ORDINANCE NO. 10-032

AN ORDINANCE AMENDING POLK COUNTY ORDINANCE 07-018, THE POLK COUNTY AMENDED, RESTATED AND CONSOLIDATED COMPREHENSIVE IMPACT FEE ORDINANCE, AS AMENDED; PROVIDING FOR THE ADOPTION OF THE IMPACT FEE UPDATE STUDY OF 2010 FOR EDUCATIONAL FACILITIES IMPACT FEES; PROVIDING FOR THE IMPOSITION OF EDUCATIONAL FACILITIES IMPACT FEES; PROVIDING FOR REVIEW; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, to insure that growth pays its fair share of the cost of providing capital improvements necessitated by growth for the Polk County Educational System, the Polk County Board of County Commissioners (Board), at the request of the School Board of Polk County (School Board) implemented a program of Educational System Impact Fees in 2003; and

WHEREAS, the Educational System Impact fees were increased in 2005 based on updated studies and were decreased in 2006 and 2007 when additional funding was received by the School Board from the Florida Legislature for purposes of implementing the Class Size Amendment; and

WHEREAS, Ordinance 07-018, the Polk County Amended, Restated and Consolidated Comprehensive Impact Fee Ordinance (the Ordinance) requires that impact fee studies supporting the imposition of impact fees be updated every three years to demonstrate that the Impact Fees do not exceed reasonably anticipated costs associated with growth-necessitated capital improvements.; and

WHEREAS, the firm of Henderson, Young & Company has submitted its updated study titled "Impact Fees for Educational Facilities in Polk County, Florida" dated February 23, 2010, which study calls for increases in Educational System Impact Fees; and

WHEREAS, the Polk County Impact Fee Review Committee has reviewed the study, discussed the study, heard presentations from the study's author, and has voted to recommend the study to the Board for purposes of adopting the study and implementing updated Educational System Impact Fees based on the study; and

WHEREAS, a duly noticed Public Hearing was held on June 16, 2010 for purposes of considering adoption of this Ordinance amending Ordinance 07-018 as it relates to the Educational System Impact Fees.

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF POLK COUNTY, FLORIDA:

SECTION 1: Section 1.05, Subsection (D) of Ordinance 07-018, as amended, the Polk County Amended, Restated and Consolidated Comprehensive Impact Fee Ordinance, is amended as follows:

SECTION 1.05. ADOPTION OF IMPACT FEE STUDIES. The Board hereby adopts and incorporates by reference the following impact fee studies, including particularly the assumptions, conclusions and findings in such studies 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:

D. "Impact Fees for Educational Facilities in Polk County, Florida," dated February 23, 2010 (the "Educational System Impact Fee Study"). The Educational System Impact Fee Study is attached hereto as Appendix D.

SECTION 2: Section 6.03 of Ordinance 07-018, as amended, the Polk County Amended, Restated and Consolidated Comprehensive Impact Fee Ordinance, is amended as follows:

SECTION 6.03. IMPOSITION OF EDUCATIONAL SYSTEM IMPACT FEES.

A. All Residential Construction occurring within the County, both within the unincorporated area and those areas within the boundaries of the Cities, shall pay the

Educational System Impact Fee as established in this Article at the time of issuance of a Certificate of Occupancy for such Residential Construction.

B. For the period commencing with the effective date of this Ordinance all Residential Construction occurring within the County shall pay Educational System Impact Fee rates in the amounts established within the Educational System Impact Fee Rate Schedule, which is attached hereto as Amended Attachment 4 and incorporated herein by reference.

SECTION 3: Section 6.06 of Ordinance 07-018, as amended, the Polk County Amended, Restated and Consolidated Comprehensive Impact Fee Ordinance, is amended as follows:

SECTION 6.06. REVIEW REQUIREMENT. In addition to the general Review Requirements set out in this Ordinance in Section 12.01, each year, within ninety (90) days of the close of the state's Legislative Session, the School Board shall notify the Board of County Commissioners as to whether the School Board will receive state funding for purposes of implementing the class size amendment (Art. IX, Sec. 1, Florida Constitution). If the School Board receives such funding, it shall be used to revise the Educational System Impact Fee imposed hereby for the next fiscal year. Upon receipt of the report of state funding the County Manager shall review the funding levels, request an update of the Educational System Impact Fees based on the funding levels, and bring forth to the Board a proposed Resolution adjusting the Educational System Impact Fee for the next fiscal year. In the event that the level of state funding shall require an

increase in the Educational System Impact Fee, the Notice Requirements of Section 12.04 of this Ordinance shall apply. If the level of state funding requires a reduction in the amount of Educational System Impact Fees to insure that growth does not pay more than its fair share, then the Resolution reducing such fees shall take effect immediately upon adoption without need for further notice.

SECTION 4: 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 5: EFFECTIVE DATE. A certified copy of this Ordinance shall be filed in the Department of State by the Clerk of the Board within ten (10) days after enactment by the Board and the Ordinance shall take effect as provided by law. The Educational System Impact Fees established by this Ordinance, which are a reduction of existing fees, shall be effective on July 1, 2010.

AMENDED ATTACHMENT 4

EDUCATIONAL SYSTEM

IMPACT FEE RATE SCHEDULE

LAND USE CATEGORY	IMPACT FEE RATE
Single Family Detached House	$ 4,160.00/dwelling unit
Multi-family Dwelling Unit	$ 1,571/dwelling unit
Mobile home	$ 1,972.00/dwelling unit

APPENDIX "D"

"Impact Fees for Educational Facilities in Polk County, Florida"

Henderson, Young & Company

February 23, 2010

IMPACT FEES

FOR

EDUCATIONAL FACILITIES

IN

POLK COUNTY, FLORIDA

Henderson
Young &
Company

February 23, 2010

TABLE OF CONTENTS

1. INTRODUCTION 1

2. NEXUS OF BENEFITS OF EDUCATIONAL FACILITIES 5

3. COSTS OF EDUCATIONAL FACILITIES PER STUDENT STATION 11

4. COSTS OF EDUCATIONAL FACILITIES PER DWELLING UNIT 23

5. IMPACT FEE PER DWELLING UNIT 27

LIST OF TABLES

Table 1: Current Enrollment Compared to Current Capacity ____ 8
Table 2: Enrollment Growth and Student Stations Needed Next Five Years ____ 9
Table 3: Permanent Schools Cost Per Student Station ____ 14
Table 4: Land and Off-Site Costs per Student Station ____ 15
Table 5: Ancillary Facilities Square Feet per Student Station ____ 17
Table 6: Ancillary Facility Cost Per Student Station ____ 19
Table 7: School Bus Cost per Student Station ____ 20
Table 8: Total Educational Facility Cost per Student Station ____ 21
Table 9: Capital Cost of Existing Deficiency and Future Growth ____ 22
Table 10: Public School Student Stations per Dwelling Unit ____ 25
Table 11: Public School Cost per Dwelling Unit ____ 26
Table 12: 5-Year Revenue Available For Additional Capacity ____ 29
Table 13: Revenue Credit Percent ____ 30
Table 14: Impact Fees ____ 30

1. INTRODUCTION

Purpose of This Study

This study of impact fees for educational facilities in Polk County, Florida presents the methodology, summarizes the data, and explains the calculation of the fees. The methodology is designed to comply with the requirements of Florida law.

Definition and Rationale of Impact Fees

Impact fees are charges paid by new development to reimburse local governments and school boards for the capital cost of public facilities that are needed to serve new development and the people who occupy the new development.

Local governments and school boards charge impact fees on either of two bases. First, as a matter of policy and legislative discretion, they may want new development to pay the full cost of its share of new public facilities because that portion of the facilities would not be needed except to serve the new development. In this case, the new development is required to pay for all the cost of its share of new public facilities.

On the other hand, local governments and school boards may use other sources of revenue to pay for the new public facilities that are required to serve new development. If, however, such revenues are not sufficient to cover the entire costs of new facilities necessitated by new development, the new development may be required to pay an impact fee in an amount equal to the difference between the total cost and the other sources of revenue.

There are many kinds of "public facilities" that are needed by new development, including schools, roads, water and sewer plants, parks, and other government facilities. This study covers public schools and related educational facilities in Polk County, Florida.

New development is synonymous with "growth". For some impact fees, new development includes new residential, retail, office, commercial, industrial and all other new construction. Impact fees for educational facilities, however, are charged only to new residential development: houses, condominiums, apartments, mobile home parks, and other residential construction. Non-residential new development is not charged school impact fees, as explained in Chapter 3.

Rules Governing Impact Fees in Florida

Impact fees for educational facilities have been upheld by the Florida Supreme Court and the Court provided specific findings and conclusions that affect how impact fees for schools are designed and implemented. In addition, judicial decisions regarding impact fees for other public facilities also apply to the imposition of impact fees for schools.

Several court cases[1] provide direction in three broad areas of the development of impact fees: (1) who pays, and how much (the "fair share" rules), (2) where and how the fee can be used (the dual "nexus of benefit" rules), and (3) offsets against the fee (the "credits" rules).

First, the "fair share" rules require that impact fees can be charged only for the portion of the cost of public capital facilities that is attributable to new development. Impact fees cannot be charged to pay for the cost of reducing or eliminating deficiencies in existing facilities. Within this broad rule, specific guidance is given in several areas:

- It is permitted to distinguish among the impacts of different types of growth in establishing fee amounts (i.e., single-family homes can be shown to have different impacts than multi-family dwelling units or mobile homes, therefore the impact fees for each type of dwelling can be different than the other types),

- Fee-payers should be able to pay a smaller fee if they can demonstrate that their development will have less impact than is presumed in the calculation of the impact fee schedule for their classification of property and the reduced impact is permanent (i.e., through land use restrictions), and

[1] In St. Johns County V. Northeast Florida Builders Association, 583 So. 2d 635 (Fla. 1991) the Florida Supreme Court ruled that new development can be required to pay school impact fees. Volusia County v. Aberdeen at Ormond Beach, L.P., 760 So. 2d 126 (Fla. 2000) addressed the applicability of school impact fees to housing for senior citizens. The following five significant court cases also guide the development of impact fees in Florida: Contractors and Builders Association of Pinellas County v. City of Dunedin. 329 So.2d 314 (Fla. 1976); Hollywood. Inc. v. Broward County. 431 So.2d 606 (Fla. 4th DCA 1983); Home Builders and Contractors Association of Palm Beach County. Inc. v. Board of County Commissioners of Palm Beach County. 446 So.2d 140 (Fla. 4th DCA 1983); and Seminole County v. City of Casselberry, 541 So.2d 666 (Fla. 5th DCA 1989); City of Ormond Beach v. County of Volusia, 535 So.2d 302 (Fla. 5th DCA 1968). The Local Government Comprehensive Planning and Land Development Regulation Act also touches on some aspects of impact fees.

- Costs of facilities that will be used by new development and existing users must be apportioned between the two groups, such as on the basis of costs per student station, when determining the amount of the fee.

Second, the dual "nexus of benefit" rules require a demonstrated reasonable connection (1) between the need for public capital facilities and the growth from the fee-paying development, and (2) between the expenditure of fee revenue and the benefits received by the fee-paying development. These two conditions limit where and when impact fees can be collected and used.

There are many ways that the nexus of benefit can be established, including personal use and use by others in the family (direct benefit), use by persons who provide goods or services to the fee-paying property (indirect benefit), expansion of jobs, wealth, goods, services, and taxes (general economic benefit) and geographical proximity (presumed benefit). The connections among needs, benefits and fees will vary according to the type of facility; schools will have different nexus of benefits criteria than roads. The nexus of benefit for schools will be based on the average number of public school students per dwelling unit. A detailed description of this data is presented later in this study.

Another connection among needs, benefits and fees can be the geographical relationship between a fee-paying development and the impact on a public capital facility. Some impact fees for roads or parks use geographical zones for calculating, collecting and spending impact fees. In the St. Johns County case, the Florida Supreme Court identified the constitutional requirement of "a uniform system of free public schools" (Article IX, Section 1, Florida Constitution), as a reason that school impact fees can be a uniform countywide system, therefore zones will not be used for Polk County's updated school impact fee.

Furthermore, the fee revenue must be expended within a reasonable period of time, but there is no maximum limit in statutes or case law that applies to all impact fee expenditures. Explicit limitations on the expenditure of fees must be adequate to guide government personnel, and fee revenue must be earmarked for specific uses related to the public capital facilities for which the impact fee is charged.

Finally, the "credits" rules allow a fee-payer to have an impact fee reduced to reflect (1) contributions of land, cash, facilities, or other assets that meet the same need as the fee, and (2) future payments of taxes that would ordinarily be used for the same public capital facilities for which the impact fee is being charged. Without such credits, the fee-paying development might pay more than its fair share. Court cases and legislation do not prohibit a local government or school board from establishing reasonable constraints on determining credits. For example, the

location, quality and design of a donated public facility can be required to conform to adopted local standards for such facilities.

Data Sources

The data in this study of impact fees for educational facilities in Polk County, Florida was provided by staff of Polk County Public Schools, unless a different source is specifically cited. Source documents and staff resources are described for each table of data in the following study.

Pursuant to F.S. 163.31801 (3) (a), "... the calculation of the impact fee [is required to] be based on the most recent and localized data." In order to fulfill this requirement, this impact fee rate study used the most recent data available from Polk County Public Schools at the time the research was assembled and analyzed for this impact fee rate study.

Data Rounding

The calculations in this study were prepared using computer spreadsheet software. In some tables in this study, there will be very small variations from the results that would be obtained using a calculator to compute the same data from the number of decimal places reported in the tables in this study. The reason for these insignificant differences is that the spreadsheet software was allowed to calculate results to more places after the decimal than is reported in the tables of these reports. The calculation to extra places after the decimal increases the accuracy of the end results, but causes occasional differences due to rounding of data that appears in this study.

2. NEXUS OF BENEFITS OF EDUCATIONAL FACILITIES

As described in the introduction, there must be a dual nexus between the benefits of educational facilities and new development that is charged an impact fee to pay for a portion of the educational facilities that it needs. This chapter is devoted to an analysis of the nexus.

There are several considerations that affect the "rational nexus of benefits" for educational facility impact fees: (A) responsibility for schools, (B) the need for new educational facilities for new development, (C) the type of property that receives the benefits from new educational facilities, and (D) the location of the property in relation to the new educational facilities.

A. Responsibility for Schools.

The County-wide Polk County Public School system presently consists of 67 elementary schools, 20 middle schools, 13 high schools, 4 combination school facilities that house elementary and middle school grades Kindergarten through 8, 5 combination schools that house middle and high school grades 6 through 12, and 4 schools that house grades Kindergarten through 12. Four schools house two or three elementary school grades (i.e., grades 2 and 3, or grades 3-5). There is also 1 school that houses elementary through high school ESE (exceptional student education) students. The school district has an inventory of 564,470 square feet of ancillary facilities (i.e., support facilities for the entire district).

The School Board of Polk County is legally and financially responsible for the Countywide public school system, therefore the analysis of growth's impact on public schools includes all of the Countywide public school system; no portion of the County or any City in the County is excluded.

The School Board of Polk County is not responsible for private schools or home schooling. The County cannot control access to or usage of schools operated by private organizations or individuals, therefore such facilities are excluded from the analysis of impact fees for educational facilities.

B. The Need for New Educational Facilities for New Development

Polk County Public Schools, like most school systems, determines its need for educational facilities by comparing its standards for the capacity of various educational facilities to the number of students that it must serve. Local school district standards are based on capacity standards in State Requirements for Educational Facilities (SREF) issued by the Florida Department of Education (FDOE) and applied locally.

Current Enrollment and Current Capacity

Table 1 (on page 8) compares the current[2] student stations for grades K –12 and Exceptional Student Education (ESE) PreK to the number of student stations used by the current enrollment for grades K-12 and ESE PreK within the Polk County Public School System. The student station counts are based on permanent student stations and do not include relocatables because (1) the life cycle cost of portables does not produce savings compared to permanent classrooms[3], (2) the capacity of portables is needed to provide state-mandated programs for which the state does not provide space in the Florida Inventory of School Houses (F.I.S.H.), and (3) Florida Statutes 1013.21 calls for reduction in the use of relocatable facilities. The current inventory of student stations reflects implementation of the 2002 voter-approved Constitutional requirements for educational facilities class size.

The number of student stations used by students is based on the Polk School District's program capacity. Program capacity is defined as the maximum capacity of a public school taking into account the 2002 Constitutional requirements for educational facilities class size, actual usage of classrooms, and the scheduling at all grade levels along with the district's composition of special students. Program capacity is a percentage of the permanent student stations. There are several factors that cause the program capacity to be less than the theoretical capacity, such as grade level restrictions, course enrollment restrictions, special and/or restrictive course equipment, size and design of the space available, and the

[2] Throughout this study, "current" means the 2008/09 school year, the beginning year of the most recent 5-year plan adopted by Polk County Public Schools. This is because the beginning (i.e., typically October enrollment data) occurs before the school district has built any of the projects in the 5-year program. For Polk schools, the "current year" enrollment and program capacity is for the fall of 2008.

[3] The useful life of a portable is typically 20 years, compared to a 50-year useful life of permanent classrooms. The district would have to buy 2.5 portables to equal the useful life of one permanent classroom, thus negating the supposed savings associated with lower-cost portable classrooms.

demographics of the school and community. The Polk County School District's overall program capacity is 89.35% for elementary schools, 78.98% for middle and 79.96% for high schools[4]. The use of capacity adjustments is a standard practice in Florida schools, and is based on local application of guidelines developed by the Florida Department of Education.

In Table 1 (on the next page) the enrollment has been adjusted by a utilization factor[5] to determine the number of student stations the enrollment requires based on the program capacity of the elementary, middle and high schools for grades K-12.

The comparison of the current student stations to the number of student stations required to serve the current student enrollment in Table 1 illustrates that there is a system-wide shortage at elementary, middle and high schools with the largest shortage at the high schools[6]. It should be noted that this district-wide analysis is the sum of localized deficiencies and surpluses, and it understates the true need because it counts every student station of reserve capacity as though it could offset shortages in other schools. In reality, the permanent capacity is in fixed locations and cannot be applied to other locations because the permanent facilities are not relocatable and it is not feasible to bus students extended distances to the locations where reserve capacity exists.

---

[4] Polk County's program capacities for elementary schools, middle schools and high schools is the weighted average of the actual utilization of all schools of each of the three types of schools in Polk County. Individual campus program capacities may vary.

[5] The Utilization Factor adjustment is used to forecast the number of student stations that are needed so that there is enough space to house the full enrollment, after taking into account the program capacity losses described above. For example, since there are 19,828 middle school students and middle schools operate at 78.98% program capacity, there is a need for 25,105 student stations to serve the 19,828 students (i.e., 19,828 ÷ 78.98% = 25,105). The Utilization Adjustment factor in Table 1 is calculated by dividing 1 by the program capacity percent (i.e., 1 ÷ 78.98% = 126.61%).

[6] Polk County Public Schools, like many other districts, has overcome the shortage of permanent facilities by using "portables" ("relocatables"). Portable classrooms are not counted for capacity for the reasons given earlier. The deficiency of permanent classrooms cannot be funded by impact fees, and is calculated separately in Table 9 and funded by other revenues in Table 12.

Table 1: Current Enrollment Compared to Current Capacity

	Elementary Schools	Middle Schools	High Schools	Total
Current Permanent Student Stations	49,430	24,700	26,343	100,473
Current Enrollment K-12	44,309	19,828	24,788	88,925
Utilization Factor	111.92%	126.61%	125.06%	
Student Stations Needed for Current Enrollment	49,590	25,105	31,001	105,696
Capacity Reserve/(Shortage)	(160)	(405)	(4,658)	(5,223)

Enrollment Growth and Future Capacity Needs

Between 1997/98 and 2007/08 the rate of growth in enrollment in the Polk County Public Schools has fluctuated from year to year, with an overall enrollment increased of 17.1% (1.7% annually).

The Florida Department of Education enrollment projections for Polk County Public Schools indicate there will be 97,468 grades K-12 students in the public schools by the fall of 2013 (i.e., the 2013/2014 school year[7]), which equals an 8.76% overall increase in enrollment or an average annual growth rate of 1.75% from the beginning of the 2008/09 school year. (Note: the forecasts are made using the cohort survival method, which is more accurate than simple percentage increases in growth. For ease of understanding, the results of the cohort survival method have been converted to an annualized percentage change and are reported here as though they had been calculated by an average annual growth rate of 1.75%.)

Table 2 (on the next page) shows the impact of projected growth on Polk County's school facilities. The data illustrate the increase in enrollment during the next 5 years in elementary, middle and high schools and quantifies the need for construction of new schools to accommodate the students from new dwelling units.

[7] The fall enrollment for the 2013/2014 school year is the first enrollment that will be able to use all the projects in the 5-year program, and is five years after the "current" enrollment from the fall of the 2008/09 school year that is used as the beginning point of this analysis.

Table 2: Enrollment Growth and Student Stations Needed Next Five Years

	Elementary School	Middle School	High School	Total
Projected 2013/14 Enrollment K-12	49,263	23,012	25,193	97,468
Current Enrollment	44,309	19,828	24,788	88,925
Projected Growth Next 5 Years	4,954	3,184	405	8,543
Utilization Adjustment	111.92%	126.61%	125.06%	
Student Stations Needed 2008-2014	5,544	4,031	507	10,082

C. Types of Property Benefiting from New Educational Facilities

Impact fees are charged to properties that benefit from new educational facilities. Polk County Public Schools are used, for the most part, by individuals rather than businesses or other non-residential land uses. There is insufficient data to objectively allocate the value of the indirect benefit of the school system to non-residential property. Impact fees for educational facilities are charged only to residential development because the dominant stream of benefits redounds to the occupants of dwelling units[8].

D. Location of Property Receiving Benefits from New Educational Facilities

As described earlier, a nexus of benefits is required between a new dwelling unit and the new educational facilities that are built with the impact fees paid by the new dwelling unit. One method of connecting a house and a school would be to establish impact fee "zones" within the school district. All impact fees paid by new houses in the zone would be required to be spent on new educational facilities in the same zone.

There are several reasons that the use of zones is inappropriate for school impact fees in Polk County. First, the construction of a new school benefits dwelling units that are not in the adjacent area because the new school relieves overcrowding in other schools, which is a significant benefit for those other schools. Each time a

[8] Residential property that is deed-restricted for occupancy by senior citizens is exempt from paying school impact fees.

new school is constructed its attendance area boundaries have a ripple effect on the existing attendance areas of neighboring schools.

Second, some facilities and programs of the school district are used for students throughout the district, which makes the use of zones virtually meaningless. There are a variety of magnet and specialty programs offered throughout the district. For example, there are school facilities providing exceptional programs and alternative program schools serving students on a system wide basis. This means that students from a dwelling unit that paid an impact fee may actually attend a facility in another part of the County. Conversely, a new school that is nearest a new dwelling unit may serve some students from other parts of the County.

Third, the Polk County Public Schools presently bus over 45,000 students to schools located throughout the County. Busing is usually provided for one of several reasons: special education students traveling to centralized facilities, state mandated transportation for students who live more than 2 miles from their school, court-ordered or voluntary busing to achieve racial balance, or students transported to magnet programs. A student who is transported to an educational facility that is some distance from his/her dwelling unit is most directly benefited by the educational facility that he/she attends. The educational facility that is nearest his/her dwelling unit may provide little direct benefit to his/her dwelling unit.

Finally, the Florida Supreme Court ruled in the St. Johns County case that "substantially all" of the population of municipalities must join with the unincorporated population in paying educational facility impact fees in order to conform to the constitutional requirement of "a *uniform system* of free public schools" (Article IX, Section 1, Florida Constitution, emphasis added). The use of zones of any kind, whether municipal, school attendance boundaries, or some other basis, conflicts with the ability of the School Board to provide reasonable uniformity in public school physical plants and facilities.

3. COSTS OF EDUCATIONAL FACILITIES PER STUDENT STATION

The first step in determining the impact fee for educational facilities is to calculate the cost per student station of various components of educational facilities using Formula 1:

1. $\frac{\text{Cost of Educational Facility}}{\text{Student Station Capacity of Educational Facility}}$ = Cost per Student Station

There are three variables used in formula 1: (A) the types and levels of educational facilities, (B) the costs of each type and level of educational facility, and (C) the student station capacity of each type and level of educational facility.

Variable (A) Types and Levels of Educational Facilities

There are three types of educational facilities in Polk County: schools, ancillary facilities, and transportation (school busses).

The Polk County Public Schools are structured by grade level: elementary schools serve Kindergarten through 5th grade, middle schools serve grades 6 through 8, and high schools serve grades 9 through 12. Schools at each level are designed to meet different educational needs for different numbers of students; therefore, each level is analyzed separately in this study. Permanent facilities are the basis for impact fees, but portables are not (for the reasons described above).

Support facilities that are not located at schools, such as maintenance, storage, transportation and administrative facilities, are called "ancillary" facilities. The cost per student station of ancillary facilities is calculated separately from other types of educational facilities. Support facilities that are located at schools, such as cafeterias and principals' offices, are called "auxiliary" facilities. The cost of auxiliary facilities is included in the cost of schools, and is not analyzed separately.

School busses are analyzed separately from ancillary transportation facilities because of the different usage of busses by students at different levels of schools.

Variable (B) Costs of Educational Facilities

The cost of each new elementary, middle and high school includes design, buildings, equipment and furniture, and site improvements. In addition, costs are calculated for land for the school site, off-site improvements, ancillary facilities (district-level support facilities) and busses.

Much of the additional capacity in educational facilities to serve growth will be provided by constructing new facilities, however some capacity may be provided by expanding existing facilities. Throughout this study, any reference to new educational facilities includes expansion of existing facilities as well as construction of new facilities.[9]

Variable (C) Students per Educational Facility

The impact of new development on educational facilities is computed on the basis of statistical standards (i.e., students per classroom, school, or school bus, according to the type of educational facility). The standards define the capacity of the educational system that is required to serve each student enrolled in the Polk County Public Schools.

Cost per Student Station: Tables and Data

The balance of this chapter contains a series of tables and accompanying text that documents and calculates the cost per student station of educational facilities. Tables 3 through 7 document each type of educational facility cost: permanent schools student stations, borrowing cost to build educational facilities, land and off-site costs, ancillary facilities, and transportation (school busses). Where appropriate, the tables include a separate column of data for each educational level: elementary, middle, and high school.

Table 8 summarizes the results from Tables 3 through 7 and adds them together to calculate the total capital cost of educational facilities per student station.

Permanent Schools Cost per Student Station

The permanent school building cost per student station for elementary, middle and high school students is shown in Table 3 (on page 14).

[9] Impact fees are calculated for new facilities, not for expansion of existing facilities because any expansion of an existing school needs to include reimbursement for previous investments for land and core facilities at the school being expanded, thus the total cost is the same as a new facility.

The cost of schools in Section A of Table 3 (on the next page) is based on Polk County Public Schools' school construction projects completed during the past 10 years. Costs are the full cost of the school, or expansion of the school, and includes design, site preparation, construction materials, labor costs, contractor's pre-construction services, contractor's fees, contractor's risk, builder's risk insurance, performance bond, furniture, technology and equipment, utility connection fees, printing and signage, permitting and construction inspection and testing. The costs do not include land costs or transportation related off-site costs (which are analyzed separately in this study). The costs from previous years are adjusted to current dollars by applying the Engineering News Record Construction Cost Index to the actual costs.

Borrowing Cost per Student

Many school districts borrow money to build new schools and to add capacity at existing schools. The cost of borrowing money is the interest that the school district pays the lender. Polk County Public Schools' has recently borrowed money to pay for new school capacity, and the District's capital improvement plan includes borrowing to finance future school capacity, therefore borrowing costs are included in the cost basis for calculating impact fee rates.

There are two components to the cost of borrowing: how much money is borrowed, and interest rates. The amount to be borrowed is based on the District's 5-year work plan, and the interest rate is based on the average of all three of the District's debt issues (sales tax revenue bonds) from 2004 through 2007.

Table 3 (on the next page) shows the borrowing cost per student station. In Section B the amount to be borrowed is calculated by multiplying the local cost per student station (from Section A) by the percentage of the cost of capacity projects that Polk County Public Schools will pay for with borrowed money according to the District's 5-year work plan. As shown in Table 3, twenty-eight percent (28.87%) of the costs for the elementary school capacity projects currently under construction are financed with borrowed money. The percentage of costs paid for with borrowed money is 70.57% for middle schools and 43.98% for high schools. The portion borrowed is based on a detailed analysis of all the school projects built since 2004, including the portions paid with borrowed money and the portions paid by cash sources, such as sales tax, local 2-mill property tax, and impact fees.

In Section C, the amount borrowed per student station (from Section B) is then multiplied by the interest cost per dollar borrowed. The interest cost is based on the combined principal and interest for the 2004, 2005 and 2007 sales tax revenue bonds. The total amount borrowed from the 3 issues is $255,930,000. The amount of interest to be paid is an additional $83,162,759.53, however the

schedules of future interest payments need to be discounted to net present value because the impact fee that includes the interest cost will be paid at the time the development occurs, but the interest expense will be paid over a period of years until 2019. The net present value of the future interest payments is $44,456,332.05. Dividing the interest cost of $44.4 million by the amount borrowed of $255.9 million shows that there will be $0.1737 of interest repaid (at net present value) for each dollar borrowed. In Section C, the interest cost is expressed as a percent of the total borrowed (i.e., 17.37% is the same as $0.17371 per $1.00 borrowed).

In Section C of Table 3 the interest costs to borrow money to pay for additional student stations ranges from $813.39 for an elementary school student station to $2,519.14 for a middle school student station.

Table 3: Permanent Schools Cost Per Student Station

Cost Items	Elementary	Middle	High
A. Local Cost per Student Station	$ 16,220.00	$ 20,551.00	$ 23,959.00
B. Amount Borrowed			
Percent of Capacity Projects To Be Built With Borrowed Money	28.87%	70.57%	43.98%
Borrowed Amount Per Student Station	4,682.71	14,502.84	10,537.17
C. Interest Cost			
Interest Cost as Percent of Amount Borrowed	17.37%	17.37%	17.37%
Interest Cost per Student Station	813.39	2,519.14	1,830.31

Land and Off-Site Costs Per Student Station

The land and off-site cost per student station is shown in Table 4 (on the next page). The land costs in Section A are based primarily on the recent purchase price of several school sites at each school level (5 elementary schools, 5 middle schools, and 4 high schools) because the middle and high school sites have enough capacity for the student stations needed (as calculated in Table 1). The elementary school sites have capacity for 44% of future needs, therefore the cost per acre for elementary schools is based 44% on the recent purchase price and 56% on estimated future prices using recent appraisals[10] as the best estimate of future prices.

[10] The appraisals used in the analysis are only for land value and each site was appraised at its "highest and best use" with the assumption that the land is vacant and zoned, or likely to be zoned.

The sites were selected to represent a variety of geographic areas in the County and cities and are sites that are either banked for future school construction or else are sites at which a school is currently under construction. The site size in Section A represents the average site size for the elementary, middle and high school sites that were included in the analysis.

The average site size for the elementary, middle and high schools that were included in the analysis is multiplied by the weighted average cost per acre to determine the cost of land for elementary, middle and high schools.

The cost of land per school type is then divided by the average number of student stations at the schools that are either under construction or planned at the sites analyzed to determine the land cost per elementary, middle and high school student station.

The off-site cost of schools in Section B of Table 4 is based on Polk County Public Schools' most recent school construction projects. Off-Site costs include improvements that are needed for a school but which are "off campus", such as drainage and road improvements.

The "results" of Table 4 are the land and off-site costs to provide one student station in permanent schools.

Table 4: Land and Off-Site Costs per Student Station

Cost Items	Elementary	Middle	High
A. Land Costs			
Site Size (acres)	25.3	46.9	81.6
Cost Per Acre	$ 30,840	$ 75,347	$ 65,138
Cost of Land	780,252	3,533,774	5,315,261
Student Stations	870	1,228	1,905
Land Cost per Student Station	$ 896.84	$ 2,877.67	$ 2,790.16
B. Off-Site Costs			
Off-site Cost per Student Station	$ 103.99	$ 99.34	$ 118.85

consistent with the current comprehensive plan for the local government that has regulatory authority over the site.

Ancillary Facility Cost Per Student Station

Ancillary facilities are support facilities that are not located at schools, such as maintenance, storage, transportation and administrative facilities. Table 5 (on the next page) lists the Polk County Public Schools' existing inventory of permanent ancillary facilities and calculates the ancillary facilities square feet per student station. The ancillary facilities serve the entire student body. This study assumes that the combined total of existing and planned inventory will serve the student enrollment projected through 2013/14.

Section A of Table 5 lists the current inventory of ancillary facilities. The planned additional inventory through 2013/14 is shown in Section B. In Section C the total current and planned inventory of 619,108 square feet is divided by the total projected 2013/14 enrollment of 97,468 (from Table 2) to determine the ancillary facility square feet per student.

In Section D the overall square feet per student (from Section C) is adjusted to reflect square feet per student station by applying the utilization factors of 89.35% for elementary school students, 78.98% for middle school students and 79.96% for high school students. The result is the number of square feet of ancillary facilities per elementary, middle and high school student station.[11]

[11] The adjustment in Section D creates the basis for ancillary costs to be expressed per student station (like all other elements of the impact fee calculation). This is necessary because all the data that are used to calculate the impact fee are expressed as student stations, not students. The following example demonstrates that the conversion is accurate and neutral for ancillary facilities. Table 5 indicates 5.68 square feet of ancillary facilities per elementary student station, and Table 10 indicates 0.231 elementary student stations per single-family dwelling. Multiplying 5.68 times 0.231 equals 1.31 square feet of ancillary facility for elementary students from single-family dwelling. The same outcome would be obtained if the data from tables 5 and 10 were "per student": 6.35 sq. ft. per student times 0.207 students equals the same 1.31 square feet of ancillary facility for elementary students from single-family dwelling. The conversion in Table 5 to student stations allows all cost data to be expressed by the same unit of measure: student stations.

Table 5: Ancillary Facilities Square Feet per Student Station

Facility	Permanent Square Feet
A. Existing Inventory	
Bartow Transportation	55,588
Skyview Bus Garage	9,615
Central Warehouse	147,379
Bush House	7,930
District Office	103,684
Lakeland Service Center (L-4)	9,897
Lakeland Service Center (L-6)	9,278
Lakeland Service Center (L7 & L8)	14,336
Lake Wales Transportation	42,408
Winter Haven Service Center (WH-5)	9,810
South Central Area Office & Service Center	19,319
Lake Hamilton Warehouse	40,320
Jim Miles Center	86,360
Haines City Fueling Station	213
Woodlake Center (Apple School)	8,333
Sub-Total: Existing Inventory	564,470
B. Planned Inventory	
Haines City Fueling Station Replacement	213
Karen Siegel Fueling Station	213
Northeast Area Service Center	38,401
Tenoroc Transportation	25,639
Sub-Total: Planned Inventory	64,466
Less Planned Inventory Replacement Projects	
Haines City Fueling Station	(213)
Skyview Bus Garage	(9,615)
Total Existing and Planned Inventory	619,108
C. Ancillary Facility Sq. Ft. per Student	
Existing and Planned Inventory	619,108
÷ Total Projected Enrollment	97,468
Square Feet per Student	6.35
D. Ancillary Facility Sq. Ft. per Student Station	
Elementary: 89.35% Student Station Utilization	5.68
Middle School: 78.98% Student Station Utilization	5.02
High School: 79.96% Student Station Utilization	5.08

In Table 6 (on the next page) the ancillary facilities square feet per student station is multiplied by the cost per square foot, including the borrowing costs to determine the ancillary facilities cost per student station.

Section A of Table 6 shows the ancillary facility cost per square foot of $192.35. This is the average cost of the planned facilities from Section B of Table 5.

Sections B and C show the borrowing cost per ancillary facility square foot. In Section B the amount to be borrowed is calculated by multiplying the cost per square foot (from Section A) by the percentage of the cost of capacity projects that are currently under construction that the Polk County Public Schools will pay for with borrowed money. As shown in Table 6, over thirteen percent (13.84%) of the costs for the ancillary facilities capacity projects planned for construction will be financed with borrowed money. As explained in Table 3, the portion borrowed is based on a detailed analysis of all the ancillary facility projects built since 2004, including the portions paid with borrowed money and the portions paid by cash sources, such as sales tax, local 2-mill property tax, and impact fees

In Section C, the amount borrowed per square foot (from Section B) is then multiplied by the interest cost per dollar borrowed. The interest cost is based on the combined principal and interest for the 2004, 2005 and 2007 sales tax revenue bonds, as explained in Table 3. In Section C, the interest cost is expressed as a percent of the total borrowed (i.e., 17.37% is the same as $0.17371 per $1.00 borrowed).

The land cost of $16.75 per square foot of ancillary facility is shown in Section D and is based on the cost of land acquisitions correlating with the planned ancillary facilities.

In Section E of Table 6 the total ancillary facility cost per square foot of $213.72 (the sum of Sections A, C and D) is multiplied by the square feet per student station (from Table 5) to calculate the ancillary facility cost per student station for elementary, middle and high schools.

Table 6: Ancillary Facility Cost Per Student Station

Cost Items	Elementary	Middle	High
A. Cost per Ancillary Square Foot	$ 192.35	$ 192.35	$ 192.35
B. Amount Borrowed			
Percent of Capacity Projects To Be Built With Borrowed Money	13.84%	13.84%	13.84%
Borrowed Amount Per Square Foot	26.62	26.62	26.62
C. Interest Cost			
Interest Cost as Percent of Amount Borrowed	17.37%	17.37%	17.37%
Interest Cost per Student Station	4.62	4.62	4.62
D. Land Cost Per Square Foot	16.75	16.75	16.75
E. Cost Per Student Station			
Total Cost Per Square Foot	$ 213.72	$ 213.72	$ 213.72
Square Feet Per Student Station	5.68	5.02	5.08
Cost Per Student Station	$ 1,212.98	$ 1,072.20	$ 1,085.50

School Bus Cost per Student Station

Table 7 (on the next page) shows a series of calculations to determine the school bus cost per elementary, middle and high school student station. The vehicle cost in Section A is the average current cost to Polk County Public Schools to purchase a 77-passenger bus. The busses that the school district plans to purchase have an overall rated capacity of 77 passengers, however the number of students a bus can carry differs depending on the age of the students (i.e., more students per seat for elementary than for middle and high school students). As a result, the "77 passenger" bus carries 77 elementary students, but only 63 middle school students and 52 high school students. Section A calculates the school bus cost per student separately for each school level.

In Section B, the cost per student capacity (from Section A) is divided by the average number of runs per bus per morning or afternoon bus cycle in order to allocate bus costs among elementary, middle and high schools. In Section C, the apportioned cost per elementary, middle and high school student capacity (from

Section B) is multiplied by the percentage of enrollment at each grade level that rides school busses[12]. The result is the school bus capital cost per student. Finally in Section D the school bus cost per student from Section C is adjusted by the student station utilization factors to determine the school bus cost per student station for each school level. (See footnote to Table 5 for further explanation of the adjustment from students to student stations.)

Table 7: School Bus Cost per Student Station

Cost Items	Elementary	Middle School	High School
A. School Bus Cost per Student Capacity			
School Bus Cost	$ 103,869.00	$ 103,869.00	$ 103,869.00
÷ School Bus Capacity (Students)	77	63	52
School Bus Cost Per Student Capacity	1,348.95	1,648.71	1,997.48
B. Portion of Cost for Grade Level			
Number of Runs per Bus (am or pm)	2.80	2.80	2.80
Apportioned Weighted Average Cost Per Student Capacity	481.77	588.83	713.39
C. School Bus Cost per Student			
Percent of Enrollment Riding School Bus	46.06%	56.95%	56.24%
School Bus Capital Cost per Student	221.90	335.34	401.21
D. School Bus Cost per Student Station			
Adjustment for Student Station Utilization	89.35%	78.98%	79.96%
School Bus Cost per Student Station	$ 198.27	$ 264.85	$ 320.81

Total Educational Facility Cost per Student Station

Table 8 (on the next page) repeats the "bottom line" from Tables 3, 4, 6 and 7 and adds those costs to calculate the total capital cost per student station for all of educational facilities components: permanent schools construction, land, off-site costs, and transportation (school busses).

[12] The percentage of enrollment riding school busses is based on data compiled by Polk County Public Schools comparing ridership and enrollment during October 2008.

The total cost per student station of educational facilities is the end result of Table 8. It will be used to calculate the cost per dwelling unit in the next chapter.

Table 8: Total Educational Facility Cost per Student Station

Cost Items	Elementary	Middle	High
Permanent Facility Construction	16,220.00	$ 20,551.00	$ 23,959.00
Borrowing Cost	813.39	3,519.14	1,830.31
Land Cost	896.84	2,877.67	2,790.16
Off-Site Cost	103.99	99.34	118.85
Ancillary Facilities	1,212,98	1,072.20	1,085.50
Transportation	198.27	264.85	320.81
Total Cost per Student Station	$ 19,445.46	$ 27,384.20	$ 30,104.63

Capital Cost of Existing Deficiency and Future Growth

The data developed in Tables 3 – 8 can be used to calculate the capital cost of the existing deficiencies in permanent educational facilities for the existing enrollment as well as the capital cost of the additional capacity needed for new development by the beginning of school year 2013/14. This calculation is done in Table 9 (on the next page).

The capital cost of the existing deficiency is calculated in Section B of Table 9 by multiplying the current shortage of permanent student stations (from Table 1) by the total capital cost per student station in Section A (from Table 8).

In Section C, the cost of future growth is calculated by multiplying the number of additional student stations required to serve new development (from Table 2) by the capital cost per student station from Section A. Section C includes a step in which, if there was a surplus of student stations in Table 1, that surplus would be subtracted from the student stations needed (from Table 2) in order to calculate the adjusted (net) number of student stations that need to be built to serve new development. The net number of student stations needed is multiplied by the capital cost per student station from Section A. The resulting bottom line for the cost of future growth in Section C is a net cost of additional student stations of $233,459.898.

Table 9: Capital Cost of Existing Deficiency and Future Growth

	Elementary School	Middle School	High School	Total
A. Capital Cost per Student Station	$ 19,445.46	$ 27,384.20	$ 30,104.63	
B. Existing Deficiency				
Current Shortage of Student Stations	(160)	(405)	(4,658)	
Cost of Shortage	$ 3,118,565	$ 11,093,061	$ 140,212,310	$ 154,423,937
C. Future Growth				
Student Stations Needed by 2013/14	5,544	4,031	507	
Current Surplus of Student Stations	0	0	0	
Additional Capacity Needed by 2013/14 for New Development	5,544	4,031	507	
Cost of Additional Capacity Needed by 2013/14 for New Development	$ 107,815,146	$ 110,396,661	$ 15,248,092	$ 233,459,898

Polk County Public Schools' 5-year work plan contains projects to eliminate the existing deficiency and serve future growth. An analysis of the funding is presented in Chapter 5.

The costs of deficiency and growth in Table 9 are for the exact number of student stations calculated in Tables 1 and 2. These costs are used for calculating the impact fee because they accurately portray growth's proportionate share of future costs. However, the amount of capacity planned in Polk County Public Schools' 5-year work plan do not exactly match the student station needs in Table 9 because the District must build capacity in larger increments than individual student stations. Capacity is built in increments of classrooms, classroom wings, and whole schools. Also, as noted previously, the district-wide sum of localized deficiencies and surpluses understates the true need because small increments of surplus capacity cannot be moved to the location where shortages occur, and it is not feasible to bus students extended distances to the locations where surplus capacity exists.

4. COSTS OF EDUCATIONAL FACILITIES PER DWELLING UNIT

The second step in determining the impact fee for educational facilities is to convert the cost per student station to a cost per dwelling unit. The cost per student station is multiplied by the average number of public school student stations per dwelling unit, as adjusted by the student station utilization factors to calculate the average number of public school student stations per dwelling unit. The calculation is performed separately for each level of school and each type of dwelling unit. There are three levels of school: elementary, middle and high school. Each level includes its pro rata share of ancillary facilities and school busses. There are three types of dwelling units: single-family, multi-family or mobile home. The cost per dwelling unit is calculated using Formula 2:

2.	Cost per Student Station$_L$[13]	x	Student Stations per Dwelling Unit$_T$[14]	=	Cost per Dwelling Unit$_T$

There is one new variable used in formula 2: (D) the student stations per dwelling unit.

Variable (D) Student Stations per Dwelling Unit

The number of public school student stations per dwelling unit is the factor used to convert the cost of schools per student station into cost of schools per dwelling unit. The cost per student station (from Table 8) is multiplied by the number of student stations per dwelling unit to calculate the cost per dwelling unit of each level of educational facility.

Different types of dwelling units typically have different numbers of students that live in them. Generally, single-family dwelling units have more students than multi-family dwelling units (i.e., apartments or condominiums) and mobile homes. Throughout this study, the data measuring students per dwelling unit will be applied to three types of housing: single-family, multi-family, and mobile home. Furthermore, each type of dwelling unit has a different number of students at each school level (i.e., elementary, middle, and high school). Generally, there are more elementary students than middle or high school students per dwelling unit because elementary schools educate children for more years than middle or high schools.

[13] "L" = level of educational facility: elementary, middle, or high school

[14] "T" = type of dwelling unit: single-family, multi-family, or mobile home

The impact of each type of dwelling unit on the public schools is calculated by multiplying the cost per student station (for each level of educational facility) by the number of students, as adjusted for the student station utilization factor to determine student stations, in each type of dwelling unit for the same school level.

Cost per Dwelling Unit: Tables and Data

This chapter contains two tables and accompanying text that documents the cost per dwelling unit of educational facilities. Table 10 (on the next page) documents the average number of students from each type of dwelling unit (single-family, multi-family or mobile home) that attend Polk County Public Schools' elementary, middle, and high schools and converts this number to the average number of student stations required for each type of dwelling unit. Table 11 (on page 26) uses the number of student stations per dwelling unit from Table 10 to convert Table 8's cost per student station into the cost per dwelling unit.

Section A of Table 10 shows the current number of dwelling units in Polk County by type of unit (single family, multi-family and mobile home) and the number of Polk County schools elementary, middle and high school students that occupy each type of dwelling unit. Polk County Schools matched the street address for each elementary, middle and high school student to the property use codes for the addresses in the Polk County Property Appraiser's database. Not all addresses were accurate enough to be matched with property use codes but the resulting matches provided a significant sample; 41.8% for elementary students, 42.0% for middle school, and 43.7% for high school students. The total enrollment was allocated to single family, multi-family and mobile homes based on the sample. The results are shown in Section A of Table 10. The use of recent and local enrollment data replaces the census-based data used in the previous impact fee study in 2005.

In Section B, the dwelling unit and enrollment data from Section A is used to calculate the Polk County Schools enrollment per dwelling unit. Specifically, the enrollments in each school level were divided by the number of dwelling units that those enrollments occupy. For example, Section A shows that 33,264 elementary students lived in 161,044 single-family houses in 2008. The result of dividing the number of elementary school students by the number of houses is 0.207, which is the average number of elementary school students per single-family home, as shown in Section B. The process is repeated for middle school and high school age students in single-family homes, and for all school levels in multi-family and mobile homes.

The final step in determining the student stations per dwelling unit is shown in Section C. The Polk County Schools students per dwelling unit from Section B are adjusted by the elementary, middle and high school student station utilization

factors (from Table 1) to determine the number of student stations required per type of dwelling unit. For example the single-family middle school students per dwelling unit of 0.094 (from Section B) is multiplied by the middle school student station utilization factor of 126.61% because one middle school student requires 1.2661 student stations due to the 78.98% operational capacity of a middle school. This results in 0.119 middle school student stations per single-family dwelling unit, as shown in Section C.

Table 10: Public School Student Stations per Dwelling Unit

Unit Type	Total Dwelling Units	Elementary School Students	Middle School Students	High School Students	Total School Students
A. Dwelling Units and Student Population					
Single-Family	161,044	33,264	15,089	19,566	67,919
Multi-Family	38,190	3,604	1,380	1,592	6,576
Mobile Home	69,528	7,441	3,358	3,630	14,429
B. Public School Students per Dwelling Unit					
Single-Family		0.207	0.094	0.121	0.422
Multi-Family		0.094	0.036	0.042	0.172
Mobile Home		0.107	0.048	0.052	0.208
C. Public School Student Stations per D.U.					
Utilization Adjustment		111.92%	126.61%	125.06%	
Single-Family		0.231	0.119	0.152	0.502
Multi-Family		0.106	0.046	0.052	0.204
Mobile Home		0.120	0.061	0.065	0.246

The final calculation in establishing the cost per dwelling unit is presented in Table 11 (on the next page) and it involves multiplying the cost per student station from Table 8 by the number of public school student stations per dwelling unit from Table 10. For example, multiplying the $19,445.46 cost per elementary school student station (from Table 8) by the 0.231 public elementary school student stations per single-family dwelling unit (from Table 10) produces an elementary school cost of $4,495.25 per single-family dwelling unit (see Table 11)[15]. The same formula is applied to each combination of elementary, and middle schools and

[15] As noted in the Introduction to this study, the data was prepared using computer spreadsheet software. In some tables in this study, there will be very small variations from the results that would be obtained using a calculator to compute the same data.

single-family, multi family and mobile homes. The resulting costs per dwelling unit are listed in the rest of Table 11.

Table 11: Public School Cost per Dwelling Unit

Housing Type	Elementary School	Middle School	High School	Total
Single-Family	$ 4,495.25	$ 3,248.62	$ 4,574.23	$ 12,318.10
Multi-family	2,053.80	1,252.89	1,569.47	4,876.16
Mobile Homes	2,329.14	1,674.57	1,965.66	5,969.37

5. IMPACT FEE PER DWELLING UNIT

The final step in determining the impact fee for educational facilities is to reduce the cost per dwelling unit by subtracting any credits for other revenues from existing and new development that the School Board will use to pay for part of the cost of new educational facilities needed to serve new development. The impact fee per dwelling unit is calculated using Formula 3:

3.	Cost per Dwelling Unit	-	Credit for Other Revenues	=	Impact Fee per Dwelling Unit

There is one new variable used in formula 3: (E) credits for payment of other revenue.

Variable (E) Credits for Payments of Other Revenue

New development will be given credit for future payments of other revenues that are used to pay for the same new educational facilities that are required to serve the new development. Credits are not given for payment of taxes paid prior to the effective date of this impact fee because those taxes were accounted for in the calculation of the existing impact fee for educational facilities that is being updated by this rate study.[16]

Credits are *not* given for other payments that are *not* used for new educational facilities needed for new development. Such a credit would extend to payments of all taxes for all purposes to all forms of governments, which contradicts the well-established system of restricting fees, charges, and many taxes for specific public facilities and services[17]. In other words, impact fees are collected for specific capacity and credit needs to be given for revenue paid for the same capacity, but credit is not given for revenues used for other purposes.

The only revenue sources to be credited are those that are used for school capacity expansion according to law and local policy or practice. Credits are not

---

[16] One source of revenue that was paid prior to the effective date of this impact fee update *is* included in the revenue credit calculation. Unexpended impact fees collected prior to this study are available to pay for school capacity needed to serve new development, therefore it is considered as a revenue credit.

[17] An example of this principle is found in the impact fee statutes for the State of Washington. In the following statute, a "system improvement" is a capital improvement that can be financed by impact fees. RCW 82.02.060(1)(b) requires a credit to be given for "...payments made or reasonably anticipated to be made by new development to pay for particular system improvements in the form of user fees, debt service payments, taxes, or other payments *earmarked for or proratable to the particular system improvement* (emphasis added);"

given for revenues that are used for repair, maintenance or operating costs because impact fees are not used for such expenses.

Revenue Credits and Impact Fee: Tables and Data

The balance of this chapter contains a series of tables and accompanying text that documents and calculates the credits for other payments and calculation of the impact fee for educational facilities.

Table 12 (on the next page) identifies the amount of revenue available to pay for additional capacity for new development based on Polk County Schools' 5-year work plan. Table 13 (on page 30) is the calculation of the credit percentage adjustment based on a comparison of the revenue available to pay for additional capacity for new development from Table 12 to the cost of added capacity for new development from Table 9. Table 14 (on page 30) lists the cost per dwelling unit from Table 11, the credit adjustment from Table 13 and calculates the resulting impact fee.

The 5-year forecast of revenue shown in Section A of Table 12 is from Polk County Public Schools' 5-year work plan. The revenue includes all sources of revenue for capital outlay, repair, renovation, vehicles, debt service and new capital facilities, except revenue from the collection of impact fees during the 5-year period because this rate study calculates a new impact fee rate. Unexpended impact fees collected prior to this study are also excluded from Section A of Table 12 because they are recognized and applied after Table 12. The revenues in Section A total $542.89 million over the five years.

Section B of Table 12 lists the cost of the 5-year work plan for non-capacity projects (no student stations are created), and debt service obligations[18]. In addition, Section B lists non-classroom projects needed to serve existing enrollment projects that replace existing permanent and relocatable student stations and ancillary facilities and the cost of additional capacity to eliminate deficiencies from Table 9. The sum of these expenditures is $693.9 million, which is $151.0 million more than the $542.9 available revenue. The result is that there is no money available from

[18] Debt service costs are considered as not providing capacity for new development because the schools that were built with the proceeds of the debt instruments are included in Table 1, which shows a current deficiency of capacity for elementary, middle and high schools, thus indicating that the capacity has been consumed, and is not available to serve new development. The taxes that are paid by old and new development to pay-off the debt service are a duty of citizenship as taxpayers, and not a revenue credit towards the cost of additional capacity that will serve new development.

other sources of revenue to pay for a portion of the cost of increased capacity to serve new development for the next 5 years.

Table 12: 5-Year Revenue Available For Additional Capacity

Revenue and Cost	5-Year Total 2008-09 - 2013-14
A. SOURCE OF FUNDS	
Local Capital Outlay Levy	$ 318,791,148
1/2 Cent Sales Surtax	160,000,000
Less: Debt Service 1/2 Cent Sales Surtax	(132,468,065)
PECO Maintenance	36,714,968
PECO Regular	19,915,365
Estimated Revenue From CO & DS Bond Sale	3,500,000
C O & D S Cash Flow-through Distributed	3,403,275
CO & DS Interest on Undistributed CO & DS	383,920
Interest	18,750,000
Carry Over, Revenue from Bonds Pledging Proceeds from 1 Cent Sales Surtax	113,900,000
Total Revenue for Capital	542,890,611
B. USES OF FUNDS	
2 Mill for Non-Capital Expenditures	229,742,150
PECO Maintenance, Repair, Renovation	36,714,968
Other Maintenance, Repair, Renovation	967,311
Projects That Do Not Add Capacity to Schools	91,706,616
Cost of Capacity to Replace Relocatables	108,035,915
Cost of Capacity to Replace Permanent Student Stations	72,309,786
Cost of Added Capacity to Eliminate Deficiencies	154,423,937
Total Of Non-Capacity for New Development Costs	693,900,683
Balance Available For Capacity for New Development	(151,010,072)

However, as noted above, any unexpended impact fees from prior years are considered available to pay for capital projects that provide student station capacity for growth. This amount is $28,192,628 and it is shown in Table 13 (on the next page). This includes the amounts escrowed by the School District prior to the September 10, 2009 ruling by the Florida Supreme Court that allowed the District to retain the impact fees.

In the next step, the 5-year forecast of other revenue available for added capacity from Table 12 is compared to the cost of added capacity for new development from Table 9. As noted above, the non-impact fee revenues from Table 12 are insufficient to pay for maintenance and renovations to the existing school facilities and elimination of the current deficiency. There is no non-impact fee revenue available for added capacity for new development. However, there is $28,192,628 in unobligated impact fee fund balance carry forward revenue available

which is equal to 12.08% of the $233.5 million cost of added capacity (from Table 9), therefore there will be a 12.08% reduction of the cost of needed new schools from this source. In other words the impact fee fund balance is available to pay for 12.08% of the cost of added capacity for new development for the 5-year period.

Table 13: Revenue Credit Percent

Revenue for Added Capacity for New Development	Cost of Added Capacity for New Development	Revenue Credit % (Revenue ÷ Cost)
$ 28,192,698	$ 233,459,898	12.08%

Table 14 shows the cost per dwelling unit from Table 11, the revenue credit of 12.08%, an additional revenue credit for debt service payments by new development for sales tax bonds that created capacity in the school system[19], and the impact fee (rounded down to the nearest dollar in keeping with County practice for impact fees). At the request of the County's Impact Fee Committee, Table 14 also includes an adjustment to show the portion of the impact fee that is attributable to the cost of borrowing to provide educational capacity (see Tables 3 and 6), and the amount of the impact fee if borrowing costs are excluded from the fees.

Table 14: Impact Fees

Housing Type	Full Cost	Revenue Credit @ 12.08%	Revenue Credit Sales Tax Bonds	Impact Fee Including Borrowing (rounded)	Portion of Fee for Borrowing Costs	Impact Fee Excluding Borrowing (rounded)
Single-Family	$ 12,318	- $ 1,488	- $ 590	= $ 10,240	- $ 784	= $ 9,456
Multi-family	4,876	589	410	3,877	306	3,571
Mobile Homes	5,969	721	385	4,863	380	4,483

[19] A trial court decision in December 2005 regarding Osceola County Schools required an additional revenue credit for payments for debt service that created capacity, notwithstanding that the capacity is used up by existing enrollment. The trial court decision in another County may not be binding on Polk County. However, in order to be conservative in calculating Polk County's school impact fee, this study provides a similar credit in Table 1-I for payment of the ½¢ sales tax that will be paid by new development until the sales tax bonds are retired in 2019.

STATE OF FLORIDA)

COUNTY OF POLK)

I Richard M. Weiss, Clerk of the Board of County Commissioners of Polk County, Florida hereby certify that the foregoing is a true and correct copy of Ordinance No. 10-032 adopted by the Board on June 16, 2010.

WITNESS my hand and official seal of said Board this 18th day of June 2010.

Richard M. Weiss
Clerk to the Board

By Kathryn Courtney

Kathryn Courtney
Deputy Clerk