

Wakulla County

Parks and Recreation Facilities Impact Fee Study

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Presented by:

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Executive Summary

INTRODUCTION

Wakulla County (County) has engaged Government Services Group, Inc. (GSG) to assist the County in the development of an impact fee program for parks and recreation (Parks and Recreation Impact Fee Project). GSG has retained Nabors, Giblin, & Nickerson, P.A. (NG&N) to provide legal guidance on the study.

GSG specializes in government finance and taxation issues by working with cities, counties, special districts, and state agencies to develop unique funding and service delivery solutions for critical infrastructure and service needs. NG&N is a law firm dedicated to the representation of local governments on issues of finance and taxation. Both firms have developed extensive experience in structuring and implementing alternative revenue sources in Florida.

Wakulla County is legally and financially responsible for the County-owned parks and recreation facilities system; therefore, the analysis of service level requirements and growth's impact on parks and recreational facilities includes all of the County's park system in the unincorporated area. It is acknowledged that some users of the County's parks are from cities or locations outside of unincorporated Wakulla County.

Impact fees are charged to properties that benefit from new parks and recreational facilities. Individuals, rather than businesses or other non-residential land uses, use Wakulla County's parks system for the most part. As such, impact fees for parks and recreation facilities are charged only to residential development because the dominant stream of benefits redounds to the occupants of dwelling units. There is insufficient data to objectively allocate the value of the benefit of the park system to non-residential property.

The objective of this study was to develop a legally defensible methodology to support the calculations and imposition of a parks and recreation impact fee to pay for the costs of parks and recreation facilities attributable to new development.

Local governments charge impact fees for various reasons:

- To obtain revenue to pay for some of the cost of new public facilities that would not be needed if new development did not occur.
- To implement a public policy of growth regulations that requires new development to pay a portion of the cost of facilities that it requires and that existing development should not pay all of the cost of facilities required to accommodate growth.
- To assure that public facilities will be constructed in a timely manner to serve new development.

This document describes the results of the study of impact fees for parks and recreation facilities for Wakulla County (Report), which is one of the project deliverables specified in the scope of services that is incorporated in the professional services agreement between the County and GSG/NG&N. The Report describes the methodology that is used to develop the fees, presents the formulas, variables and data that are the basis for the fees, and documents the calculation of the fees.

The objectives of this initial effort were to:

- Provide an inventory of the parks and recreation facilities the County owns and maintains.
- Determine the annual parks and recreation facilities available, in acreage, per unit of development.
- Recommend the apportionment of costs among each category of residential property use.
- Calculate impact fee rates.
- Calculate credit component.
- Ensure that the recommended property use categories and impact fee rates conform to the legal tests required in Florida for a valid impact fee.

STUDY METHODOLOGY

The calculation of impact fee rates for parks and recreation facilities is determined by five elements: (1) The quantity of existing park land and recreation facilities; (2) the value of park land and recreation facilities; (3) the total population within the County; (4) the residential dwelling units; and (5) the projected growth in population and new construction permitting. The quantity of parks and/or recreation facilities is inventoried with its land and improvements value to compute the total value. The total value of all parks and recreation facilities is summed to calculate the total value of the inventory. The total population is divided into the total parks inventory value to calculate the capital cost per person. The total capital cost per person is multiplied by the average persons per dwelling unit to calculate the capital cost per dwelling unit. Finally, the capital cost per dwelling unit is reduced by the amount of any other revenue sources that are available for credits.

The recommended parks and recreation facilities impact fee methodology allocates costs on the basis of the anticipated impact on the capital needs of the County's parks and recreation facilities system by categories of real property use as identified on the real property assessment roll prepared for the levy of ad valorem taxes. The impact is identified by examining the parks and recreation inventory as reported by the County Parks and Recreation Director, population statistics as reported by the Bureau of Economic and Business Research at the University of Florida, and the new construction permitting as reported by the Wakulla County Building Department.

NG&N has had substantial involvement in the development, review and analysis of the proposed impact fee methodology and deliverables relative to the legal tests required in Florida for a valid impact fee.

PRELIMINARY IMPACT FEE RATES AND CATEGORIES

Table 1 in this section of the Executive Summary includes the recommended property categories and preliminary impact fees as calculated within this Report. This table is a result of the analysis conducted in this Report. The impact fee will be imposed on all new construction of residential dwelling units within the incorporated and unincorporated areas of the county.

Table 1
Total Parks and Recreation Impact Fee by Property Use Category

Property Category	Total Parks and Recreation Fee Per Dwelling Unit	Credit Adjustment @ 52.99%	Total Parks and Recreation Impact Fee Per Dwelling Unit	Type of Unit of Development
Single Family Homes	\$700.23	\$371.05	\$329.18	Dwelling Unit
Multi-Family	\$611.01	\$323.77	\$287.24	Dwelling Unit
Mobile Home	\$692.12	\$366.75	\$325.37	Dwelling Unit

Special Recognition

GSG has worked closely with the Florida Counties Foundation Small County Technical Assistance Services (SCTAS) Program over the years to assist eligible small counties in evaluating and securing new local revenue sources, including impact fees. As part of this relationship, the SCTAS Program has committed to assist Wakulla County by providing \$8,250 towards the cost of this study.

The Florida Counties Foundation (FCF) was created in 1990 by the Florida Association of Counties to respond to increasing demands for research, education, training and technical assistance. FCF is a private, non-profit corporation governed by a board of directors comprised of county commissioners and county administrators.

The SCTAS Program provides Florida's 32 eligible small counties with a variety of technical assistance and training services at little or not cost to the counties. The program is funded by the Florida Legislature through the Florida Department of Agriculture and Consumer Services pursuant to Chapter 163.05, Florida Statutes. Over the years, this program has allowed counties to improve the level of employee training, strengthen overall administrative and financial capabilities, and improve cost efficiency and effectiveness of county services to local constituents. The assistance provided also helps counties develop their own available resources; in essence, the program is helping counties help themselves.

Background

SERVICE DESCRIPTION

Wakulla County owns 9 recreational locations that provide a myriad of amenities. According to the County's Comprehensive Plan and County staff, the County has pledged that all recreational facilities will be accessible to all County residents. Currently, the County does not designate its parks and recreational facilities as community, neighborhood, or mini parks. An analysis of the entire Wakulla County park system, however, reveals that some parks provide unique recreational opportunities to all residents (i.e. access to water), while others serve only those locations in the immediate geographical area surrounding the park location. For purposes of this study, only those parks which serve all residents will be included for purposes of calculating the impact fee. These include the following 8 parks:

Hudson Park – A lighted park located in Crawfordville which offers picnic tables and a stage/pavilion with restroom facilities.

Azalea Park – A lighted park located in Crawfordville which offers a walking/jogging trail, picnic gazebos and restroom facilities.

Medart Park – A lighted park located in Medart which offers a walking/jogging trail, eleven multi-purpose sports fields, basketball courts, picnic tables, bleachers, two baseball batting cages, three concession facilities and bathroom facilities.

Panacea Community Center – Community center located Panacea that offers full kitchen capabilities; location also offers baseball/softball field, basketball court, volleyball court and picnic tables.

Wooley Park – A lighted park located in Panacea which offers picnic areas, bandstand/restroom facilities, walking/jogging trail, children's playground and fishing pier.

Mashes Island Park/Pier – A recreational area located in Panacea which offers picnic tables, barbeque grills, boat ramp, fishing pier, restroom facilities and a picnic pavilion.

Shell Point Beach Park – An unlit park located in Shell Point which offers picnic tables.

Newport Park – A lighted campground located in Newport which offers bathhouse/restroom facilities, a picnic pavilion, boat ramp, boat dock, and a river observation dock.

As mentioned, the County owns and maintains several smaller parks which do not serve all areas of the County, so these have not been included in the inventory for purposes of calculating an impact fee.

OBJECTIVES

In order to achieve the study goals, a number of objectives were accomplished. They are as follows:

- Developed an inventory of the County’s existing and proposed parks and recreation facilities.
- Determined the capital costs of providing parks and recreation facilities within the County.
- Determined the relative impact by categories of property use within the County.
- Developed property use categories and calculated preliminary impact fee rates.

STUDY METHODOLOGY

GSG performed the following tasks to accomplish the project objectives:

- Undertook extensive data collection and a research process to identify the capital funding of parks and recreation facilities within the County.
- Identified the capital costs in the County parks and recreation system.
- Identified the population and total number of dwelling units county wide, as well as the average number of persons per dwelling unit in the various dwelling unit types.
- Distributed the parks and recreation facilities capital costs among identified residential property use categories to determine preliminary impact fee rates for parks and recreation facilities in the County.

NG&N’s responsibility included scrutiny of the proposed impact fee methodology and deliverables and an analysis relative to the legal tests required in Florida for a valid impact fee.

THE NEED FOR FACILITIES FOR NEW DEVELOPMENT

Between 2000 and 2005 the population of the County increased by 4,004 persons, an average annual increase of 667 persons per year. According to the County’s building permit records for new construction, the number of permits issued increased from 2004 to 2005. The need for Parks and Recreation facilities for new development in Wakulla County is necessary for projected growth in the County and the need for additional capital to serve the growth.

DATA SOURCES

Pursuant to F.S. 163.31801 (3) (a), “... the calculation of the impact fee [is required to] be based on the most recent and localized data.” In order to fulfill this requirement, this impact fee rate study used the most recent data available from Wakulla County at the time the research was assembled and analyzed for this impact fee rate study, as provided by Wakulla County unless a different source is specifically identified.

Impact Fee Development

There are several steps to develop impacts fees for Parks and Recreation Facilities as outlined:

- Identify and value the parks and recreation inventory.
- Determine the standard for parks and recreation facilities per person by converting the ratios of land and facilities to dollars of investment per person.
- Gather the population data for the incorporated and unincorporated areas.
- Determine the capital value per person.
- Develop the cost per dwelling unit.
- Identify the percentage of new capital attributable to new growth.
- Develop the credits for payments of other revenue.

This section of the Report describes these steps.

CAPITAL COST FOR PARKS AND RECREATION FACILITIES

Wakulla County is legally and financially responsible for the County-owned parks and recreation facilities system; therefore, the analysis of service level requirements and growth's impact on parks and recreational facilities includes the County's entire park system county wide. It is acknowledged that some users of the County's parks are from cities or locations outside of Wakulla County.

The first step in calculating the capital cost per parks and recreation facilities is to identify the cost per park. The capital cost per park is based on the value of the land and the improvements, including equipment that is currently in place.

The Wakulla County parks and recreation system inventory includes the following primary parks and recreation facilities that are currently in operation. The capital cost per park is reflected in Table 2.

Table 2
Inventory of Parks and Recreation Facilities

Park	Acres	Land Value	Improvements	Total
Azalea Park	7.4	\$740,000	\$185,000	\$925,000
Hudson Park	3.8	\$380,000	\$95,000	\$475,000
Mashes Island Park/Pier	6	\$600,000	\$150,000	\$750,000
Medart Park	25.56	\$2,556,000	\$639,000	\$3,195,000
Newport Park	4.2	\$420,000	\$105,000	\$525,000
Panacea Women's Club	2.1	\$210,000	\$52,500	\$262,500
Shell Point Beach Park	5.8	\$580,000	\$145,000	\$725,000
Wooley Park	3.25	\$325,000	\$81,250	\$406,250
Totals	58.11	\$5,811,000	\$1,452,750	\$7,263,750

Source: Wakulla County Parks and Recreation Department, March 2006

The capital costs per park and recreation facility used in this impact fee study are based on ownership status and land values currently ranging in values of \$85,000-\$125,000 per acre and actual costs of improvements, as per Wakulla County fixed asset list, of all improvements currently in place. The County retains ownership of all park land and improvements.

The costs in this study represent the actual cost of acquiring park land and constructing recreational facilities. Constructing new facilities will provide most of the additional capacity in parks and recreational facilities; however, expanding existing facilities may provide some capacity. Throughout this study, any reference to new facilities includes expansion of existing facilities, as well as construction of new facilities. The rates used to determine costs of new construction are provided by an alliance with Architects Design Group, Winter Park, Florida as of March 2006.

TOTAL POPULATION, INCLUDING THE INCORPORATED AREAS

The County parks and recreation facilities serve the entire county. As mentioned earlier, the County's Comprehensive Plan pledges that all recreational facilities will be accessible to all County residents. Currently, the County does not designate its parks and recreational facilities as community, neighborhood, or mini parks. An analysis of the entire Wakulla County park system, however, reveals that some parks provide unique recreational opportunities to all residents (i.e. access to water), while others serve only those locations in the immediate geographical area surrounding the park location. For purposes of this study, only those parks which serve all residents will be included when calculating the impact fee. The population countywide, including the incorporated populations, is an estimate provided by the Bureau of Economic and Business Research at the University of Florida and is reflected in Table 3.

Table 3
Countywide 2005 Population

Area	2005
Entire County	26,867
St. Marks	311
Sopchoppy	413
Unincorporated	26,143

Source: Bureau of Economic and Business Research, University of Florida

TOTAL CAPITAL COST PER PERSON

During 2005, the County had 59.11 acres of parks in inventory eligible for the impact fee calculation. Along with the current improvements in place, the County's total investment is \$7,388,750. The total capital cost per person of parks and recreation facilities for the entire population is calculated by dividing the total capital cost by the total population, as illustrated below:

Total Capital Cost of Parks and Recreation Facilities	÷	Total Population	=	Total Capital Cost Per Person
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Table 4 shows the total capital cost of parks and recreation facilities by person. Column 1 lists the capital cost total for all inventoried parks and recreation facilities. Column 2 shows the countywide population. Column 3 divides Column 1 by Column 2 and shows the cost per person.

Table 4
Total Capital Cost of Parks and Recreation Facilities Per Person

Park Costs	Total Population	Cost Per Person
\$7,263,750	26,867	\$270

CAPITAL COST OF PARKS AND RECREATION FACILITIES BY PROPERTY USE

Impact fees are charged to properties that benefit from new parks and recreational facilities. Individuals, rather than businesses or other non-residential land uses, use Wakulla County's parks system for the most part. Impact fees for parks and recreation facilities are charged only to residential development because the dominant stream of benefits redounds to the occupants of dwelling units. There is insufficient data to objectively allocate the value of the benefit of the park system to non-residential property.

Table 5 shows the distribution of the 10,597 dwelling units by residential categories.

Table 5
Dwelling Units by Residential Categories

Category	Description	Dwelling Units
Residential	Single Family Homes	5,915
	Multi-Family	280
	Mobile Home	4,402
Total		10,597

Source: Wakulla County Property Appraiser Database

CAPITAL COST OF PARKS AND RECREATION FACILITIES PER RESIDENTIAL UNIT

The capital cost of parks and recreation facilities per residential unit of development or dwelling unit is calculated by multiplying the capital costs of parks and recreation facilities per person (as per Table 4) by the average number of persons per dwelling unit. See this result in Table 6.

Capital Cost of Parks and Recreation Facilities Per Person	X	Average persons per Dwelling Type	=	Capital Cost of Parks and Recreation by Dwelling Unit
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Table 6
Total Capital Cost for Parks and Recreation Facilities Per Dwelling Unit

Cost Per Person	Type	Average Persons Per Dwelling Type	Capital Costs by Dwelling Unit
\$270	Single Family Homes	2.59	\$700.23
\$270	Multi-Family	2.26	\$611.01
\$270	Mobile Home	2.56	\$692.12

CREDITS FOR PAYMENTS OF OTHER REVENUE

The final step in determining the impact fee for parks and recreation facilities is to reduce the cost per dwelling unit by subtracting any credits for other revenues from existing and new development that the County will use to pay for part of the cost of new facilities that serve new development.

Cost Per Dwelling Unit	-	Credit for Other Revenue	=	Impact Fee Per Dwelling Unit
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New development will be given credit for future payments of other revenues that are used to pay for the same facilities that are required to serve the new development. Credits are not given for revenues that are used for repair, maintenance or operating costs, because impact fees are not used for such expenses.

The only revenue sources to be credited are those which have historically been used for facilities' capacity expansion according to law and local policy or practice. Based on an analysis of five years historical expenditures, the present practice of the County has been to use a combination of general funds, boating improvement fees, and recurring grants to pay for most of the cost of park and recreational facilities attributable to new growth, with private donations /honor system fee revenues making up the difference.

The amount of the credit for impact fees is calculated by analyzing five years of historical capital expenditures and determining the percentage of recurring annual revenues that are available to pay for parks and recreation capacity expansion attributable to new development. Overall, during the past five years, the County spent \$278,945 on additional parks and recreation capital facilities. \$147,814 or 52.99% was attributable to new growth and was paid by the existing fee program. The amount of the credit is 52.99%.

Table 7 shows the cost per dwelling unit, the amount of the 52.99 percent credit for other revenue, and the calculation of the resulting impact fee for parks and recreation facilities after the credit amount is subtracted from the full cost.

**Table 7
Parks And Recreation Impact Fees
By Property Use Category**

Property Category	Total Parks and Recreation Fee Per Dwelling Unit	Credit Adjustment @ 52.99%	Total Parks and Recreation Impact Fee Per Dwelling Unit	Type of Unit of Development
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