ORDINANCE 2012-03

(Adoption of updated impact fee study and impact fee schedule)

AN ORDINANCE AMENDING ARTICLE VII, DIVISION 4, PUBLIC FACILITIES IMPACT FEES OF CHAPTER 23, ZONING, LAND USE AND DEVELOPMENT REGULATIONS, LAKE WALES CODE OF ORDINANCES, BY ADOPTING THE 2011 STUDY ENTITLED "DEVELOPMENT IMPACT FEES, CITY OF LAKE WALES, FLORIDA"; AMENDING THE SCHEDULE OF IMPACT FEES TO BE ASSESSED FOR THE CAPITAL COSTS OF PROVIDING POTABLE WATER, SANITARY SEWER, POLICE, FIRE/RESCUE, PARKS, AND LIBRARY SERVICES; ADDING THE INTENT TO MEET THE REQUIREMENTS OF THE FLORIDA IMPACT FEE ACT; ELIMINATING THE LIMITATION ON IMPACT FEE CREDITS FOR DONATION OF LAND; AMENDING PROVISIONS FOR UPDATING IMPACT FEES; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT ENACTED by the City Commission of the City of Lake Wales, Polk County, Florida:

SECTION 1. **Sec. 23-762. Legislative findings and intent, subsec. g** is hereby amended as follows:

g. This ordinance is intended to be consistent with the principles for allocating a fair share of the cost of new public facilities to new users as established by the Florida Supreme Court in the case of Contractor and Builders Association of Pinellas County vs. City of Dunedin, 329 So. 2nd 314 (FL 1976) and to meet the requirements of the "Florida Impact Fee Act," Ch. 163.31801 F. S., particularly the requirement that impact fees are to be based on "the most recent and localized data."

SECTION 2. **Sec. 23-763. Adoption of impact fee study** is hereby amended as follows:

Sec. 23-763. Adoption of impact fee study and impact fee schedule

The commission hereby adopts and incorporates by reference the study entitled "Development Impact Fees - City of Lake Wales, Florida" prepared by ~~TischlerBise, Fiscal, Economic & Planning Consultants,~~ Clarion Associates and dated December 26, 2011 particularly the assumptions, conclusions and findings in such study as to the allocation of anticipated costs of capital improvements and additions to the capital facilities between those costs required to accommodate existing development and those costs

required by growth. The impact fee schedule shall be as set forth in said study on "Figure 2A – Proposed Impact Fees in North and South Service Areas."

SECTION 3. **Sec. 23-770. Developer contribution credit, subsec. g** is hereby amended as follows:

g. The credit granted for the donation of land or equipment for the construction of public facilities by an applicant shall only be applied as a credit against the impact fee which provides the funds for the specific capital facility. ~~Credit for the donation of land shall not exceed one-third (1/3) of the amount of the impact fee.~~

SECTION 4. **Sec. 23-777. Police services impact fees subsec. *d. Use of police services impact fees,* subsec. 10** is hereby corrected to read as follows:

10. Acquisition of vehicles utilized in providing ~~wastewater service~~ police services and the apparatus or equipment necessary to provide such service.

SECTION 5. **Sec. 23-779. Library impact fees subsec. a, first sentence** is hereby amended as follows:

a. *Findings applicable to library impact fees.* In addition to the findings contained in section ~~23-412~~ 23-762, the commission hereby specifically ascertains, determines and declares as follows:

SECTION 6. **Sec. 23-780. Annual adjustment of impact fees** is hereby amended as follows:

Sec. 23-780. Annual adjustment of impact fees

Impact fees shall be automatically adjusted on June 1 of each year for annual change in the Consumer Price Index (CPI) for Construction Products (the "Construction Costs Index") through March as published by the U. S. Department of Labor, Bureau of Labor Statistics. The adjustment shall be calculated by the finance director who shall revise the impact fee schedule ~~Schedule "B"~~ and provide a copy of same to department heads as applicable. The revised impact fee schedule ~~Schedule "B"~~ shall also be provided to the city clerk who shall attach it to this ordinance in the official records of the city. Date of revision shall be clearly indicated on the revised schedule. ~~Schedule "B."~~

SECTION 7. **Sec. 23-781. Applicability of revised impact fees** is hereby amended as follows:

The impact fees established in this Division ~~in Schedule "B"~~ shall apply to all development for which building permit applications are submitted to the city and to all changes of use of property within the city. ~~are submitted to the planning and development department on or after June 15, 2005 except that impact fee rates established by development agreement approved by the city commission prior to June 15, 2005 shall not be adjusted by this ordinance.~~

SECTION 8. **Sec. 23-782. Review of impact fees required, subsection a** is hereby amended as follows:

a. The provisions of this division and the impact fee study adopted herein shall be reviewed by the city commission initially in connection with its capital improvements element of its comprehensive plan as required by F. S. § 163.3177. Thereafter, the provisions of this division and each impact fee study adopted herein shall be reviewed at least every five years ~~biennially~~. The initial and each subsequent review shall consider new estimates of population per household, needs for service, and other socioeconomic data; changes in cost of construction, land acquisition, apparatus, equipment and related costs; review of the level of service; and adjustments to the assumptions, conclusions or findings set forth in the impact fee study adopted herein. The purpose of this requirement is to review and revise, if necessary, to ensure that the impact fees neither exceed nor fail to provide for the reasonably anticipated costs associated with the improvements necessary to offset the demand generated by the public facilities impact construction on the city's public facilities. In the event the review required by this section alters or changes the assumptions, conclusions and findings of the studies adopted by reference in this division, revises or changes the city's public facilities or alters or changes the amount of impact fees, the studies adopted by reference herein shall be amended and updated to reflect the assumptions, conclusions and findings of such reviews and this division shall be amended to adopt by reference such updated studies.

SECTION 9. **Severability:** If any clause, section or provision of this ordinance or any impact fee imposed pursuant to this Ordinance shall be declared unconstitutional or invalid for any reason or cause, the remaining portion of said ordinance or remaining impact fees shall be in full force and effect and be valid as if such invalid portion thereof had not been incorporated herein.

SECTION 10. **Effective date:** This ordinance shall become effective immediately upon its passage by the City Commission except that the impact fee schedule (Figure 2A referenced in SECTION 2 of this ordinance) shall become effective in two phases as follows:

Effective immediately:

Fee reductions shown on the attached "2012 Impact Fee Schedule – Phase One (fee reductions)."

2012 Impact Fee Schedule - Phase One (fee reductions)

Lake Wales, Florida

North Service Area

ITE Code	Parks	Libraries	Fire & EMS	Police	Water	Sewer	TOTAL	06/01/11 Fee	Increase/ (Decrease)
Residential	**Per Housing Unit**								
210 Single Family (SFD, SFA, MH)	$924	$426	$578	$451	$1,853	$3,038	$7,270	$8,730	($1,460)
221 Multifamily	$811	$374	$507	$396	$909	$1,486	$4,483	$7,147	($2,664)
Nonresidential	**Per Square Foot of Floor Area**								
820 Retail/Restaurant			$0.60	$0.19			$0.79	$1.05	($0.26)
770 Business Park			$0.75	$0.25			$1.00	$1.00	$0.00
710 General Office			$0.99	$0.07			$1.06	$1.25	($0.19)
610 Hospital			$0.95	$0.11			$1.06	$1.15	($0.09)
151 Mini-Warehouse			$0.01	$0.01			$0.02	$0.05	($0.03)
150 Warehousing			$0.27	$0.02			$0.29	$0.40	($0.11)
140 Manufacturing			$0.41	$0.06			$0.47	$0.47	$0.00
110 Light Industrial			$0.56	$0.12			$0.68	$0.68	$0.00
Other Nonresidential									
565 Day Care (per student)			$48	$31			$79	$125	($46)
530 High School (per student)			$27	$11			$38	$56	($18)
520 Elementary School (per student)			$24	$9			$33	$44	($11)
320 Lodging (per room)			$132	$39			$171	$216	($45)
620 Nursing Home (per bed)			$85	$46			$131	$131	$0

South Service Area

ITE Code	Parks	Libraries	Fire & EMS	Police	Water	Sewer	TOTAL	06/01/11 Fee	Increase/ (Decrease)
Residential	**Per Housing Unit**								
210 Single Family (SFD, SFA, MH)	$924	$426	$465	$451	$1,853	$3,038	$7,157	$8,589	($1,432)
221 Multifamily	$811	$374	$408	$396	$909	$1,486	$4,384	$7,039	($2,655)
Nonresidential	**Per Square Foot of Floor Area**								
820 Retail/Restaurant			$0.47	$0.19			$0.66	$0.91	($0.25)
770 Business Park			$0.53	$0.25			$0.78	$0.78	$0.00
710 General Office			$0.79	$0.07			$0.86	$0.97	($0.11)
610 Hospital			$0.75	$0.11			$0.86	$0.92	($0.06)
151 Mini-Warehouse			$0.00	$0.01			$0.01	$0.05	($0.04)
150 Warehousing			$0.21	$0.02			$0.23	$0.31	($0.08)
140 Manufacturing			$0.31	$0.06			$0.37	$0.37	$0.00
110 Light Industrial			$0.38	$0.12			$0.50	$0.50	$0.00
Other Nonresidential									
565 Day Care (per student)			$38	$31			$69	$115	($46)
530 High School (per student)			$21	$11			$32	$47	($15)
520 Elementary School (per student)			$19	$9			$28	$38	($10)
320 Lodging (per room)			$104	$39			$143	$184	($41)
620 Nursing Home (per bed)			$61	$46			$107	$107	$0

Fees for meters larger than two inches will be based on annualized average day demand and the net capital cost per gallon of capacity.

Citywide

Nonresidential	Based on Water Meter Size	Water	Sewer	Total	6/1/11 Fee	Increase/ (Decrease)
	0.75"	$1,853	$3,038	$4,891	$5,937	($1,046)
	1.00"	$3,150	$5,165	$8,315	$10,091	($1,776)
	1.50"	$6,116	$10,027	$16,143	$19,589	($3,446)
	2.00"	$9,823	$16,104	$25,927	$31,460	($5,533)

Effective April 9, 2012:

Fee increases shown on the attached "2012 Impact Fee Schedule – Phase Two (fee increases after mandatory 90-day notice)."

2012 Impact Fee Schedule - Phase Two (fee increases after mandatory 90-day notice)

Lake Wales, Florida

North Service Area

ITE Code		Parks	Libraries	Fire & EMS	Police	Water	Sewer	TOTAL	2012 Phase One Fee	Increase/ (Decrease)
Residential		Per Housing Unit								
210	Single Family (SFD, SFA, MH)	$924	$426	$578	$451	$1,853	$3,038	$7,270	$7,270	$0
221	Multifamily	$811	$374	$507	$396	$909	$1,486	$4,483	$4,483	$0
Nonresidential				Per Square Foot of Floor Area						
820	Retail/Restaurant			$0.60	$0.19			$0.79	$0.79	$0.00
770	Business Park			$0.95	$0.08			$1.03	$1.00	$0.03
710	General Office			$0.99	$0.07			$1.06	$1.06	$0.00
610	Hospital			$0.95	$0.11			$1.06	$1.06	$0.00
151	Mini-Warehouse			$0.01	$0.01			$0.02	$0.02	$0.00
150	Warehousing			$0.27	$0.02			$0.29	$0.29	$0.00
140	Manufacturing			$0.53	$0.02			$0.55	$0.47	$0.08
110	Light Industrial			$0.69	$0.04			$0.73	$0.68	$0.05
Other Nonresidential										
565	Day Care (per student)			$48	$31			$79	$79	$0
530	High School (per student)			$27	$11			$38	$38	$0
520	Elementary School (per student)			$24	$9			$33	$33	$0
320	Lodging (per room)			$132	$39			$171	$171	$0
254	Assisted Living (per bed)			$204	$18			$222	$131	$91

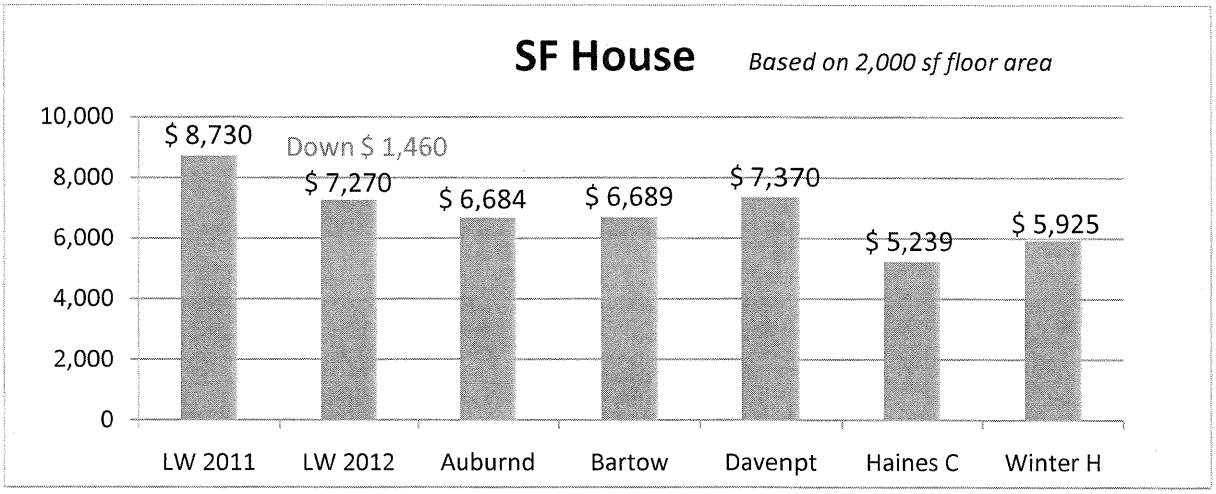
South Service Area

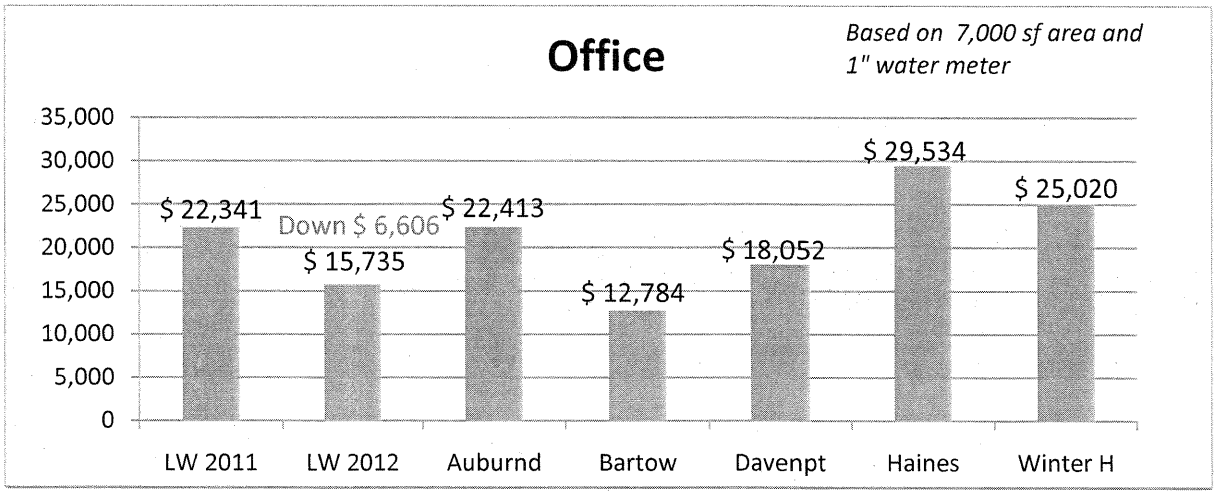
ITE Code		Parks	Libraries	Fire & EMS	Police	Water	Sewer	TOTAL	2012 Phase One Fee	Increase/ (Decrease)
Residential		Per Housing Unit								
210	Single Family (SFD, SFA, MH)	$924	$426	$465	$451	$1,853	$3,038	$7,157	$7,157	$0
221	Multifamily	$811	$374	$408	$396	$909	$1,486	$4,384	$4,384	$0
Nonresidential				Per Square Foot of Floor Area						
820	Retail/Restaurant			$0.47	$0.19			$0.66	$0.66	$0.00
770	Business Park			$0.75	$0.08			$0.83	$0.78	$0.05
710	General Office			$0.79	$0.07			$0.86	$0.86	$0.00
610	Hospital			$0.75	$0.11			$0.86	$0.86	$0.00
151	Mini-Warehouse			$0.00	$0.01			$0.01	$0.01	$0.00
150	Warehousing			$0.21	$0.02			$0.23	$0.23	$0.00
140	Manufacturing			$0.42	$0.02			$0.44	$0.37	$0.07
110	Light Industrial			$0.54	$0.04			$0.58	$0.50	$0.08
Other Nonresidential										
565	Day Care (per student)			$38	$31			$69	$69	$0
530	High School (per student)			$21	$11			$32	$32	$0
520	Elementary School (per student)			$19	$9			$28	$28	$0
320	Lodging (per room)			$104	$39			$143	$143	$0
254	Assisted Living (per bed)			$161	$18			$179	$107	$72

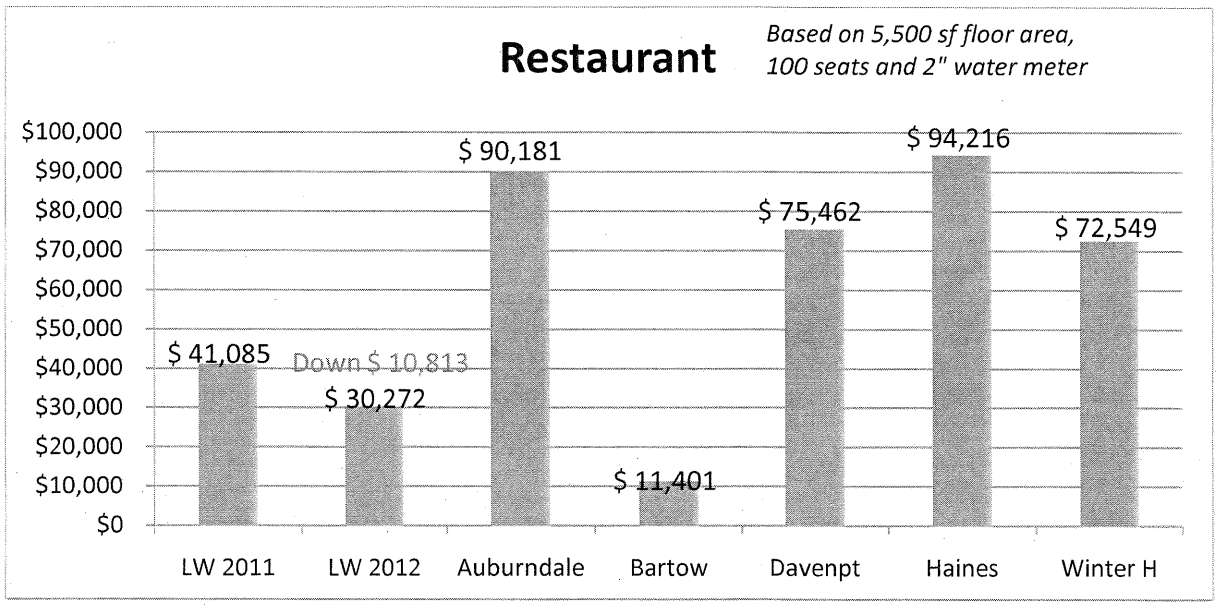
Fees for meters larger than two inches will be based on annualized average day demand and the net capital cost per gallon of capacity.

Citywide

		Water	Sewer	Total	2012 Phase One Fee	Increase/ (Decrease)
Nonresidential	Based on Water Meter Size					
	0.75"	$1,853	$3,038	$4,891	$4,891	$0
	1.00"	$3,150	$5,165	$8,315	$8,315	$0
	1.50"	$6,116	$10,027	$16,143	$16,143	$0
	2.00"	$9,823	$16,104	$25,927	$25,927	$0







LAKE WALES' EXISTING (2011) AND PROPOSED (2012) IMPACT FEES
COMPARISON WITH OTHER POLK COUNTY CITIES

Note: Fee comparison does not include Polk County transportation or school impact fees.

CERTIFIED AS TO PASSAGE this 7th day of February 2012.

BY: _____
Mayor/Commissioner
City of Lake Wales, Polk County, Florida

ATTEST:

_____
City Clerk

Development Impact Fees

City of Lake Wales, Florida

December 26, 2011

Prepared by

CLARION

Table of Contents

C L A R I O N
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IMPACT FEE SUMMARY

Impact fees are one-time payments used to fund growth-related system improvements. Impact fees may not be used for operating costs or replacement of existing infrastructure. As documented in this report, the impact fees for Lake Wales are proportionate and reasonably related to the capital facility service demands of new development. Specific costs have been identified using local data and current dollars. With input from City staff, Clarion Associates determined demand indicators for each type of public facility and calculated proportionate share factors to allocate costs by type of development. This report documents the specific factors used to derive the impact fees. Impact fee methodologies also identify the extent to which newly developed properties are entitled to various types of credits to avoid potential double payment of capital costs.

Basic Understanding of Impact Fees

In contrast to project-level improvements, impact fees fund system improvements that will benefit multiple development projects, or even the entire jurisdiction. The basic steps in a conceptual impact fee formula are illustrated below. The first step (see the left box) is to determine an appropriate demand indicator, or service unit, for the particular type of infrastructure. The demand/service indicator measures the number of demand or service units for each unit of development. For example, an appropriate indicator of the demand for parks is population growth and the increase in population can be estimated from the average number of persons per housing unit. The second step in the conceptual impact fee formula is shown in the middle box below. Infrastructure units per demand unit are often called Level-Of-Service (LOS) standards. In keeping with the park example, a common infrastructure standard is park acreage per thousand people. The third step in the impact fee formula, as illustrated in the right box, is the cost of various infrastructure units. To complete the park example, this part of the formula would establish the cost per acre for improvements.

Demand Units per Development Unit	×	Infrastructure Units per Demand Unit	×	Dollars per Infrastructure Unit

When applied to specific types of infrastructure, the conceptual impact-fee formula is customized using three common impact fee methods that focus on different timeframes. The first method is the cost recovery method. To the extent that new growth and development is served by the previously constructed improvements, Lake Wales may seek reimbursement for the previously incurred public facility costs. This method is used for facilities that have adequate capacity to accommodate new development, at least for the next five years. The rationale for the cost recovery approach is that new development is paying for its share of the useful life or remaining capacity of an existing facility. The second basic approach used to calculate impact fees is the incremental expansion cost method. This method documents the current infrastructure standard for each type of public facility in both quantitative and qualitative measures. The City of Lake Wales will use impact fee revenue to incrementally expand or provide additional facilities as needed to accommodate new development. A third impact fee approach is the plan-based method. This method is best suited for public facilities that have commonly accepted engineering/planning standards or specific improvement plans. Figure 1 summarizes the method(s) used to derive the impact fee for each type of public facility.

Figure 1 – Fee Methods and Cost Components

Type of Fee	*Cost Recovery (past)*	*Incremental Expansion (present)*	*Plan-Based (future)*	*Cost Allocation*
1. Parks & Recreation		Citywide Parks, Trails, and Recreation Facilities		Service Area Population
2. Library		Land, Building, and Collection Materials		Service Area Population
3. Fire	South Fire Station	Citywide Apparatus	North Fire Station	Calls for Service, Persons, and Jobs
4. Police	Headquarters	Vehicles		Functional Population, Persons, and Vehicle Trips to Nonresidential Development
5. Water			Growth-Related Capital Improvements	Average Daily Gallons of Capacity
6. Sewer			Growth-Related Capital Improvements	Average Daily Gallons of Capacity

Proposed Impact Fees

Figures 2A and 2B provide schedules of the proposed impact fees for the City of Lake Wales. Figure 2A indicates fees for the north and south service areas. The only fee that varies by geographic area is the Fire & EMS fee. The boundary between the north and south service areas is Mountain Lake Cutoff Road. The proposed fee schedule for nonresidential

development is designed to provide a reasonable impact fee determination for common types of development. For unique development types, the City may allow or require an independent impact fee assessment, as discussed further in the implementation section of this report.

Figure 2A - Proposed Impact Fees in North and South Service Areas

ITE Code		Parks	Libraries	Fire & EMS	Police	Water	Sewer	TOTAL	06/01/11 Fee	Increase/ (Decrease)
North Service Area										
Residential					Per Housing Unit					
210	Single Family (SFD, SFA, MH)	$924	$426	$578	$451	$1,853	$3,038	$7,270	$8,730	($1,460)
221	Multifamily	$811	$374	$507	$396	$909	$1,486	$4,483	$7,147	($2,664)
Nonresidential					Per Square Foot of Floor Area					
820	Retail/Restaurant			$0.60	$0.19			$0.79	$1.05	($0.26)
770	Business Park			$0.95	$0.08			$1.03	$1.00	$0.03
710	General Office			$0.99	$0.07			$1.06	$1.25	($0.19)
610	Hospital			$0.95	$0.11			$1.06	$1.15	($0.09)
151	Mini-Warehouse			$0.01	$0.01			$0.02	$0.05	($0.03)
150	Warehousing			$0.27	$0.02			$0.29	$0.40	($0.11)
140	Manufacturing			$0.53	$0.02			$0.55	$0.47	$0.08
110	Light Industrial			$0.69	$0.04			$0.73	$0.68	$0.05
Other Nonresidential										
565	Day Care (per student)			$48	$31			$79	$125	($46)
530	High School (per student)			$27	$11			$38	$56	($18)
520	Elementary School (per student)			$24	$9			$33	$44	($11)
320	Lodging (per room)			$132	$39			$171	$216	($45)
254	Assisted Living (per bed)			$204	$18			$222	$131	$91
South Service Area										
Residential					Per Housing Unit					
210	Single Family (SFD, SFA, MH)	$924	$426	$465	$451	$1,853	$3,038	$7,157	$8,589	($1,432)
221	Multifamily	$811	$374	$408	$396	$909	$1,486	$4,384	$7,039	($2,655)
Nonresidential					Per Square Foot of Floor Area					
820	Retail/Restaurant			$0.47	$0.19			$0.66	$0.91	($0.25)
770	Business Park			$0.75	$0.08			$0.83	$0.78	$0.05
710	General Office			$0.79	$0.07			$0.86	$0.97	($0.11)
610	Hospital			$0.75	$0.11			$0.86	$0.92	($0.06)
151	Mini-Warehouse			$0.00	$0.01			$0.01	$0.05	($0.04)
150	Warehousing			$0.21	$0.02			$0.23	$0.31	($0.08)
140	Manufacturing			$0.42	$0.02			$0.44	$0.37	$0.07
110	Light Industrial			$0.54	$0.04			$0.58	$0.50	$0.08
Other Nonresidential										
565	Day Care (per student)			$38	$31			$69	$115	($46)
530	High School (per student)			$21	$11			$32	$47	($15)
520	Elementary School (per student)			$19	$9			$28	$38	($10)
320	Lodging (per room)			$104	$39			$143	$184	($41)
254	Assisted Living (per bed)			$161	$18			$179	$107	$72

Citywide water and sewer impact fees for nonresidential development will be imposed by meter size, as shown in Figure 2B. Fees for meters larger than two inches will be based on annualized average day demand and the net capital cost per gallon of capaicity.

Figure 2B – Nonresidential Water and Sewer Impact Fees (citywide)

Citywide		*Water*	*Sewer*	*Total*	*6/1/11 Fee*	*Increase/ (Decrease)*
Nonresidential	**Per Meter Size**					
	0.75"	$1,853	$3,038	$4,891	$5,937	($1,046)
	1.00"	$3,150	$5,165	$8,315	$10,091	($1,776)
	1.50"	$6,116	$10,027	$16,143	$19,589	($3,446)
	2.00"	$9,823	$16,104	$25,927	$31,460	($5,533)

PARKS AND RECREATION

The park impact fee is derived using the incremental expansion cost method for citywide parks, trails, and recreation facilities. The incremental expansion cost method documents current infrastructure standards in both quantitative and qualitative measures. The park impact fee is equal to the average number of persons per housing unit multiplied by the capital cost per person. Infrastructure standards are derived using estimated population in 2010 within the parks service area, as discussed in Appendix A.

Citywide Parks

Infrastructure standards are based on an inventory of existing citywide parks and recent expenditures on park improvements. In recent years, a total of $1,342,000 was spent to construct the Multipurpose Sports Complex and Barney's Dream Playground. In combination, these improvements cost an average of $72,500 per acre, or $340 per person. With 130.4 acres of citywide parks, the current standard is 4.7 acres per 1,000 residents in the parks service area.

Figure 3 - Incremental Expansion Cost of Citywide Parks

Citywide Parks	Acreage
Austin Community Center	6.8
Crystal Lake	14.5
Hardman Rec Complex	7.8
Kiwanis (includes skate park)	13.0
Lake Wailes (excludes wtr)	43.0
Multipurpose Sports Complex	18.5
Linton Sports Complex	11.8
NW Field Complex	15.0
TOTAL	130.4

Existing Infrastructure Standards	
Service Area Population in 2010	27,825
Acres of Park Land per 1,000 Persons	**4.69**
Improvements Cost Per Acre*	$72,500
Improvements Cost Per Person	**$340**

* Total cost per acre derived from actual expenditures at the Multipurpose Sports Complex and Barney's Dream Playground, including site preparation, parking lot (60 spaces), and landscaping/fencing.
Source: Recreation and Open Space Element, City of Lake Wales Comprehensive Plan, updated by staff (2011).

Trails

Figure 4 provides an inventory of existing trails within the City of Lake Wales. The impact fee calculations are based on an average cost of $141,000 per mile for paved trails. According to

the existing inventory, the current infrastructure standard is $22 per person in the parks service area.

Figure 4 – Incremental Expansion Cost of Trails

Trail Name	*Description*	*Linear Feet*	*Cost*
Lake Wailes	paved	13,200	$375,000
Rails to Trailway	paved	10,560	$261,000
TOTAL		23,760	$636,000
		Service Area Population in 2010	27,825
		Linear Feet per Person	0.85
		Cost per Linear Foot	$26
		Cost Per Person	$22

Source: Recreation and Open Space Element updated by City staff (2011).

Recreation Facilities

The infrastructure standard for recreation facilities is $141 per person in the park service area (see Figure 5). In total, the City of Lake Wales has $3.9 million in recreation facilities, as determined by insurance replacement costs from a 2006 report by Maximus.

Figure 5 – Incremental Expansion Cost of Recreation Facilities

Recreation Facility	*Square Feet*	*Asset Value**
Austin Community Center	9,752	$1,152,000
B Street Community Center	2,500	$260,100
Little Theatre	7,259	$715,000
Hardman Complex	7,800	$371,400
Crystal Lake Park Clubhouse	2,458	$203,400
Kirkland Gymnasium	13,937	$1,225,000
TOTAL	43,706	$3,926,900
	Service Area Population in 2010	27,825
	Square Feet per Person	1.57
	Cost per Square Foot	$89
	Capital Cost Per Capita	**$141**

Source: Recreation and Open Space Element updated by City staff (2011).

** Insurance Replacement Cost (Maximus 2006).*

Credit Evaluation

Because new development will provide front-end funding of infrastructure, there is a potential for double payment of capital costs due to future principal payments on existing debt for public facilities. A credit is not necessary for interest payments if interest costs were not included in

the impact fees. As shown in Figure 6, the major debt obligation for parks and recreation is the 2003 SunTrust Note, which included refunding of bonds issued in 1999 and 1996. According to background information provided by the Finance Department, major facilities that were bond financed include the Kirkland Gym. The Florida Power debt was for bike path lighting. For parks and recreation improvements, outstanding principal payments total approximately $0.86 million. Annual principal payments per capita were discounted at a rate of 4% per year to yield the present value of future revenues.

Figure 6 – Principal Payment Credit for Parks

FY	Suntrust 2003 19.0%	Series 1997 0.6%	Florida Power 100.0%	Total Principal Payments	Lake Wales Year-Round Population	Payment Per Person
11-12	$184,959	$2,040	$8,122	$195,121	14,681	$13.29
12-13	$191,928	$2,130	$8,316	$202,374	14,908	$13.57
13-14	$199,897	$2,250	$8,515	$210,662	15,136	$13.92
14-15	$127,807	$0	$8,718	$136,525	15,364	$8.89
15-16	$88,040	$0	$8,927	$96,967	15,592	$6.22
16-17	$0	$0	$9,141	$9,141	15,820	$0.58
17-18	$0	$0	$7,784	$7,784	16,047	$0.49
	$792,631	$6,420	$59,523	$858,574	Total	$56.95
					Discount Rate	4.00%
					Present Value	**$51.24**

Park Fee Calculations

Infrastructure standards used to calculate park impact fees are shown in the boxed area of Figure 7. The park impact fee is the product of persons per housing unit multiplied by the net capital cost per person. For example, the fee for a single-family housing unit is 2.05 x 451, or $924 per housing unit. The proposed fee for a single-family house is $220 less than the current park impact fee.

Figure 7 - Park Impact Fee Schedule

	Standards:
Persons Per Housing Unit	
Single Family (SFD, SFA, MH)	2.05
Multifamily	1.80
Level Of Service	
Citywide Park Acreage per 1,000 People	4.7
Citywide Park Improvements Cost per Person	$340
Trails Cost per Person	$22
Recreation Facilities Cost per Person	$141
Principal Payment Credit per Person	($52)
Net Capital Cost Per Person	$451

	Proposed Fee	*6/1/11 Fee*	*Increase / (Decrease)*
Impact Fee per Housing Unit			
Single Family (SFD, SFA, MH)	$924	$1,144	($220)
Multifamily	$811	$881	($70)

LIBRARY

The library impact fee is based on the incremental expansion cost approach, using existing infrastructure standards. Per capita standards are multiplied by average persons per housing unit to yield the impact fee by type of housing. The Lake Wales library provides service to both city residents and persons living in the unincorporated area surrounding the city. As discussed further in Appendix A, the estimated service area population is roughly twice the current population of Lake Wales. Using the larger service area population to derive infrastructure standards is a conservative approach, resulting in lower development impact fees.

Library Infrastructure Standards and Costs

Figure 8 documents current infrastructure standards provided by the Lake Wales library. Based on the service area population estimate of 27,825 persons in 2010, the current standard for library land is 0.05 acres per 1,000 residents. Future library construction in the City of Lake Wales will be located in the urban area with access to arterial streets. The land cost for a library site is estimated to be $100,000 per acre.

For library buildings, the infrastructure standard in 2010 was 0.71 square feet of library building per person in the library service area. The capital cost estimate of $123 per square foot of floor area is based on the insurance replacement cost of the building (Maximus 2006).

In 2010, there were approximately 105,500 collection materials in the Lake Wales library, which equates to an infrastructure standard of 3.79 items per service area resident. According to library staff, library materials currently have an average cost $31 per item.

Figure 8 - Library Infrastructure Standards

Land	*Acres*	*Cost Per Acre*	*Cost*
Lake Wales Library	1.44	$100,000	$144,000

Residential Share	2010 Demand Units	Cost per Demand Unit
100%	27,825 Service Area Population	**$5**

Acres Per 1,000 Persons 0.05

Buildings	*Square Feet*	*Project Cost/SF*	*Cost*
Lake Wales Library	19,700	$123	$2,417,000

Residential Share	2010 Demand Units	Cost per Demand Unit
100%	27,825 Service Area Population	**$86**

Square Feet Per Capita 0.71

Collection Materials	*# of units*	*Unit Price*	*Cost*
Lake Wales Library	105,500	$31	$3,270,500

Residential Share	2010 Demand Units	Cost per Demand Unit
100%	27,825 Service Area Population	**$117**

Materials Per Person 3.79

Source: Land, buildings, and collection materials data provided by City of Lake Wales Library Director, except building cost. Building replacement cost, excluding contents, is from Property Insurance Report (Maximus 2006).

Credit Evaluation

Lake Wales does not have any outstanding debt for its library. At the proposed level, impact fees will contribute to the growth-related cost of library expansion. A revenue credit for the library impact fee is not applicable at this time, but might be necessary if the City debt finances future library construction.

Proposed Library Impact Fee

Proposed library impact fees are shown in Figure 9. Impact fee standards are listed in the box at the top of the table. The impact fee is equal to the average number of persons per housing unit, multiplied by the net capital cost per person. For example, the fee for a multifamily unit is 1.80 x 208, or $374 per housing unit.

Figure 9 - Library Impact Fee

	Standards:
Persons Per Housing Unit	
Single Family (SFD, SFA, MH)	2.05
Multifamily	1.80
Level Of Service	Per Person
Land Cost	$5
Building Cost	$86
Collection Cost	$117
Principal Payment Credit (not applicable)	$0
Net Capital Cost	$208

Impact Fee Per Housing Unit	*Proposed Fee*	*6/1/11 Fee*	*Increase / (Decrease)*
Single Family (SFD, SFA, MH)	$426	$503	($77)
Multifamily	$374	$388	($14)

FIRE/EMS

Since emergency medical calls are more frequent than fire calls, the best demand indicator for the fire protection and Emergency Medical Service (EMS) impact fee is the number of residents and jobs located in the city of Lake Wales. Therefore, residential impact fees are calculated on a per capita basis. Fees for nonresidential development are determined using capital cost factors per employee. The capital cost of fire apparatus is based on the current inventory of equipment. The incremental expansion cost method for fire apparatus will ensure new development maintains the current infrastructure standards, if the fees are imposed at the proposed level. For the fire station component of the impact fee, the City of Lake Wales is divided into north and south service areas with Mountain Lake Cutoff Road as the boundary. In the north service area, a permanent fire station is programmed in the City's Capital Improvements Plan (CIP). In the south service area, the main station has sufficient capacity to accommodate new development. 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 slightly higher in the north service area.

Cost Allocation for Fire/EMS Infrastructure

Calls for service data (see Figure 10) were used to allocate capital costs to residential and nonresidential development. For residential development, the proportionate share factor is based on incidents by property use category in 2010. Incidents to streets and parking lots were allocated according to the estimated number of vehicle trips associated with development within the City of Lake Wales. A detailed discussion of trip generation rates and adjustment factors is provided in the police impact fee section.

Figure 10 – Proportionate Share Factors for Fire/EMS

Incidents by Property Use		*2010*		
Residential		1,308		
Open Land / Streets	41%	214		
Residential Subtotal			1,522	**59%**
Nonresidential		747		
Open Land / Streets	59%	306		
Nonresidential Subtotal			1,053	**41%**
		GRAND TOTAL	2,575	

Source: City of Lake Wales Fire Department.

Fire/EMS Infrastructure Standards

The top section of Figure 11 inventories apparatus currently used to provide fire and emergency medical services within Lake Wales. The Fire Department provided the apparatus inventory and current unit costs for each type of equipment. These costs include all necessary add-ons to make the apparatus ready for service, such as lights, radios and safety equipment.

The fleet of fire apparatus in the City of Lake Wales has a current cost of approximately $2.4 million.

In the north service area, Lake Wales is finalizing contractual arrangements for a fire station site and plans to construct a permanent fire station with 4,100 square feet of floor area. In addition to the station cost of $700,000, the City purchased a new fire engine for the new north station. The cost of the new station was allocated to 2016 year-round population and jobs in the north service area. Projected demand units assume the north service area has 10% of the 2011 base year demand units for the entire city. Over the next five years, the north service area is assumed to capture 50% of the projected increase in persons and jobs.

Lake Wales Fire Department is currently using 16,300 square feet of floor area to provide service primarily in the south service area. The cost of the existing station (Maximus 2006), was allocated to projected persons and jobs in the south service area in 2016, which is the year the City will make its final debt service payment on the existing fire station. Projected demand units assume the south service area has 90% of the 2011 base year demand units for the entire city. Through 2016, the south service area is assumed to capture 50% of the projected increase in persons and jobs.

Figure 11 – Infrastructure Standards for Fire/EMS

Citywide Incremental Expansion Cost of Fire Apparatus

Type	Count	Unit Cost	Total Cost
Aerial Ladder/Platform	1	$700,000	$700,000
Engine	3	$400,000	$1,200,000
Tanker	1	$210,000	$210,000
Wildland/Brush Truck	1	$110,000	$110,000
4x4 Rescue Vehicle	1	$60,000	$60,000
Command Vehicle	1	$35,000	$35,000
4x4 Inspector's Vehicle	1	$25,000	$25,000
Sedans	2	$25,000	$50,000
Rescue Boat	1	$18,000	$18,000
TOTAL	12	$200,667	$2,408,000

	Proportionate Share	2010 Demand Units	Cost per Demand Unit
Residential	59%	14,225 year-round pop	$100
Nonresidential	41%	9,425 jobs	$104

0.50 apparatus per 1,000 persons

0.52 apparatus per 1,000 jobs

Plan-Based Cost of Fire Station in North Service Area

Building	Square Feet	$/SF	Total Cost
NW Station	4,100	$171	$700,000
TOTAL			$700,000

	Proportionate Share	2016 Demand Units	Cost per Demand Unit
Residential	59%	2,015 year-round pop	$205
Nonresidential	41%	1,292 jobs	$221

1.20 sq ft per person

1.30 sq ft per job

Cost Recovery for Main Fire Station in South Service Area

Site	Square Feet	$/SF	Total Cost
Station 1	16,000		
Storage	300		
TOTAL	16,300	$213	$3,465,000

	Proportionate Share	2016 Demand Units	Cost per Demand Unit
Residential	59%	13,577 year-round pop	$150
Nonresidential	41%	8,939 jobs	$158

0.71 sq ft per person

0.75 sq ft per job

Credit Evaluation for Fire Protection Facilities and Equipment

Part of the 2003 SunTrust Note was used to refinance 1996 capital improvement bonds, which included funds for the City's main fire station. Based on background information provided by the Finance Department, Clarion estimated that approximately 15% of 2003 SunTrust principal payments are for fire protection facilities and equipment. As shown in Figure 12, annual principal payments were allocated to persons and jobs using the same proportionate share factors as in the capital cost analysis. The present value adjustment accounts for the time value of future payments. No credit is necessary for interest payments because interest costs are excluded from the impact fee calculations.

Figure 12 – Credit for Future Principal Payments

FY	*Suntrust 2003 15%*	*Residential Share 59%*	*Nonresidential Share 41%*	*Lake Wales Year-Round Population*	*Lake Wales Jobs*	*Payment Per Person*	*Payment Per Job*
11-12	$146,020	$86,308	$59,712	14,681	9,694	$5.88	$6.16
12-13	$151,522	$89,560	$61,962	14,908	9,828	$6.01	$6.30
13-14	$157,813	$93,278	$64,535	15,136	9,963	$6.16	$6.48
14-15	$100,900	$59,639	$41,261	15,364	10,097	$3.88	$4.09
15-16	$69,505	$41,082	$28,423	15,592	10,231	$2.63	$2.78
	$625,761	$369,867	$255,894		Total	$24.57	$25.81
					Discount Rate	4.00%	4.00%
					Present Value	**$22.17**	**$23.29**

Fire/EMS Impact Fee in North Service Area

Proposed fire/EMS impact fees for the north service area are shown in Figure 13. Documentation on the number of employees per nonresidential development unit may be found in Appendix A. The impact fee is the product of the demand units per development unit, multiplied by the net capital cost per demand unit. For example, the fee for an Assisted Living facility is obtained by multiplying 0.68 employees per bed times the net capital cost of $301 per employee, to yield an impact fee of $204 per assisted living bed.

Proposed Fire/EMS Impact Fees in South Service Area

Figure 14 provides the schedule of proposed impact fees for fire/EMS infrastructure in the south service area. The fee for a single-family house is equal to the number of persons per housing unit multiplied by the net capital cost per person (i.e., 2.05 persons per housing unit times $227 per person, or $465 per housing unit).

Figure 13 – Fire/EMS Fee Input Variables in North Service Area

ITE Code		Standards:	
Persons Per Housing Unit			
210	Single Family (SFD, SFA, MH)	2.05	
221	Multifamily	1.80	
Employees per 1,000 Sq Ft			
820	Retail/Restaurant		2.00
770	Business Park		3.16
710	General Office		3.32
610	Hospital		3.17
151	Mini-Warehouse		0.04
150	Warehousing		0.92
140	Manufacturing		1.79
110	Light Industrial		2.31
Employees per Demand Unit			
565	Day Care (per student)		0.16
530	High School (per student)		0.09
520	Elementary School (per student)		0.08
320	Lodging (per room)		0.44
254	Assisted Living (per bed)		0.68
Level of Service		*Per Person*	*Per Employee*
	Fire Apparatus	$100	$104
	Fire Stations	$205	$221
	Revenue Credit	($23)	($24)
	Net Capital Cost Per Demand Unit	$282	$301

Fire/EMS Impact Fee - North		*Proposed Fee*	*6/1/22 Fee*	*Increase / (Decrease)*
Residential (per housing unit)				
210	Single Family (SFD, SFA, MH)	$578	$464	$114
221	Multifamily	$507	$356	$151
Nonresidential Per Square Foot of Floor Area		*Proposed Fee*		
820	Retail/Restaurant	$0.60	$0.47	$0.13
770	Business Park	$0.95	$0.75	$0.20
710	General Office	$0.99	$0.94	$0.05
610	Hospital	$0.95	$0.81	$0.14
151	Mini-Warehouse	$0.01	$0.01	$0.00
150	Warehousing	$0.27	$0.31	($0.04)
140	Manufacturing	$0.53	$0.41	$0.12
110	Light Industrial	$0.69	$0.56	$0.13
Other Nonresidential				
565	Day Care (per student)	$48	$37	$11
530	High School (per student)	$27	$22	$5
520	Elementary School (per student)	$24	$18	$6
320	Lodging (per room)	$132	$105	$27
254	Assisted Living (per bed)	$204	$85	$119

Figure 14 – South Service Area Fire/EMS Impact Fees

ITE Code		Standards:				
Persons Per Housing Unit						
210	Single Family (SFD, SFA, MH)	2.05				
221	Multifamily	1.80				
Employees per 1,000 Sq Ft						
820	Retail/Restaurant		2.00			
770	Business Park		3.16			
710	General Office		3.32			
610	Hospital		3.17			
151	Mini-Warehouse		0.04			
150	Warehousing		0.92			
140	Manufacturing		1.79			
110	Light Industrial		2.31			
Employees per Demand Unit						
565	Day Care (per student)		0.16			
530	High School (per student)		0.09			
520	Elementary School (per student)		0.08			
320	Lodging (per room)		0.44			
254	Assisted Living (per bed)		0.68			
Level of Service		Per Person	Per Employee			
	Fire Apparatus	$100	$104			
	Fire Stations	$150	$158			
	Revenue Credit	($23)	($24)			
	Net Capital Cost Per Demand Unit	$227	$238			
Fire/EMS Impact Fee - South		Proposed Fee			6/1/11 Fee	Increase / (Decrease)
Residential (per housing unit)						
210	Single Family (SFD, SFA, MH)	$465			$323	$142
221	Multifamily	$408			$248	$160
Nonresidential Per Square Foot of Floor Area			Proposed Fee			
820	Retail/Restaurant		$0.47		$0.33	$0.14
770	Business Park		$0.75		$0.53	$0.22
710	General Office		$0.79		$0.66	$0.13
610	Hospital		$0.75		$0.58	$0.17
151	Mini-Warehouse		$0.00		$0.01	($0.01)
150	Warehousing		$0.21		$0.22	($0.01)
140	Manufacturing		$0.42		$0.31	$0.11
110	Light Industrial		$0.54		$0.38	$0.16
Other Nonresidential						
565	Day Care (per student)		$38		$27	$11
530	High School (per student)		$21		$13	$8
520	Elementary School (per student)		$19		$12	$7
320	Lodging (per room)		$104		$73	$31
254	Assisted Living (per bed)		$161		$61	$100

POLICE

The police impact fee addresses the need for facilities that provide citywide service. Residential impact fees are calculated on a per capita basis and then converted to an appropriate amount by type of housing. To allocate nonresidential impact fees by type of development, Clarion recommends using vehicle trips as the best demand indicator for police infrastructure. Trip generation rates are highest for commercial developments, such as shopping centers, and lowest for industrial/warehouse development. Office and institutional trip rates fall between the other two categories. This ranking of trip rates is consistent with the relative demand for law enforcement from nonresidential development. Other possible nonresidential demand indicators, such as employment or floor area, do not accurately reflect the demand for service. If employees per thousand square feet were used as the demand indicator, police impact fees would be too high for office and institutional development. If floor area were used as the demand indicator, police impact fees would be too high for industrial development. Also, police officers respond to traffic accidents, which are directly proportionate to trip generation rates.

Cost Allocation for Police Infrastructure

Clarion derived proportionate share factors for residential and nonresidential development using 2010 functional population for the City of Lake Wales (see Figure 15). For residential development, the proportionate share factor is based on estimated person hours of non-working residents, plus the non-working hours of people who live and work in Lake Wales. Based on U.S. Census Bureau data, approximately 38% of residents were employed in 2010. For resident workers, two-thirds of a day (i.e., annualized average) was allocated to residential demand. Time spent at work (i.e., annualized average of 8 hours per day) was allocated to nonresidential development. U.S. Census Bureau data indicates 42% of resident workers journeyed to work within Lake Wales, but 58% of resident workers commuted to jobs located outside the city. Total jobs located in the city include 7,163 inflow commuters. Based on estimated person hours, the cost allocation for residential development is 80% while nonresidential development accounts for 20% of the demand for police infrastructure.

Figure 15 – Police Proportionate Share Factors

	Demand Units in 2010		Demand Hours/Day	Person Hours
Residential				
	Population*	14,225		
62%	Residents Not Working	8,816	24	211,589
38%	Resident Workers**	5,409		
42%	Worked in City**	2,262	16	36,194
58%	Worked Outside City**	3,147	16	50,347
			Residential Subtotal	298,130
			Residential Share =>	**80%**
Nonresidential				
	Jobs Located in City***	9,425		
	Residents Working in City**	2,262	8	18,097
	Non-Resident Workers (inflow commuters)	7,163	8	57,303
			Nonresidential Subtotal	75,400
			Nonresidential Share =>	**20%**
			TOTAL	373,530

** 2010 count, U.S. Census Bureau.*
*** Percentages from Table B08008, ACS 2005-2009, U.S. Census Bureau applied to 2010 population.*
**** Jobs estimated from Polk County Property Appraiser nonresidential floor area.*

Police Infrastructure Standards

As shown in Figure 16 police headquarters building has 13,000 square feet of floor area and an estimated current cost of $2.6 million. To derive infrastructure standards, the cost of police headquarters was proportionately allocated to residential and nonresidential development, divided by 2014 demand units. A cost recovery approach for the police headquarters enables the City to use impact fees for debt service payments through 2014. Clarion calculated average weekday vehicle trips associated with nonresidential development within the City of Lake Wales using estimated floor area of nonresidential development, trip generation rates and trip adjustment factors. Documentation of the demographic data used in the impact fee study may be found in Appendix A.

Police impact fees will provide funding to purchase additional police cars needed to accommodate new development. The City of Lake Wales currently has 53 police vehicles with a replacement cost of approximately $1.9 million. Police cars are not depreciated because new development is not buying into the existing fleet. Under the incremental expansion cost method, new development will pay for additional new vehicles.

Figure 16 – Law Enforcement Infrastructure Standards

Cost Recovery for Police Headquarters

Site	*Square Feet*	*$/SF*	*Total Cost*
Main Police Station	13,000	$200	$2,605,000

	Proportionate Share	2014 Demand Units	Cost per Demand Unit
Residential	80%	15,136 year-round pop	$137
Nonresidential	20%	52,260 nonres veh trips	$9

0.69 sq ft per person

0.05 sq ft per nonres veh trip

Incremental Expansion Cost of Police Cars

Type	*Count*	*Unit Cost*	*Total Cost*
Marked Patrol Cars	36	$38,400	$1,382,400
Unmarked Cars	17	$29,700	$504,900
TOTAL	53	$35,600	$1,887,300

	Proportionate Share	2010 Demand Units	Cost per Demand Unit
Residential	80%	14,225 year-round pop	$106
Nonresidential	20%	49,439 nonres veh trips	$7

2.98 cars per 1,000 persons

0.21 cars per 1,000 nonres veh trips

Credit Evaluation

The existing police headquarters was financed using approximately 43% of Series 1997 bonds. As shown in Figure 17, total principal payments related to police headquarters and communications are approximately $0.46 million. Clarion derived future principal payments per demand unit following the same methodology used for the cost allocation. To account for the time value of money, the present value adjustment assumes a discount rate of 4% per year.

Figure 17 – Principal Payment Credit for Police Headquarters

FY	*Series 1997 43.2%*	*Residential Share 80%*	*Nonresidential Share 20%*	*Lake Wales Year-Round Population*	*Lake Wales Vehicle Trips to Nonres*	*Payment Per Person*	*Payment Per Nonres Veh Trip*
11-12	$146,880	$117,504	$29,376	14,681	50,850	$8.00	$0.58
12-13	$153,360	$122,688	$30,672	14,908	51,555	$8.23	$0.59
13-14	$162,000	$129,600	$32,400	15,136	52,260	$8.56	$0.62
	$462,240	$369,792	$92,448		Total	$24.80	$1.79
					Discount Rate	4.00%	4.00%
					Present Value	**$22.92**	**$1.66**

Proposed Police Impact Fee

Standards used to derive the police impact fees are shown in the boxed area at the top of Figure 18. A vehicle "trip end" represents a vehicle either entering or exiting a development (as if a traffic counter were placed across a driveway). Trip generation rates are from the reference book Trip Generation, published by the Institute of Transportation Engineers (ITE 2008). Trip generation rates are adjusted to avoid double counting each trip at both the origin and destination points. For all types of nonresidential development except commercial, the trip adjustment factor is 50%. For retail/restaurant development, the trip adjustment factor is less than 50% because retail uses attract vehicles as they pass by on arterial and collector roads. For example, when someone stops at a convenience store on the way home from work, the convenience store is not a primary destination. For the average-size shopping center, ITE indicates that 34% of the entering vehicles are passing by on their way to some other primary destination. The remaining 66% of attraction trips have the shopping center as their primary destination. Because attraction trips are half of all trips, the trip adjustment factor is 66% multiplied by 50%, or approximately 33% of the trip ends.

Figure 18 indicates the proposed fees for single family and multifamily housing units. Residential impact fees are the product of the average persons per housing unit multiplied by the net capital cost per person. For example, the fee for a multifamily unit is 1.80 times $220, or $396.

Fees for the majority of nonresidential development categories are given per square foot of floor area. The impact fee is the product of the trip generation rate multiplied by the trip adjustment factor and the net cost per vehicle trip for police infrastructure. For example, the fee for an office building is 11.01 divided by 1,000 multiplied by 0.50, multiplied by $14, which yields a fee of $0.07 per square foot of floor area. A specific impact fee for a particular nonresidential building is the product of the floor area of the new building multiplied by the impact fee per square foot. Thus an office with 3,000 square feet of floor area would pay a police impact fee of $210 (i.e., 3000 x 0.07).

Figure 18 – Proposed Police Impact Fees

ITE Code		Standards	
Persons Per Housing Unit			
210	Single Family (SFD, SFA, MH)	2.05	
221	Multifamily	1.80	
Weekday Vehicle Trip Ends			
	Nonresidential (per 1,000 Square Feet of Floor Area)		
820	Retail/Restaurant		42.94
770	Business Park		12.76
710	General Office		11.01
610	Hospital		16.50
151	Mini-Warehouse		2.50
150	Warehousing		3.56
140	Manufacturing		3.82
110	Light Industrial		6.97
	Other Nonresidential		
565	Day Care (per student)		4.48
530	High School (per student)		1.71
520	Elementary School (per student)		1.29
320	Lodging (per room)		5.63
254	Assisted Living (per bed)		2.66
Trip Adjustment Factors			
820	Retail/Restaurant		33%
	All Other Nonresidential		50%
Level of Service		Per Person	Per Trip
	Police Headquarters Cost	$137	$9
	Police Vehicles Cost	$106	$7
	Principal Payment Credit	($23)	($2)
	Net Capital Cost	$220	$14

Impact Fee for Police Infrastructure		Proposed Fee	6/1/11 Fee	Increase / (Decrease)
Residential (per housing unit)				
210	Single Family (SFD, SFA, MH)	$451	$217	$234
221	Multifamily	$396	$164	$232
Nonresidential Per Square Foot of Floor Area		*Proposed Fee*		
820	Retail/Restaurant	$0.19	$0.58	($0.39)
770	Business Park	$0.08	$0.25	($0.17)
710	General Office	$0.07	$0.31	($0.24)
610	Hospital	$0.11	$0.34	($0.23)
151	Mini-Warehouse	$0.01	$0.04	($0.03)
150	Warehousing	$0.02	$0.09	($0.07)
140	Manufacturing	$0.02	$0.06	($0.04)
110	Light Industrial	$0.04	$0.12	($0.08)
Other Nonresidential				
565	Day Care (per student)	$31	$88	($57)
530	High School (per student)	$11	$34	($23)
520	Elementary School (per student)	$9	$26	($17)
320	Lodging (per room)	$39	$111	($72)
254	Assisted Living (per bed)	$18	$46	($28)

WATER SYSTEM

Water impact fees are based on the net capital cost per gallon of system capacity as determined by growth-related capital improvements identified in the City's five-year Capital Improvements Plan (CIP). The cost per gallon of capacity, and thus the amount of the impact fee, is not dependent on the pace of development. If Lake Wales grows slower than expected, these projects can be delayed. The cost of growth-related capital improvement projects was divided by the incremental increase from the current water system average daily capacity to the future water system average daily capacity at the end of the CIP time frame. For residential development, the water impact fee is equal to average day water use (gallons) per household multiplied by the net capital cost per gallon of water system capacity. Nonresidential fees are derived from capacity ratios according to the size of the new connection's water meter. Capacity ratios were obtained from the American Water Works Association (AWWA).

Water Demand Analysis

Water use for residential and nonresidential customers was determined using data from the 2010 Water Supply and Survey audit submitted to Southwest Florida Water Management District (SWFWMD). The number of demand units and average daily water use for residential and nonresidential customers is shown in Figure 19. Current water demand indicators in Lake Wales are 275 gallons per day for a single-family dwelling, 135 gallons per day for a multifamily unit, and 661 gallons per day for a nonresidential customer.

Figure 19 - Water Demand Indicators

	Avg Gallons Per Day		Demand Units*	Gallons Per Day Per Demand Unit	GPCD**
Water Billling Records for 2010					
Single-Family Residential***	1,467,188	70%	6,486	226	94
Multifamily Residential	227,756	11%	2,052	111	49
Nonresidential	387,353	19%	711	545	
TOTAL	2,082,297		9,249		
Total Water Supply in 2010*					
Single-Family Residential	1,781,176	70%	6,486	275	115
Multifamily Residential	276,497	11%	2,052	135	60
Nonresidential	470,249	19%	711	661	
TOTAL	2,527,922		9,249		

* Residential dwelling units and nonresidential meters.
** Gallons per capita per day based on an average of 2.40 persons per household in single-family units and 2.25 persons per household in multifamily units (Census 2010).
*** Single family water demand includes irrigation accounts.
**** Total includes recreational/aesthetic uses, fire hydrant flushing, and unaccounted water loss.
Source: Annual Water Supply and Survey Audit, City of Lake Wales Utilities Department, 2010.

Figure 20 provides a conservative projection of annual water demand, based on the above demand factors and development projections documented in Appendix A. However, Lake Wales plans capital improvements using the forecast of persons in the utility service area, as provided by SWFWMD. Figure 21 compares the conservative water demand projection to the larger increase in projected demand provided by SWFWMD. For water impact fees, the cost per gallon of capacity is derived using the SWFWMD demand, which is a conservative approach because the cost of improvements is allocated to a larger number of gallons. In Figure 21, the functional population demand factor of 122 gallons per person is from Utility Capacity Analysis, City Commission Workshop, 05/14/09.

Figure 20 – Conservative Projection of Annual Water System Demand

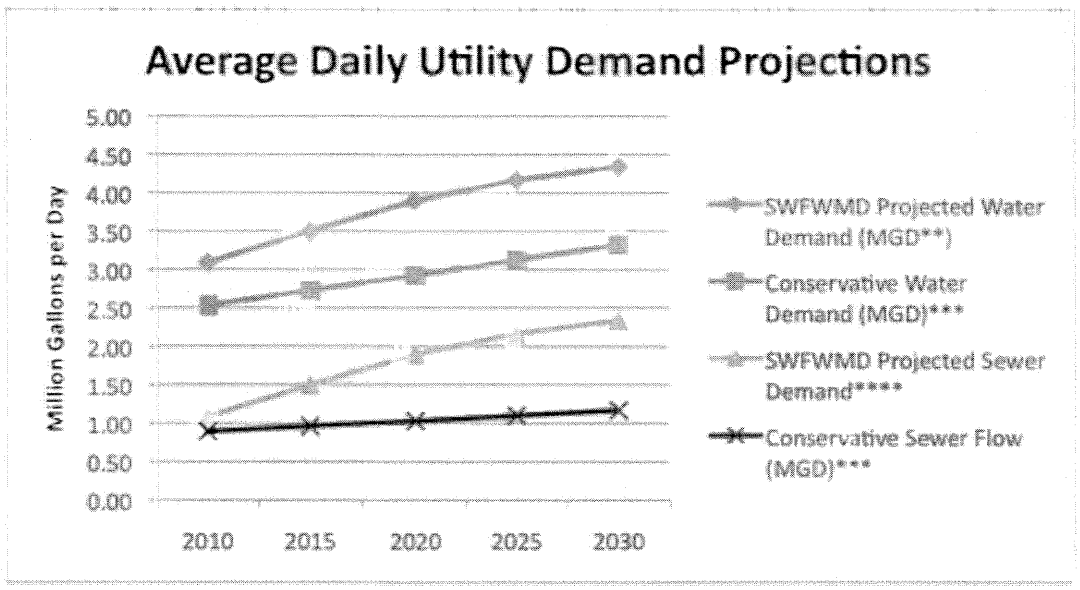
Year		Million Gallons Per Avg Day	Demand Units*	Annual Increase Demand Units*	Annual Increase MGD	Cumulative Increase Demand Units*	Cumulative Increase MGD
past 3	2008						
past 2	2009						
past 1	2010	2.53	9,249				
Base	2011	2.57	9,387				
future 1	2012	2.61	9,534	147	0.04	147	0.04
future 2	2013	2.65	9,680	146	0.04	293	0.08
future 3	2014	2.69	9,828	147	0.04	441	0.12
future 4	2015	2.73	9,974	146	0.04	587	0.16
future 5	2016	2.77	10,121	147	0.04	734	0.20
future 6	2017	2.81	10,267	146	0.04	880	0.24
future 7	2018	2.85	10,414	147	0.04	1,028	0.28
future 8	2019	2.89	10,561	146	0.04	1,174	0.32
future 9	2020	2.93	10,708	147	0.04	1,321	0.36
future 10	2021	2.97	10,854	146	0.04	1,467	0.40
future 11	2022	3.01	11,001	147	0.04	1,615	0.44
future 12	2023	3.04	11,148	146	0.04	1,761	0.48
future 13	2024	3.08	11,295	147	0.04	1,908	0.52
future 14	2025	3.12	11,441	146	0.04	2,054	0.56
future 15	2026	3.16	11,588	147	0.04	2,202	0.60
future 16	2027	3.20	11,734	146	0.04	2,348	0.63
future 17	2028	3.24	11,882	147	0.04	2,495	0.67
future 18	2029	3.28	12,028	146	0.04	2,641	0.71
future 19	2030	3.32	12,174	146	0.04	2,787	0.75

* Residential units plus nonresidential connections

Figure 21 – SWFWMD Projection of Annual Water Demand

Lake Wales, Florida	2010	2015	2020	2025	2030	2035
Total Population*	25,326	28,640	31,963	34,152	35,584	36,695
122 gallons per person (i.e. functional population)						
SWFWMD Projected Water Demand (MGD**)	3.09	3.49	3.90	4.17	4.34	4.48
Conservative Water Demand (MGD)***	2.53	2.73	2.93	3.12	3.32	
SWFWMD Projected Sewer Demand****	1.09	1.49	1.90	2.16	2.34	2.47
Conservative Sewer Flow (MGD)***	0.89	0.96	1.03	1.10	1.17	

* Southwest Florida Water Management District (SWFWMD) uses the term "functional population" as the umbrella term for total demand indicators, including year-round residents, seasonal population and tourist, plus the net increase in workers after accounting for inflow and outflow of commuters.
** Average daily gallons in millions.
*** Based on development projections used in 2011 impact fee update.
**** Projected increase in SWFWMD water demand applied to 2010 sewer flow.



Water System Improvements

A summary of Lake Wales's CIP for water improvements is shown in Figure 22. At the top of the table are growth-related system improvements that will be funded by impact fees. These capacity projects have a projected total cost of approximately $2.2 million. In the middle section of the table are planned improvements that will benefit both existing and future customers. The estimated cost of these projects is allocated to total water system demand in 2015. As shown in the bottom section, Lake Wales is also planning to spend approximately $2.8 million on projects that will not receive impact fee funding.

Figure 22 - Water System Capital Improvements

Dept Sum#	Fiscal Year =>	1 2011-12	2 2012-13	3 2013-14	4 2014-15	5 2015-16	Five-Year TOTAL
Impact Fee Projects Solely Benefiting New Development							
11	Market St to SR 60 W (16" Line)	$125,000	$1,250,000				$1,375,000
31	Burns Ave Water Line			$250,000			$250,000
24	Ground Storage Tank				$450,000		$450,000
1	Land - Burns Ave Plant					$100,000	$100,000
	Subtotal	$125,000	$1,250,000	$250,000	$450,000	$100,000	$2,175,000
	Increase in System Demand 2011 to 2015 (gal/day)						323,487
	Capital Cost per Gallon of Capacity						**$6.72**
Impact Fee Projects Benefiting Current and Future Customers							
17	SCADA Interconnect		$100,000				$100,000
	System Demand in 2015 (gal/day)						3,494,000
	Capital Cost per Gallon of Capacity						$0.02
	Total Water Cost per Gallon of Capacity						**$6.74**
Projects Not Funded by Impact Fees							
28	Relocate Water Lines US 27N	$200,000					$200,000
27	Wtr lines SR17-MLK Cutoff	$150,000					$150,000
13	Water Service Connections	$40,000	$40,000	$40,000	$40,000	$40,000	$200,000
6	Abestos/Cement Pipe Removal		$500,000	$500,000			$1,000,000
32	Replace Galvanized Lines		$250,000	$250,000			$500,000
4	Water Operations Building		$120,000				$120,000
34	GPS Utilities		$100,000				$100,000
22	Market St Ground Storage Tank		$100,000				$100,000
35	Misc Utilities Equipment		$50,000	$16,000	$8,000	$8,000	$82,000
3	Water Plant Bathrooms		$7,000	$7,000	$7,000		$21,000
14	NW Water Line Extensions				$250,000		$250,000
33	Market St Plant Upgrade					$45,000	$45,000
	Subtotal	$390,000	$1,167,000	$813,000	$305,000	$93,000	$2,768,000
	WATER TOTAL	$515,000	$2,517,000	$1,063,000	$755,000	$193,000	$5,043,000

Credit Evaluation

The City of Lake Wales has bond financed some existing water system improvements, such as major 12-inch water lines and water supply plants. Because the water impact fee methodology does not include a cost recovery component for oversized distribution mains and water plant capacity, there is no potential double payment and a revenue credit is not applicable. Future geographic expansion of the City's water system will be funded through impact fees.

Water Impact Fee Calculations

Standards used to derive water system impact fees are shown in the boxed area of Figure 23. Residential water impact fees are based on the average day gallons of water per dwelling unit and the capital cost per gallon of capacity. For example, a single-family unit averages 275 gallons of water per day and the net capital cost is $6.74 per gallon of capacity. Multiplying these factors yields a water impact fee of $1,853 dollars per housing unit.

To derive water impact fees for nonresidential customers, multiply the single-family ERU demand factor by the net capital cost per gallon and the capacity ratio by meter size. For example, a restaurant requiring a 1.5-inch meter would pay a water impact fee of $6,116, which is derived from the formula 275 x 6.74 x 3.3. The capacity ratios by meter size are from the American Water Works Association.

Figure 23 – Water System Impact Fees

			Standards:		
Gallons per Household					
Single Family			275		
Multifamily			135		
Level Of Service					
Cost Recovery per Gallon of Capacity			$0.00		
CIP Cost per Gallon of Capacity			$6.74		
Revenue Credit (not applicable)			$0.00		
Net Capital Cost per Gallon of Capacity			$6.74		
			Proposed Fee	*6/1/11 Fee*	*Increase/ (Decrease)*
Residential			Per Housing Unit		
Single Family			$1,853	$1,885	($32)
Multifamily			$909	$1,885	($976)
Nonresidential			Per Meter		
*Meter Size (inches)**		*Capacity Ratio*			
0.75	Displacement	1.0	$1,853	$1,885	($32)
1.00	Displacement	1.7	$3,150	$3,203	($53)
1.50	Displacement	3.3	$6,116	$6,218	($102)
2.00	Compound	5.3	$9,823	$9,986	($163)

* Fees for meters larger than two inches will be based on annualized average day demand and the net capital cost per gallon of capacity.

SANITARY SEWER

Sewer system impact fees are based on the cost of planned system improvements for sewer lines, treatment, and reuse. For residential development, the sewer impact fee is the product of average day wastewater flow (gallons per housing unit) and the net capital cost per gallon of capacity. Nonresidential fees are derived from capacity ratios according to the size of the water meter used to connect a new utility customer.

Sewer Demand Analysis

The 2010 percentage of water used by single-family, multifamily, and nonresidential customers was applied to the average daily flow (measured at the wastewater treatment plant) to yield gallons per day per demand unit, as shown in Figure 24. Current sewer flow standards in Lake Wales are 137 gallons per day for a single-family dwelling, 67 gallons per day for a multifamily unit, and 352 gallons per day for a nonresidential customer.

Figure 24 – Sewer Demand Indicators

	Avg Gallons Per Day		Demand Units*	Gallons Per Day Per Demand Unit	GPCD**
Water Billling Records for 2010					
Single-Family Residential***	1,116,144	64.47%	6,486	172	72
Multifamily Residential	227,756	13.16%	2,052	111	49
Nonresidential	387,353	22.37%	711	545	
TOTAL	1,731,253		9,249		
Average Daily Flow to Wastewater Treatment Plant in 2010*					
Single-Family Residential	573,786	64.47%	4,180	137	57
Multifamily Residential	117,084	13.16%	1,749	67	30
Nonresidential	199,130	22.37%	566	352	
TOTAL	890,000		6,495		

* Residential dwelling units and nonresidential connections.
** Gallons per capita per day based on an average of 2.40 persons per household in single-family units and 2.25 personsper household in multifamily units (Census 2010).
*** Single family sewer demand excludes irrigation accounts.
**** Total based on measured flow at wastewater treatment plant.
Source: City of Lake Wales Utilities Department, 2010.

Figure 25 provides a conservative projection of annual sewer flow, based on the above demand factors and development projections documented in Appendix A. However, Lake Wales plans capital improvements using the forecast of persons in the utility service area, as provided by SWFWMD. Figure 21 (above) compares the conservative sewer demand projection to the larger increase in projected demand using the SWFWMD forecast. For sewer impact fees, the cost per gallon of capacity is derived using the SWFWMD forecast, which is a conservative approach because the cost of improvements is allocated to a larger number of gallons.

Figure 25 – Conservative Projection of Annual Sewer System Demand

Year		Million Gallons Per Avg Day	Demand Units*	Annual Increase Demand Units*	Annual Increase MGD	Cumulative Increase Demand Units*	Cumulative Increase MGD
past 3	2008						
past 2	2009						
past 1	2010	0.89	6,495				
Base	2011	0.90	6,596				
future 1	2012	0.92	6,699	103	0.01	103	0.01
future 2	2013	0.93	6,802	103	0.01	206	0.03
future 3	2014	0.95	6,905	103	0.01	309	0.04
future 4	2015	0.96	7,008	103	0.01	412	0.06
future 5	2016	0.97	7,111	103	0.01	515	0.07
future 6	2017	0.99	7,214	103	0.01	618	0.08
future 7	2018	1.00	7,317	103	0.01	721	0.10
future 8	2019	1.01	7,420	103	0.01	824	0.11
future 9	2020	1.03	7,523	103	0.01	927	0.13
future 10	2021	1.04	7,626	103	0.01	1,030	0.14
future 11	2022	1.06	7,729	103	0.01	1,133	0.15
future 12	2023	1.07	7,832	103	0.01	1,236	0.17
future 13	2024	1.08	7,935	103	0.01	1,339	0.18
future 14	2025	1.10	8,038	103	0.01	1,442	0.19
future 15	2026	1.11	8,141	103	0.01	1,545	0.21
future 16	2027	1.13	8,244	103	0.01	1,648	0.22
future 17	2028	1.14	8,347	103	0.01	1,751	0.24
future 18	2029	1.15	8,450	103	0.01	1,854	0.25
future 19	2030	1.17	8,552	103	0.01	1,956	0.26

* Residential units plus nonresidential connections

Sewer System Improvements

The growth-related projects listed at the top of Figure 26 will enable the City sewer system to accommodate the projected increase in average daily wastewater flow over the next five years. The cost of these projects was allocated to the projected increase in wastewater flow over the planning time frame to yield a cost factor of $24.54 per gallon of capacity.

Shown at the bottom of Figure 26 are approximately $8.5 million of sewer improvements that will not receive impact fee funding, including rehab, replacement, and utility relocations.

Figure 26 – Sewer CIP Summary

Dept Sum#	City Costs by Fiscal Year =>	1 2011-12	2 2012-13	3 2013-14	4 2014-15	5 2015-16	Five-Year TOTAL
	Impact Fee Projects Solely Benefiting New Development						
15	Reuse Line Ext - LWCC Golf Course	$301,200					$301,200
29	WWTP Expansion				$1,000,000	$1,000,000	$2,000,000
2	Land - Reuse Storage					$200,000	$200,000
7	Force Main LS#31		$21,000				$21,000
25	SR60 Transmission Lines		$575,000		$1,500,000	$1,500,000	$3,575,000
20	Unsewered Areas			$500,000	$500,000		$1,000,000
23	Reuse Ground Storage Tank				$200,000	$622,000	$822,000
	Subtotal	$301,200	$596,000	$500,000	$3,200,000	$3,322,000	$7,919,200
	Wastewater Flow Increase 2011 to 2015 (gal/day)						323,487
	Capital Cost per Gallon						**$24.48**
	Impact Fee Projects Benefiting Current and Future Customers						
18	SCADA Upgrade		$100,000				$100,000
	Sewer Demand in 2015 (gal/day)						1,491,272
	Capital Cost per Gallon						**$0.06**
	Total Sewer Cost per Gallon of Capacity						**$24.54**
	Projects Funded by Utility Rates						
19	C St Area Sewer Improvements	$935,000	$665,000				$1,600,000
30	WWTP Rehab	$3,271,391					$3,271,391
21	Sewer Line Sliplining	$250,000	$250,000	$250,000	$250,000	$250,000	$1,250,000
12	Reuse Service Connections	$5,000	$10,000	$10,000	$10,000	$10,000	$45,000
10	Lift Station Rehab	$100,000	$225,000	$250,000	$250,000	$250,000	$1,075,000
8	Lift Station Fencing	$2,500	$27,500				$30,000
9	Lift Station Pump Replacement	$15,000		$100,000			$115,000
16	Reuse Upgrades		$40,000	$40,000	$40,000	$40,000	$160,000
36	Pole Barn		$60,000				$60,000
39	Sewer Collection Sys Master Plan		$200,000				$200,000
37	Vactor Truck		$225,000				$225,000
5	Bldg Demolition - Lift Station		$150,000				$150,000
38	Infiltration & Intrusion Study		$223,000				$223,000
26	US 27 N Sewer Line Relocation	$100,000					$100,000
	Subtotal	$4,678,891	$2,075,500	$650,000	$550,000	$550,000	$8,504,391
	Total Sewer CIP	$4,980,091	$2,771,500	$1,150,000	$3,750,000	$3,872,000	$16,523,591
	Total Water CIP						$5,043,000
	Total City Funded CIP						$21,566,591
	Other Funding						$2,750,000
	Total Utilities CIP						$24,316,591

Credit Evaluation

Figure 27 indicates future principal payments on sewer system improvements included in the impact fee calculations. Lake Wales has a State Revolving Fund loan for Phase II the reuse system. In addition to these obligations, approximately 58% of the Series 1996 utility system bonds and 4.5% of the Series 1997 bonds were for sewer system improvements. Total principal payments are divided by average day wastewater flow to yield annual payments per gallon of capacity. To account for the time value of money, the annual revenue stream was discounted to yield a present value of $2.36 per gallon.

Figure 27 – Principal Payment Credit for Existing Sewer Bonds

FY	*Series 1997 4.5%*	*Series 1996 58.0%*	*Reuse Phase II 100.0%*	*Total Principal Payments*	*Average Day Gallons*	*Payment Per Gallon*
11-12	$15,300	$359,600	$92,885	$467,785	917,245	$0.51
12-13	$15,975	$379,900	$95,740	$491,615	931,089	$0.53
13-14	$16,875	$400,200	$98,682	$515,757	945,034	$0.55
14-15	$0	$423,400	$101,715	$525,115	958,878	$0.55
15-16	$0	$449,500	$61,730	$511,230	972,823	$0.53
	$48,150	$2,012,600	$450,752	$2,511,502	Total	$2.66
					Discount Rate	4.00%
					Present Value	**$2.36**

Proposed Sewer Impact Fees

Standards used to derive the sewer system impact fee are shown in the boxed area of Figure 28. Nonresidential fees are based on water meter sizes and their capacity relative to a single-family equivalent residential unit. Capacity ratios convert the single-family impact fee into a proportionate fee for larger meter sizes. The capacity ratios by meter size are from the American Water Works Association.

For residential development the sewer impact fee is the product of average day gallons of wastewater flow per household, multiplied by the net capital cost per gallon. For a single-family unit, the sewer impact fee is derived from the following formula: 137 x 22.18, or $3,038. The proposed sewer impact fee is $1,479 less than the current fee.

Figure 28 - Sewer System Impact Fee

		Standards:		
Gallons per Household				
Single Family (SFD, SFA, MH)		137		
Multifamily		67		
Cost Factors				
Sewer CIP Cost per Gallon of Capacity		$24.54		
Principal Payments Credit on Existing Bonds		($2.36)		
Net Capital Cost Per Gallon		$22.18		
Sewer Impact Fee		*Proposed*	*6/1/11*	*Increase /*
Residential (per housing unit)		*Fee*	*Fee*	*(Decrease)*
Single Family (SFD, SFA, MH)		$3,038	$4,517	($1,479)
Multifamily		$1,486	$3,472	($1,986)
Nonresidential (per meter)	*Capacity*			
*Water Meter Size**	*Ratio*			
0.75"	1.0	$3,038	$4,052	($1,014)
1.00"	1.7	$5,165	$6,888	($1,723)
1.50"	3.3	$10,027	$13,371	($3,344)
2.00"	5.3	$16,104	$21,474	($5,370)

* Nonresidential sewer fees are based on water meter size. Fees for meters larger than two inches will be based on annualized average day demand and the net capital cost per gallon of capacity.

IMPLEMENTATION AND ADMINISTRATION

Development impact fees should be periodically evaluated and updated to reflect recent data. One approach is to adjust for inflation using the Engineering News Record (ENR) Construction Cost Index published by McGraw-Hill Companies. This index could be applied to the adopted impact fee schedule. If cost estimates or demand indicators change significantly, the City should redo the fee calculations.

Impact fees must be deposited in a separate interest bearing account. Fees should be spent within five years of when they are collected, with the expenditures limited to growth-related system improvements. An annual report of impact fee collections and expenditures should be prepared by the Finance Department for distribution to elected officials, city administrators and the general public (upon request). In addition, audits of financial statements of local governmental entities, performed by a certified public accountant, must be submitted to the Auditor General and include an affidavit signed by the chief financial officer of the local governmental entity stating that the local governmental entity has complied with the Florida Impact Fee Act.

Credits and Reimbursements

A general requirement that is common to impact fee methodologies is the evaluation of credits. A revenue credit may be necessary to avoid potential double payment situations arising from one-time impact fees plus on-going payment of other revenues that may also fund growth-related capital improvements. The determination of credits is dependent upon the impact fee methodology used in the cost analysis. There are three basic approaches used to calculate impact fees and each is linked to different credit methodology.

The first general type of impact fee method is a cost recovery approach. This method is used for facilities that have adequate capacity to accommodate new development for at least a five-year time frame. The rationale for the cost recovery is that new development is paying for its share of the useful life or remaining capacity of the existing facility. When using a cost recovery method, it is important to determine whether new development has already contributed toward the cost of existing public facilities (i.e., a past revenue credit). Outstanding principal and interest payments are typically subtracted from the value of the asset that was oversized for new development.

A second basic approach used to calculate impact fees is the incremental expansion cost method. This method documents current factors and it is best suited for public facilities that will be expanded incrementally in the future. Because new development will provide front-end funding of infrastructure, there is a potential for double payment of capital costs due to future principal payments on existing debt for public facilities. A credit is not necessary for interest payments if interest costs were not included in the impact fees.

A third basic approach used to calculate impact fees is the plan-based method. This method is based on future capital improvements needed to accommodate new development. The plan-based method may be used for public facilities that have commonly accepted service delivery factors to determine the need for future projects, or the jurisdiction plans to significantly

increase the current factors and it has a financially feasible strategy to cover the cost of existing deficiencies. If a plan-based approach is used to derive impact fees, the credit evaluations should focus on future bonds and revenues that will fund planned capital improvements.

Specific policies and procedures related to site-specific credits should be addressed in the ordinance that establishes the impact fees. Project-level improvements, required as part of the development approval process, are not eligible for credits against impact fees. If a developer constructs a system improvement included in the fee calculations, it will be necessary to either reimburse the developer or provide a credit against the fees in the area that benefits from the system improvement. The latter option is more difficult to administer because it creates unique fees for specific geographic areas. Based on Clarion's experience, it is better for the City to establish a reimbursement agreement with the developer that constructs a system improvement. The reimbursement agreement should be limited to a payback period of no more than ten years and the City should not pay interest on the outstanding balance. The developer must provide sufficient documentation of the actual cost incurred for the system improvement. The City should only agree to pay the lesser of the actual construction cost or the estimated cost used in the impact fee analysis. If the City pays more than the cost used in the fee analysis, there will be insufficient fee revenue. Reimbursement agreements should only obligate the City to reimburse developers annually according to actual fee collections from the benefiting area.

The supporting documentation for each type of impact fee illustrates the types of infrastructure considered to be system improvements. For example, the park impact fee provides standards for larger citywide parks, but does not address the need for smaller neighborhood-scale park improvements. Therefore, neighborhood-scale park improvements are not eligible for credits against impact fees. Site specific credits or developer reimbursements for one type of system improvement does not negate an impact fee for other system improvements.

Service Areas

To ensure a substantial benefit to new development paying impact fees, the City of Lake Wales has evaluated collection and expenditure zones for public facilities that may have distinct benefit or service areas. In the City of Lake Wales, impact fees for citywide parks, library, police, water and sewer infrastructure will benefit new development throughout the entire incorporated area and Clarion recommends citywide implementation of the development impact fees. Because existing water and sewer service areas extend beyond municipal boundaries, the service area for each utility is contiguous with the geographic extent of the parcels served by City utilities. To ensure collection of impact fees from new development benefiting from City infrastructure, Clarion recommends annexation of all properties that desire connection to City water and sewer utilities.

For the fire/EMS impact fee, the City of Lake Wales has established two service areas. The boundary of the north and south service areas is Mountain Lake Cutoff Road.

Nonresidential Development Categories

The nonresidential development categories in the impact fee schedule will apply to a majority of the new construction anticipated within Lake Wales. Nonresidential development categories (summarized below) are based on land use classifications from the book Trip Generation (ITE, 2008).

Shopping Center (820) – A shopping center is an integrated group of commercial establishments that is planned, developed, owned and managed as a unit. A shopping center provides on-site parking facilities sufficient to serve its own parking demands. Shopping centers may contain non-merchandizing facilities, such as office buildings, movie theaters, restaurants, post offices, banks, health clubs and recreational facilities. In addition to the integrated unit of shops in one building or enclosed around a mall, many shopping centers include out-parcels. For smaller centers without an enclosed mall or peripheral buildings, the Gross Leasable Area (GLA) may be the same as the Gross Floor Area (GFA) of the building.

General Office (710) – A general office building houses multiple tenants including, but not limited to, professional services, insurance companies, investment brokers and tenant services such as banking, restaurants and service retail facilities. In the impact fees study, this category is used as a proxy for institutional uses that may have more specific land use codes.

Business Park (770) – A group of flex-type buildings served by a common roadway system. The tenant space includes a variety of uses with an average mix of 20-30% office/commercial and 70-80% industrial/warehousing.

Manufacturing (140) – Manufacturing facilities are areas where the primary activity is the conversion of raw materials or parts into finished products. In addition to actual production of goods, manufacturing facilities also have ancillary functions such as offices, warehouses and research facilities.

Light Industrial (110) – Light industrial facilities usually employ fewer than 500 persons and have an emphasis on activities other than manufacturing. Typical light industrial activities include, but are not limited to printing plants, material-testing laboratories and assembling of data processing equipment.

Warehousing (150) – Warehouses are primarily devoted to the storage of materials.

Even though churches are a common type of development they do not have a specific impact fee category due to a lack of sufficient data. The Institute of Transportation Engineers does not publish trip rates per church employee and the weekday trip generation rate per 1,000 square feet of floor area is not based on enough studies to be statistically valid. For churches and any other atypical development, city staff must establish a consistent administrative process to reasonably treat similar developments in a similar way. When presented with a development type that does not match one of the development categories in the published fee schedule, the City should first look in the ITE manual to see if there is land use category with valid trip rates that does match the proposed development. The second option is to determine the published category that is most like the proposed development. Churches without daycare or schools are basically an office area (used throughout the week) with a large auditorium and class space

(used periodically during the week). Some jurisdictions make a policy decision to impose impact fees on churches based on the fee schedule for warehouses or mini-warehouses. The rationale for this policy is the finding that churches are large buildings that generate little weekday traffic and only have a few full time employees. A third option is for Lake Wales to impose impact fees on churches by breaking down the building floor area into its primary use. For example, a church with 25,000 square feet of floor area may have 2,000 square feet of office space used by employees throughout the week. At a minimum, the City could impose an impact fee on the office floor area, based on the published rate per square foot for small offices. An additional impact fee amount could be imposed for the remainder of the building based on the rate for a warehouse or mini-warehouse. The key consideration for these administrative decisions is to be reasonable and consistent. If an applicant thinks the administrative decision is not reasonable, it is appealed to the elected officials for their consideration.

APPENDIX A – DEMOGRAPHIC DATA

This appendix documents the demographic data and development projections used in the impact fee study for the City of Lake Wales, Florida. Although long-range projections are necessary for planning capital improvements, a shorter time frame of five to six years is critical for the impact fees analysis. Infrastructure standards are calibrated using fiscal year 2010-2011 data and the first projection year for the cash flow model will be 2012. The City of Lake Wales fiscal year begins October 1st.

Average Persons by Type of Housing

As shown in Figure A1, the City of Lake Wales had 4,598 housing units in 2000. The blended, or weighted average, household size in 2000 for all housing types was 2.44 persons per household. According to the U.S. Census Bureau, a household is a housing unit that is occupied by year-round residents. Clarion Associates recommends the use of two residential categories in the impact fee calculations. Differentiating impact fees by type of housing helps make the fees proportionate to the demand for public facilities. Detached housing units average 2.72 persons per household. Attached housing units (i.e., townhouses, duplexes and multifamily units) average 2.09 persons per household.

Figure A1 – Persons by Units in Structure

2007 Summary by Type of Housing	*Persons*	*House-holds*	*Persons per Household*	*Housing Units*	*Persons Per Hsg Unit*	*Housing Mix*
Single Family	10,244	4,381	2.34	5,352	1.91	74%
Multifamily	3,232	1,473	2.19	1,928	1.68	26%
Subtotal	13,476	5,854		7,280		*Vacancy*
Group Quarters	524					*Rate*
TOTAL	14,000	5,854	2.39	7,280	1.92	19.6%

Source: 2005-2009 American Community Survey, U.S. Census Bureau.

2010 Census						
Single Family			2.40		**2.05**	
Multifamily			2.25		**1.80**	
TOTAL	14,225	5,790	2.46	6,900	2.06	

Source: PL94-171 Redistricting File, U.S. Census Bureau.

Recent Residential Construction

Figure A2 graphs housing units added by decade in the City of Lake Wales. From 2000 to 2010, residential construction averaged 230 housing units per year.

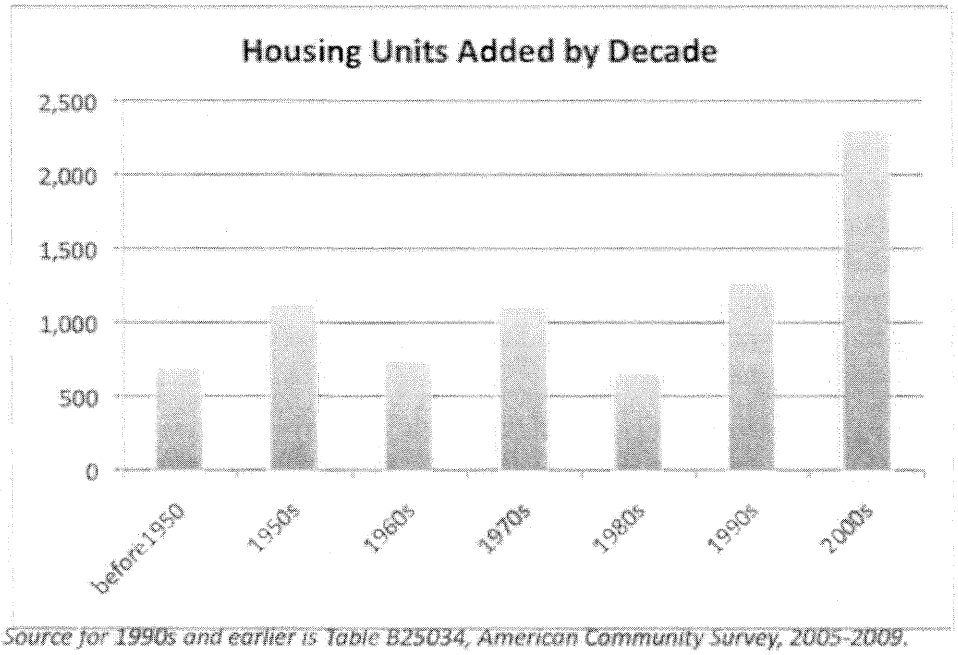
Figure A2 – Housing Units by Decade

Lake Wales, Florida

Census 2010 Population*	14,225
Census 2010 Housing Units*	6,900
Total Housing Units in 2000	4,598
New Housing Units	2,302

From 2000 to 2010, Lake Wales added an average of 230 housing units per year.

* *U.S. Census Bureau PL94-171.*



Source for 1990s and earlier is Table B25034, American Community Survey, 2005-2009.

Population Forecast

Based on census data over the past three decades, Clarion prepared alternative population projections, as shown in Figure A3. For the impact fee study, Clarion recommends the linear growth rate alternative, based on a simple annual growth rate of 2.36%, derived from the actual population increase from 1990 to 2010. This alternative yields an average increase of 228 persons per year.

Figure A3 – Alternative Population Projections

Population Projection Alternatives

Lake Wales, Florida

Method	1990	2000	2010	2015	2020	2025	2030	Avg Ani Increase 2010-2030
				Five-Year Increments =>				
			projection years (x) =>					
Density Ceiling (1)	9,670	10,194	14,225	14,938	15,494	15,918	16,237	101
Linear Growth Rate (2)	9,670	10,194	14,225	15,364	16,503	17,641	18,780	228
Exponential (3)	9,670	10,194	14,225	15,666	17,253	19,001	20,926	335
Logarithmic (4)	9,670	10,194	14,225	15,627	16,101	16,394	16,607	119
Constant Share (5)	9,670	10,194	14,225	15,640	17,055	18,231	19,407	259

(1) Logistic curve with cap of 17,100 people due to existing water capacity without reclamation.

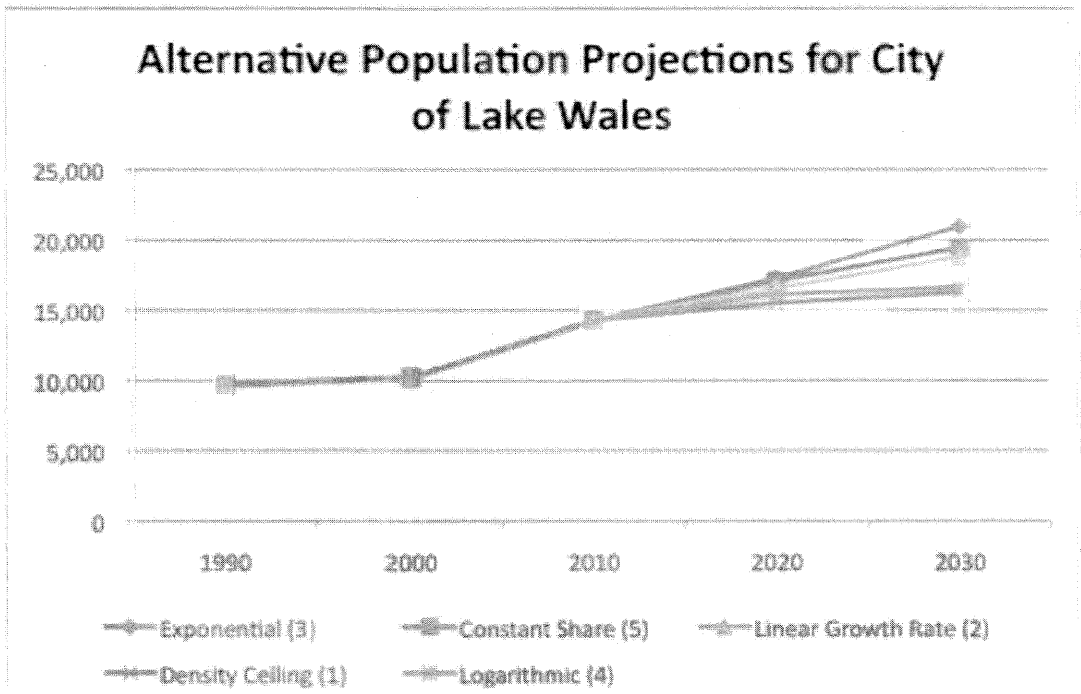
(2) Simple annual growth rate based on population in 1990 and 2010.

(3) Compound annual growth rate based on population in 1990 and 2010.

(4) Growth rate yields a 2015 projection similar to the exponential alternative.

(5) Assumes the 2010 City-to-County population ratio remains constant through 2030.

Polk County (TPO projections) => 602,095 661,986 721,877 771,659 821,440



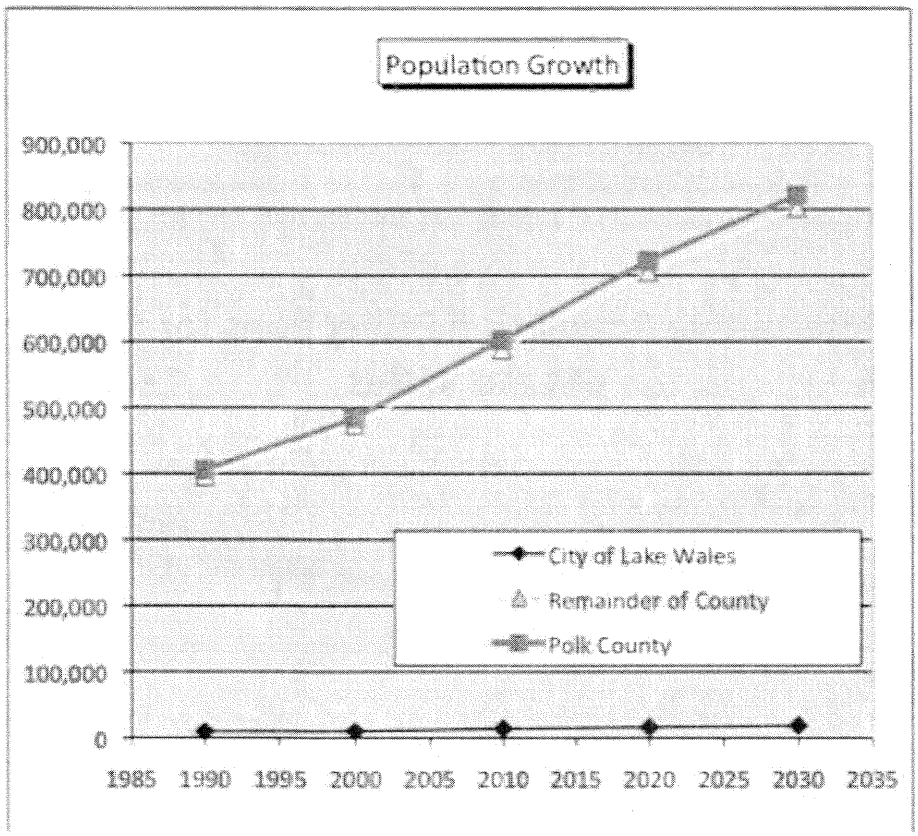
Population Projection Compared to County Growth

Figure A4 indicates the City's share of countywide population over time. Countywide population projections are from the long-range transportation plan. From 2010 to 2030, Lake Wale's population share drops slightly from 2.4 to 2.3% of the county.

Figure A4 – Lake Wales Population Share

	1990	2000	2010	2020	2030
Polk County	405,396	483,924	602,095	721,877	821,440
City of Lake Wales	9,670	10,194	14,225	16,503	18,780
Remainder of County	395,726	473,730	587,870	705,374	802,660
Lake Wales Share	2.4%	2.1%	2.4%	2.3%	2.3%

Sources: U.S. Census Bureau data 1990-2010. Polk County 2020-2030 Polk Transportation Planning Organization. Lake Wales 2020-2030 assumes linear growth rate consistent with City population increase from 1990 to 2010.



Jobs by Place of Work

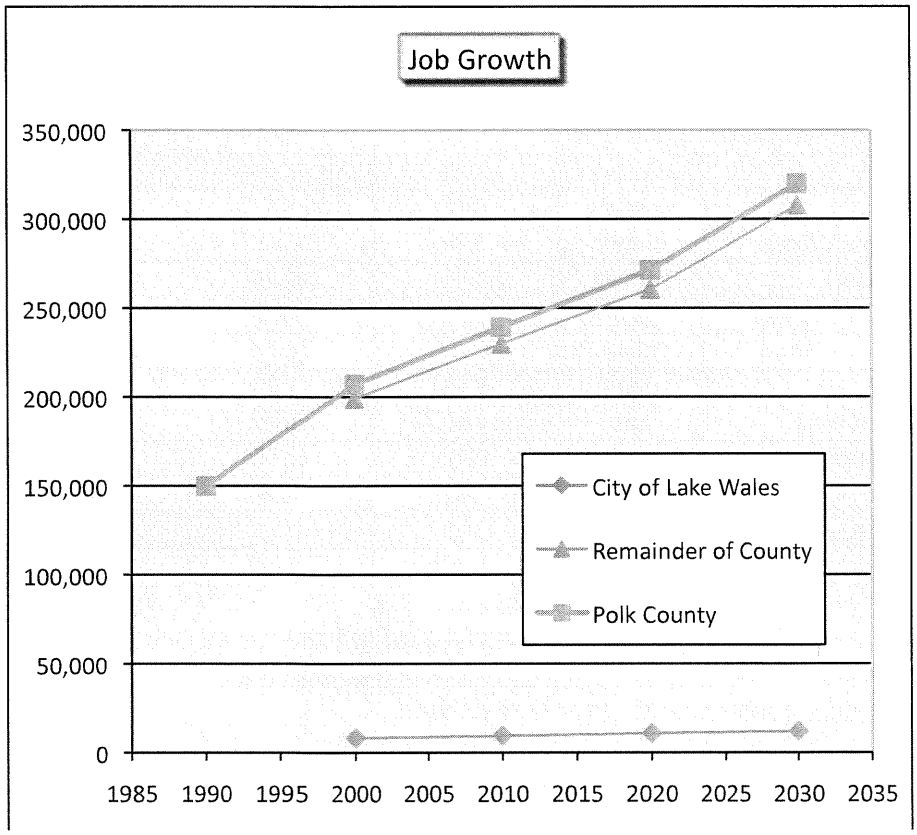
In addition to data on residential development, the calculation of impact fees requires data on nonresidential development. Clarion uses the term "jobs" to refer to employment by place of work. Similar to the population share evaluation discussed above, countywide jobs are shown in Figure A5 along with Lake Wale's job share. Countywide job projections are from the Polk Transportation Planning Organization. The 2010 estimate of jobs in the City was derived from Polk County Property Appraiser nonresidential floor area data (see Figure A7). Based on 2010 and 2030 Polk Transportation Planning Organization data for the library and parks service area

(see Figure A10 for the specific Traffic Analysis Zones), every additional person correlates to an increase of 0.59 jobs. Clarion applied this jobs-to-persons ratio to the projected increase in city population to obtain projected jobs within the City of Lake Wales.

Figure A5 – Lake Wales Job Share

	1990	2000	2010	2020	2030
Polk County	149,920	207,070	239,279	271,488	319,875
City of Lake Wales		8,013	9,425	10,769	12,112
Remainder of County		199,057	229,854	260,719	307,763
Lake Wales Share		3.9%	3.9%	4.0%	3.8%

Sources: Polk County 1990, 2000, 2020, and 2030 from Polk Transportation Planning Organization. Lake Wales 2000 from Census 2000 PHC-T-40 (Daytime Population) and 2010 derived from Polk County Property Appraiser floor area data.



Jobs and Nonresidential Development

Projected jobs are converted to nonresidential floor area using square feet per employee multipliers. Clarion uses the term "jobs" to refer to employment by place of work (i.e., located within Lake Wales). The square feet per employee multipliers shown below were derived from national data published by the Institute of Transportation Engineers (ITE) and the Urban Land

Institute (ULI). Impact fee methodologies may also use the number of employees per thousand square feet (KSF) to differentiate fees by type of nonresidential development. In Figure A6, gray shading indicates three nonresidential development prototypes used by Clarion to calculate vehicle trips and estimate potential impact fee revenue as part of the impact fee cash flow analysis. The prototype development for industrial jobs is manufacturing. The prototype for retail/restaurant jobs is a Discount Club and the prototype for all other services is a hospital.

Figure A6 – Employee and Building Area Ratios

ITE Code	*Land Use / Size*	*Demand Unit*	*Wkdy Trip Ends Per Dmd Unit**	*Wkdy Trip Ends Per Employee**	*Emp Per Dmd Unit***	*Sq Ft Per Emp*
Commercial / Shopping Center						
820	Average Size	1,000 Sq Ft	42.94	na	2.00	500
857	**Discount Club**	**1,000 Sq Ft**	**41.80**	**32.21**	**1.30**	**771**
General Office						
710	Average Size	1,000 Sq Ft	11.01	3.32	3.32	302
Other Nonresidential						
770	Business Park***	1,000 Sq Ft	12.76	4.04	3.16	317
760	Research & Dev Center	1,000 Sq Ft	8.11	2.77	2.93	342
610	**Hospital**	**1,000 Sq Ft**	**16.50**	**5.20**	**3.17**	**315**
565	Day Care	student	4.48	28.13	0.16	na
550	University/College	student	2.38	9.13	0.26	na
530	High School	student	1.71	19.74	0.09	na
520	Elementary School	student	1.29	15.71	0.08	na
520	Elementary School	1,000 Sq Ft	15.43	15.71	0.98	1,018
320	Lodging	room	5.63	12.81	0.44	na
254	Assisted Living	bed	2.66	3.93	0.68	na
151	Mini-Warehouse	1,000 Sq Ft	2.50	61.90	0.04	24,760
150	Warehousing	1,000 Sq Ft	3.56	3.89	0.92	1,093
140	**Manufacturing**	**1,000 Sq Ft**	**3.82**	**2.13**	**1.79**	**558**
110	Light Industrial	1,000 Sq Ft	6.97	3.02	2.31	433

* Trip Generation, Institute of Transportation Engineers, 2008.

** Employees per demand unit calculated from trip rates, except for Shopping Center data, which are derived from Development Handbook and Dollars and Cents of Shopping Centers, published by the Urban Land Institute.

*** According to ITE, a Business Park is a group of flex-type buildings served by a common roadway system. The tenant space includes a variety of uses with an average mix of 20-30% office/commercial and 70-80% industrial/warehousing.

Jobs by Type of Nonresidential Development

Figure A7 indicates both private and public sector jobs located in the City of Lake Wales, derived from 2010 floor area data obtained from the Polk County Property Appraiser. Square feet per job multipliers were used to convert nonresidential floor area to estimated jobs within Lake Wales. In 2010, Lake Wales had almost 4.8 million square feet of nonresidential floor area. The impact fee study assumes the 2010 job mix remains constant over time.

Figure A7 – Jobs and Floor Area Estimates

Nonresidential Type (1)	*2010 Jobs (2)*		*Sq Ft per Job*	*Polk County Property Appraiser Floor Area (Sq Ft)*
Industrial	1,184	13%	558	660,571
Retail/Restaurant	3,330	35%	771	2,567,779
All Other Services	4,911	52%	315	1,546,888
TOTAL	9,425	100%	507	4,775,238

(1) Industrial includes Department of Revenue codes 4100-6602, 9190-9209; Retail/Restaurant includes 1004-1175, 1203-1671, 2100-2200, 2700-2740, 3000-3300; All Other Services includes 1179-1190, 1700-1945, 2300-2600, 2750-2840, 3538-3900, 7040-8900.
(2) Derived from floor area divided by square feet per job.

Detailed Development Projections

Figure A8 documents key demographic data and development projections used in the impact fee study. Projected population was converted to housing units using 2010 census data on the average number of persons per housing unit. The jobs-to-housing unit ratio is expected to decrease slightly over time from 1.37 in 2010 to 1.33 by 2030.

Figure A8 – Demographic Data for Impact Fee Study

Lake Wales, Florida	2010	FY10-11 2011	2012	2013	2014	2015	2016	2020	2030
Cumulative		*Base Yr*	*1*	*2*	*3*	*4*	*5*	*9*	*19*
Year-Round Population	14,225	14,453	14,681	14,908	15,136	15,364	15,592	16,503	18,780
Jobs	9,425	9,559	9,694	9,828	9,963	10,097	10,231	10,769	12,112
Housing Units	6,900	7,010	7,121	7,231	7,342	7,452	7,563	8,005	9,109
Jobs to Housing Ratio	1.37	1.36	1.36	1.36	1.36	1.35	1.35	1.35	1.33
Persons per Hsg Unit	2.06	2.06	2.06	2.06	2.06	2.06	2.06	2.06	2.06
Nonres Sq Ft in thousands (KSF)									
Industrial	661	670	680	689	698	708	717	755	849
Retail / Restaurant	2,567	2,604	2,641	2,677	2,714	2,750	2,787	2,934	3,300
All Other Services	1,547	1,569	1,591	1,613	1,635	1,657	1,679	1,768	1,988
Total	4,775	4,843	4,911	4,979	5,047	5,116	5,184	5,456	6,137
Avg Sq Ft Per Job		507	507	507	507	507	507	507	507

Annual Increase	09-10	10-11	11-12	12-13	13-14	17-18	***2011-2030 Avg Anl***
Population	228	228	228	228	228	228	228
Jobs	134	134	134	134	134	134	134
Housing Units	111	110	111	110	111	111	110
Industrial KSF	9	9	9	9	9	9	9
Retail / Restaurant KSF	37	37	37	37	37	37	37
All Other Services KSF	22	22	22	22	22	22	22
Total KSF/Yr =>	68	68	68	68	68	68	68

Key Growth Indicators

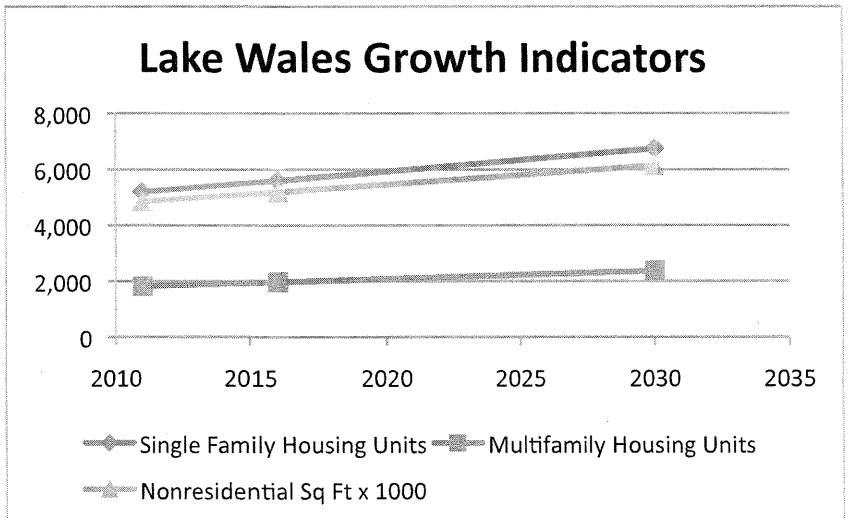
Key growth indicators for the impact fee analysis are summarized in Figure A9. Over the next five years, the impact fee study assumes an average increase of 111 housing units and 68,000 square feet of nonresidential floor area per year. The split between single family and multifamily housing is based on the 2010 ratio of 74% single family and 26% multifamily.

Figure A9 – Summary of Growth Indicators

Summary of Projections

Lake Wales, Florida

	2011	2016	2030	2011 to 2016 Average Annual Increase	2011 to 2016 Average Annual Growth Rate
Single Family Housing Units	5,187	5,597	6,741	82	1.6%
Multifamily Housing Units	1,823	1,966	2,368	29	1.6%
Nonresidential Sq Ft x 1000	4,843	5,184	6,137	68	1.4%



Service Area for Parks and Libraries

For the six types of infrastructure included in the Clarion study, there are three general service areas. Fire and police infrastructure are sized to primarily serve development within the city limits of Lake Wales. Water and sewer system currently extend beyond the city limits to serve customers in the unincorporated area of Polk County. In contrast to the other infrastructure systems, the City of Lake Wales library and parks provide service to a geographic area that is larger than current city limits and the utility service area. Because unincorporated area residents use the City library and parks, the impact fee study will take a conservative approach and derive current infrastructure standards using the estimated population of a larger service area for parks and the library. The Lake Wales service area for the library and parks is shown in Figure A10.

Figure A10 – Map of Lake Wales Service Area for Parks and Libraries

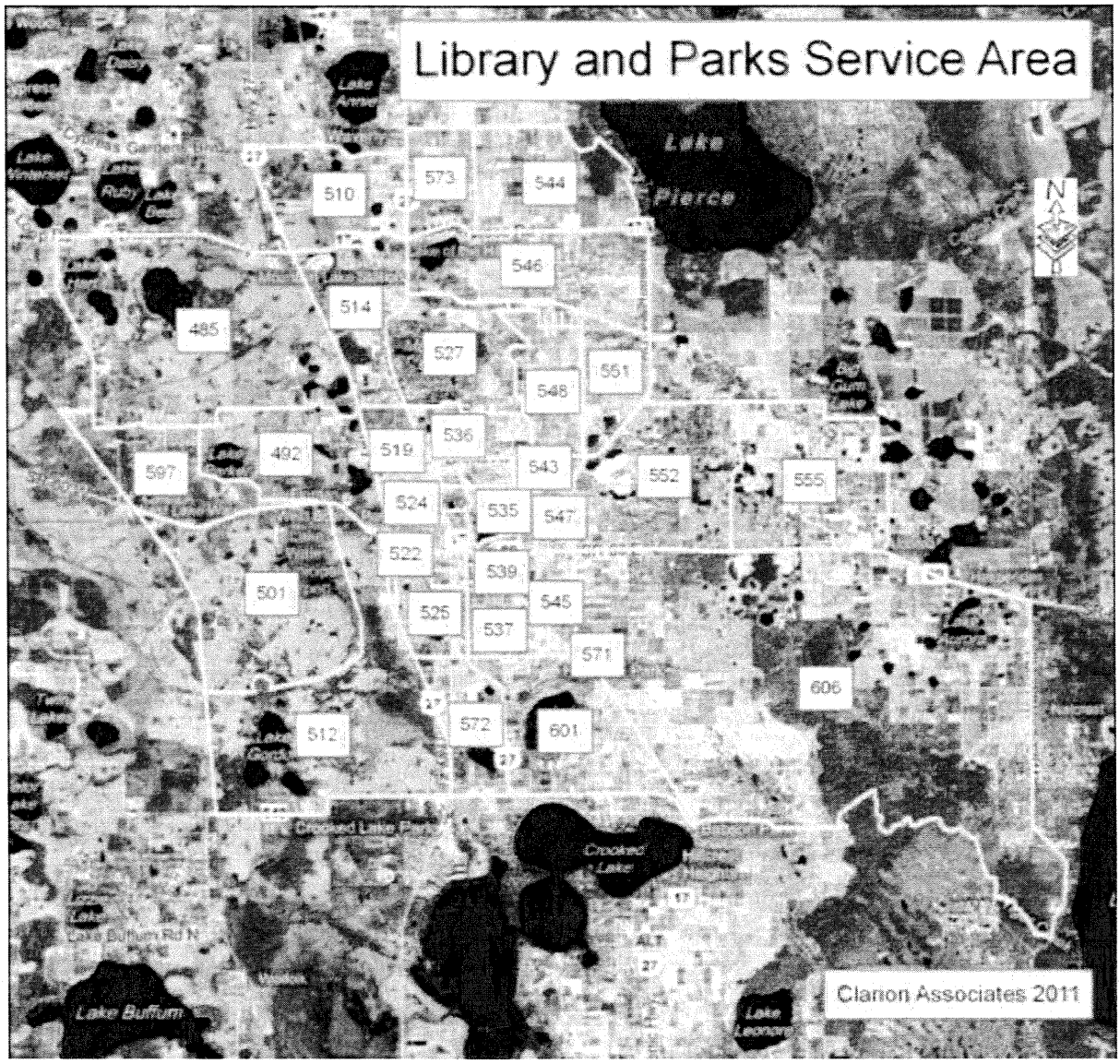


Figure A11 compares population and job data for the library and parks service area, the utility service area (data obtained from Southwest Florida Water Management District), and the city limits of Lake Wales. The 2010 population estimate for the library and parks service area is 27,825 persons.

Figure A11 – Comparison of Population and Jobs by Geographic Area

	TPO TAZs Library and Parks Service Area	*SWFWMD Utility Service Area*	*Impact Fees within City Limits*
Population			
Data	Total		
Sum of 10_TOTPOP	27,825	21,330	14,225
Sum of 20_TOTPOP	43,197	26,899	16,503
Sum of 30_TOTPOP	57,593	29,942	18,780
Avg Anl Pop Incr	1,488	431	228
Jobs			
Data	Total	not available	
Sum of 10_TOTEMP	17,407		5,146
Sum of 20_TOTEMP	28,714		6,368
Sum of 30_TOTEMP	35,004		7,711
Avg Anl Job Incr	880		128