

# **Board of County Commissioners**

## **Agenda Request**

Date of Meeting: September 9, 2008

Date Submitted: August 28, 2008

To: Honorable Chairman and Members of the Board

From: Benjamin H. Pingree, County Administrator  
Timothy Barden, Assistant County Administrator  
Lindsay Stevens, Assistant County Administrator  
Jennifer Langston, Special Projects Coordinator

Subject: Conduct a Public Hearing to Adopt a Resolution Declaring that an  
Emergency Exists by Imposing a Temporary, 365-Day Moratorium on the  
Assessment and Collection of Impact Fees within Wakulla County

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### **Statement of Issue:**

This agenda item is to conduct a Public Hearing to adopt a Resolution declaring that an emergency exists and imposing a temporary, 365-Day Moratorium on the Assessment and Collection of Impact Fees within Wakulla County (Attachment #1).

### **Background:**

On August 18, 2008, the Board approved a motion directing staff to advertise for a public hearing on September 9, 2008 at 6:30 p.m., or soon as possible after the Budget Public Hearing, to adopt a moratorium on impact fees for a period of one (1) year. Direction was also provided to staff and the County Attorney to prepare a moratorium Resolution.

### **Analysis:**

The purpose of the proposed Resolution is to temporarily reduce the level of the existing impact fees within the county to \$0 for a period of one year (365 days). Such action, if taken by the Board at this public hearing is intended to positively impact the local economy through a variety of anticipated factors including the following key points:

- Reducing the overall cost for constructing and creating homes and businesses within the County,
- Stimulating the demand for building materials from local vendors and the purchase of same,
- Leveraged balancing of currently negatively impacted employment of individuals in the construction, development and real estate-related economic sectors,
- Shoring up of reducing locally generated sales tax revenues.

In summary, it is hoped that through such action, local supply and service industries would see a positive effect as County citizens' income increases and is spent back in our area at local businesses.

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At the same time, the Board should be aware prior to their taking action of some of the potential impacts such approval of an impact fee moratorium would generate to two important and related areas: budget and planning. The following sections are intended to provide the Board with additional information related to those areas for informative purposes.

Consideration of Potential Impacts to FY 08/09 CIP Budget:

The imposition of a moratorium on impact fees would have an impact on the tentative budget regarding the Capital Improvement Plan as well as the Capital Improvement Element of the Comprehensive Plan. Projects in both of these plans anticipate the utilization of impacts fees for implementation. Table #1 outlines the total anticipated new impact fee revenue for the FY2008/2009 included in the FY2008/2009 tentative budget CIP.

**Table #1 - FY2008/2009 Impact Fee Revenue Estimates**

<b>Impact Fees</b>	<b>Anticipated Revenue</b>
Law Enforcement	\$58,500
Corrections	\$72,000
Public Buildings	\$206,494
Roads	\$330,391
Parks & Recreation	\$65,000
Library	\$58,500
<b>Total:</b>	<b>\$790,885.00</b>

The above estimates are based on a 10% decrease in anticipated revenue below FY2007/2008 and are based on 10-15% projected decrease in building permit requests in the current year at the time of the formulation of the FY2008/2009 tentative budget. Not included in this analysis is any impact in lost revenues from the School Impact Fee.

In brevity, the Board’s Capital Improvement Program (CIP) section of their FY 08/09 budget is one of the most visible areas that would experience revenue reductions should such a moratorium be passed. The one year halt in impact fee revenues to fund capital projects would result in fewer projects constructed through the CIP. As the Board is also aware, the construction of governmental capital projects also generates construction jobs and purchase of local building materials. Projects that are currently listed in the Tentative FY 2008/2009 CIP Plan (which presently includes the \$790,885 noted above in Table #1) that will utilize impact fee funding are listed in Table #2.

**Table #2 - Impact Fee Projects for FY2008/2009 by Managing Department**

<b>Clerk of Court</b>		
Courthouse Expansion		\$ 723,886.00
<b>Sheriff</b>		
Building Security		\$ 75,000.00
Inmate Visitation		\$ 88,500.00

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<b>Library</b>		
Expansion		\$ 207,500.00
<b>Parks &amp; Recreation</b>		
Office Expansion		\$ 28,400.00
Northern Park Acquisition		\$ 25,000.00
Community Center		\$ 160,000.00
<b>Public Works</b>		
Traffic Light Controllers		\$ 55,000.00
Turn Lane 319 Rose Alley to Rainbow		\$ 245,000.00
	<b>Total:</b>	<b>\$1,608,286.00</b>

The projects listed in Table #2 are funded from a combination of cash forward balances from previous year impact fee collections as well as the anticipated revenue outlined in Table #1. The Board should be aware that approval of the moratorium would require further direction toward their CIP during the upcoming second and final public hearing on their FY 08/09 budget at the Board's September 22<sup>nd</sup> regular meeting. Stated simply, Board direction would be needed regarding whether to postpone or cut currently listed CIP projects that are funded through impact fees or an alternative revenue source would need to be identified to complete these projects in the coming fiscal year.

Consideration of Potential Impacts to the CIE of the Comprehensive Plan:

In addition, it is a best practice to tie projects from the Board's annual CIP to their adopted Capital Improvements Element (CIE) of the Comprehensive Plan. This is important to note since projects should be listed in the adopted CIE in order for the County to collect Proportionate Fair Share contributions from developers.

Proportionate Fair Share contributions are fees that a developer can pay if his/her proposed development causes infrastructure to exceed its adopted Level of Service (LOS) standard.

For example, under Proportionate Fair Share, a developer can pay for his/her share of a road improvement needed to bring that particular road (impacted by the proposed development) back up to its adopted LOS. Proportionate Fair Share is oftentimes referred to as "pay and go," since the developer is able to proceed with their development, once approved. Once a developer pays its respective Proportionate Fair Share payment, the County assigns those funds to a CIE project that will maintain the Level of Service.

While infrastructure projects must be listed in the CIE to qualify for receipt of any applicable Proportionate Fair Share payments, the County is required by Florida Statutes to show that its CIE is "financially feasible" for the first three years of the CIE. That means that the county must be able to show it can pay for those projects (regardless of any potential developer contribution via "prop share") through identified revenue sources. Reducing revenues (such as impact fees) that are

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normally applied toward payment of projects on the county's CIP and CIE makes it more difficult to illustrate each plan's financial feasibility to the State of Florida Department of Community Affairs.

**Options:**

1. Hold the Public Hearing and adopt a Resolution declaring that an emergency exists, imposing a 365 Day Moratorium on the collection of impact fees.
2. Do not hold the public hearing and do not adopt a Resolution.
3. Board Direction

**Recommendation:**

Option #3

**Attachment(s):**

1. Proposed Resolution Declaring that an Emergency Exists, Imposing a 365 Day Moratorium on the Collection of Impact Fees.

BHP/LS/TB