

TischlerBise Fiscal & Economic

NEWSLETTER

Impact Fees and CIE Prepared for Effingham County, GA

Effingham County is located northwest of Savannah, Georgia. Urban development is intensifying in the County, as evident by the County's recent decision to undertake the construction of major water and sewer utility systems, for which TischlerBise calculated water and sewer impact fees. TischlerBise also calculated fees for roads, parks and public safety facilities.

The road impact fee prepared for the County will help fund a major four-lane highway that will be constructed in the utility service area. The new highway is a cooperative effort between the County (paying for rights-of-way and engineering) and the

(See EFFINGHAM COUNTY, p. 4)

New City of Maricopa, AZ Implements Development Impact Fees

TischlerBise was hired to calculate development fees for the newly incorporated City of Maricopa, Arizona, southwest of Phoenix. The City is currently averaging 600 single family building permits per month. The City's current population is estimated at 11,100 with a projected population of over 100,000 in five years.

Establishing appropriate levels of service was a challenge

TischlerBise calculated development fees for parks and recreation, libraries, public safety, general government, and transportation using the plan-based methodology. The lack of existing infrastructure owned by the

(See MARICOPA, p. 2)

Different Impact Fee Methods Used for Fire Stations in Lake Wales, FL

The City of Lake Wales is being impacted by growth from Orlando and Tampa. The City hired TischlerBise to update impact fees for water, sewer, police, fire / EMS and park infrastructure.

Two different approaches for fire stations were utilized

Because each community is unique, TischlerBise does not have a "one-size-fits-all" approach to impact fees. For example, in this assignment we applied different methodologies for fire stations in two service areas. In the north service area, a new fire

(See LAKE WALES, p. 4)

Dade County Impact Fees Reviewed for the City of Miami, FL

The City of Miami, Florida, requested that TischlerBise review existing impact fees imposed by Dade County in the 1990's for road and school capacity. The findings are summarized below.

County road impact fees overcharge new development in the City

New high-rise development in Miami is very different from the low-density development in the unincorporated County. Because new residential development within Miami is demographically different from development on the suburban fringe, the ten-year old County road impact fees are not proportionate to the demand for additional lane miles.

(See DADE COUNTY, p. 2)

IN THIS ISSUE

Impact Fees are More Than Numbers

This newsletter focuses on impact fees. Impact fees should reflect not only defensible dollar amounts, but also policy considerations and methodological alternatives. Many studies use a formulaic "cookie cutter" approach. In Grass Valley, CA, TischlerBise was hired to complete an impact fee study that reflected one approach throughout. We considered and tested several approaches. Consequently, the revenues for one category (police) increased an additional \$3.6 million, or 50% more.

Impact fees should consider growth management policies and alternative methods

This newsletter discusses four interesting recent assignments. For the new City of Maricopa, AZ, we calculated the cost of higher levels of service and the City's cost to bring the existing development base up to these levels.

In Effingham County, GA, we calculated the revenue needed to supplement impact fees due to higher levels of service, credits and/or discounting of the fees.

For Lake Wales, FL, we used different impact fee methodologies based on differing needs for two service areas for fire stations.

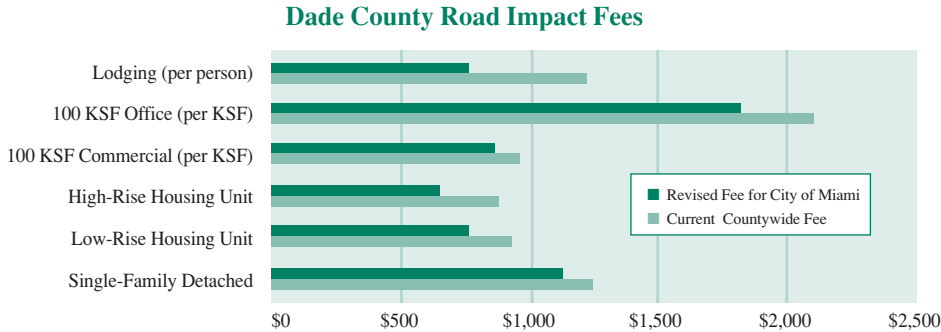
Finally, in addition to preparing impact fees for Miami, FL, TischlerBise was asked to evaluate two Dade County impact fees (roads and schools) paid by new development within the City. County fees overcharge new development in Miami.

Paul S. Tischler

DADE COUNTY, FLORIDA

(continued from p. 1)

Dade County road impact fees are significantly overcharging new development within the City of Miami because of 1) smaller household size; 2) fewer vehicles available and 3) less private motor vehicle use for journey-to-work trips. For the six development categories shown below, a reduction of County road impact fees should range from 9% to 37% to account for lower demand factors within the City of Miami.



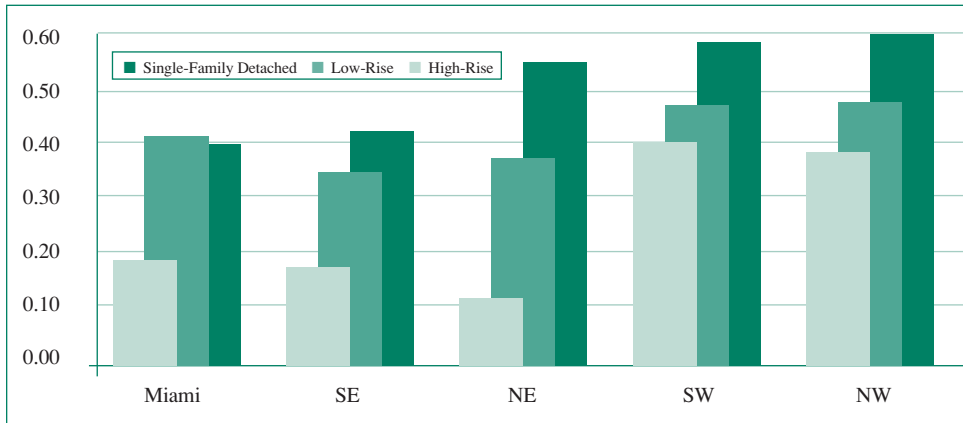
School Impact Fees

TischlerBise also evaluated Dade County’s school impact fees and prepared recommendations for consideration during the next County school impact fee update. School impact fees are currently imposed using a formula based upon the floor area of a housing unit, with no variation by type of housing or geographic area. Based on TischlerBise’s national impact fee experience with student generation rates, a suburban single-family detached house and a downtown high-rise unit with the same floor area do not yield the same number of public school students. TischlerBise recommended that student generation rates and school impact fees vary by geographic area (e.g., central city versus suburbs) and housing type (e.g., single-family detached, low-rise and high-rise units). To derive the recommended student generation rates, TischlerBise used detailed demographic data from the U.S. Census Bureau Year 2000 Public Use Microdata

High-rise residential development in the City of Miami is paying twice their proportionate share in school impact fees

rience with student generation rates, a suburban single-family detached house and a downtown high-rise unit with the same floor area do not yield the same number of public school students. TischlerBise recommended that student generation rates and school impact fees vary by geographic area (e.g., central city versus suburbs) and housing type (e.g., single-family detached, low-rise and high-rise units). To derive the recommended student generation rates, TischlerBise used detailed demographic data from the U.S. Census Bureau Year 2000 Public Use Microdata

Recommended Student Generation Rates by Alternative Benefit Districts and Type of Housing



Sample (PUMS 5% sample). The chart above shows significant differences between benefit districts by type of housing. In conclusion, TischlerBise found that high-rise units within the City of Miami are paying twice their proportionate share in school impact fees.

MARICOPA, ARIZONA

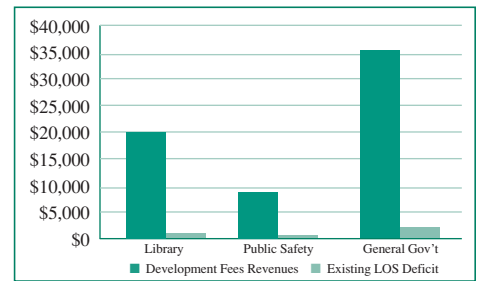
(continued from p. 1)

City presented a challenge as well as an opportunity. The challenge was to calculate an appropriate level of service (LOS) to serve new growth. However, new growth cannot be charged for a higher LOS than is currently being provided, unless there is a plan in place to fund the higher LOS for existing development with non-development fee revenues. The opportunity was to charge development impact fees on a new, higher LOS.

The City committed non-development fee revenues to raise existing levels of service

For public safety, libraries, and general government, the plan-based methodology was based on a higher LOS utilizing the average LOS for other Phoenix area communities where TischlerBise has recently calculated development fees. The development fee calculations included identifying the current LOS deficit and the cost to raise the LOS for existing development.

Maricopa, AZ Projected Development Impact Fee Revenues Next Six Years Compared to Funds Needed to Raise Existing LOS Deficit



The chart above reflects the excellent leverage the City receives if it uses non-development impact fee money to fund the existing deficiencies under the higher LOS. If the City committed \$4.2 million to raise the existing LOS for the three categories of

By funding \$4.2 million to raise existing levels of service, the City could collect \$64.1 million in 6 years

libraries, public safety, and general government, the City could collect a projected \$64.1 million in development fees over the next six fiscal years.

Speaking Engagements

Impact Fee or Is It?

At the National American Planning Association Conference, TischlerBise associate, Julie Herlands, presented a session on cash proffers. Ms. Herlands discussed TischlerBise's work in the Virginia counties of Henrico and Goochland. The session focused on the evolution of cash proffer programs, their similarities and differences to impact fees, and specific case studies. The session is available through the APA training series, Best of Contemporary Community Planning 2005 as part of the CD-ROM Training Package, "Agreements, Fees, and Capital Improvement Programs."

Integrated Planning with School Demands

At the National American Planning Association Conference, Julie Herlands discussed TischlerBise's work with Lake County Schools, Florida, where land use and demographic analysis along with fiscal impact analysis was utilized to address the school district's capital facility needs.

Fiscal Impact Analysis and Cash Proffers

Carson Bise and Julie Herlands presented at the Virginia American Planning Association (VAPA) annual conference on two tools available to growing Virginia communities, fiscal impact analysis and cash proffers. Fiscal

impact analysis helps communities understand the fiscal effects of growth, and cash proffers help to mitigate some of new growth's impacts. The session provided an overview of both tools along with case study examples from two TischlerBise Virginia clients, Henrico and Frederick Counties.

Fiscal and Economic Analysis in Planning

At the National American Planning Association Conference, Carson Bise was a presenter at the session, "Economic and Fiscal Impact Analysis in Planning." The session examined the evolving and broadening applications for economic and fiscal impact analysis. Among the topics discussed was the difference between economic impact and fiscal impact studies.

Impact Fees in Arizona: The Good, The Bad, & The Ugly

The above session was part of the 2005 Arizona City/County Management Association conference. The two speakers were Paul Tischler and Carson Bise. A number of topics were discussed based on TischlerBise's development fee work for over 20 Arizona clients. The topics included possible pitfalls, examples of bad approaches, alternative methodologies, future trends and other issues. Paul Tischler's presentation stressed the need to consider methodological alternatives for each impact fee component that meets the jurisdiction's

objectives and the need for a full cash flow analysis to identify revenue shortfalls not covered by impact fees. Carson Bise discussed how to leverage local dollars by committing to higher levels of service for current residents and being able to charge new growth for these higher levels of service.

New Fiscal Impact Assignments:

Lawrence, Kansas
Snow Hill, Maryland
Guilford County, North Carolina
Oklahoma City, Oklahoma
Coppell, Texas

New Impact Fee and Feasibility Assignments:

Bentonville, Arkansas
Camp Verde, Arizona
Lake Havasu, Arizona
Sierra Vista, Arizona
Hemet, California
DeSoto Co., Florida (Public Schools)
Plant City, Florida
Douglas County, Georgia
Douglasville, Georgia
Worcester County, Maryland
Nye County, Nevada
Green, Ohio

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Please send the following:

- Recent Fiscal & Economic Newsletters
- Reprint "20 Points to Know About Impact Fees"
- Reprint "Impact Fees – Understand Them or Be Sorry"
- Excerpts from: ICMA IQ Report "Introduction to Infrastructure Financing"
- Excerpts from: ICMA Smart Growth Network "Smart Growth & Fiscal Realities"

Information about TischlerBise Consulting Services:

- Fiscal Impact Analyses
- Impact Fees
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EFFINGHAM COUNTY, GEORGIA

(continued from p. 1)

Georgia Department of Transportation (paying for construction).

Revenue Strategy

Because impact fees frequently don't cover 100% of growth-related capital costs, it is important to identify additional revenue

A cash flow analysis should indicate any impact fee revenue shortfalls

sources and the relative magnitude of the funding gap through a cash flow analysis.

As shown in the chart below, the percentage of funding from impact fees varies significantly by type of infrastructure. Furthermore, the fees recommended for adoption are less than the maximum supportable fees thus increasing the funding gap. An exam-

Benefit to existing development requires non-impact fee revenue

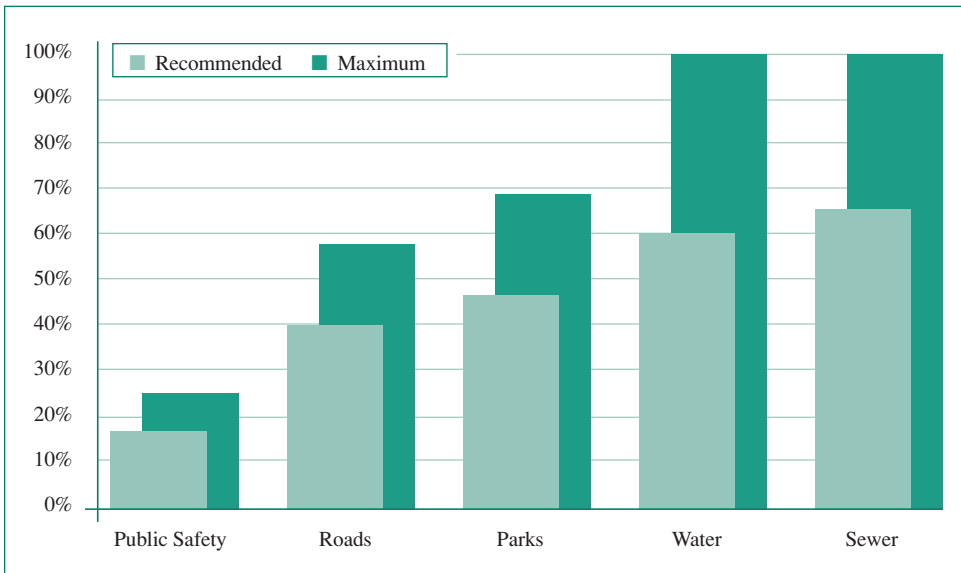
ple is the public safety impact fees, which only covers approximately 17% of the expected cost. This is because the new Public Safety Complex and enhancements to the emergency communications system will

increase the level of service for both existing and future development. At the recommended level, impact fees will pay for 40% of the system improvements for roads and 47% for parks, partially due to credits and level of service enhancements.

Because the Board of Commissioners set water and sewer fees significantly less than the maximum supportable amount, over the next five years, impact fees for water and sewer systems are expected to fund approximately 60% to 65% of the anticipated cost of system improvements.

Percent of Growth-Related Cost Covered by Impact Fee

Effingham County, Georgia



LAKE WALES, FLORIDA

(continued from p. 1)

station will be constructed during the next five years. In the south service area, the main station has sufficient capacity to accommodate new development.

Geographic areas vary by fee category

By using a plan-based methodology for the new fire station in the north and a cost recovery methodology for the existing fire station in the south, impact fees are higher in the new-growth area.

The City also added a new impact fee for expansion of the library system. Because the City's parks and library provide service to a geographic area larger than the city limits, infrastructure standards were calibrated using the estimated service area population.

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