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MEMORANDUM

TO: Willie Swoope,
Leonard Berger

DATE: June 25, 2012

SUBJ: 2012 Update of Palm Beach County impact fees
Park Impact Fee Credits for Outstanding Debt

Ref: June 18, 2012 Memo from Eric Call, Director, Parks and Recreation
Department

In the June 18th memo, Mr. Call is requesting that the parks impact credits for outstanding debt be modified to reflect the reduction of those portions of outstanding park debt that were used for non-county park improvements and for land acquisition. The latter change is requested based on the decision to drop park land acquisition costs from the 2012 updated impact fee calculation. Mr. Call also requests that the credit for state park grants and assistance be reduced to reflect those portions of state grants and assistance that were used for park land acquisition.

The existing impact fee, updated fee calculated in the June 2, 2012 draft, and the updated fee incorporating the recommendations of the Parks and Recreation Department are shown below. Both updated fees would still result in a reduction of the parks impact fee from the existing impact fee.

	Existing Impact Fee	June 1, 2012 Updated Fee	Updated Revised Per Parks Dept.
RESIDENTIAL UNITS BY SIZE			
800 Feet and Under	\$973.61	\$509.24	\$536.38
801 - 1,399	\$1,177.74	\$1,017.05	\$1,071.24
1,400 - 1,999	\$1,346.39	\$1,054.95	\$1,111.17
2,000 - 3,599	\$1,539.87	\$1,105.00	\$1,163.88
3,600 and Over	\$1,690.67	\$1,151.55	\$1,212.91
Hotel/Motel per Room	\$593.75	\$286.57	\$301.83

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The Department is recommending the following changes/adjustments:

1. The reduction of \$3,000,000 for debt proceeds used for a municipal project (Boat Ramp, Boynton Inlet area);
2. The reduction of \$1,000,000 for debt proceeds used for the Glades Pioneer Park Pool, since park impact fees are not collected in the Glades area;
3. The reduction of \$3,500,000 for debt proceeds used for land acquisition for the Palm Beach Gardens District Park; and
4. The reduction of \$4,100,000 for debt proceeds used for land acquisition for Riverbend Park.

These reductions come to a total of \$13,400,000.

Furthermore, the Department recommends that the credit for State grants and assistance be reduced from 8% to 5.1%. The basis for this recommendation is that much of the state grants and assistance were used for land acquisition.

I can agree and will modify the outstanding debt credit for municipal and Glades area projects. This would be a reduction of \$2,800,000. I believe that debt proceeds used for parks land acquisition is a different matter. New residential development will go on the tax rolls and pay debt service on the outstanding park debt, including the portions of that debt used for land acquisitions. Such debt service payments are the absorption of park costs by new development and should be given fair consideration in calculating park impact fee credits.

In Palm Beach County the park impact fee is not bifurcated into a park land impact fee and a park development impact fee. Rather, the park impact fee is now and always has been a single fee calculated using two levels for service, one for land and one for development land. Fees collected can be spent on either land acquisition or land development. This will still be the case if land acquisition costs are dropped from the calculation of the fee. New development will still be paying for past land acquisition in their payment of debt service, and thus it is my recommendation that outstanding debt credits not be reduced by the portion of debt proceeds used for land acquisition.

I do agree with the Department with respect to the municipal and Glades use of debt proceeds. Therefore the outstanding park debt used in the updated park

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impact fee calculation would be reduced by \$2.8 million; from \$49.6 million to \$46.8 million. The revised updated parks and recreation impact fee would be:

	Existing Impact Fee	June 1, 2012 Updated Fee	Updated Revised Per Parks Dept.	June 25, 2012 Updated Fee
RESIDENTIAL UNITS BY SIZE				
800 Feet and Under	\$973.61	\$509.24	\$536.38	\$511.14
801 - 1,399	\$1,177.74	\$1,017.05	\$1,071.24	\$1,020.84
1,400 - 1,999	\$1,346.39	\$1,054.95	\$1,111.17	\$1,058.88
2,000 - 3,599	\$1,539.87	\$1,105.00	\$1,163.88	\$1,109.12
3,600 and Over	\$1,690.67	\$1,151.55	\$1,212.91	\$1,155.84
Hotel/Motel per Room	\$593.75	\$286.57	\$301.83	\$287.63