

Minutes of the Special City Commission Workshop of the City of Auburndale held September 8, 2022, at 6:30 p.m. in the Commission Room of City Hall, after having been properly advertised, with the following members present: Mayor Dorothea Taylor Bogert, Commissioners: Keith Cowie, Richard Hamann, Jack Myers, and Bill Sterling. Also, present were: City Manager Jeffrey Tillman, City Attorney Frederick J. Murphy Jr., City Clerk Brandon Henry, and Police Chief Andy Ray.

Mayor Dorothea Taylor Bogert declared a quorum present.

City Manager Tillman has called a Special Workshop of the City Commission of the City of Auburndale for Thursday, September 8, 2022, to consider the following item: PRESENTATION OF 2022 MUNICIPAL IMPACT FEE STUDY AND PROPOSED POLICE, FIRE, AND PARKS & RECREATION IMPACT FEE CHANGES and to discuss the extraordinary circumstances necessitating the increases proposed for the Impact Fees as reflected in the 2022 Municipal Impact Fee Study undertaken by Raftelis Financial Consultants on behalf of the City.

1. PRESENTATION OF 2022 MUNICIPAL IMPACT FEE STUDY AND PROPOSED POLICE, FIRE, AND PARKS & RECREATION IMPACT FEE CHANGES

Finance Director Christopher Reeder took the podium.

He said that the last municipal impact fee study was conducted 16 years ago in December 2005 and provided a 3% adjustment each year through 2009. Since the previous study, the City has experienced tremendous growth requiring the need for additional public facilities to service new residents. The 2022 Municipal Impact Fee Study provides a thorough review of revenues compared to the City's two-year budget, five-year capital improvement plan, operational expenses, transfers, estimated inflation and debt service requirements. The study also provides an updated review of the projected populations, land use designations and demand for services related to Police, Fire and Parks & Recreation applied to new development and redevelopment.

The objectives of this study were to review and update the City's existing municipal impact fees, to review historical assets and planned improvements to meet demands of growth, and to follow Florida statutory parameters and case law as it relates to the implementation of any recommended increases in impact fees.

When planning for the use of impact fees, the impact fees do not fund replacement of existing assets unless the original assets are removed from service and excess capacity is made available for growth. Impact fees do not correct deficiencies in level of service attributed to existing development, and do not fund operations and maintenance costs.

Florida Statute Section 163.31801 governs impact fees. Subsection (4) was updated to reflect the calculation of the impact fees is to be based on the most recent and localized data and 90-day notice must be provided before the impact fee rate increase can be effective.

Florida Statutes Section 163.31801 (6) details how increases for impact fees may be implemented. The primary driver is the percent increase and explains the rate cannot increase more than once every four years and sets forth the facts and circumstances that must be discussed and be found in order to raise impact fees in percentages and in increments different than what is prescribed in the statute.

Speaking specifically to extraordinary circumstances, which comes into effect whenever the increase of an impact fee is greater than 50% and not implemented in phases- the City must have a demonstrated-need study setting forth extraordinary circumstances that would justify any increase in excess of those authorized rates. The City must hold not less than two publicly noticed workshops dedicated to discussing the extraordinary circumstances. In addition, the ordinance must pass by at least a two-thirds vote of the City Commission.

Starting with Police impact fees, the study uses a method that allocates costs using population figures weighted and adjusted for time spent at various land uses based on traffic and other data. The base population for purposes of the study was the University of Florida's Bureau of Economic & Business Research (BEBR) report as of 2022. Trip data was sourced from the Institute of Transportation Engineers (ITE).

The trip data is applied to each land use to establish a functional population. Saying it another way, functional population measures the number of persons at a particular location measured over a 24-hour period.

Our functional population will grow from 17,761 in FY 2022 to 25,610 in FY 2030. Matching our current level of service of 2.20 officers per 1,000 functional population will require 17 new sworn officers by 2030. The current and new officers will require vehicles and facilities to support their work. The City's existing police vehicles have a remaining cost of \$917,600 and the estimated additional vehicles will be \$972,200. Existing facilities have a depreciable value of \$3.6 million and facility expansion is estimated at \$552,500.

When taking total capital costs to support the entire Police Department and using residential and non-residential percentage of allocation of those costs – this results in allocated costs by type. Comparing that to our functional population in 2030, derives a fee per functional population unit.

When looking at a single-family house as a land use, we take our functional population per unit (1.68), multiplied by the fee per functional population unit of \$258.53, which calculates a new impact fee for Police for a single-family unit at \$434.32. Raftelis recommended we round down to \$434.00.

The percent increase for the Police impact fee for a single-family per unit is 26.95%, which is greater than 25% but less than 50% and will follow Florida Statutes 4-year phased-in implementation of the rate change. The City's current rate of \$341.86 is recommended to increase to \$365 on the effective date on January 1, 2023 and increase for the ensuing years as noted in the Study.

The City's current Police impact fee puts us as having a lower Police impact fee compared to most comparable municipalities. The new proposed fee would put the City as having a Police impact fee in the middle of comparable municipalities.

The City's Fire Department also has a need. Matching our current level of service of 1.13 firefighters per 1,000 functional population will require nine new firefighters by 2030. Supporting this population growth will require new equipment, apparatus, and facilities. The City's existing apparatus and the new apparatus will have a total value of about \$3.3 million. The existing and new facilities have a total value of \$6.5 million. The combined value is approximately \$9.9 million.

Using the same method used to calculate the proposed Police impact fee results in a new Fire impact fee of \$715.11, rounded down to \$715.00 per single family residential unit.

The percent increase is 51.79%, which exceeds the maximum allowable percent increase (50%) for a phased-in increase of the rate in accordance with Florida Statutes, unless supported by extraordinary circumstances. The City's extraordinary circumstances are inflationary cost increases and the need for significant capital improvements such as a new fire station and support apparatus based on the significant increase in population growth. This supports increasing the fee to the maximum calculated amount on the effective date, proposed as January 1, 2023.

Without increasing our impact fees to the recommended value from the Raftelis study, then growth will be underpaying their share of the capital improvements by approximately \$880,000, resulting in a funding shortfall to provide necessary Fire improvements related to new growth.

The current Fire impact fee of \$471.05 puts the City in the upper middle of comparable municipalities. The new Fire impact fee of \$715.00 would put the City as having the highest Fire impact fee of comparable municipalities. This is primarily driven by the cost to build and support a new Fire station.

Parks and Recreation also has major projects, including:

- \$3,900,000 Lake Myrtle soccer and football field design and construction
- \$483,800 Lake Myrtle soccer bathroom construction
- \$4,875,000 North Auburndale park acquisition & park improvements
- \$4,425,000 Civic Center construction

These new projects total \$13,683,800. Existing park improvements and facilities have a total value of \$3,631,800.

Total capital of \$17,315,600 is divided by the 2030 estimated population of 27,322 resulting in a fee per person of \$633.76. The Parks impact fee is only assessed to residential land uses. Looking at the single-family land use, the fee per person is multiplied by 2.80 persons per household resulting in a calculated Parks and Recreation impact fee of \$1,771.91, rounded down to \$1,771.00.

The percent increase of the City's Parks and Recreation impact fee is 165%, exceeding the 50% maximum allowable for a phased-in increase of the rate in accordance with Florida Statutes, unless supported by extraordinary circumstances. The City's extraordinary circumstances are inflationary cost increases and significant capital improvements based on the significant increase in population growth. This supports increasing the City's Parks and Recreation impact fee to the maximum calculated amount on the effective date of January 1, 2023.

Without increasing the City's Park and Recreation impact fees to the recommended value from the Raftelis study, then growth will be underpaying their share of the capital improvements by approximately \$3,375,000 resulting in a funding shortfall to provide necessary Parks & Recreation improvements related to new growth.

The City's current Parks and Recreation impact fee of \$668 is lower than most comparable municipalities. The new Parks and Recreation impact fee of \$1,771 would put the City in the upper middle of comparable municipalities.

Auburndale is planning for significant continued growth through 2030 which is driving our capital planning needs. These capital plans include a new fire station and apparatus, land for a new park, new Civic Center and expansion at Lake Myrtle Sports Complex. Inflationary pressures continue to drive costs up resulting in increasing project costs for these needed facilities to support the population growth. These are extraordinary circumstances that Fire and Parks and Recreation projects have in the City of Auburndale. It should also be noted that only a portion of the costs of the new Civic Center- that which is allocable due to growth- are included to justify the increased Parks and Recreation impact fee.

Over a 10-year period, we are looking at collecting \$4,615,000 to support Parks and Recreation activities related to growth.

Finance Director Reeder closed with a combined comparative chart of municipal impact fees. Our current existing impact fees total to \$1,481, which is the second lowest of comparable municipalities. The new impact rates as proposed for January 1, 2023 would total \$2,851 – behind Lake Wales and Lakeland. He stated that Lakeland and Lake Wales implemented new rates in 2020. Lake Alfred and Winter Haven are currently doing their own rate studies on municipal impact fees, and they may likely increase as well in response to growth.

City Manager Tillman thanked Finance Director Reeder. City Manager Tillman stated that the workshop tonight is just a presentation and discussion. During the regular City Commission meeting, we will have Ordinance No. 1718 come before the Commission. It will give an opportunity for questions and further discussion.

He recommended adjourning the special workshop.

The Meeting was adjourned at 6:46:50 PM.

I HEREBY CERTIFY that the foregoing Minutes are true and correct.

A handwritten signature in black ink, appearing to read "Brandon Henry", written over a horizontal line.

Brandon Henry, City Clerk