

City of Palm Bay, FL

FY 2024 Impact Fee Study

February 1, 2024



Stantec



Agenda

1. Background
2. Methodology
3. Calculation
4. Survey
5. Next Steps





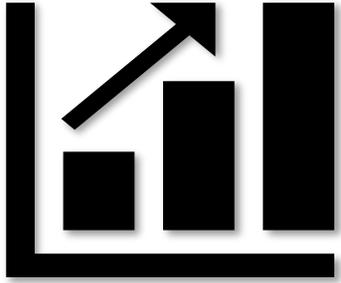
Background

- Impact fees allow new development to “*pay its own way*”
 - Funds expansion related capital costs
 - Not for operations, maintenance, or replacement
- Without impact fees:
 - 1) the facilities may not be constructed
 - 2) level of service may degrade
 - 3) the facilities may be funded by existing taxpayers





Background



- Impact Fees were last updated in 2019 by our Team
 - **Parks & Recreation**, **Police**, & **Fire**
- City retained Stantec to update the Impact Fees
 - US ENR - CCI Index has increased 20% since 2019
 - Delayed **Parks & Recreation** until Parks Master Plan complete

House Bill 337 – Reforms to Florida Impact Fee Law



“Phase-In Limitations” on Impact Fee Increases

- ✓ ≤ 25% Two Equal Annual Increments
- ✓ >25% ≤ 50% Four Increments
- ✓ >50% Not Allowed
- ✓ Increase only once every 4 years

Exceeding the Limitations

1. A special study that outlines **extraordinary circumstances**
2. Two publicly noticed workshops
3. Two-thirds approval



Methodology



Buy-in Method



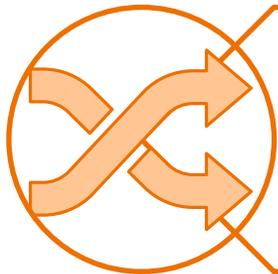
- Uses estimated replacement cost of the department's major assets



Incremental Method



- Uses a multi-year capital improvement plan associated with providing additional capacity



Hybrid Method



- A combination of the two approaches described
- Appropriate when there is some capacity
- Additional capacity is also needed & planned



Cost Basis



**Existing
Asset Cost**

Fixed Assets



**Future
Asset Cost**

Capital Improv.
Program



**Cost
Basis for
Impact
Fee**

- Assets funded with debt issuance or grant funds were excluded from the cost basis

- Assets original cost < \$5,000 excluded

- Only expansion / growth-related projects included

- Costs escalated to future dollars



Capacity

Functional Population

- Estimation of the # of people
- Common unit of measurement
- Measures Existing & Future Capacity



Residential

Average # of occupants

Unit = 1 Household



Non-Residential

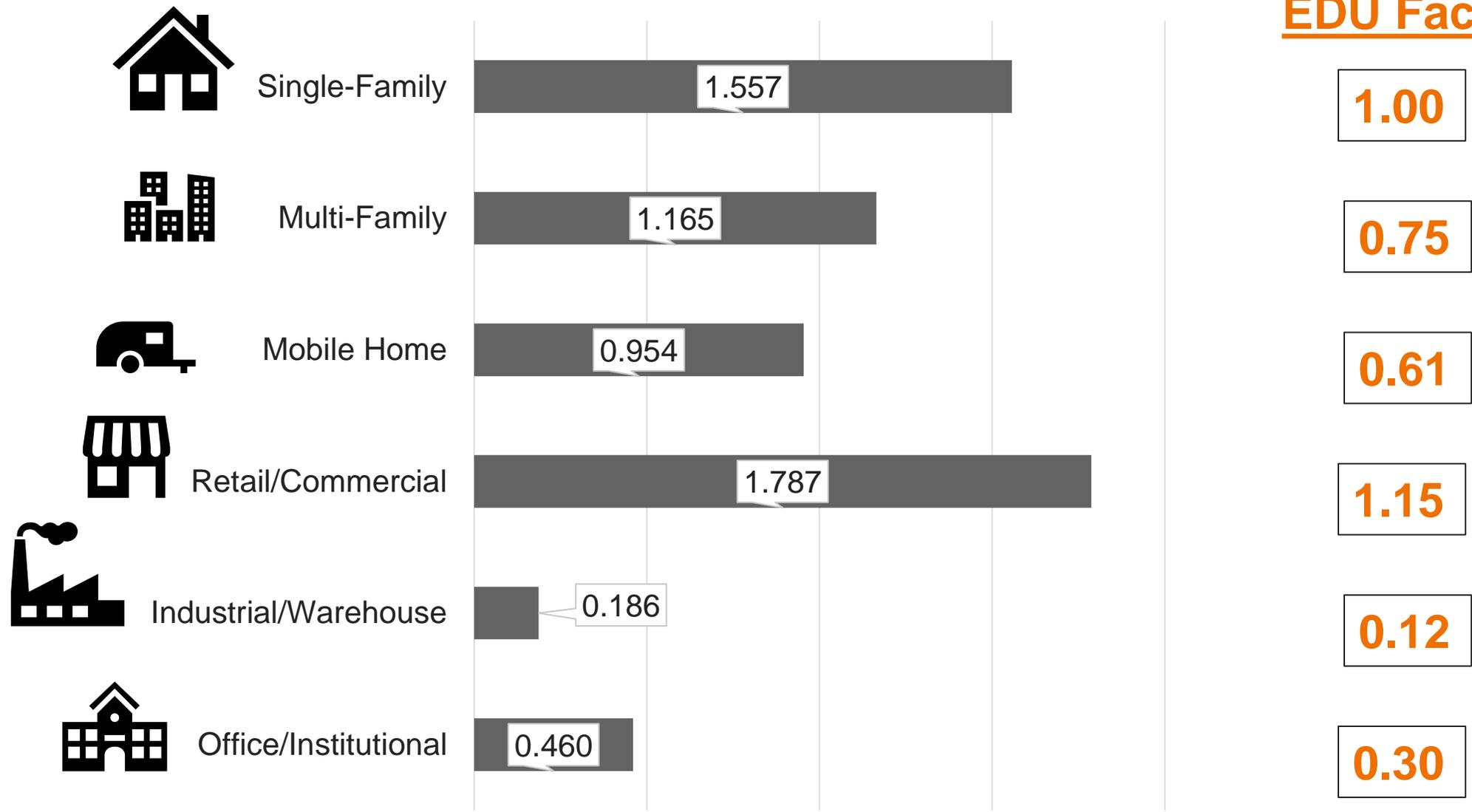
Average # of employees and visitors

Unit = 1,000 Sq Ft



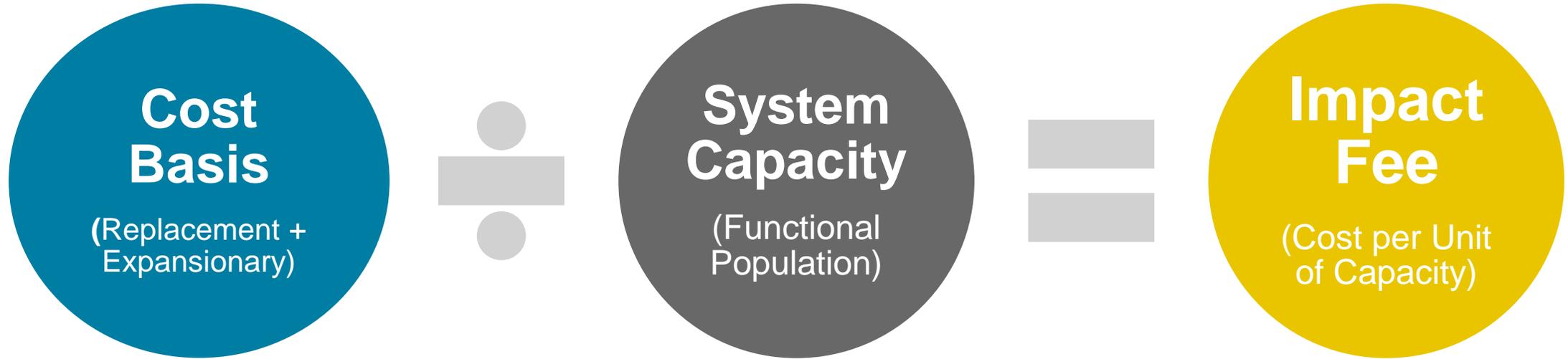
Functional Population

EDU = "Equivalent Dwelling Unit"





Hybrid Methodology



Fire Cost Basis	Police Cost Basis
\$108,913,596	\$56,329,112

Existing Capacity	Future Capacity
56,429 EDUs	56,429 EDUs
	100% Increase per CIP



Fire Impact Fee Results

Land Use	EDU Factor	Fire Impact Fee Per Unit	Unit Type	2018 Fees	Change %
Single-Family	1.000	\$930.00	Dwelling Unit	\$ 620.09	50%
Multi-Family	0.750	\$698.00	Dwelling Unit	\$ 503.16	39%
Mobile Home	0.610	\$567.00	Dwelling Unit	\$ 443.64	28%
Retail/Commercial	1.150	\$1,070.00	1,000 Square Feet	\$ 825.27	30%
Industrial/Warehouse	0.120	\$112.00	1,000 Square Feet	\$ 126.14	-11%
Office/Institutional	0.300	\$279.00	1,000 Square Feet	\$ 465.46	-40%



Fire Impact Fee Phase-In Schedule

Land Use	Current				
	Fee	Year 1	Year 2	Year 3	Year 4
Single-Family	\$ 620.09	\$ 697.56	\$ 775.04	\$ 852.52	\$ 930.00
Multi-Family	\$ 503.16	\$ 551.87	\$ 600.58	\$ 649.29	\$ 698.00
Mobile Home	\$ 443.64	\$ 505.32	\$ 567.00	\$ 567.00	\$ 567.00
Retail/Commercial	\$ 825.27	\$ 947.63	\$ 1,070.00	\$ 1,070.00	\$ 1,070.00
Industrial/Warehouse	\$ 126.14	\$ 112.00	\$ 112.00	\$ 112.00	\$ 112.00
Office/Institutional	\$ 465.46	\$ 279.00	\$ 279.00	\$ 279.00	\$ 279.00



Police Impact Fee Results

Land Use	EDU Factor	Police Impact Fee Per Unit	Unit Type	Current Fees	Change %
Single-Family	1.000	\$498.00	Dwelling Unit	\$ 398.15	25%
Multi-Family	0.750	\$374.00	Dwelling Unit	\$ 323.07	16%
Mobile Home	0.610	\$304.00	Dwelling Unit	\$ 284.86	7%
Retail/Commercial	1.150	\$573.00	1,000 Square Feet	\$ 529.90	8%
Industrial/Warehouse	0.120	\$60.00	1,000 Square Feet	\$ 80.99	-26%
Office/Institutional	0.300	\$149.00	1,000 Square Feet	\$ 298.87	-50%



Police Impact Fee Phase-In Schedule

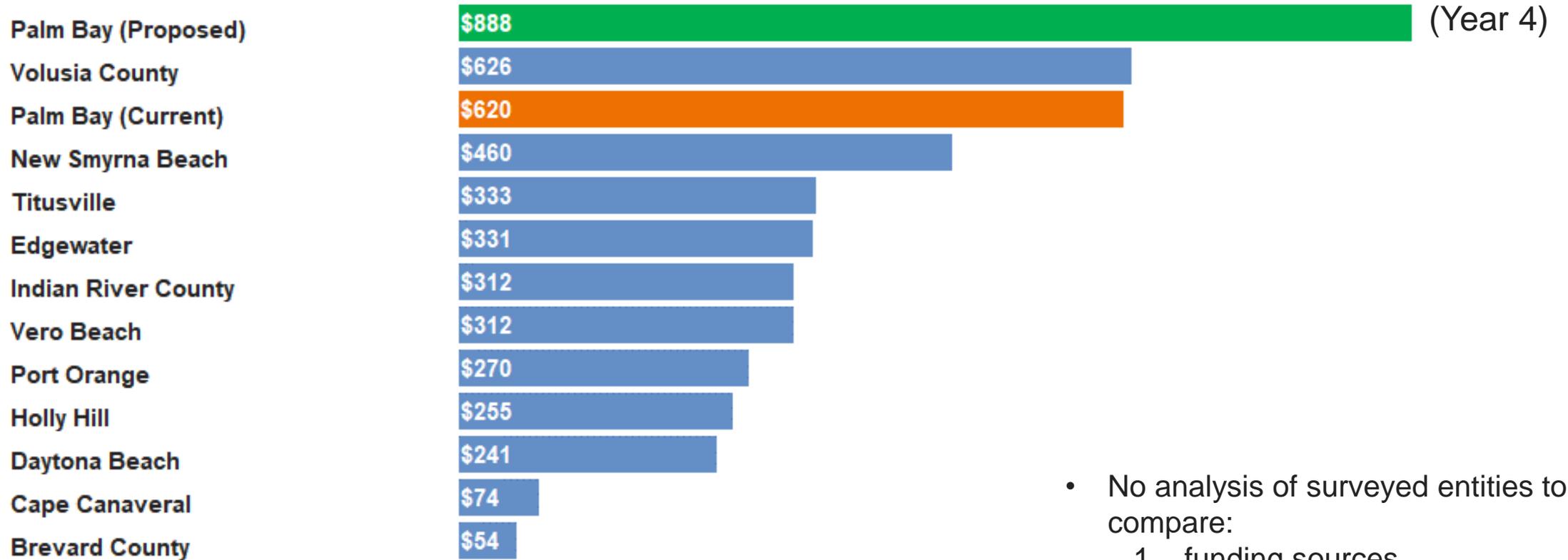
IMPACT FEE STUDY

Land Use	Current				
	Fee	Year 1	Year 2	Year 3	Year 4
Single-Family	\$ 398.15	\$ 448.08	\$ 498.00	\$ 498.00	\$ 498.00
Multi-Family	\$ 323.07	\$ 348.54	\$ 374.00	\$ 374.00	\$ 374.00
Mobile Home	\$ 284.86	\$ 304.00	\$ 304.00	\$ 304.00	\$ 304.00
Retail/Commercial	\$ 529.90	\$ 573.00	\$ 573.00	\$ 573.00	\$ 573.00
Industrial/Warehouse	\$ 80.99	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00
Office/Institutional	\$ 298.87	\$ 149.00	\$ 149.00	\$ 149.00	\$ 149.00





Fire Impact Fee Survey – Single Family

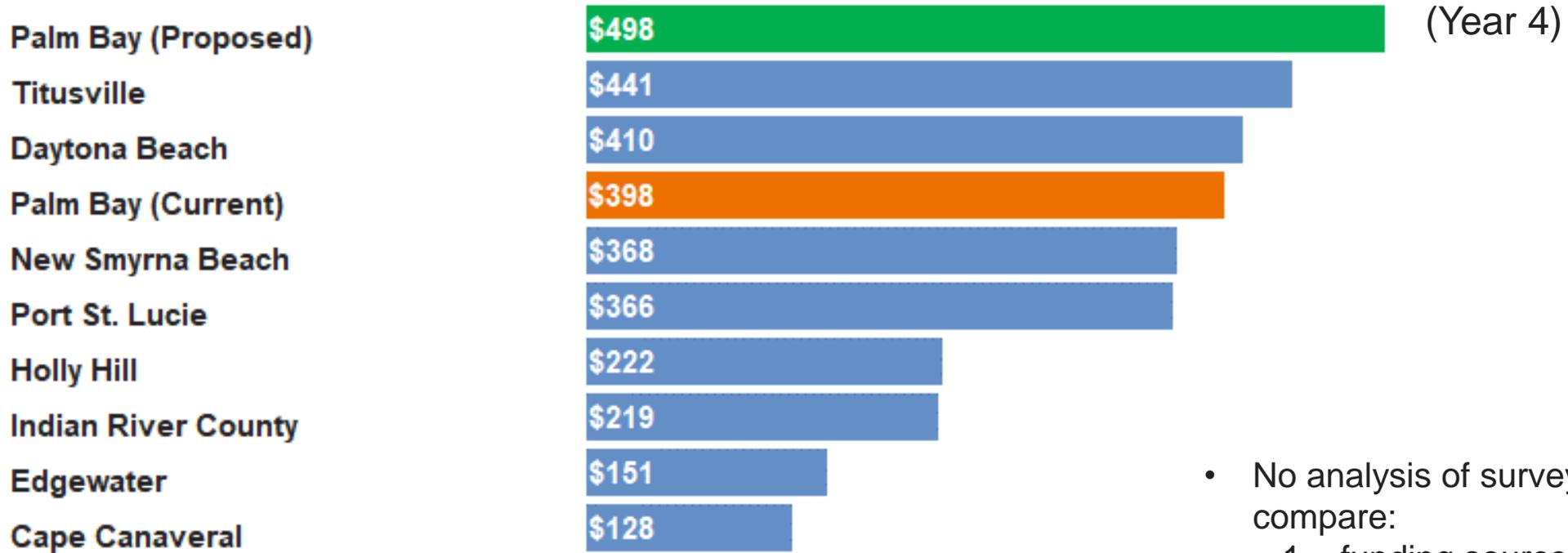


- No analysis of surveyed entities to compare:
 1. funding sources,
 2. level of service,
 3. age of infrastructure
 4. time of last study,
 5. or other contributing factors.

* Non-residential Fee not shown



Police Impact Fee Survey – Single Family



- No analysis of surveyed entities to compare:
 1. funding sources,
 2. level of service,
 3. age of infrastructure
 4. time of last study,
 5. or other contributing factors.

* Non-residential Fee not shown



Next Steps

- Consider adopting the 4-year schedule of calculated impact fees as presented herein.
- Set **public hearing** date for adoption
- Notice required **90 days** before the effective date



Questions?

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Manager

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