



FGFOA

Alternative Revenue Sources:

Special Assessments and Impact fees

October 20th, 2023



Today's Discussion Points

Alternative Revenue Sources

Special
Assessments

Impact Fees

Special Assessments



Stormwater



Canal Dredging



Fire Rescue



Streetlighting

Others

Solid Waste

Paving / Road Improvement

Utility Undergrounding

Line Extension

Beach Renourishment



Case Law Requirements (**2-Prong Test**)

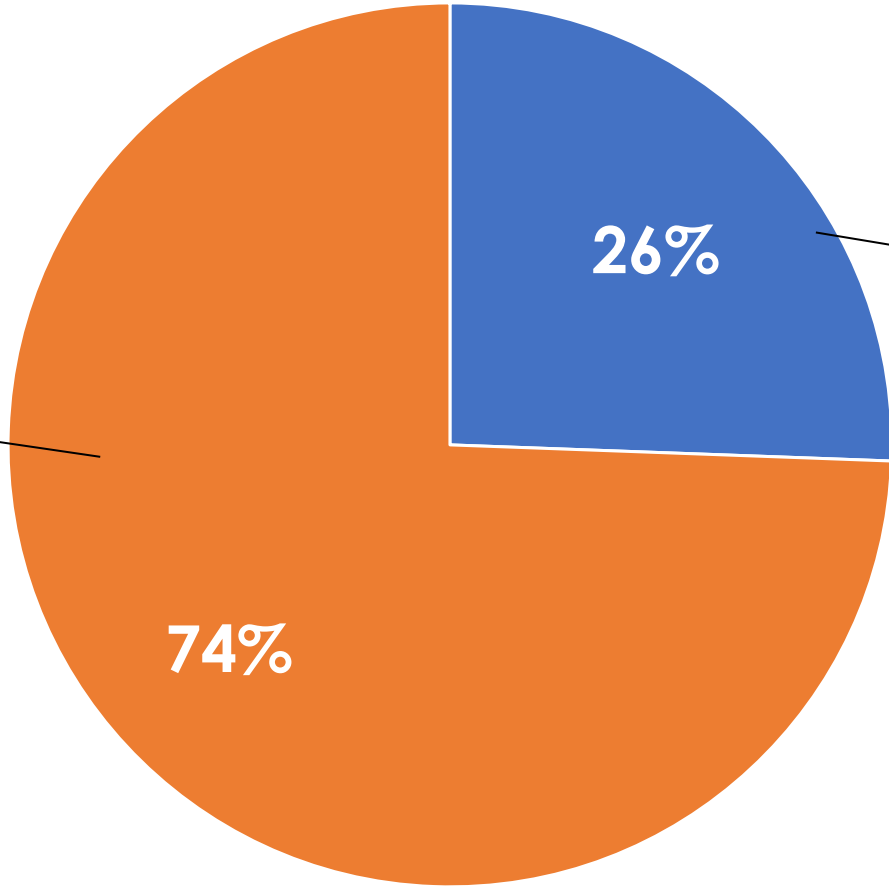


1. Property assessed must derive a **Special Benefit** from the improvement, service or facilities provided.
2. Assessment must be **Fairly & Reasonably** apportioned among the properties that receive the special benefit.



Fire Assessment Fee Methodology

- Ocala
- Coconut Creek
- Davie
- Lake County
- Coral Springs
- Miramar
- Ft. Lauderdale
- Brooksville
- Pembroke Pines
- Sunrise
- Deerfield Beach
- Fort Myers**
- Cocoa
- Gainesville
- Hollywood
- Spring Hill
- Pompano Beach
- West Palm Beach
- Boca Raton
- The Villages
- Boynton Beach
- Lauderhill Kissimmee/Osceola
- County Weston
- West Manatee Fire District Cooper
- City
- Leesburg
- Fort Walton Beach
- Lake City
- City of High Springs



- North Port
- Stuart
- Sarasota County
- Palatka
- Cape Coral
- Milton
- Haines City
- Gainesville
- Lehigh Acres
- Panama City
- Holley-Navarre

Community imposing the assessment has liberty to select “best fit” methodology

■ Availability ■ Calls For Service



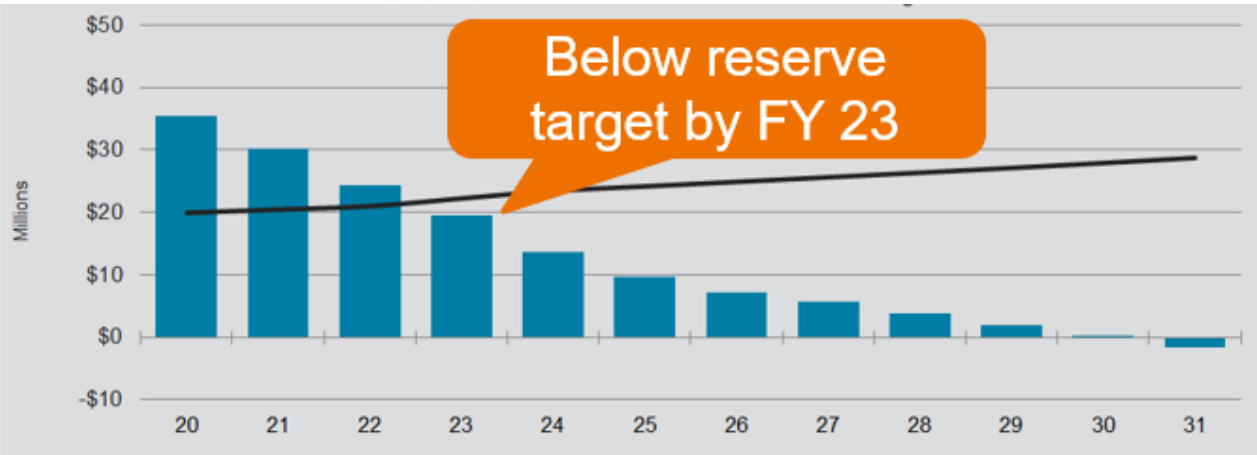
Diagnostic General Fund Forecast

Fort Myers Tax Rate	FY 2021	FY 2022
Millage Rate Adjustment		- 0.37680
Millage Rate	7.9643	7.5875

Rollback Rate

Fort Myers Fire Assessment	FY 2021
Residential Annual Rate	\$77.91
Revenue \$M	\$4.15 M
Cost Recovery	16%

End of Year Fund Balance



~ \$3.4M average annual cash flow deficit

Fire Department Needs

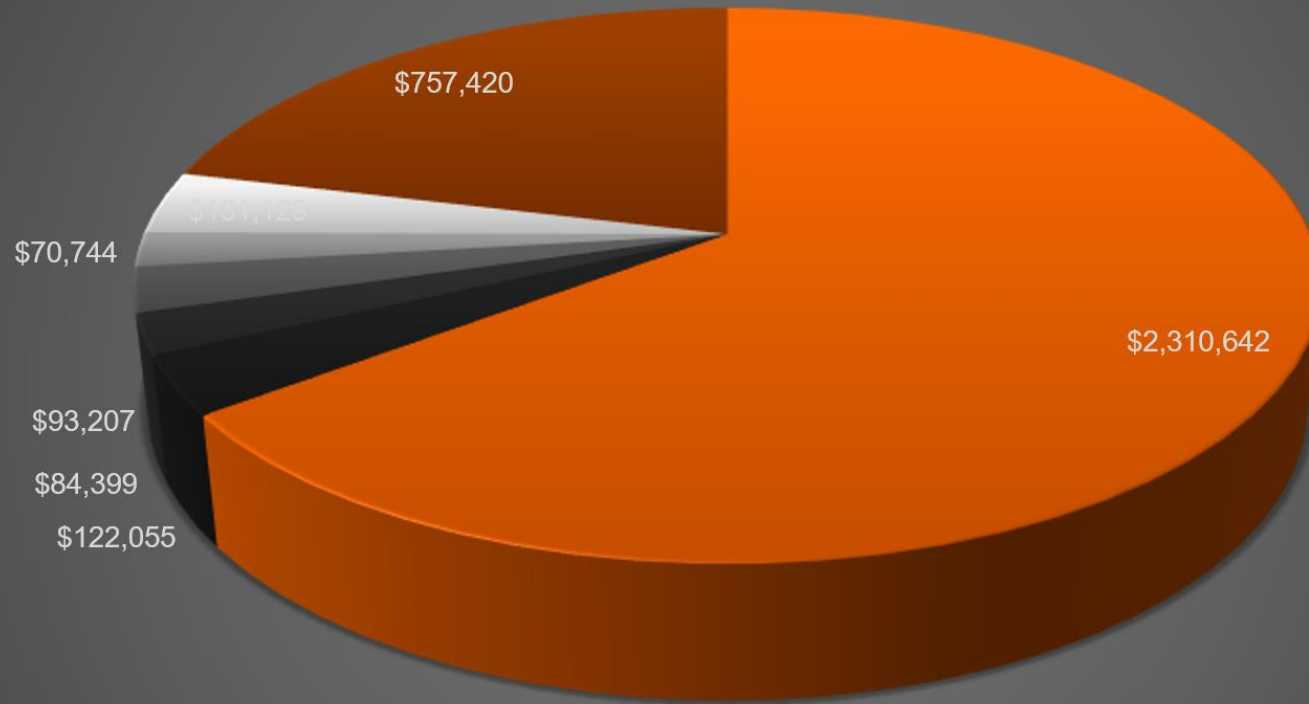
“Fort Myers’ population has grown 50% since 2010 but the City’s Fire Department is still operating with the same number of FTE’s”

Peer Agency	Population Estimate	General Fund Operating Budget	Calls for Service	Per Capita General Fund Expenditures	Full Time Employees	ISO Rating (1 is best)	CPSE Accreditation	# of Fire Stations
Bonita Springs	55,902	\$27,436,100	7,241	\$490.79	99	2	No	7
Coral Springs/Parkland	172,000	\$38,242,600	16,000	\$222.34	170	1	No	8
Cape Coral	194,570	\$51,446,100	22,000	\$264.41	251	3	No	11
Iona McGregor	80,000	\$21,317,800	9,560	\$266.47	81	2	No	5
North Port	66,410	\$12,768,900	10,000	\$192.27	130	1	No	6
Peer Agency Average	113,776	\$30,242,300	12,960	\$287.26	146	2	No	7
Fort Myers	82,254	\$25,701,700	17,352	\$312.47	117	2	No	6

***Source: June 2021 Strategic Plan 2021 -2026 prepared by Fitch & Associates LLC.*

Fire Department Supplemental - \$3.6M

Needs By Category

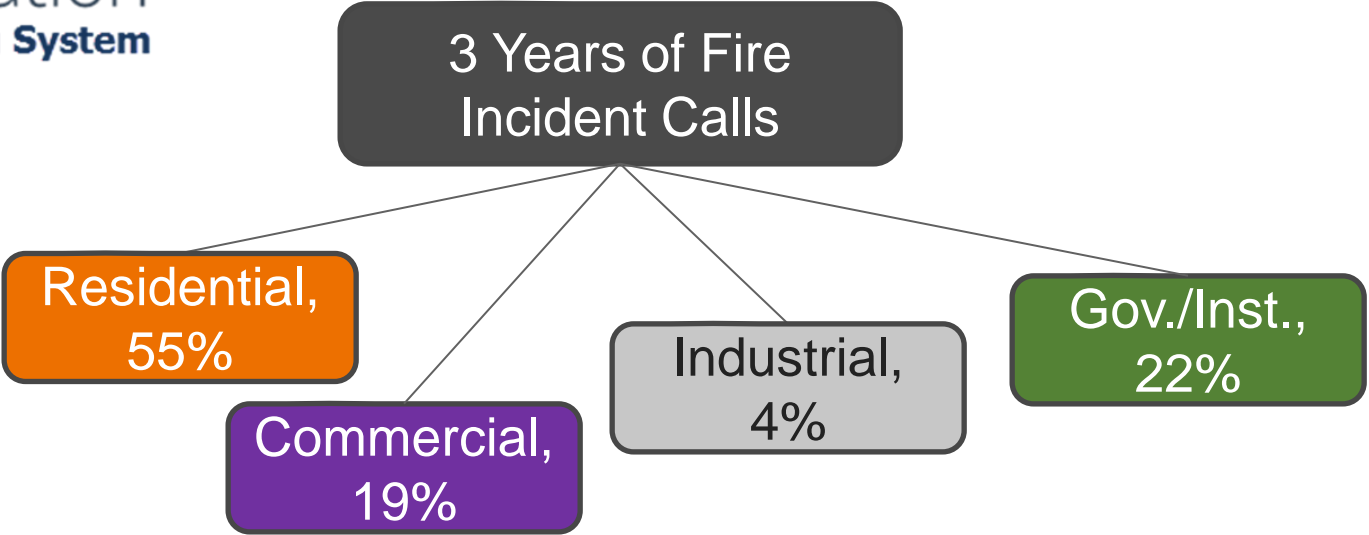


- Firefighters
- Medical Manager
- Quartermaster
- Fire Inspector
- Office Assistant
- Promotional Pay
- Equipment & Vehicle Needs*

**Bunker gear, uniforms, boots helmets, cardiac monitors, staff vehicle, annual physicals, tuition reimbursements.*



Calls for Service



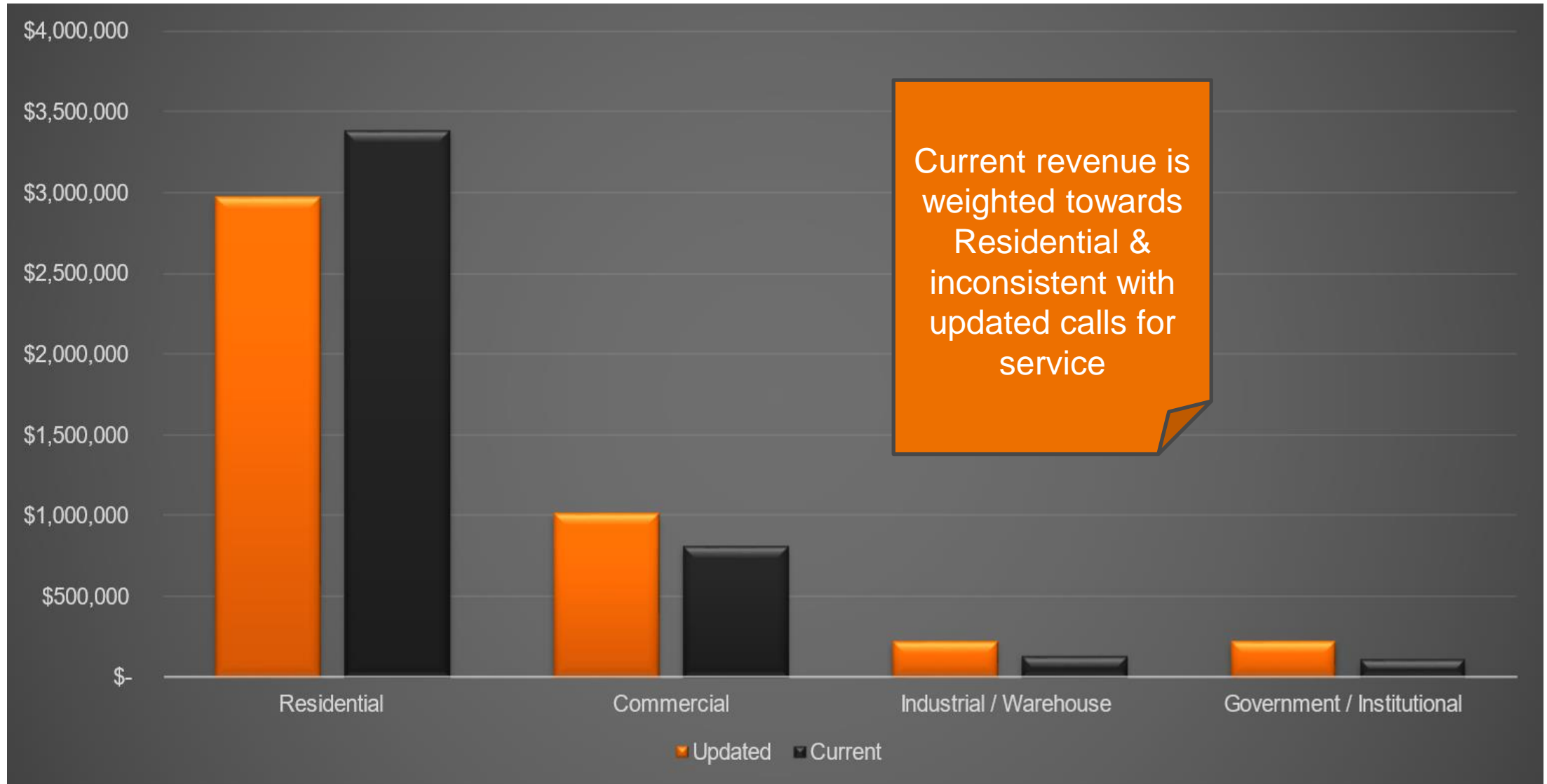
Excerpt from NFIRS Data:

Incident Number (FD1.5)	Incident Year	Property Use	Property Use - CODE (FD1.46)	Fire Incident Type	Fire Incident Type - Code	Incident Classification
F1910300200	2019	1 or 2 family dwelling	419	Building fire	111	Fire/First Responder
F1911050185	2019	General retail, other	580	Alarm system activation, no fire - unintentional	745	Fire/First Responder
F1911060149	2019	Hotel/motel, commercial	449	EMS call w/ treatment or Pt Refusals	321	EMS
F1911190052	2019	Vehicle parking area	965	Mobile property (vehicle) fire, other	130	N/A



Fire Fee Revenue Analysis

FY 2022 REVENUE NEUTRAL @ \$4.4M

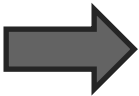




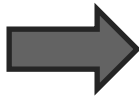
Fire Assessment Update Results



Current Assessment Program:



Allocation Shift :



\$11.5M Revenue:

Property Class	Assessment Rate
Residential	\$77.91
Commercial	\$0.051
Industrial/Warehouse	\$0.0136
Govt./Institutional	\$0.119
Estimated Revenue	\$4,356,700

Property Class	Assessment Rate
Residential	\$70.02
Commercial	\$0.0655
Industrial/Warehouse	\$0.0240
Govt./Institutional	\$0.2508
Estimated Revenue	\$4,356,700

Property Class	Assessment Rate
Residential	\$185.00
Commercial	\$0.1730
Industrial/Warehouse	\$0.0635
Govt./Institutional	\$0.6627
Estimated Revenue	\$11,546,900



Diagnostic General Fund Forecast

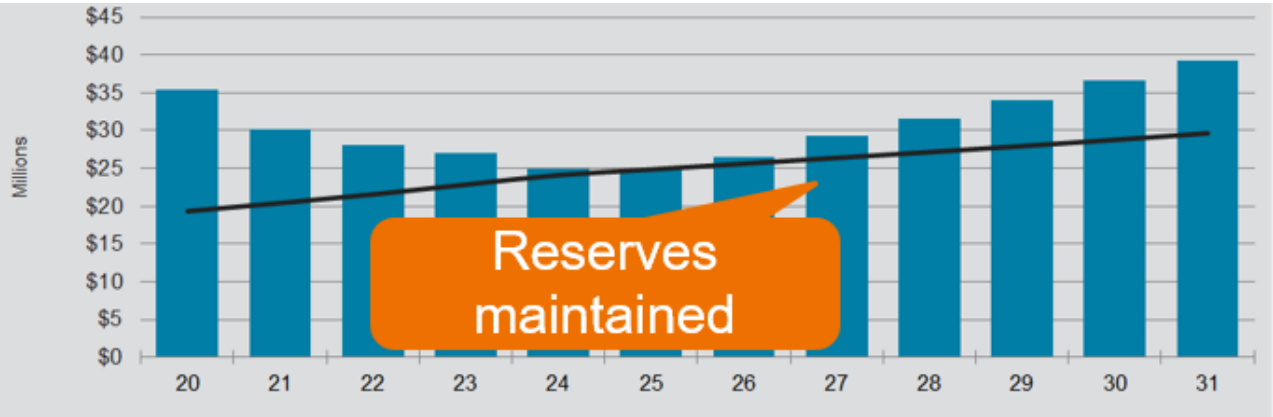
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Rollback Rate

Fort Myers Fire Assessment	FY 2021	FY 2022
Residential Annual Rate	\$77.91	\$185.00
Revenue \$M	\$4.15 M	\$11.55 M
Cost Recovery	16%	38%

Fire Fee adjustment

End of Year Fund Balance



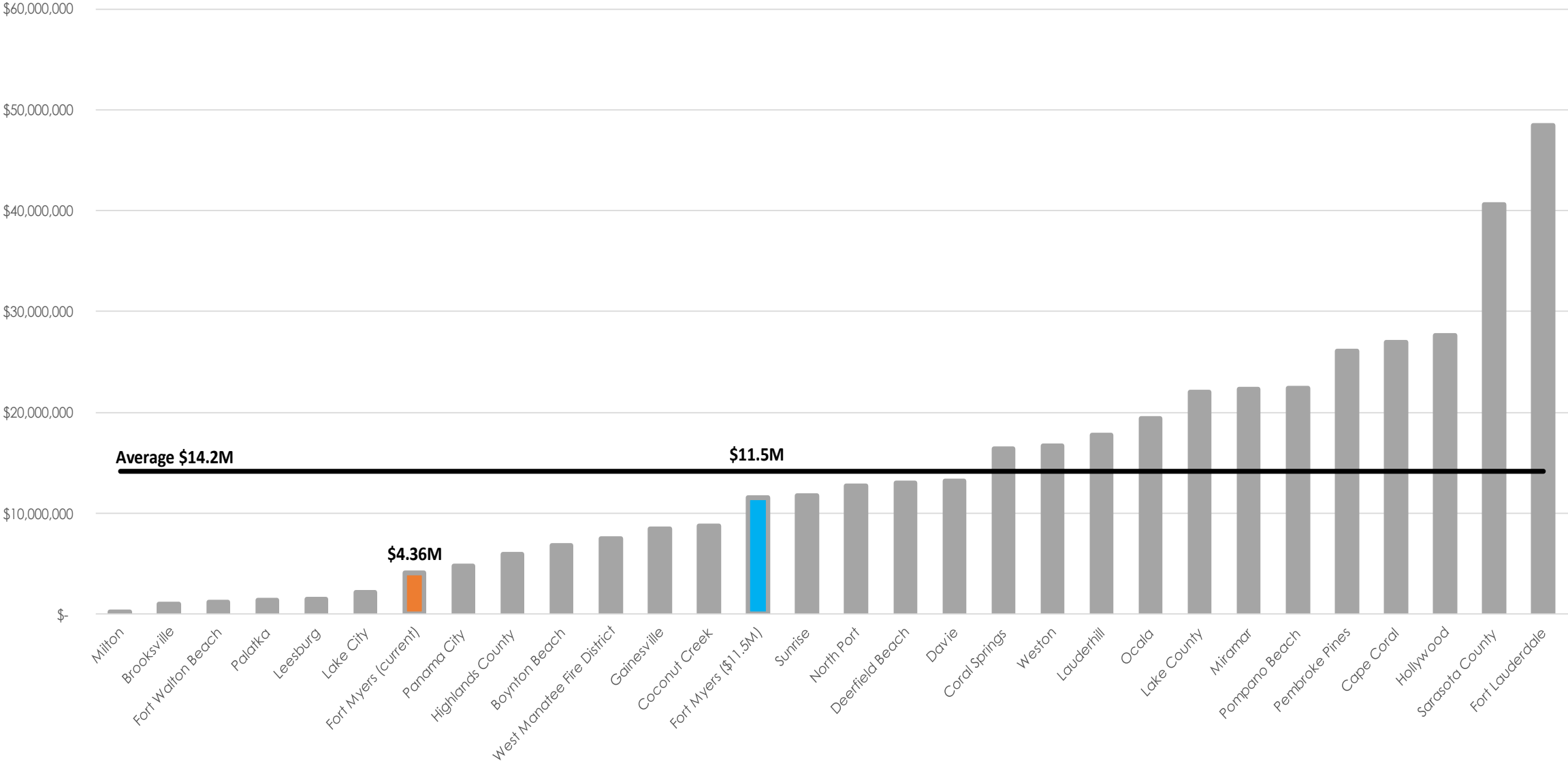
Includes
supplemental
budget requests
from the Fire
Department





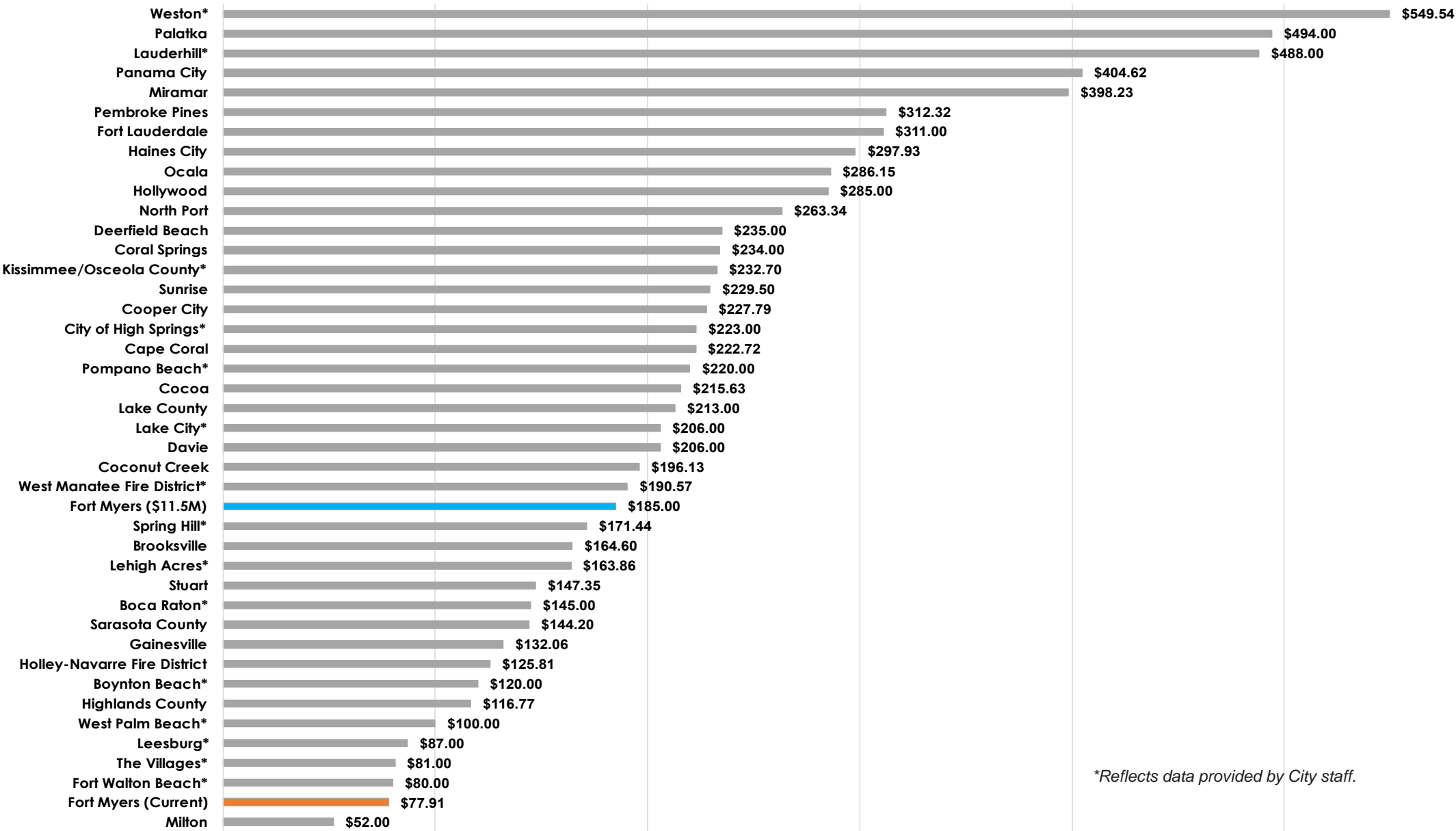
Fire Assessment Revenue Survey

FY 2021 Budgeted Fire Assessment Revenues





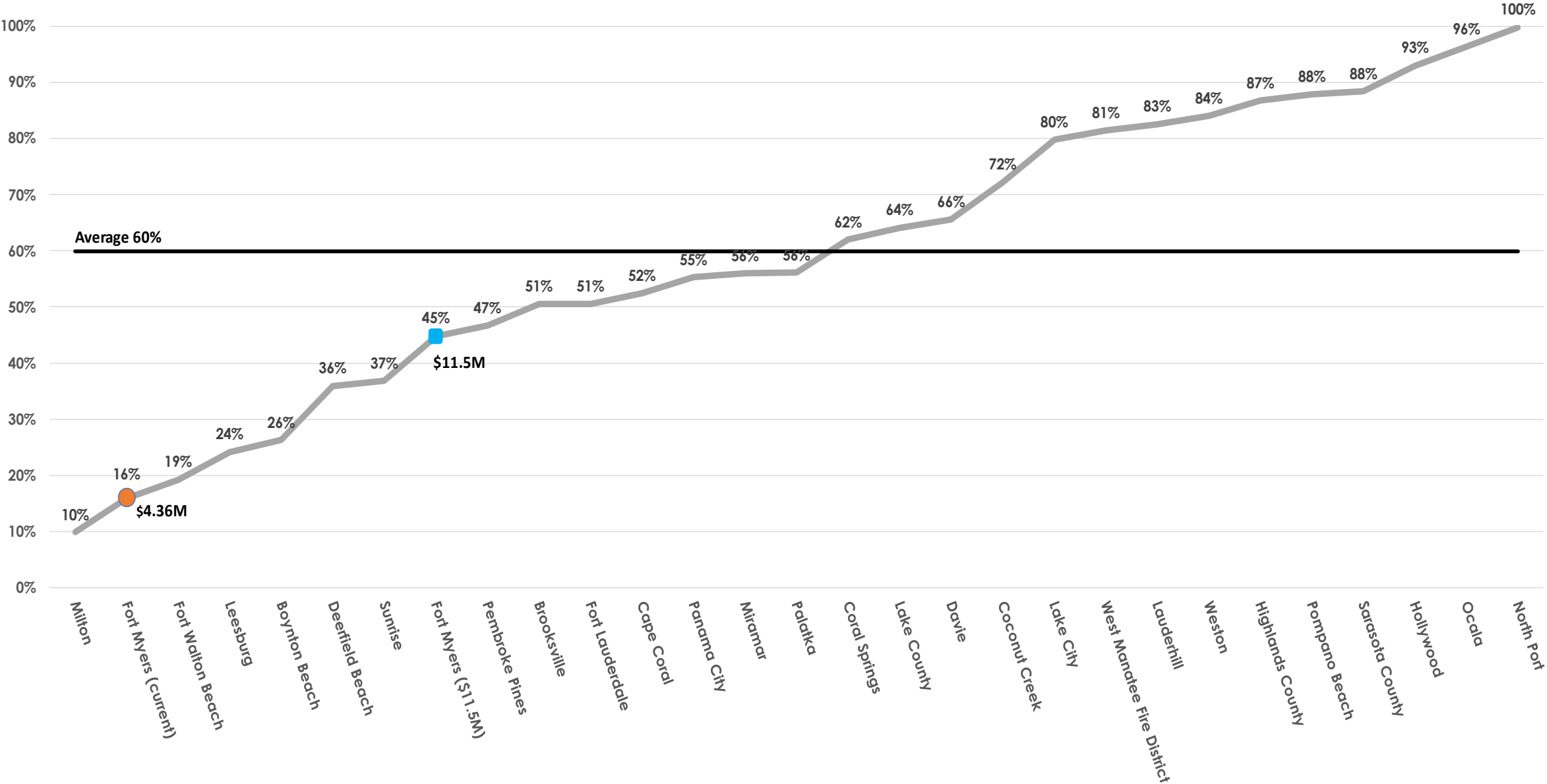
Single Family Fire Assessment Rate Survey



*Reflects data provided by City staff.



Fire Assessment Cost Recovery Survey




Impact Fees

1. Overview of Impact Fees
2. Methodology and Calculation
3. Case Studies
4. New Restrictions



What is an Impact Fee?

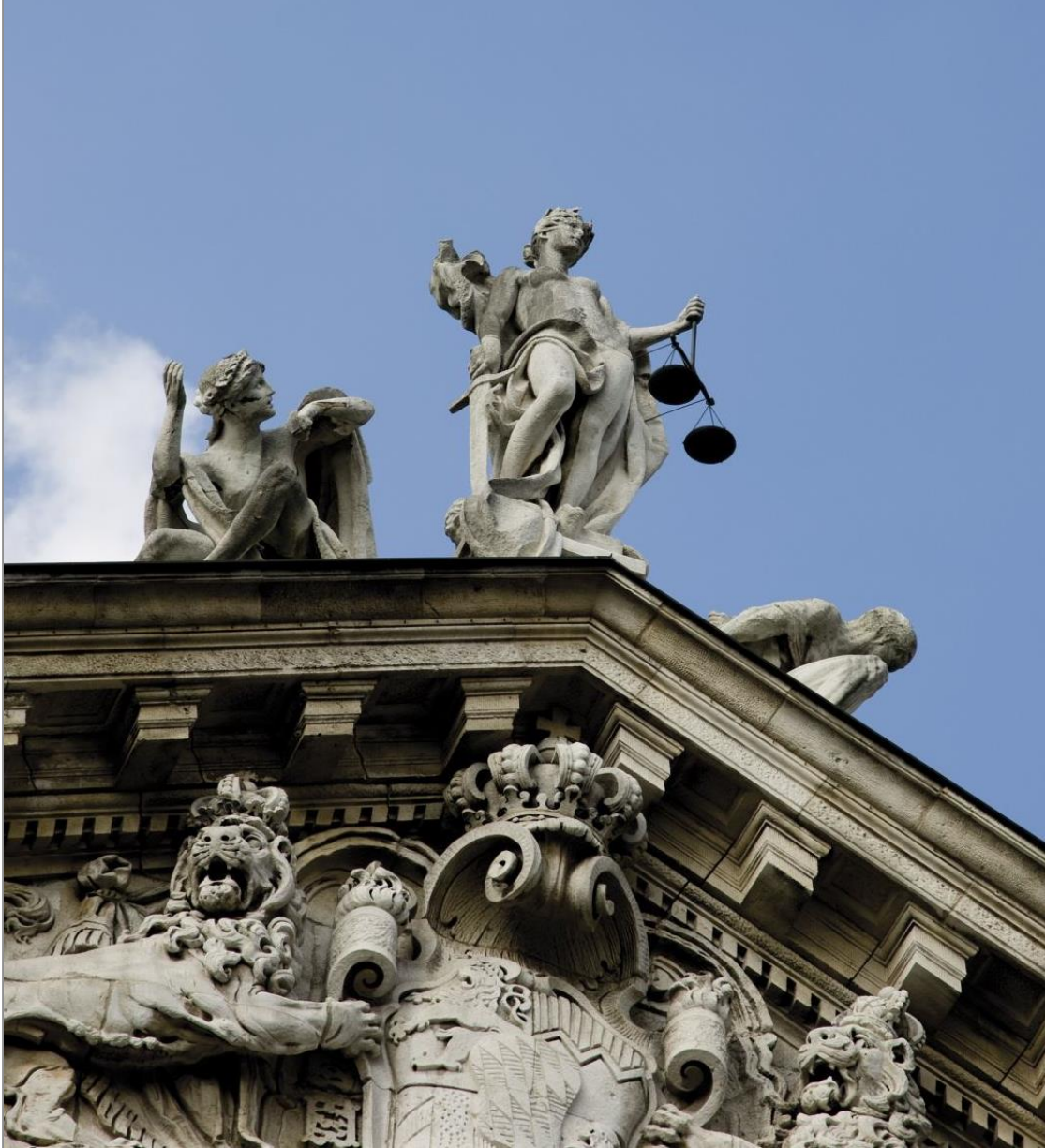


Fee that pays for new facilities to serve growth

Alternative to raising property taxes

One-time payment imposed on new development

Paid at issuance of building permit



“Florida Impact Fee Act” 163.31801

An impact fee must meet certain minimum statutory criteria

- Calculation is based on the most recent and localized data
- Rational nexus with the need for additional facilities and the increased impact from new construction
- Accounting and reporting of impact fee in a separate accounting fund

Can an Impact Fee pay for this?

1. The City has experienced significant growth and needs a **new police officer** to keep up with the demand for services.

NO



2. A large development is occurring, and the City needs a **new fire station** in order to serve this area of growth.

YES



How is an Impact Fee Calculated?



- Existing: Fixed Assets
- Future: CIP

- Examples:
 - *Functional Population*
 - *Connections*
 - *Vehicle Miles Traveled*
 - *Acreage*

- Unit cost of capacity
- Scaled by land use type and property size

Functional Population

- Estimation of the number of people present
- Common unit of measurement for the impact of different land uses
- Rational nexus used for **governmental** impact fees



Residential

Average # of occupants

Unit = 1 Household



Non-Residential

Average # of employees and visitors

Unit = 1,000 Sq Ft

Utility Facility Capacity

- Measured in **Equivalent Residential Connections** (ERC)
 - Based on level of service (LOS) in gallons per day (gpd)
- Rational nexus used for **utility** impact fees
- Impact fees scaled using the AWWA meter equivalency

Meter Size	AWWA Equiv.
3/4"	1.0
1"	2.5
1.5"	5.0
...	...



Capacity: 5,000,000 gd

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LOS: 300 gpd

=

16,667 ERCs





City of Tarpon Springs Water & Sewer Impact Fees

Water & Sewer Impact Fees

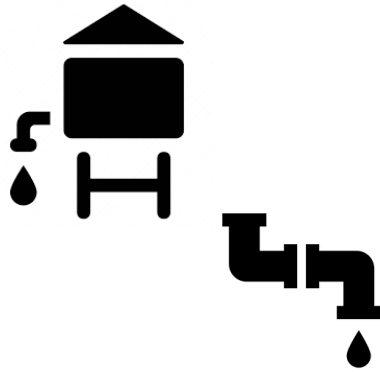
“Buy-In” Cost Methodology

- Excess capacity exists

Credits for
outstanding debt
& grant funded
assets

Water

Treatment
Transmission
Supply



\$ 63,275,367
Existing Facility Cost



\$ 2,253 per ERC

Divided by existing ERCs

Sewer

Collection
Treatment
Disposal



\$ 31,385,392
Existing Facility Cost



\$ 1,573 per ERC



City of Wildwood Recreation Impact Fees

Recreation Impact Fees

“Incremental” Cost Methodology

- Little excess capacity
- Significant planned projects
- Excluded the Villages from future units

\$ 7,783,819
Projected Facility
Costs



Divided by future units
served



No benefit to
Non-Residential
land use = No Fee

\$ 690.54 per
Household





Dade City Law Enforcement Impact Fees

House Bill 337 – Reforms to Florida Impact Fee Law



Approved by the Governor on June 4th, 2021

- Clarifies the terms “infrastructure” and “public facilities”
- Requires an affidavit related to compliance with the statute
- **Provides “Phase-In Limitations” on Increases**

“Phase-In Limitations” on Increases



- ☑ $\leq 25\%$ Two Equal Annual Increments
- ☑ $>25\% \leq 50\%$ Four Increments
- ☑ $>50\%$ Not Allowed
- ☑ Increase only once every 4 years

Exceeding the Limitations

1. A “Demonstrated Need” study that outlines ***extraordinary circumstances***
2. Two publicly noticed workshops
3. Two-thirds approval

“Extraordinary Circumstances”

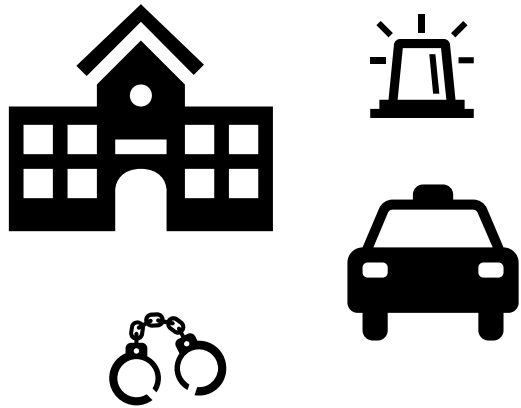
- Significant updates to **costs** of facilities
 - Existing taxpayers may fund the gap
- Significant updates to **growth and property mix**
 - New development may be unevenly charged
- If impact fees are **arbitrary** or there is **insufficient documentation**



Law Enforcement Impact Fee

“Buy-In” Cost Methodology

- Excess capacity
- New Police HQ



\$ 2,203,343
Existing Facility
Cost

County Sales
Tax funded
assets removed

Divided by existing
units served



\$ 449.30 per Single Family House



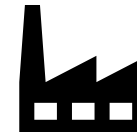
\$ 323.50 per Multi Family Unit



\$ 462.78 per 1,000 Retail Sq Ft



\$ 220.16 per 1,000 Office Sq Ft



\$ 76.38 per 1,000 Industrial Sq Ft



\$ 44.93 per 1,000 Warehouse Sq Ft

Case Study: Dade City, FL

Existing Impact Fee:
\$0.05 per square foot

	Calculated	Existing	Increase
Single Family Household	\$ 449.30 per Household	\$ 94.45 per Household	376%

	Calculated	Existing	Increase
Retail	\$ 462.78 per 1,000 Sq Ft	\$ 50.00 per 1,000 Sq Ft	826%

“Extraordinary Circumstances”

- Increased cost of service and funding needs
- Substantial growth and anticipated demands
- Failure to adopt increase will result in costs absorbed by current residents and businesses



Questions/Discussion



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