

Attachment 1

SCOPE OF SERVICES INDIAN RIVER COUNTY IMPACT FEE UPDATE

INTRODUCTION:

Indian River County is located on south central Florida's eastern coast. With a current population of approximately 150,000, the County has an urbanized coastal area and a rural western area.

There are five incorporated municipalities in the County. These municipalities occupy approximately ten percent of the County's land area and accommodate less than thirty-five percent of the total County population. Consistent with this trend, most of the County's growth is occurring in the unincorporated area.

In the last several decades, the County's growth rate has been significant. After exceeding 50% in the 1980s, the County's growth exceeded 20% in both the 1990s and 2000s. To address the infrastructure costs associated with new growth, the County instituted a countywide traffic impact fee program in 1986. Also in the 1980's, the County instituted water and sewer capacity charges within the County's water and sewer service area. Because of the amount of growth and development, the Board of County Commissioners, in 2005, approved impact fees for eight additional service/facility categories. These categories are:

- Correctional Facilities (currently suspended)*
- Solid Waste Facilities (currently suspended)*
- Public Education Facilities
- Libraries (currently suspended)*
- Fire/Emergency Services
- Law Enforcement
- Public Buildings
- Parks

*In 2014, the County suspended the collection of Correctional Facilities, Solid Waste Facilities and Libraries impact fees after a determination was made that for some time the impact fees would not be used as a revenue source for those facilities. Those three impact fee categories remain suspended, but will be evaluated/calculated to better understand the financial impacts related to new development and growth, especially as it relates to solid waste facilities.

Unlike many counties, Indian River County has an impact fee system that includes all four of the County's municipalities. Through interlocal agreements with the County, the municipalities collect impact fees within their jurisdictions and transmit those fees to the County. To cover that cost, the municipalities receive a portion of the impact fee administration charge. While some of the County's impact fees (traffic, corrections – currently suspended, solid waste – currently suspended, education, public buildings, and libraries – currently suspended) are imposed countywide, one fee (fire/EMS) is imposed countywide except for the Town of Indian River Shores (Indian River Shores is the only

municipality that does not participate in the County’s Emergency Service District). The other fees (law enforcement and parks) are imposed only in the unincorporated county.

According to the Indian River County Impact Fee Ordinance, every five years, the county will review its impact fees and decide whether or not to update and change the fee schedules to reflect current economic and development conditions. In June of 2017, three years after the year 2014 impact fee update, the Board of County Commissioners reviewed the impact fee schedules and decided to have the impact fee schedules updated in 2019.

PURPOSE:

The purpose of this project is to update the rates for six of the impact fee categories (not including water and sewer capacity changes, and not including impact fees for correctional facilities, solid waste facilities, and libraries) referenced above to account for changes to demand variables, credit characteristics, and land and construction costs.

This project will also involve an update to the Affordable Growth Model based on a reexamination of growth rate assumptions and available “buy down” revenue and will recommend changes to the impact fees based on the County’s ability to buy down those fees based on Board policy decisions.

SCOPE OF ACTIVITIES:

TASK 1 – DATA COLLECTION AND ANALYSIS

TASK 1.1 REVIEW OF THE COUNTY’S 2019 IMPACT FEE STUDY AND BACKGROUND DATA

CONSULTANT shall review the County’s most recent impact fee study report in order to become familiar with the impact fee formulas and methodologies used in computing Indian River County Impact Fee rates. The CONSULTANT shall also review the Affordable Growth Model used to recommend an appropriate “buy down” of impact fees to encourage non-residential development.

The CONSULTANT shall use the inventories included in the 2019 study and any updates to those inventories since then for all six impact fee program areas, with the exception of public schools. The public education facilities inventory will be updated to reflect most recent FISH capacities; enrollment figures, enrollment trends, and student generation rates will be analyzed. Public education administrative, maintenance, and fleet inventories can be based on those contained in the 2019 study.

TASK 1.2 TRANSPORTATION COST DATA COLLECTION

The CONSULTANT shall review the Indian River County MPO 2040 Cost Feasible Plan and identify which improvements on that plan have not been constructed as well as the actual costs of construction and right-of-way acquisition for roadway projects completed in Indian River County in the last five (5) years or currently under construction.

The CONSULTANT shall use this information in identifying an average unit cost for the provision of various construction components, including right-of-way costs; per-lane-mile roadway construction costs; bridge construction costs; safety improvement costs (such as lighting, signage, and pavement markings); and any other cost elements necessary to obtain a complete and accurate update of project cost.

All cost information for transportation facilities will be reviewed by the consultant against costs for similar construction and development used in other jurisdictions. Where appropriate, industry and comparable data will be used to supplement or modify the local data.

TASK 1.3 NON-TRANSPORTATION COST DATA COLLECTION

For each non-transportation facility/service category referenced above, CONSULTANT shall coordinate with applicable departments, agencies, the school district and the property appraiser's office to compile current information (last 12 months) regarding land and construction costs.

Specific information collected/documented shall include:

- Recent land sales for properties that meet the size and location criteria appropriate for each facility/service category. This information shall, for each land sales transaction, include:
 - Total cost of property
 - Per acre cost of property
- Recent construction projects for each service facility category. For each project, information collected shall include:
 - Design Cost
 - Construction Cost, including landscape and hardscape site improvements
 - Engineering and Inspection Costs
- Bids received, contracts awarded, or engineer's cost estimates for applicable projects not yet completed.
- Current construction cost indices for service facility categories.
- Historic capital costs/facility inventory lists (total costs and unit costs).
- Programmed and Planned capital costs.

All cost information for non-transportation facilities will be reviewed by the consultant against costs for similar construction and development used in other jurisdictions. Where appropriate, industry and comparable data will be used to supplement or modify the local data.

TASK 1.4 REVENUE IDENTIFICATION

CONSULTANT shall update recent historic and projected capital improvement funding sources, including:

- Revenue sources for capital expenditures including, but not limited to, the recent local option sales tax extension (and its anticipated use in funding capital for impact fee category capital items), local option gas tax, state grants, and federal grants.
- Revenue source amount projections by source.
- Debt Service for Bond Proceeds used for capital construction.

TASK 1.5 CREDIT COMPONENT

Using the data collected in Tasks 1.2 through 1.4, CONSULTANT shall determine a net impact cost per resident for each non-transportation impact fee facility/service category. This task will involve, but may not be limited to, calculating:

- Capital Improvements credit per resident.
- Effective vacant land value percentages, taking into account taxable values of vacant land and total property value for the County.
- Revenue credit per resident for past property taxes.

The CONSULTANT shall also adjust traffic impact fee credits, with an emphasis on the share of Local Option Sales Tax funds allocated to highway projects since 2009.

TASK 2 – METHODOLOGY

TASK 2.1 UPDATE OF THE AFFORDABLE GROWTH MODEL

As part of this Task, CONSULTANT will update the Affordable Growth model that provides flexibility in the levels of impact fees by area or land use and assists the COUNTY in developing incentives to encourage the desired types of future development.

Historical and projected population growth rates will be evaluated to update the level of growth incorporated into the model.

Based on the results of the updated credit component, available revenue flows will be updated to determine the COUNTY'S ability to buy down fees through this method.

Results of this task will be summarized in the draft technical report.

TASK 3. UPDATED FEE SCHEDULE

TASK 3.1 ADMINISTRATION REVIEW AND ADMINISTRATION FEE UPDATE

CONSULTANT shall review current procedures and estimate staff time associated with administering the existing impact fee program. Based on that review, CONSULTANT shall determine the annual costs for administering the impact fee program and shall prepare an update of the administration fees as appropriate. That update shall comply with applicable state requirements for establishing impact fee administrative charges.

TASK 3.2 FEE SCHEDULE PREPARATION

For each facility/service category, CONSULTANT shall coordinate with COUNTY staff to prepare updated fee schedules. The updated schedules must reflect the preferred policy and other alternatives selected by COUNTY, as appropriate. The revised fee schedules will incorporate all relevant updated land acquisition and construction cost data; updated impact fee credit data; and updated independent variable data, as appropriate. The fee schedules will be informed by the Affordable Growth model and may entail revised impact fee formulas, where revision of those formulas have been proposed by CONSULTANT and found acceptable to the COUNTY.

TASK 4 –FINAL REPORT

TASK 4.1 PUBLIC HEARINGS AND MEETINGS

CONSULTANT shall attend three in-person meetings/workshops/public hearings for consideration and adoption of the revised impact fees. At the meetings/workshops, CONSULTANT shall present the proposed impact fees and explain the methodology employed to develop the fees. CONSULTANT shall prepare all presentation material, including Power Point presentations, presentation boards, and handouts. On scheduled in-person meeting/workshops/hearing dates, CONSULTANT shall also schedule separate in-person meetings with staff to review progress on tasks and discuss project status. In addition to these meetings/hearings, CONSULTANT shall attend one kickoff conference call and one conference call to review the draft report.

TASK 4.2 DOCUMENT PREPARATION

CONSULTANT shall compile information from TASKS 1 - 3 and incorporate that information into a draft report and provide that report to the County in PDF and Word formats, and provide Excel spreadsheet files with formulas (as applicable). The report will include all information, estimates, projections, analysis, assumptions made, and methodologies employed to complete the tasks. The report shall include all relevant information in the principal document, with other information/data incorporated in technical appendices, including a comparison of impact fee

rates used in other counties. After COUNTY review, CONSULTANT shall make necessary revisions to the draft and transmit the final report to COUNTY.

TASK 5 – IMPACT FEE UPDATE REQUIREMENTS AND PROVISIONS OF WORK

TASK 5.1 PROJECT SCHEDULE

The schedule for completion for the project will be a maximum of nine (9) months from the date of issuance of the Notice to Proceed. Prior to COUNTY'S issuance of a Notice to Proceed, CONSULTANT shall prepare a schedule of calendar deadlines for deliverables.

TASK 5.2 PROGRESS REPORTING AND INVOICING

CONSULTANT shall on a monthly basis provide COUNTY with written progress reports describing the work performed on each task. Also on a monthly basis, CONSULTANT shall submit one originally signed copy of an invoice package to the COUNTY'S Project Manager. Judgment on whether work of sufficient quality and quantity has been accomplished will be made by the COUNTY'S Project Manager using a comparison of reported percent work completed against actual work accomplished.