

CITY OF
Palm Coast

2020 Fire and Rescue Impact Fee Study

Prepared: May 19, 2020



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Purpose and Background

- Provide the basis for proposed impact fee for fire and rescue services
 - Fees are typically paid by new development that results in an increased demand
 - Fees are used to pay for growth-related fire and rescue facilities and equipment
- City currently charges \$223.38 per residential dwelling unit and \$0.2832 per non-residential square foot
 - Fee calculation hasn't been revised since inception



Legal Considerations

The basis for impact fees and related criteria have been developed under Florida Statutes and case law

Florida Impact Fee Act History

- Florida Legislature created section 163.31801 of the Florida Statutes governing impact fees
- Created on June 14, 2006
- Amended in 2009, 2011, and 2019



Legal Considerations (Cont.)

Florida Impact Fee Act

- Requires the calculation of impact fees to be based on the most recent and localized data
- Provides for accounting and reporting of impact fee revenues and expenditures in a separate fund
- Limits administrative charges for the collection of impact fees to actual costs
- Requires 90 days notice before imposing a new or increased fee
- Annual affidavit on compliance signed by the city
- Government has the burden of proof in any challenge of an impact fee
- Cannot be charged before issuance of building permit



Impact Fee Criteria

- Dual rational nexus (based on cost of capacity to serve new growth)
- Impact fees must be based on the capital cost requirements anticipated for providing service to new development
- Impact fees must be based upon reasonable level of service standards that meet the needs of the City
- Impact fees cannot be used to fund deficiencies in capital needs of the city or pay for any operating costs



Fee Calculation Methodology

- Identify existing investment and future projects to serve growth
- Determine the allocation of costs to be recovered from residential and non-residential customer class
- Rate calculated:
 - per residential dwelling unit
 - per square foot for non-residential properties



City Service Area Forecast

Existing and Projected Population and Dwelling Units ^[1]			
Year	Total Population	Total Dwelling Units	Average Persons per Household
Est. 2019	88,204	38,349	2.30
2020	90,076	39,163	2.30
2025	110,640	48,104	2.30
2030	129,064	56,115	2.30
2035	146,960	63,896	2.30
2040	158,577	68,947	2.30
Buildout	186,270	80,987	2.30

[1] Based on the 2000 and 2010 U.S Census and estimates obtained from the Bureau of Economic and Business Research. Growth projections from 2020 through buildout based on information provided by the City. Note – figures exclude 12,000 units associated with Neoga Lakes and Old Brick Township.



City Service Area Forecast (cont'd)

Projection of Non-residential Square Footage		
Year	Total Dwelling Units	Total Non-residential Sq. Ft
2020	39,163	7,203,693
Buildout	80,987	14,896,672

[1] Amount shown based on an estimate of approximately 184 sq. ft of commercial development for every 1 unit of residential development.



Level of Service

- Level of Service (LOS)
 - Current LOS target is at 7 minutes or less 85% of the time
 - The Fire Rescue department currently staffs 109 total personnel
 - 77 Full time fire personnel (includes 20 fire suppression volunteers)
 - 30 Non fire suppression volunteers
 - 2 Administrative position
 - Average of 0.85 Personnel per 1,000 residents



Existing Capital Investment

- A total of 5 fire stations currently serve the City - \$11.8 million
 - Stations #21, #22, #23, #24, and #25
- Fire trucks and support vehicles - \$5.1 million
 - Pumpers, Tower Truck, Aerial Truck, and Other Vehicles
- Personnel and other supporting equipment - \$1.3 million
- Total existing capital investment - \$18.2 million
- Grants and contributions to the department – (\$1.5 million)
- Total net existing capital investment - \$16.7 million



Future Capital Investment

- 3 Additional full size fire stations - \$14.9 million (facilities and vehicles)
 - Seminole Woods Station
 - Colbert Lane / State Road 100 Station
 - Palm Coast West Station
 - Each equipped with a Class A Pumper, Brush Attack, and Utility Vehicle
- 2 Mini stations - \$2.5 million
 - Station 251 Whiteview and Station 252 Belle Terre Blvd
 - Each equipped with Midi-Attack Engine
- Personnel and vehicle equipment - \$1.0 million
- Training facility - \$3.5 million
- Total future capital investment - \$21.9 million



Allocation of Existing and Future Costs

Development of Class Allocation Factors			
Description	Residential	Non-Residential	Total
Total Calls – 2017 - 2019	19,608	5,864	25,472
Percent of Total Calls	76.98%	23.02%	100.00%

- Capital costs are allocated between residential and commercial classes based on the number of calls related to each class.
- A three year average (2017-2109) was used based on annual historical call data provided by the City.



Calculation of Impact Fee

Summary of Capital Costs and Fee Calculation		
Existing Investment in Department	\$18,178,539	
Planned Future Investment in Department	<u>21,904,353</u>	
Total Investment in Department	\$40,082,393	
Grants and Contributions	<u>(1,460,743)</u>	
Net Investment in Department	\$38,622,149	
Class Allocation Factor	<u>76.98%</u>	<u>23.02%</u>
Net Allocated Facilities Cost	\$29,731,305	\$8,890,844
Total Est. Buildout Res. Units / Non-res. Sq. Ft.	<u>80,987</u>	<u>14,896,672</u>
Total Cost Per Res. Unit / Non-Res. Sq. Ft.	<u>\$367.00</u>	<u>\$0.59</u>

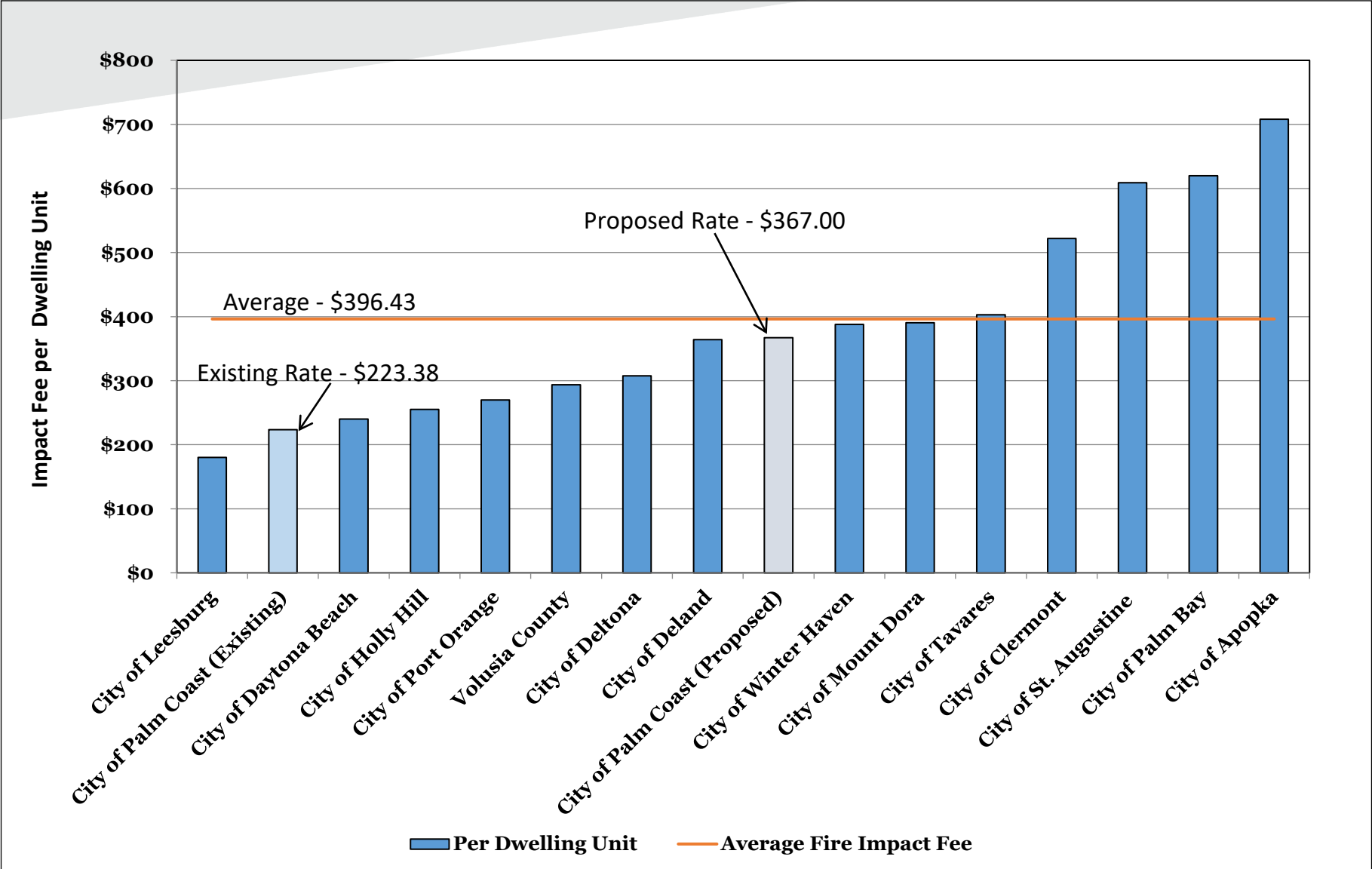


Existing and Proposed Impact Fees

Description	Current Fee	Proposed Fee	\$ Change	% Change
Residential Fee (per unit)	\$223.38	\$367.00	\$143.62	64.3%
Non-residential Fee (per sq ft)	\$0.2832	\$0.59	\$0.3068	108.3%



Impact Fee Comparison



Why Fees Can Differ Between Cities

- Level of capital investment in fire & rescue facilities
- Amount of grant funded and/or contributed assets
- Differing level of service
 - Higher level of service may require larger investment
- Percentage of fee implementation
 - Governing body can elect to implement calculated fees at less than 100% so long as all classes are treated equally



Conclusions

- Impact fees are used to fund the capital and infrastructure demands that new development places on the City
- Maintaining these fees at appropriate levels ensures future residents pay for the costs to serve new growth
- Proposed fees fulfill requirements of Florida Impact Fee Act



Recommendations

- Adopt proposed fire & rescue impact fees
 - Adopt an annual adjustment provision based on the Construction Cost Index as published by the Engineering News Record
- Review fees periodically
 - Every 3 years or as major changes occur
 - Most recent and localized data
 - Development trends
 - Level of service requirements
 - Capital needs
- Maintain separate accounting for collection and usage of fees
- 90-day grace period from city approval to effective date



Questions and Comments

