

*Carson Bise's March 27 email to City Manager Dale Martin:*

We have reviewed Ms. Long's comments and offer the following responses in green.

Regarding her assertion that there are mathematical errors in the calculation. We can assure you the calculations are correct. There was one typo, which we are correcting. However, we did fail to include following disclaimer, which we have put into a revised version for tomorrow's meeting:

*Calculations throughout this report are based on an analysis conducted using Excel software. Most results are discussed in the report using two, three, and four decimal places, which represent rounded figures. However, the analysis itself uses figures carried to their ultimate decimal places; therefore, the sums and products generated in the analysis may not equal the sum or product if the reader replicates the calculation with the factors shown in the report (due to the rounding of figures shown, not in the analysis).*

The main concern is that according to page 54, "Residential Projections", the main propellant of the anticipated growth is the 2,700-unit Veranda Bay which is in the beginning stages of build out and most importantly not yet annexed into the City of Flagler Beach. This is putting the cart far ahead of the horse. Without the annexation of Veranda Bay, your growth anticipation is significantly reduced. **It is our understanding that the city intends to annex and if the City does not annex, this has no bearing on the actual non-utility impact fee calculations since the incremental expansion methodology was used. Further, it is our understanding that the City will be utility provider for Veranda Bay and will assess this fee regardless of the development being inside or outside of the City.**

Police Facilities: The methodology used here is interesting. Correlating the need for police to the number of residents has been disproven across the board. For example, Times Square in NYC has a higher crime rate than Fifth Avenue, but Times Square has less residents than Fifth Avenue. FCSO uses a calculation based on calls for service. The International Association of Police Chiefs, (IACP) agrees that per capita staffing is not the way to go, "...universally applicable patrol staffing standards do not exist. Ratios, such as officers-per thousand population, are totally inappropriate as a basis for staffing decisions" (IACP, 2004). *Conducting a staffing analysis.* International Association of Chiefs of Police. **We understand the relationship between calls for service and the need for police. It is standard practice for police and fire impact fees to use either calls for service or functional population to derive proportionate share factors. It has been our experience that either method typically derives similar percentages. It has been our finding that functional population is a better method because of the number of vehicular related calls (traffic accidents) that cannot be attributed to specific land uses. Regardless of method, the residential proportionate share is then attributed to population.**

That aside, the biggest concern here is the calculation of \$520/square foot for facilities and the calculations within that. **Does she have a better cost figure to offer up? I personally think this low.** Page 11 - An additional 3,828 square feet of police facilities are needed (in addition to the existing 5,451 square feet facility) totaling 9,279 square feet of police station. This is based on the assumption that a little over half a square foot of police facility is needed per resident - I personally cannot figure out why.

The police impact fee should be recalculated based on data that makes sense - having an almost 10,000 square foot police facility and 46 police vehicles doesn't seem realistic. **The police impact fee is calculated using the current level of service. You will note that Veranda Bay will increase the peak population by 93%. I am happy to discuss further.**

Fire Facilities: The calculations here are concerning in that the study states the fire building to be the *exact* same size as the police department building - 5,451 square feet. The study also has calculated *exactly* the same cost per square foot for facilities. **You will note the buildings are the exact same size currently according to the City. Again, if Ms. Long has better public safety costs to offer up, we're happy to examine.**

Parks and Rec: I've reviewed many impact fee studies for our area and I've never seen parks done by amenity. It doesn't make sense to average the cost of high-priced assets like a playground (\$260,000) and a low-priced asset like a grill (\$200) or picnic table (\$700). Park impact fees are typically calculated by acres to meet a LOS because to increase capacity you have to increase the space. I'm very concerned about the wording and calculations of this portion of the study. Since land isn't accounted for, it is unclear what the City's plan is to increase the park capacity. Adding an amenity like a grill does not increase the capacity of a park. It would not be eligible for use of impact fees. **We strongly disagree with everything in this statement. It is fairly common for cities to elect to improve only existing parks, rather than take on additional operating costs associated with new acreage. Building additional amenities does increase capacity.**

I'd also consider that PUD's/DRI's/MFR's typically supply their own amenities for their residents. **That is completely irrelevant to the impact fee study. There is no guarantee these residents will not utilize Citywide parks and improvements. Impact fees are for system improvements. This is like saying I shouldn't pay a park impact fee because my house has a pool and a basketball goal.**

Water/Wastewater: A complaint that builders have had for some time, that you may not be aware of is that the City does not have any accurate utility maps. This can make it very difficult to locate the utility connects when building on an infill lot. We hope that with the increase for water/wastewater impact fees, we can finally get a utility map for the city. Even though we are near build out on infill lots, the map will be useful for future repairs. **This is an item for the city to address.**

Please let me know if I can answer any additional questions.

*Annamaria Long's email to city commissioners and the city manager, March 26:*

Thank you for affording me the opportunity to review the Impact Fee Study again on behalf of the Flagler Home Builders Association. While it is often believed that we oppose all impact fees, I would like to first clarify that we are not opposed to reasonable impact fees that can be upheld to the promise made upon their collection. The promise that they will be used only for new growth, never for operations, maintenance, replacement or correcting existing deficiencies.

While I'm personally a resident of Palm Coast, I grew up here and spent so many wonderful afternoons at Flagler Beach and consider it part of my hometown. I've enjoyed watching Flagler Beach flourish and grow over the years and am excited to be part of its future - I commend you all for your hard work day in and day out.

In reviewing this study for the second time, I do still have some concerns as well as corrections. I'm choosing to send these to you and not to TischlerBise because the mathematical errors I've come across are simple math that they will likely charge The City of Flagler Beach more money to correct. At this point, there is no reason for these simple mistakes to be making it to the now second iteration of the Impact Fee Study. You sent the study back to the consultant for correction once, and this is what you got back.

In addition to my corrections and notes, I've attached a spreadsheet I created comparing impact fees for the surrounding municipalities to the best of my ability, for your reference.

I found the following mathematical/calculation errors in the study:

Page 11: Police Facilities last sentence, "Future development demands... at a cost of \$2,848,705 (5,478.3 square feet X \$520 per square foot)." The actual calculation of  $5,478.3 \times 520 = 2,848,716$

Page 11: Second Table Column 4 10-Yr Increase = 3827.9, not 3828; Second Table Column 5 = 1650.4, not 1650.3

Page 12: Police Vehicles error in math - last sentence, "Future development demands... at a cost of \$1,386,906 (23.1 units X \$60,000 per unit)." The actual calculation is  $23.1 \times 60,000 = 1,386,000$

Page 12: Second Table Column 4 10-Yr Increase = 16.1 ( $33.6 - 17.5 = 16.1$ )

Page 20: Fire Facilities last sentence, "Future development demands... at a cost of \$2,848,705 (5,478.3 square feet X \$520 per square foot)." The actual calculation of  $5,478.3 \times 520 = 2,848,716$

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Page 27: Calculation error: 148.8 park amenities x \$23,593 per amenity does NOT equal \$3,509,851. The correct calculation is \$3,510,638.40

Page 33: Calculation error: Library Facilities "...future residential development demands 4,481.4 square feet of library facilities (6,769 additional persons X 0.6621 square feet per person) The correct calculation is 4481.75, which would be rounded to 4481.8.

Page 33: Calculation error: "...at a cost of \$797,698 (559.0 square feet X \$178 per square foot)" The correct calculation is \$99,502. Perhaps they multiplied 4481.4 square feet X \$178 which should have been \$797,689.20? That's still wrong, but at least it's closer...

Next I will go over my concerns:

The main concern is that according to page 54, "Residential Projections", the main propellant of the anticipated growth is the 2,700-unit Veranda Bay which is in the beginning stages of build out and most importantly not yet annexed into the City of Flagler Beach. This is putting the cart far ahead of the horse. Without the annexation of Veranda Bay, your growth anticipation is significantly reduced.

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Legacy Costs: Finally, I'm sure I'm preaching to the choir here but as a reminder, whatever new construction pays for with impact fees, the residents will pay for the upkeep/maintenance/repair of forever.

I really do wish that the study was performed better and resulted in realistic fees, it is unfortunate that this study has come before you for the second time full of errors at the City's expense. If you have any questions or wish to further discuss this, my office and cell phone numbers are in my signature line below and I welcome your call.