appears that the Palm Beach County ordinance meets the tests laid down in *Dunedin* and followed in *Hollywood, Inc.*, which supports

the trial judge's findings that the ordinance imposes a regulatory fee and not a prohibited tax.”

- St. John’s County’s school impact fee, upheld in *St. Johns County v Northeast Florida Builders Association*, was a consumption based calculation. Continuing with schools, Lee County’s school impact fee and Osceola County’s school impact fee, both of which were recently upheld, were consumption based calculations.

This discussion should not be taken to suggest that the consumption based methodology is superior or that there is anything defective about the alternative, the improvements approach. The fee at issue in the *Dunedin* case, the foundation for all impact fees in Florida, used an improvements based methodology. Rather, this discussion is intended to show that the consumption based methodology is not only in common usage but has been judicially accepted. Thus, Duncan Associates’ use of the consumption methodology would appear to be reasonable and in accord with best practices.

## IV. Road Impact Fees

The general formula for the road impact fee is simple and straight forward. The quantity of travel attributable to a unit of development, measured in vehicular miles of travel per day, is multiplied by the net cost of roadway construction per vehicular mile of travel. One way or another, all other consumption based road impact fees make the same calculation. This formula leads to three questions relating to the reasonableness of the road impact fees:

- A. Is the quantity of travel attributed to individual units of new development reasonable and based upon the most recent and localized data?
- B. Is the gross cost of providing new roads reasonably established and based on the most recent and localized data? and
- C. Are the revenues used to reduce gross cost to net cost, commonly referred to as revenue credits, reasonably established and based on the most recent and localized data?

This review of the draft updated road impact fees will proceed by addressing each of these questions.

### ***A. Attribution of Travel***

Trip Generation. Duncan Associates base their vehicular miles of travel (VMT) calculations on the Institute of Transportation Engineers' (ITE) *Trip Generation Manual*, 7<sup>th</sup> Edition, 2003. Note may be taken of the fact that this is the most recent edition of the *ITE Manual*. The trip generation rates set out in the *ITE Manual* are national and not specific to any particular location or to Sarasota County. However, two localized studies have been used as references; A 1994 study of trip generation characteristics study in Sarasota County and a 1990 study of trip characteristics in Pinellas County.

Most, if not the vast majority, of Florida entities dealing with transportation use the *ITE Manual*. Additionally, experience in Florida has shown that the trip rates shown in the *ITE Manual* are generally reliable for Florida. The question here is whether the use of ITE trip rates would meet the localized data requirement of Florida's impact fee legislation. This subject will be dealt with below.

Trip Lengths. The next step in calculating attributable travel is the length of trips. Duncan Associates utilize the National Household Travel Survey (2001), published by the Federal Highway Administration in December 2004, as the source for these data. These are the most recent data on trip lengths. However, the

lengths used are national and not localized to Sarasota County. This subject will be dealt with below.

New Trip Factor. Not all vehicles entering or leaving a specific site are new trips. There is the multiple purpose trip as well as existing trips that are “captured.” Duncan Associates use studies published in various ITE outlets to establish the percentage of non-residentially based trips that are new or impact trips and those that are not. The ITE is the only known source for these data, thus it would follow that they are the most recent and localized to the maximum extent possible, even though compliance with the localized data requirement is a potential concern.

Vehicular Miles of Travel. Total vehicular miles of travel is equal to:

$$\text{TVMT} = \text{Trip Rate} * \text{Trip Length} * \% \text{New Trip}$$

The data used to make these calculations are the most recent and the most credible. The concern is with respect to localization of these data.

Local Adjustment Factor. While trip generation rates, trip lengths and percentage new trips themselves are national, Sarasota County travel or VMT is adjusted to local conditions through a Local Adjustment Factor. This factor projects total VMT using national data and then contrasts that projection with actual VMT in Sarasota County. The resulting factor, because it is less than one, reduces attributable travel to that observed in Sarasota County. In this manner travel data are localized to Sarasota County.

The Local Adjustment Factor has two roles. First, it factors out travel on I-75. This is done because I-75 is an exclusive cost of the state/federal government and not a cost to Sarasota County. Furthermore, Sarasota County has no plans to expend impact fees on I-75. The second role of the Local Adjustment Factor is to adjust travel characteristics used in calculating road impact fees to those characteristics prevailing in Sarasota County.

The formula for attributable travel is:

$$\text{VMT} = \text{Trip Rate} * \text{Trip Length} * \% \text{New Trip} * \text{Local Adjustment Factor}$$

The introduction of the local adjustment factor makes the VMT calculation localized to Sarasota County travel on non-interstate roads. Therefore, in the opinion of this reviewer, the data used the calculating attributable VMT are the most recent, most appropriate and localized to Sarasota County.

Attributable Travel. Attributable travel is calculated for a range of individual types of new developments. The average single family home will generate 9.57 vehicular trips per day, 4.785 leaving and 4.785 returning. The average length of

those trips on non-interstate roads is 4.22 miles, resulting in attributable travel 20.2 miles per day. This is the quantity of travel on relevant roads that will have to be accommodated with road capacity.

Residential Trip Generation. Duncan Associates introduces a method of assigning residential road impact that is different from that presently used by Sarasota County and different from that used by many other jurisdictions. This method is to assign impact for residential dwellings on the basis of the size of the dwelling, in square feet of floor area, rather than on the basis of the type of dwelling unit. The premise here is that it is the number of people in residence that is the more important determinant of road impact. Data for Sarasota County from the 2000 census, the most recent, and data from the 2006 sale of residential dwelling units, the most recent, were used to project the number of residents per dwelling unit by size of the dwelling unit. The national residential trip generation rate per unit, 9.57 for single family and 6.72 for multifamily, were used together with 2000 census occupancy data for Sarasota to project trip generation by unit type and number bedrooms. These data were then entered into a regression equation to convert these data to trip generation by size of dwelling unit. These rates would be national, which are adjusted to local conditions by the Local Adjustment Factor.

The use of dwelling unit size rather than type of dwelling unit as the basis for assessing impact fees has been growing in popularity. Palm Beach County introduced the first size based residential impact fee in 1989. Their goal was to have a method of impact assignment that was accurate and one that was more consistent with affordable housing goals. Because affordable housing units tend to be smaller, basing residential impact fees on the size of units would tend to place less of a burden on affordable housing. The Duncan study shows that dwelling unit size is positively correlated with number of occupants and thus using size as the basis for assigning impact would be reasonable. Similar studies in Dade, Palm Beach, Martin, Charlotte and St Johns counties reached the same conclusion. It is the opinion of this reviewer, based upon the analysis set out in the Duncan study and based upon similar analyses elsewhere, that the assignment of road impact on the basis of dwelling unit size is reasonable and supportable. Furthermore, the data and methods used in making these calculations are the most recent, localized to Sarasota County, and appropriate.

## ***B. Roadway Improvement Costs***

Duncan Associates calculates the cost of roadway improvements in Sarasota County to be \$488.83 per vehicular mile of travel. This unit cost is calculated by dividing the planned improvements to Sarasota County roads, \$272,899,095, by the vehicular miles of travel than can be accommodated on those roads at the capacity of the roads to be improved by Sarasota County. This equates to Level of Service E. A total of 558,272 VMT can be accommodated, yielding a cost per

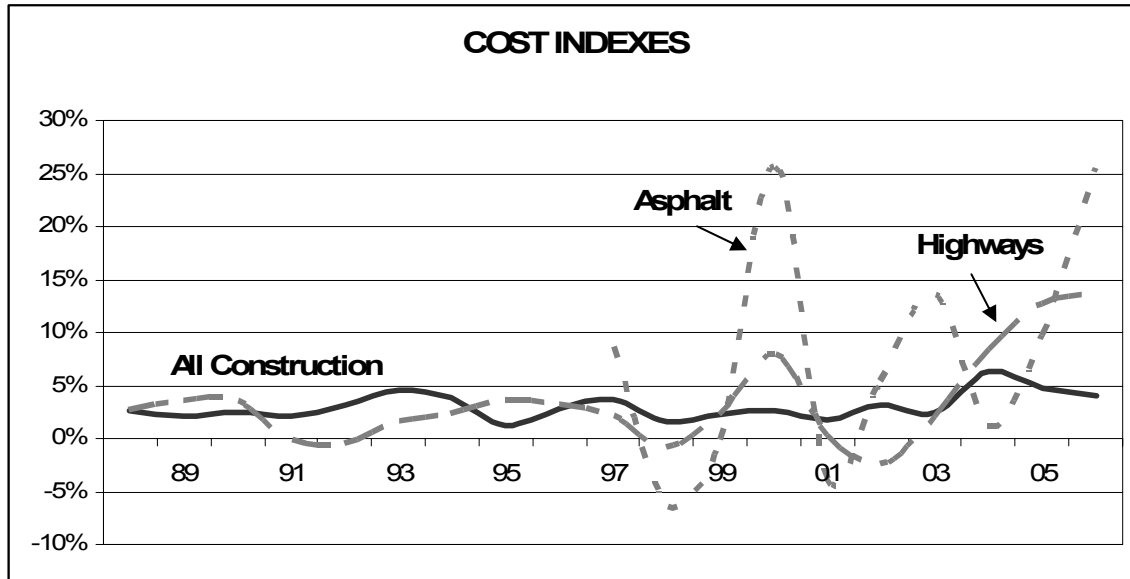
VMT of \$488.83. The 22.2 daily miles of travel attributable to the average single family home would have a gross road cost of \$9,878.80. These data are for Sarasota County and are drawn from current capital improvement plans. Therefore the data are the most recent and localized to Sarasota County.

The anticipated cost per lane-mile of road setout in the capital improvement plans and in the Duncan Study is \$3,934,531. The original data from the plans were appropriately modified so that all costs are as of 2006. This cost is higher than that typically seen in Florida impact fee calculations. However, all Florida impact fee calculations available for comparison were completed in the past. The cost of road building has been escalating much faster than general construction costs. This table shows that general construction costs have been increasing at 4% at the present. The cost of asphalt has been growing at an annual rate of 25.5% per year and road building materials have been growing at 13.7%. Of course, the cost of petroleum has been a substantial part of those differential rates of increase. Another very substantial component of road cost is the cost of land. Between 2004 and 2005 the median sales price for an existing single family home increased in Sarasota County by 32% (Florida Ass'n of Realtors). While this increase is for existing homes, it may be a good proxy for what has happened to the cost of right of way acquisition. These data would lead one to expect that there would be substantial increases in road construction costs in the recent past and in the future.

**CONSTRUCTION, ROAD BUILDING AND ASPHALT COST INDEXES**

1988	2.56%	2.58%	
1989	2.12%	3.48%	
1990	2.54%	3.46%	
1991	2.18%	-0.09%	
1992	3.10%	-0.54%	
1993	4.51%	1.55%	
1994	3.80%	2.33%	
1995	1.16%	3.59%	
1996	2.72%	3.13%	
1997	3.67%	2.05%	8.6%
1998	1.61%	-0.88%	-6.5%
1999	2.35%	2.51%	-0.2%
2000	2.67%	7.82%	25.6%
2001	1.82%	0.37%	-3.9%
2002	3.22%	-2.41%	5.4%
2003	2.40%	2.17%	13.4%
2004	6.27%	8.49%	1.1%
2005	4.65%	12.55%	9.7%
2006	4.00%	13.69%	25.5%

SOURCE: Engineering News Record, McGraw-Hill, and Bureau of Labor Statistics, US Department of Commerce.



One way of testing the reasonableness of costs used is to recalculate the average cost after excluding the highest and lowest cost item. The cost per lane-mile used is \$3,934,531. If the highest and lowest cost improvements are excluded, the cost per lane-mile would rise to \$4,147,377, indicating that there is not one project influencing the costs and that the average cost appears to be reasonable.

On balance, it is the opinion of this reviewer that the costs of road way improvements used in the Duncan study are based upon the most recent, localized and most appropriate data and are a reasonable basis to estimate the cost of accommodating new development in Sarasota County with roads.

### ***C. Revenue Credits***

Sarasota County has funds available to make road capacity improvements. Some of these funds are dedicated to transportation purposes and some are not. The rule is that new development should receive consideration, usually read as a reduction in impact fees, that reasonably reflects what new development will pay toward the cost of expanding roadways in Sarasota County. The first step in calculating a revenue credit is to project what new development will pay in dedicated transportation revenues directed toward capital improvements and then to reduce impact fees based on those payments. The next step is to look to non-dedicated revenues that have been or are expected to be used for road capacity expansion purposes and consider whether a credit to new development is warranted for the payment of such non-dedicated revenues.

Dedicated Revenues. The dedicated revenues are allocations from the state and federal government, local motor fuel taxes and the infrastructure sales tax. These funds are dedicated, in whole or in part, to transportation improvements.

Duncan Associates elects to deal with these dedicated revenues on a revenue per mile of travel basis. While there is variation among jurisdictions on how this is dealt with, the method selected is perfectly acceptable.

- State Federal Tax Allocations. A total of \$130,308,416 was allocated by the state and federal governments to road capacity expansions within Sarasota County during 2002-2006. Approximately 40% of state/federal allocations are directed toward capacity expansions, the remainder go to maintenance and related programs. This is an annual average of \$26,061,683. It is appropriate to average over a 5-year period because amounts vary substantially year to year. This average is divided by VMT to get \$4.07 per VMT. The past is used because only the past can be known, since future appropriations by the state and federal government cannot be known. The present value of \$4.07 is calculated over a 20-year period to arrive at a state/federal credit of \$52.58.
  - *Discount Rate*. The discount rate employed is 4.59% over a 20-year period. This is the three-month moving average for state and local 20-year bond rate as reported by the Federal Reserve System.
  - *Discount Period*. Twenty years of anticipated future payments are used to calculate the present value and thus the revenue credit. There is no set criterion to judge a discount period reasonable. Because roads are fixed assets with long use lives, it is appropriate to look to a long term in analyzing their financing. In finance, especially local government finance, 20-years is a very common time horizon for long term finance. Some jurisdictions use 25 years in financing and in calculating present values. Many also use 20 years. Any period less than 20-years would, in the opinion of this reviewer, be unreasonable. The same would be true for any period longer than 25.

Discounting roughly compensates for the cost of money or the time value of money as some prefer to call it. Given that motor fuel tax allocations will be received in the future, it is appropriate to discount those future receipts to reflect present values.

- Local Option Motor Fuels Tax. The Sarasota County 2006-2010 capital plans include an annual average of \$6,837,670 in local option motor fuels taxes for capacity expansions. This equates to \$1.07 per VMT. The present value of this amount is \$13.80 and this is included as a revenue credit.
- Infrastructure Sales Tax Credit. \$42,261,526 in infrastructure sales tax funds are directed toward road capacity expansions. This is an annual

average of \$10,565,382. The existing infrastructure sales tax expires in 2009. This raises a question about the calculation of a credit for a revenue source that may or may not be extended. Duncan Associates calculate the Infrastructure Sales Tax credit over 20 years, this assuming that it will be extended or that some equivalent replacement will be found. In the opinion of this reviewer, it is appropriate to make this assumption. The criterion articulated by the Florida Supreme Court is that impact fees should not exceed a pro rata share of reasonably anticipated costs of expansion. Incorporating a long-term credit for the Infrastructure Sales Tax assures that a pro rata share will not be exceeded regardless of what happens with respect to the tax.

Duncan Associates calculate the annual Infrastructure Sales Tax proceeds devoted to future road improvements to be \$1.65 per VMT. The present value of 1.65 is calculated for 20 years at 4.59% to get a credit of \$21.30.

- Road Bonds. There is \$27,570,000 in outstanding road bonds. New development will assume its share of this debt as it occurs. This credit is calculated as the amount of outstanding debt per VMT. Using VMT here allows for the direct reduction of cost per VMT in the calculation of net cost and thus impact fees.

The purpose of a revenue credit is to reduce the amount to be paid as an impact fee by amounts that new developments will pay toward capital costs. This is done in order to avoid over-charging and thus exceeding the pro rata share of costs criterion that is the upper limit on impact fees. In the previous section the calculations dealing with road costs were discussed. There it was shown that the typical single family home would have 20.2 attributable daily miles of travel and that this quantity of travel would have a gross cost of \$9,870.80. Now the question is, what will this typical single family home pay toward that cost of \$9,870.80? This new home will pay:

- State and federal; motor fuels taxes, a portion of which are used to fund road capacity expansions;
- Local option motor fuels taxes, a portion of which are used to fund road capacity expansions;
- Infrastructure sales taxes, a portion of which are used to fund road capacity expansions; and
- Debt service on outstanding debt, the proceeds of which were used to fund road capacity expansions.

A revenue credit is proposed for all capacity expanding dedicated revenues that will be paid by new development.

Non-Dedicated Revenues. Many local governments, including Sarasota County, allocate discretionary revenues to road and other types of infrastructure improvements. The practice is not to provide a revenue credit for non-dedicated revenues. This practice is based on the fact that the appropriations are in fact discretionary and future appropriations cannot be assumed let alone estimated. When there is a pledging of non-dedicated revenues, they are treated as if there are dedicated and a revenue credit given. Sarasota County's Communications Services Tax is such a revenue. The Communications Services Tax revenues have been pledged to retire one of the new bond issues, but are not otherwise dedicated or restricted to transportation purposes or capital improvements. Since these improvements have only recently been bonded and have not yet been built, they will provide benefit to new development. Since, the Communications Services Tax revenues have been pledged and likely will be used to retire the debt, Duncan Associates appropriately provides credit for these otherwise non-dedicated revenues that are pledged to road bond debt service. On the other hand, revenue credits for the pay-as-you-go telecommunications tax and ad valorem tax general revenue sources programmed in the CIP were not provided because these sources are not dedicated or pledged to future road improvements. This reviewer concurs with the Duncan Associates decisions with respect to the crediting and non-crediting of non-dedicated revenues devoted to road capacity improvements.

#### ***D. Road Impact Fees***

The road impact fees recommended by Duncan Associates are, in the opinion of this reviewer, sufficiently demonstrated as to be in accord with the principles and practices of impact fees in Florida. Moreover, the recommended fees are based on the most recent and localized data.

## **V. Park Impact Fees**

The formula for park impact fees is simply the net park cost per capita times the occupancy of new dwelling units. There are three issues with respect to park impact fee calculation:

- A. What is the size of the population served by Sarasota County parks and what are the occupancies of the various types of new developments;
- B. What are the gross costs of providing parks by Sarasota County;
- C. What are the appropriate revenue credits for park impact fees?

### ***A. Population Served and Unit Occupancies***

The population served is important because it is used to calculate the per capita cost used to establish the impact fee. The relevant population is that within Sarasota County less those within the cities of Longboat Key and North Port. Table 61 of the Duncan study shows a population within households of 319,485 together with 149,937 households within the service area. In addition to population within households, residents of group quarters, seasonal residents and tourists all demand and use Sarasota County's parks. Table 32 aggregates all of these groups and provides a 2006 estimate of the population served, 414,235.

### ***B. Park Improvement Costs***

The existing provision of parks is 5.3 acres of parks per 1,000 population within the service area. While the Comprehensive Plan speaks to a level of 7.0 acres per 1,000, the Duncan study calculates park consumption and park costs at the 5.3 existing level of service, as that is what new development will actually receive.

Duncan Associates estimate the replacement cost of the County's 2,200.75 acres of parks to be \$471,225,150. This equates to \$214,120 per acre. This is very close to the \$250,000 per improved acre that has been the observation of this reviewer. These data are as of 2006 and are for Sarasota County, thus the data are the most recent and localized.

Incorporated into the calculations is an implied replacement of beach land with other water oriented properties. Given the cost and lack of availability, many jurisdictions have found that they cannot afford beachfront property even if it was available, which in many cases it is not. The Duncan calculations are based

upon a future substitution of other water oriented and inland properties for beaches. In the opinion of this review, this is an appropriate substitution.

The facility costs shown in Table 33 are, in the opinion of this review, within a range of typical experience. An exception to this conclusion may be parking spaces. Unless a very large portion of those spaces are unpaved, it is most unlikely that a cost of \$1,000 per space can be achieved. However, it appears that the Duncan study makes use of the best available local data and if those data show \$1,000 per space, then that is what should be used. The facility costs shown in Table 33 amount to some \$300 per capita. This is consistent with data seen elsewhere, with a tendency to be low. A listing of some facility cost data for other jurisdictions shows:

<b>County</b>	<b>Facility Cost per Capita</b>	<b>Year Done</b>
Town of Jupiter	\$405.08	2006
Charlotte County	\$476.31	2005
Martin County	\$455.51	2004
Palm Beach County	\$405.42	2004
Sarasota County	\$300.00	2006

These data would suggest that the facility costs incorporated for Sarasota County are not overstated.

The land cost parameters shown in Table 34 appear to be reasonable. Park land cost for Sarasota County is some \$855 per capita. Again referring to other experiences:

<b>County</b>	<b>Land Cost per Capita</b>	<b>Year Done</b>
Town of Jupiter	\$671.08	2006
Charlotte County	\$701.33	2005
Martin County	\$629.15	2004
Palm Beach County	\$338.83	2004
Sarasota County	\$855.00	2006

Given the very rapid increases in land costs/prices in the recent past, one would expect that the more recent comparative data would be more consistent with Sarasota's costs, and that is what is observed.

### ***C. Revenue Credits***

The Duncan study determines that there is \$3,335,000 in outstanding debt for park and recreational facilities in Sarasota County. This indicates very little issuance of debt for park and recreational purposes. Outstanding debt per capita was subtracted from park costs per capita in recognition of new development paying towards the retirement of that debt.

Infrastructure sales taxes are devoted to park capital improvements. A total of \$8,536,597 is planned for the remaining three years of the existing authorization, \$2,134,149 per year. This amounts to \$51.15 per capita. As with roads, credit for 20 years is provided, even though the existing authorization will expire in 3 years.

The third category of credit is the credit for grants. The method of crediting for grants is reasonable and appropriate. Annual park development grant funding of \$664,813 amounts to \$1.60 per capita, the present value of which is \$20.66

#### ***D. Park Impact Fees***

The total cost per capita for parks is \$1,137.58. Credits of \$95.20 are used to reduce the net cost to \$1,042.38. This datum is multiplied by unit occupancies to get the potential park impact fees. It is the opinion of this reviewer that Duncan Associates has demonstrated that \$1,042.38 does not exceed a pro rata share of reasonably anticipated costs of park expansion. Moreover, the calculations use the most recent and localized data.

## VI. Library Impact Fees

### ***A. Population Served and Unit Occupancies***

The same method of projecting service area population for parks was used for libraries, except the service area for libraries is countywide.

### ***B. Library Improvement Costs***

The levels of service used to calculate the impacts of new residential development on libraries are not specifically stated in the Duncan study. They are:

<b>Component</b>	<b>Provision</b>	<b>Per Capita</b>
Land (square feet)	1,365,606	2.92
Buildings (square feet)	227,096	0.49
Materials (items)	923,665	1.97
Service Area Population	468,145	

The existing level of service, as show above, was used to calculate library consumption and the cost of provision. This is appropriate because this is what occupants of new development will actually be delivered.

The library building cost of \$248 per foot is somewhat above other jurisdictions but it is based on recent and actual Sarasota County experience. Being the most recent and localized data, this cost would be the most appropriate. For purposes of contrast, Martin County's (2004) cost was \$192 per foot and Charlotte's (2005) cost was \$130 per foot.

The third cost is the cost of library materials. A cost of \$20 per item is used. This is put forward as the current and Sarasota County cost. If so, then it is the most recent and localized data. Charlotte County's media cost is \$27.77 per item while Martin County's cost is \$38.23 per item. The \$20 materials cost might be reconsidered as it appears to be low.

### ***C. Revenue Credits***

Table 53 contains the calculation of the library Infrastructure Sales Tax credit. The estimated annual funding from the Infrastructure Sales Tax is \$1,841,124 or \$3.93 per capita. This yields a present value of \$50.74, which is the credit. Library grants have amounted to \$951,701 per year and \$2.03 per capita. The

grant credit is \$26.21. The method of calculating library grants credit is consistent with best practices.

#### ***D. Library Impact Fees***

Duncan Associates estimate that the pro rata share of the reasonably anticipated costs of library expansion is \$90.85 per capita. This is a total cost of \$167.80 less \$76.95 in credits. The net cost is then multiplied by unit occupancies to get net cost per unit, which could be adopted as an impact fee. These calculations are based on the most recent and localized data.