Stantec

Technical Memorandum

To:	Marcie Stenmark, AICP Community Development Director	**From:**	Stantec Consulting Services Inc. Peter Napoli
Re:	Impact Fee Update Methodology Memo	**Date:**	April 17, 2023

INTRODUCTION

The City of Safety Harbor retained Stantec to update the impact fees for sewer, sanitation, public safety, library, park, and parkland to 1) amend impact fee amounts by type; 2) add a procedure for applying impact fee credits; and 3) update impact fee procedures to meet statutory requirements. This Technical Memo presents our approach for updating the City's impact fees including background information, our understanding of the legislative requirements for the establishment of impact fees in Florida, an explanation of the proposed calculation methodology utilized for each impact fee, and options for implementing impact fee credits.[1]

BACKGROUND

New development within the City of Safety Harbor (City) is subject to adopted impact fees at issuance of building permit. These include: 1) sewer; 2) sanitation; 3) public safety (fire); 4) library; 5) park; and 6) parkland. Developments containing five (5) or more dwelling units are subject to a parkland impact fee. The public safety impact fees include four sub-fees (residential, general commercial, industrial commercial, and institutional commercial). The City's current impact fees are shown in Table 1 below.

Table 1

	Current Impact Fee Amount	Unit Basis
Sewer	$400.00	First Toilet
	$100.00	Each Additional Toilet
Sanitation	$125.00	Per Residential Unit
	$460.00	First 5,000 sqft of Commercial Projects
	$100.00	Each Additional 1,000 sqft
Park Facilities	$315.00	Per Residential Unit
Parkland	Market Value	Per Required Acre
Library	$383.00	Per Residential Unit
Public Safety	$350.00	Per Residential Unit
	$475.00	Per 5,000 sqft of General Commercial
	$475.00	Per 4,000 sqft of Industrial Commercial
	$475.00	Per 2,500 sqft of Institutional Commercial

Impact fees are assessed against new development to recover the cost of providing capital facilities needed to serve new development. Such charges are the mechanism by which new growth can "pay its own way" and minimize the extent to which existing residents must bear the cost of new or expanded facilities, which are necessitated by new development. Impact fees are capital cost recovery fees and are commonly referred to under such names as impact fees, capacity fees, connection charges, and development fees. For the purposes of this report and analysis, the use of the term impact fees, capacity fees, development fees, or connection charges is interchangeable.

[1] Stantec Consulting Services Inc. does not provide legal advice. We suggest that your attorney review this document to provide a legal opinion.

If impact fees are not assessed, either 1) the facilities and capital equipment to serve new growth will not be constructed or acquired and the level of service provided to current properties will degrade as growth occurs, or 2) the facilities and equipment to serve new growth will be constructed or acquired but will be funded by current developed properties for the benefit of new growth.

LEGISLATIVE OVERVIEW

Many of the legal precedents and requirements for impact fees in Florida date back to a Florida Supreme Court decision in the case of the Contractors and Builders Association of *Pinellas County vs. the City of Dunedin*, Florida. This case identified certain conditions to support a valid impact fee that were ultimately embodied in statutory guidelines, enacted by the Growth Management Legislation passed in 1985. These standards require that impact fees must 1) bear a reasonable relationship to the benefit received by those who pay it, 2) must not exceed the proportional share of the cost of new facilities or services needed to serve new development and must include credits for contributions the development will make toward deferring that cost, and 3) must be earmarked and expended in such a way as to ensure that those paying the fee receive benefit from that payment.

In 2006 the Florida Legislature passed Senate Bill 1194 that created Section 163.31801, Florida Statutes, which has also come to be known as the "Florida Impact Fee Act". This legislation outlined additional requirements regarding the calculation of and accounting for impact fees. Most notably, this legislation requires 1) that the calculation of impact fees be based upon the most recent, localized data, 2) separate reporting/accounting of impact fee revenues and expenditures in a separate fund, 3) that the administrative charges collected in impact fees be based upon actual costs, and 4) that 90 days' notice be given prior to the effective date of an ordinance imposing or amending an impact fee.

In summary, the courts and subsequent legislation have addressed three areas associated with the development of impact fees. These areas include: 1) "fair share" allocation rules dealing with payment of impact fees by the affected property owners, 2) "rational nexus" standards, which focus on the expenditure or purpose of impact fees, and 3) "credit" allowances that recognize offsets in the calculation of impact fees.

The "fair share" allocation rules require that an impact fee only be used for capital expenditures that are attributable to new growth. Additionally, the "fair share" allocation rules recognize that the cost of facilities used by both existing customers and new development must be apportioned between the two user groups, such that the user groups are treated equally, and one group does not subsidize the other.

The "rational nexus" standards require that there is a reasonable relationship between the need for capital facilities and the benefits received by new customers for which the impact fee will be expended. There are two conditions that limit where and when impact fees can be collected and used. With respect to the first condition, there should be a general geographical relationship between fee collection and use. The second nexus condition recognizes that the property must receive a benefit from the service for which the impact fee is being applied. With respect to the impact fees considered in this Study, the facilities and equipment included are used by and constructed or purchased on behalf of all residential properties within the City service area. Consequently, all growth requesting capacity from the City will be subject to these impact fees.

The "credit" allowance requirements recognize that if a public agency has received any contribution related to public facilities or infrastructure, including land dedication, site planning and design, or construction, a credit should be included within the calculation of the impact fees imposed on any specific development to reflect those contributions. Any contribution must be applied on a dollar-for-dollar basis at fair market value to reduce any impact fee collected for the general category or class of public facilities or infrastructure for which the contribution was made. If the City does not charge and collect an impact fee for the general category or class of public facilities or infrastructure, a credit does not have to be issued.

Credits should also be reflected as part of calculating impact fees to recognize any grants, contributions by developers, and other sources that provide funds for the same capital expenditures included in the basis of impact fees to avoid a double recovery of costs.

The City's Capital Projects Fund records the revenue from the Local Option Sales Tax referred to as "Penny for Pinellas". The Penny for Pinellas is used for new or improved infrastructure throughout the City. A referendum vote to extend the tax for an additional ten years through 2030 was approved November 7, 2017. Since this funding source will continue for the

foreseeable future, all existing assets that were funded by the Capital Projects Fund or future capital projects expected to be funded by the Capital Projects Fund were removed from the cost basis for the impact fee calculation to avoid double-recovery of revenues by new development.

NEW STATUTORY CHANGES

On June 6th, 2021, the State of Florida's Governor signed into law House Bill No. 337, amending the Florida Impact Fee Act in several areas, including a limitation on impact fee increases[2] and more specific definitions for the terms "infrastructure" and "public facilities". With respect to the limitation on impact fee increases, the Florida Impact Fee Act provides an exemption from the limitations if the following criteria are met:

1. A demonstrated need study has been completed within the 12 months prior to the adoption of the proposed increase, expressly demonstrating the extraordinary circumstances necessitating the need to exceed the phase-in limitations.
2. The local government jurisdiction has held not less than two publicly noticed workshops dedicated to the extraordinary circumstances necessitating the need to exceed the phase-in limitations.
3. The impact fee increase ordinance is approved by at least a two-thirds vote of the governing body.

METHODOLOGIES

There are three generally accepted methods for calculating impact fees. For each impact fee evaluated in this Study we apply one of the following methods based on its appropriateness for the system or department's special circumstances.

BUY-IN METHOD

This approach determines impact fees solely based on the cost of existing assets and their capacity. Specifically, the estimated replacement cost of each system/department's major assets and the original purchase price of land assets serves as the cost basis for the impact fee calculation. This approach is most appropriate for a system/department with considerable excess capacity, such that most new connections to the system will be served by that existing excess capacity and the customers are effectively "buying-in" to the existing system.

INCREMENTAL/MARGINAL COST METHOD

The second approach is to use the portion of each system or department's multi-year capital improvement program (CIP) associated with the provision of additional capacity as the cost basis for the impact fee calculation. This approach is most appropriate where 1) the existing system/department has limited or no excess capacity to accommodate growth and 2) the CIP contains a significant number of projects that provide additional capacity.

COMBINED COST METHOD

The third approach is a combination of the two approaches described above. This approach is most appropriate when 1) there is excess capacity in the current system/department that will accommodate some growth, but additional capacity is needed as reflected in the CIP and 2) the CIP includes a significant number of projects that will provide additional capacity but does not necessarily have enough projects in each functional area to be reflective of a total system.

SEWER IMPACT FEE

SEWER BACKGROUND

The City owns and maintains the sanitary sewer lines located within its municipal boundaries. The age of the sewer lines varies from more than 30 years in the downtown area and less than 30 years in the central and northern sections of the

[2] Florida Statutes 163.31801, Subsection (6): An increase to a current impact fee rate of less than 25 percent of the current rate must be implemented in two equal annual increments. An increase to a current impact fee rate of more than 25 percent and less than 50 percent of the current rate must be implemented in four equal installments. An impact fee increase may not exceed 50 percent of the current impact fee rate. An impact fee may not be increased more than once every 4 years.

City. The City has an ongoing replacement program for sewer lines which is funded by utility rates and the County's local option sales tax (Penny for Pinellas). Sewage treatment takes place at the City of Clearwater Northeast Wastewater Treatment Plant and the City has executed an agreement with the City of Clearwater for the joint ownership and utilization of this facility. The plant has a design capacity of 13.5 million gallons per day (MGD). The City is allocated 4.0 MGD of treatment capacity. The City's level of service standard for sanitary sewer service is set at 119 gallons per capita per day (GPCD).[3]

The City adopted a "sewer development fee" in 1976, which will hereafter be referred to as the "sewer impact fee" for purposes of this memo. The City's sewer impact fees are charged to all new sewer service connections to the municipal sewer system and are currently charged at four hundred dollars ($400.00) for the first water closet/toilet plus one hundred dollars ($100.00) for each additional water closet/toilet in each development. The City's sewer impact fee has not been updated since it was implemented in 1976.

SEWER COST BASIS

Our approach to calculating sewer system impact fees starts with determining the cost basis or value for the system. The purpose of the sewer impact fee is to recover the cost of constructing major backbone infrastructure; therefore, the calculation of system value was based on the cost of the wastewater treatment and transmission/force main system. The calculation of the sewer cost basis does not include local collection lines, nor does it include minor capital items such as equipment, vehicles, and meters.

The net system value used in the determination of the impact fee is calculated using the following approach:

Existing Asset Cost (RCNLD)
Less:
Donated/Grant Funded Assets
Principal on Debt
Net System Value
÷ Units of Service
Sewer Impact Fees

1. The existing system assets are analyzed to determine the replacement cost new less depreciation (RCNLD) of the City's major sewer system components.

2. Any contributed assets and/or assets not funded by the City (funded by grants, developers, etc.) are removed from the overall system assets.

3. The assets are further reduced by any outstanding principal on debt for each system.

4. The resulting net system value is divided by the units of service to determine the appropriate impact fees.

Table 2 presents a summary of the calculated total system value for the sewer system.

Table 2

Functional Component:	Transmission/ Force Main	Treatment	Total
Plant in Service Value	$ 13,063,736	$ 14,263,153	$ 27,326,889
Less: Principal Remaining Credit	(984,928)	(1,075,357)	(2,060,285)
Net System Value	**$ 12,078,808**	**$ 13,187,796**	**$ 25,266,603**

SEWER UNITS OF SERVICE

The next step in the analysis determined the sewer system capacity measured in units of service. The units of service allow for the development of the unit cost of sewer capacity which is essential for the determination of impact fees. The units of service related to the provision of sewer capacity are often calculated as Equivalent Residential Units (ERUs). Specifically, the total system capacity (treatment capacity in million gallons per day for each system) divided by the level of service in

[3] Source: 2021 Level of Service Review, provided by the City of Safety Harbor

gallons per day (GPD) is equal to the total number of ERUs the City can serve within the sewer system, as shown in Figure 1 below.

Figure 1

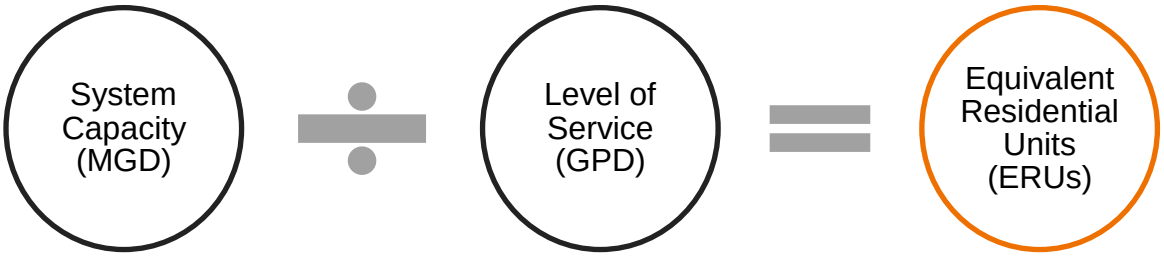


Table 3 summarizes the capacity and the level of service for the system used in the fee calculation.

Table 3

	Treatment/ Force Mains
Total Existing Capacity	4.00[1] MGD
Level of Service	239 GPD
Sewer Capacity in ERUs[1]	**16,723 ERUs**

[1] Represents the sewer system's capacity as part of the agreement with the City of Clearwater to use the Northeast Wastewater Treatment Plant.

SEWER IMPACT FEE SCHEDULE

Once the sewer cost basis and the sewer units of service are established, the sewer impact fee is calculated by dividing the net system value by the units of service as shown in Table 4 below.

Table 4

	Sewer
Net System Value	$25,266,603
Calculated ERUs	16,723
Sewer Impact Fee per ERU	**$1,511**

To account for the variations in demands that are potentially placed on the sewer system by new customers, it is important to establish an impact fee schedule that is aligned with potential use of the system. The most common approach within the utility industry is to scale the fees based on the size of the connection to the system (often evaluated on the basis of meter size). The scaling of the impact fee by meter size thus effectively reflects the potential demand on the system associated with each meter (i.e., the larger the meter, the more capacity that can be drawn on the system). The American Water Works Association (AWWA) publishes the hydraulic capacity of various meter sizes and types. Stantec recommends moving to a meter-based fee schedule to better conform with current industry practices and to reduce administration burden/resources associated with its current approach. As the City does not meter sewage flow, capacity is based on water meter size for this calculation as an approximate measure of water use and therefore of relative sewage flow.

This recommendation would apply to all new meters up to 2". Any connections above 2" would be subject to an individual analysis of maximum day capacity needs given the variability in their potential demands. Table 5 presents the scaling factors that would be used to calculate impact fees based on the maximum capacity flow rates by meter size.

Table 5

Water Meter Size[1]	Count of Existing Meters	AWWA Capacity Maximum Flow Rate (GPM)	Factor Based On 5/8" Meter[1]	Sewer Impact Fee
5/8"	6,418	30	1.00	**$1,511**
1"	212	50	1.67	**$2,523**
1.5"	38	100	3.33	**$5,032**
2"	32	160	5.33	**$8,054**

[1] As the City does not meter sewage flow, capacity is based on water meter size for this calculation as an approximate measure of water use and therefore of relative sewage flow.

SEWER IMPACT FEE RECOMMENDATIONS

Our recommendations for the City's sewer impact fee program include adopting the sewer impact fee per EDU shown in Table 4 and utilizing water meter size as the basis of a standard fee schedule for all development with 2" or smaller meters as shown in Table 5. For properties requiring meter sizes greater than 2", there would be a case-by-case evaluation of the potential demands to determine how to proportionally adjust the fee.

PUBLIC SAFETY IMPACT FEE

PUBLIC SAFETY BACKGROUND

The City has a professional Fire Department which provides emergency medical services (EMS), fire protection, hazard mitigation, and other community-oriented services. The Fire Department owns and operates two fire stations that serve over 18,000 residents in Safety Harbor, as well as surrounding areas, responding to approximately 5,000 incidents per year.

The City adopted the "public safety building construction fee" in 1980, which hereafter will be referred to as the "public safety impact fee". The public safety impact fee is applied to all new construction in the City and is used for growth related capital improvements limited to facilities, vehicles, and major equipment for firefighting and fire protection services and for emergency medical services. The City's public safety impact fee ordinance was last updated in 1985 and the City has retained Stantec to update the impact fee amount and modernize the impact fee procedures.

PUBLIC SAFETY COST BASIS

The buy-in method was determined to be the most appropriate approach for updating the City's public safety impact fee because growth can be accommodated by the current capacity of the system and the City is not planning for a significant amount of capital projects related to expanding capacity. The objective of the buy-in approach is to determine the costs of facilities and capital equipment necessary to serve new growth through an analysis of the existing assets and existing units served. Impact fees by law may not be calculated to enhance level of service (LOS), therefore the fees developed herein are developed based upon the current, observed LOS. In this way, the fees are calculated to maintain the existing LOS, rather than enhance LOS standards. The calculated net existing asset cost to be used for the public safety impact fee cost basis is shown in Table 6.

Table 6

Asset Category	Description	Cost
Buildings & Improvements	Replacement Cost New	$2,841,615
Fleet & Equipment	Replacement Cost New	$3,559,305
Total Existing Asset Cost		**$6,400,920**
Less: Penny for Pinellas Funded Assets		-$3,919,436
Net Existing Asset Cost		**$2,481,485**

PUBLIC SAFETY UNITS OF SERVICE

The next step in the analysis determines the public safety capacity measured in units of service. Different types of development are translated into a common unit of measurement that reflects the impact of new development on the demand for services. Our approach to calculating the public safety impact fee utilizes a common service unit based on an "equivalent dwelling unit" or EDU, which represents the impact of a typical single-family detached dwelling.

To assign the appropriate EDUs to properties within each land use category, EDU multipliers are utilized, based on a concept called "functional population". Functional population represents the average number of equivalent persons present at the site of a land use for an entire 24-hour day. For residential development, functional population represents average household size times the percent of time people spend at home. For non-residential development, functional population is based on a formula that includes square foot per employee ratios, trip generation rates, average vehicle occupancy and average number of hours spent by employees and visitors at each respective land use category.

Functional population multipliers were calculated for expanded (single family, multi family, commercial, industrial, institutional) and condensed (residential, non-residential) land use classes to present the City with different options for administering impact fees. Due to the relatively small amount of projected new development, and for consistency and administrative ease, the City has chosen to retain the combined residential and non-residential categories. Functional population multipliers by land use are shown in Table 7 and are based on an average number of residents per unit per the latest U.S. Census Bureau American Community Survey data (2021), and an assumed occupancy of 67% based on hours spent at home. The equivalent dwelling units (EDUs) for non-residential space is based on an analysis of vehicle trips and occupancy as shown in Table 8.

Table 7

Land Use	Unit	Average People per Unit [1]	Occupancy [2]	Functional Pop./Unit [3]
Residential	Dwelling	2.01	67.0%	1.345

[1] *U.S. Census Bureau's American Community Survey 2021 (ACS), Public Use Microdata for Pinellas County (North Central).*

[2] *The Occupancy Factor was estimated by assuming 15 hours a day at home on weekdays (15 hrs x 5 days = 75 hrs at home) and 19 hrs a day at home on weekends (19 hrs x 2 days = 38 hrs at home).*

[3] *For residential development, functional population is the average household size times the percent of time people are assumed to spend at home.*

Table 8

Land Use	ITE Trip [1]	Trip Rate/2	Persons/ Trip [2]	Employees / Unit [3]	Visitors / Unit [4]	Weighted Functional Pop. / Unit [5]
Non-Residential [6]	16.11	8.05	1.66	0.68	14.75	0.812

[1] Trip rate is average daily trip ends during a weekday from Institute of Transportation Engineers (ITE), Trip Generation, 10th ed., 2017.

[2] Persons/trip is average vehicle occupancy from Federal Highway Administration, Nationwide Household Travel Survey, 2017.

[3] Employees/Unit is from the U.S. Department of Energy, Commercial Buildings Energy Consumption Survey, 2018.

[4] Visitors/Unit is trips times persons/trip minus employees/unit.

[5] Functional population is estimated employee hours divided by 24hrs in a day (8 hrs times employees / unit plus visitor hours / Unit. Vistor hours / unit reflect 1 hour.

[6] Non-Residential land use category is weighted based on an analysis of Pinellas County Property Appraiser's data on existing developed square footage in the City.

The functional population multipliers were used to establish an EDU/Unit factor or multiplier for each of the two land use categories. Since an EDU represents the impact of one average household, the residential land use category's functional population is represented by one (1) EDU and the non-residential category is assigned EDUs based on its proportional relationship to the residential land use category's functional population per unit.

Utilizing the Pinellas County Property Appraiser's databases, the EDU/Unit multipliers are applied to all the units contained within each land use category and added together to establish the total existing EDUs for the entire service area which represents the total units of service utilized in the impact fee calculations. Table 9 presents these calculations.

Table 9

Land Use	Functional Population / Unit	Existing Units [1]	Unit Type	EDUs / Unit [2]	Total EDUs	Unit
Residential	1.345	7,986	Dwelling Unit	1.000	7,986	Dwelling Unit
Non-Residential	0.812	4,566	1,000 Square Feet	0.600	2,739	1,000 Square Feet
				Total:	**10,725**	

[1] The existing units for each Land Use are derived from the Pinellas County Property Database.

[2] EDUs/Unit is calculated for the Land Use categories by dividing each Functional Population/Unit by the Residential Functional Population/Unit which represents 1 EDU, rounded to the nearest 2 decimal places.

PUBLIC SAFETY IMPACT FEE SCHEDULE

Once the public safety cost basis and the units of service are established, the cost per EDU is calculated by dividing the total existing cost by the total existing units of service. The public safety impact fee per unit is calculated by applying the EDU/Unit multiplier to the calculated cost per EDU. The resulting public safety impact fee is applied to each land use on a unit basis; dwelling units for residential and 1,000 square feet for non-residential land uses. The calculated public safety impact fee schedule, rounded to the nearest whole dollar, is shown in Table 10 below.

Table 10

Land Use	Public Safety Impact Fee per EDU	EDUs/Unit Factor	Public Safety Impact Fee Per Unit [1]	Unit Type
Residential	$231.36	1.000	**$231.00**	Dwelling Unit
Non-Residential	$231.36	0.600	**$139.00**	1,000 Square Feet

[1] Rounded to the nearest whole dollar.

PUBLIC SAFETY IMPACT FEE RECOMMENDATIONS

Our recommendations for the City's public safety impact fee include adopting public safety impact fees based on the impact fee schedule presented in Table 10. They City may adopt the impact fees at any level at or below the 100% cost recovery level presented in Table 10. The recommended impact fee schedule reflects transitioning the unit basis for all non-residential fees to increments of 1,000 square feet for administrative ease and consistency, as well as conformance with current industry practices.

SANITATION IMPACT FEE

SANITATION BACKGROUND

The City has a sanitation division of its public works department that encompasses four programs: residential service, commercial dumpster service, curbside recycling service, and special pick-up service. The residential service division collects approximately 6,800 homes averaging 8,600 tons of garbage a year. The commercial dumpster service collects approximately 4,800 tons per year. The curbside recycling service collects approximately 344 tons of newspaper, 417 tons of mixed paper, 112 tons of plastic bottles and 41 tons of aluminum/steel cans. The special pick-up service provides collection to the community for services that do not fall under the curbside collection requirements.

The City adopted a sanitation impact fee in 1985, which is applied to all new construction in the City and is used for growth related capital improvements limited to facilities, vehicles, and major equipment for sanitation services. The City's sanitation impact fee ordinance has not been updated since the fee was implemented in 1985.

SANITATION COST BASIS

The buy-in method was determined to be the most appropriate approach for updating the City's sanitation impact fee because growth can be accommodated by the current capacity of the system and the City is not planning for a significant amount of capital projects related to expanding capacity. The objective of the buy-in approach is to determine the costs of facilities and capital equipment necessary to serve new growth through an analysis of the existing assets and existing units served. Impact fees by law may not be calculated to enhance level of service (LOS), therefore the fees developed herein are developed based upon the current, observed LOS. In this way, the fees are calculated to maintain the existing LOS, rather than enhance LOS standards. The existing assets used in the sanitation impact fee analysis only reflect the vehicles used to facilitate residential and non-residential garbage and recycling collection, minor equipment was excluded from the analysis. The City utilizes a regional dumping facility and the cost is passed onto customers through service fees and excluded from the impact fee calculations presented in this report.

The calculated net existing asset cost to be used for the sanitation impact fee cost basis is shown in Table 11 below.

Table 11

Asset Category	Description	Cost
Sanitation Vehicle Fleet	Replacement Cost New	$4,486,429
Total Existing Asset Cost		**$4,486,429**
Less: Penny for Pinellas Funded Assets		$0
Net Existing Asset Cost		**$4,486,429**

SANITATION UNITS OF SERVICE

The next step in the analysis determines the sanitation capacity measured in units of service. Different types of development are translated into a common unit of measurement that reflects the impact of new development on the demand for services. Our approach to calculating the sanitation impact fee utilizes a common service unit based on an "equivalent dwelling unit" or EDU, which represents the impact of a typical single-family detached dwelling.

To assign the appropriate EDUs to properties within each land use category, EDU multipliers are utilized, based on a concept called "functional population". Our approach to calculating the sanitation units of service is consistent with the same approach outlined in the previous section and the functional population analysis is shown in detail in Tables 7, 8, and 9.

SANITATION IMPACT FEE SCHEDULE

Once the sanitation cost basis and the units of service are established, the cost per EDU is calculated by dividing the total existing cost by the total existing units of service. The sanitation impact fee per unit is calculated by applying the EDU/Unit multiplier to the calculated cost per EDU. The resulting sanitation impact fee is applied to each land use on a unit basis, dwelling units for residential and 1,000 square feet for non-residential land uses. The calculated sanitation impact fee schedule, rounded to the nearest whole dollar, is shown in Table 12 below.

Table 12

Land Use	Sanitation Impact Fee per EDU	EDUs/Unit Factor	Sanitation Impact Fee Per Unit [1]	Unit Type
Residential	$418.30	1.000	**$418.00**	Dwelling Unit
Non-Residential	$418.30	0.600	**$251.00**	1,000 Square Feet

[1] Rounded to the nearest whole dollar.

SANITATION IMPACT FEE RECOMMENDATIONS

Our recommendations for the City's sanitation impact fee include adopting sanitation impact fees based on the impact fee schedule presented in Table 12. The City may adopt the impact fees at any level at or below the 100% cost recovery level presented in Table 12. The recommended impact fee schedule reflects transitioning the unit basis for all non-residential fees to increments of 1,000 square feet for administrative ease and consistency, as well as conformance with common industry practice in Florida.

LIBRARY IMPACT FEE

LIBRARY BACKGROUND

The Safety Harbor Public Library was established in 1938 and is a vital part of the community. The current building that houses the library was built in 1994, remodeled in 2009, and is currently undergoing a second story addition. The City's public library provides books, music, magazines, DVDs and a wide range of cultural and educational programs for all ages on diverse topics.

The City adopted a library impact fee in 1990 in recognition that growth will necessitate a significant expansion of the City's capital library facilities and resources to provide adequate quality of library opportunities for City residents. The library impact fee is applied to all new residential construction in the City and is used for growth related capital improvements for library services. The City's library impact fee ordinance has not been updated since the fee was initially established in 1990.

LIBRARY COST BASIS

The hybrid method was determined to be the most appropriate approach for updating the City's library impact fee because there is existing capacity that will accommodate some growth, but additional capacity is needed in the short-term as reflected

in the City's CIP and current project in progress to increase capacity by adding a second story to the library. The objective of the buy-in approach is to determine the costs of facilities and capital equipment necessary to serve new growth through an analysis of the existing assets, existing units served, future assets and future units served. Impact fees by law may not be calculated to enhance level of service (LOS), therefore the fees developed herein are developed based upon the current, observed LOS. In this way, the fees are calculated to maintain the existing LOS, rather than enhance LOS standards. The calculated total asset cost to be used for the library impact fee cost basis is shown in Table 13 below.

Table 13

Asset Category	Description	Cost
Land	Original Cost	$461,248
Buildings & Improvements	Replacement Cost New	$10,247,096
Fleet & Equipment	Replacement Cost New	$60,699
Total Existing Asset Cost		**$10,769,043**
Less: Penny for Pinellas Funded Assets		-$7,810,497
Net Existing Asset Cost		**$2,958,546**
Plus: Incremental CIP Costs		$3,426,500
Total Asset Cost for Fee Calculation		**$6,385,046**

LIBRARY UNITS OF SERVICE

The next step in the analysis determines the library capacity measured in units of service. Different types of development are translated into a common unit of measurement that reflects the impact of new development on the demand for services. Our approach to calculating the library impact fee utilizes a common service unit based on an "equivalent dwelling unit" or EDU, which represents the impact of a typical single-family detached dwelling. Since there is no direct benefit to non-residential development from library services, the library impact fee is only calculated using residential EDUs and there is no impact fee calculated for non-residential properties.

Our approach to calculating the library units of service is similar to previous sections and the functional population analysis is shown in detail in Tables 7, 8, and 9. The EDUs calculated only reflect the residential properties in the City.

Since we chose to use the hybrid method to calculate the library impact fee, the units of service need to reflect the sum of existing EDUs and future EDUs. Using population projections from Florida's Bureau of Economic and Business Research, we projected the 10-year EDU growth for the City of Safety Harbor. We added the City's existing EDUs to the 10-year projected EDUs to establish the total units of service for the library impact fee calculation. The total EDUs established for the impact fee calculation are presented in Table 14 below.

Table 14

Existing EDU's (Residential)	7,986
Projected 10-Year EDU Growth	248
Total EDUs for Impact Fee Calculation	**8,234**

LIBRARY IMPACT FEE SCHEDULE

Once the library cost basis and the units of service are established, the cost per EDU is calculated by dividing the total cost (existing cost plus future expansion cost) by the total units of service (existing units plus future units). The library impact fee per unit is calculated by applying the EDU/Unit multiplier to the calculated cost per EDU. The resulting library impact fee is applied to dwelling units for residential properties. The calculated library impact fee, rounded to the nearest whole dollar, is shown in Table 15.

Table 15

Land Use	Library Impact Fee per EDU	EDUs/Unit Factor	Library Impact Fee Per Unit [1]	Unit Type
Residential	$775.44	1.000	**$775.00**	Dwelling Unit

[1] Rounded to the nearest whole dollar.

LIBRARY IMPACT FEE RECOMMENDATIONS

Our recommendations for the City's library impact fee include adopting a library impact fee based on the impact fee schedule presented in Table 15. The City may adopt the impact fees at any level at or below the 100% cost recovery level presented in Table 15.

PARKS AND RECREATION IMPACT FEE

PARKLAND & PARK FACILITIES BACKGROUND

The City of Safety Harbor currently maintains 20 parks totaling 130.57 acres including 37 facilities and 9 playgrounds. The City's objective is to ensure the provision, protection, and maintenance of a coordinated, efficient and accessible system of public and private recreational parks and facilities which shall meet the needs of current and future residents, visitors, and tourists.

In 1987, the City imposed a parkland impact fee for new development and this impact fee has been very successful in providing funds for the purchase of land for parks. The parkland impact fee is applied to all new residential construction in the City above five (5) dwelling units and is used for the acquisition of land for parks. In 1990, the City adopted a park facilities impact fee which has provided more varied budget opportunities for the expansion of recreational facilities. The park facilities impact fee is applied to all new residential construction in the City and is used for growth related capital improvements for park facilities services.

The City's park facilities and parklands impact fees were last updated in 1990 and the City has retained Stantec to update the impact fee amounts and modernize the impact fee procedures. It is more common for cities to charge one impact fee that includes both land expansion costs and facility expansion costs for the parks and recreation department. Charging one fee for all parks and recreation expansion costs is more administratively efficient and easier to communicate to fee payers. Accordingly, our calculations in this section reflect the combination of both parkland and park facilities for a resulting combined parks and recreation impact fee that is recommended to replace the parkland and park facilities impact fees.

PARKS AND RECREATION COST BASIS

The buy-in method was determined to be the most appropriate approach for calculating the City's parks and recreation impact fee because growth can be accommodated by the current capacity of the system and the City is not planning for a significant amount of capital projects related to expanding capacity. Existing land, buildings, and vehicle assets were included in the cost basis to reflect the new all-inclusive parks and recreation impact fee.

The objective of the buy-in approach is to determine the costs of land, facilities, and capital equipment necessary to serve new growth through an analysis of the existing assets and existing units served. Impact fees by law may not be calculated to enhance level of service (LOS), therefore the fees developed herein are developed based upon the current, observed LOS. In this way, the fees are calculated to maintain the existing LOS, rather than enhance LOS standards. The calculated net existing asset cost to be used for the parks and recreation impact fee cost basis is shown in Table 16 below.

Table 16

Asset Category	Description	Cost
Land	Original Cost	$7,774,934
Buildings & Improvements	Replacement Cost New	$15,896,816
Fleet & Equipment	Replacement Cost New	$712,524
Total Existing Asset Cost		**$24,384,274**
Less: Penny for Pinellas Funded Assets		-$10,011,442
Net Existing Asset Cost		**$14,372,832**

PARKS AND RECREATION UNITS OF SERVICE

The next step in the analysis determines the parks and recreation capacity measured in units of service. Different types of development are translated into a common unit of measurement that reflects the impact of new development on the demand for services. Our approach to calculating the parks and recreation impact fee utilizes a common service unit based on an "equivalent dwelling unit" or EDU, which represents the impact of a typical single-family detached dwelling. Since there is no direct benefit to non-residential development from parks and recreation services, the parks and recreation impact fee is only calculated using residential EDUs and there is no impact fee calculated for non-residential properties.

Our approach to calculating the parks and recreation units of service is similar to previous sections and the functional population analysis is shown in detail in Tables 7, 8, and 9. The EDUs calculated only reflect the residential properties in the City.

PARKS AND RECREATION IMPACT FEE SCHEDULE

Once the parks and recreation cost basis and the units of service are established, the cost per EDU is calculated by dividing the total existing cost by the total existing units of service. The parks and recreation impact fee per unit is calculated by applying the EDU/Unit multiplier to the calculated cost per EDU. The resulting parks and recreation impact fee is applied to dwelling units for residential properties. The calculated parks and recreation impact fee, rounded to the nearest whole dollar, is shown in Table 17 below.

Table 17

Land Use	Parks and Recreation Impact Fee per EDU	EDUs/Unit Factor	Parks and Recreation Impact Fee Per Unit [1]	Unit Type
Residential	$1,799.75	1.000	**$1,800.00**	Dwelling Unit

[1] Rounded to the nearest whole dollar.

PARKS AND RECREATION IMPACT FEE RECOMMENDATIONS

Our recommendations for the City's park facilities and parkland impact fees include adopting a parks and recreation impact fee based on the impact fee schedule presented in Table 17. The recommended parks and recreation fee will effectively replace the existing park facilities and parkland impact fees. The City may adopt the impact fees at any level at or below the 100% cost recovery level presented in Table 17.

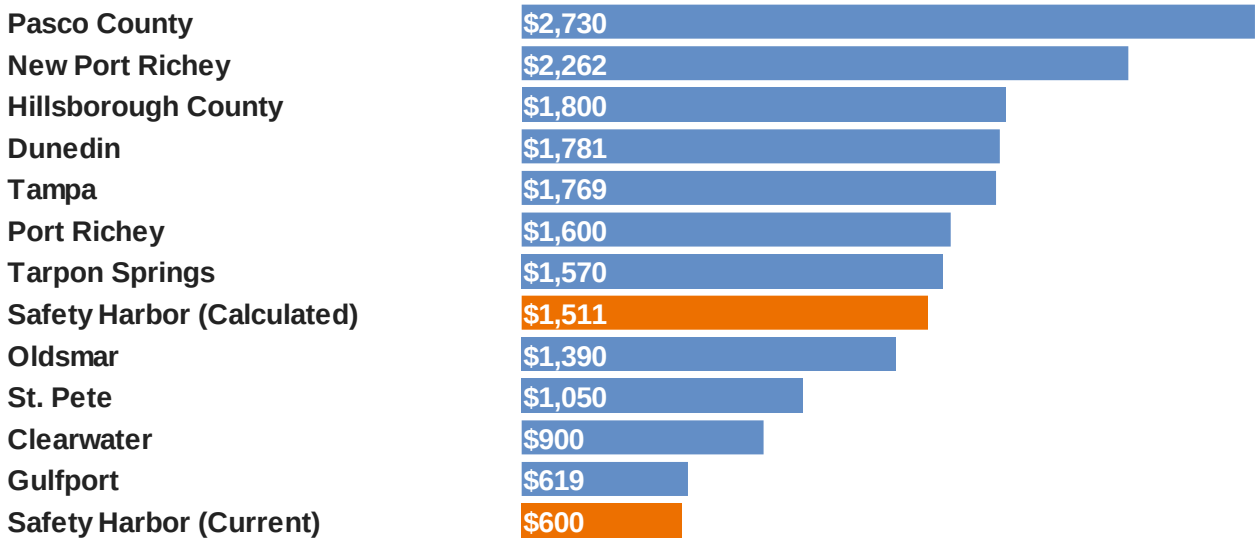
IMPACT FEE SURVEYS

To provide additional information to the City regarding their current impact fees and our recommended impact fees, we prepared a comparison of the residential impact fees for the City to those of neighboring and other municipal agencies that charge this particular type of impact fee available at the time this memo was prepared.

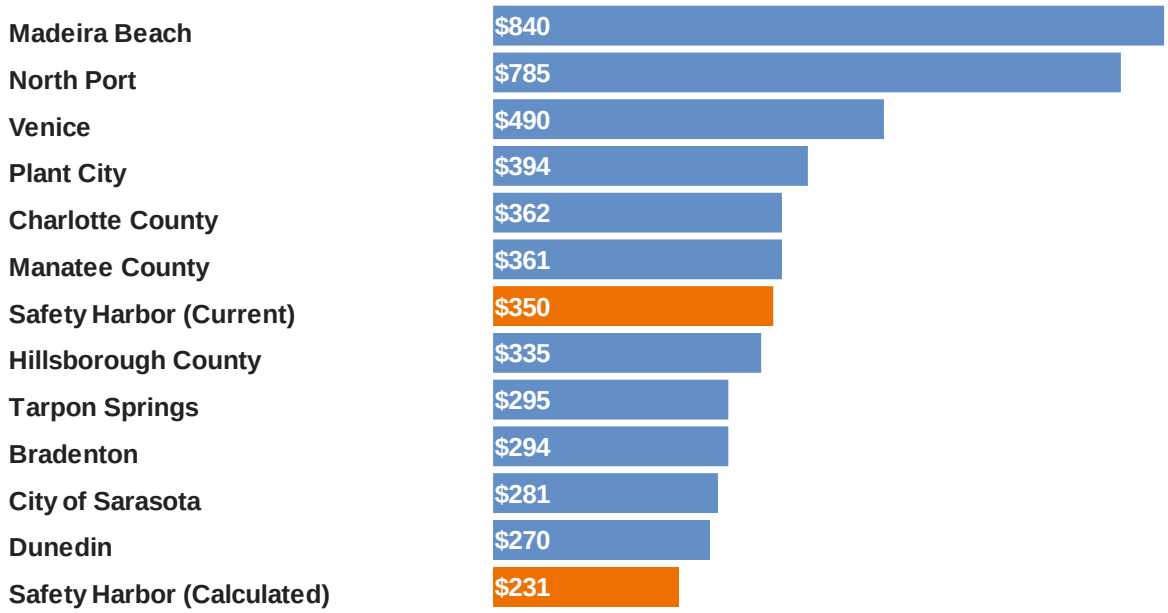
The reader must view the comparisons with caution as no in-depth analysis has been performed to identify the methods used in the development of the impact fees imposed by the other agencies, nor has any analysis been performed to determine whether 100% of the cost is recovered from such fees. Additionally, no analysis was conducted to determine the types of capital facilities currently in service or planned for the agencies surveyed. Some reasons why impact fees differ among local governments include the following:

- Density of service area
- Availability of grant funding to finance CIP
- Age of facilities and equipment
- Level of service standards
- Method of application (i.e. per dwelling unit versus square feet)
- Type of service/costs included in the fee

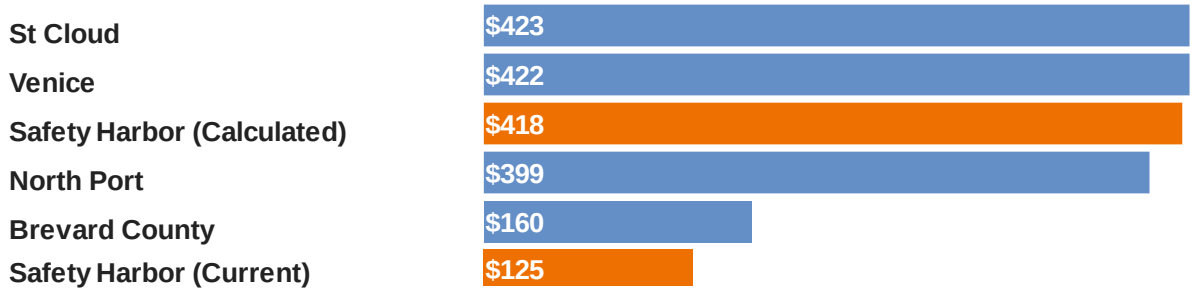
SEWER IMPACT FEE SURVEY (AVERAGE RESIDENTIAL CONNECTION)



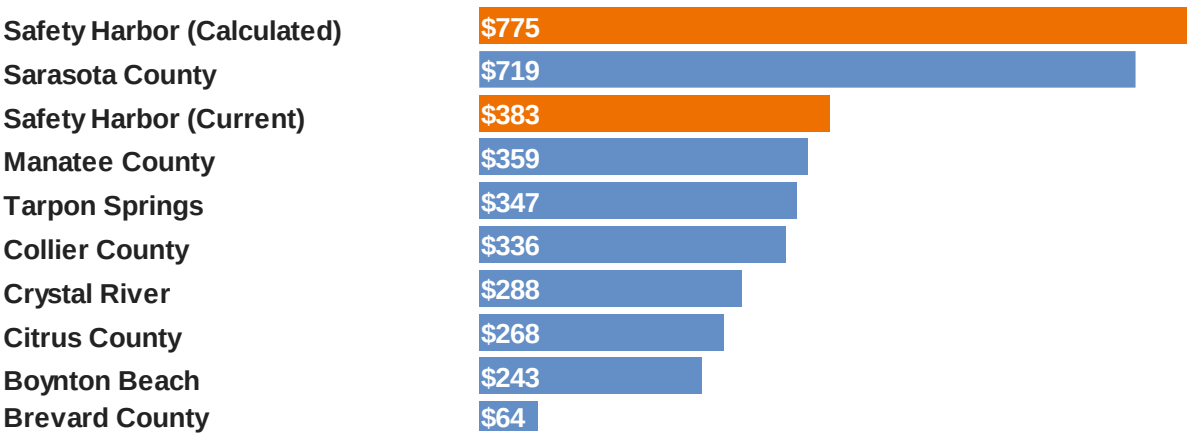
PUBLIC SAFETY IMPACT FEE SURVEY (SINGLE FAMILY/RESIDENTIAL PER DWELLING UNIT)



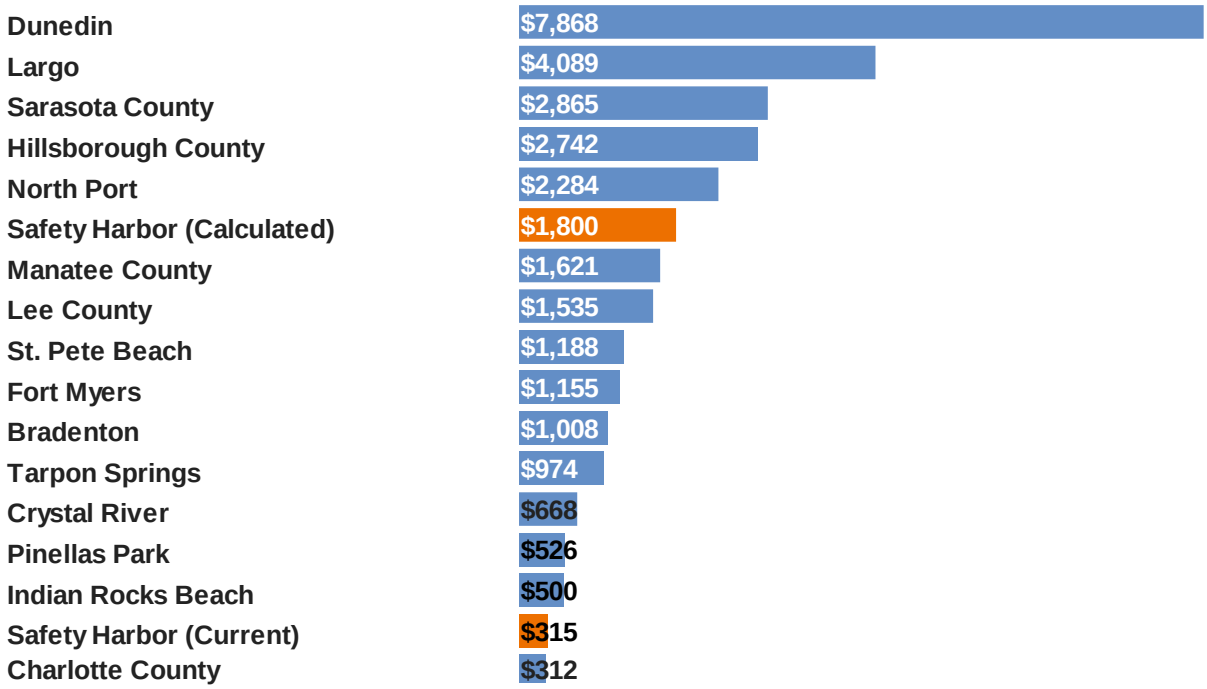
SANITATION IMPACT FEE SURVEY (SINGLE FAMILY/RESIDENTIAL PER DWELLING UNIT)



LIBRARY IMPACT FEE SURVEY (SINGLE FAMILY/RESIDENTIAL PER DWELLING UNIT)



PARKS AND RECREATION IMPACT FEE SURVEY (SINGLE FAMILY/RESIDENTIAL PER DWELLING UNIT)



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