

The Special Meeting of the City Council of the City of Panama City Beach, Florida, regarding the Impact Fee Study, Municipal Services, held on January 25, 2018.

ROLL

MAYOR MIKE THOMAS

COUNCILORS:
JOHN REICHARD
JOSIE STRANGE
PHIL CHESTER
HECTOR SOLIS

CITY MANAGER:
MARIO GISBERT
CITY CLERK:
JO SMITH
CITY ATTORNEY:
AMY MYERS

Mayor Thomas called the Special Meeting to order at 11:00 A.M. with all the Council members, City Manager, City Clerk and City Attorney present.

Mr. Gisbert explained the Department Heads had met with the consultant for the Impact Fee Study. Initially most of the cost (66%) was to the local resident and the balance to the visitors. After the meeting, the consultant revised those numbers where the current report reflected the bulk of the cost to the visitor and the balance to the local resident.

Mr. Henry Thomas, Senior Vice-President for Public Resources Management Group (PRMG), explained that they had prepared a few studies for the City over the years. Mr. Gisbert explained that the City had initiated an Impact Fee plan in 2001 that included Police, Fire, Recreation and Library. An update to the Recreation component was prepared in 2007 when the swimming pool was built. Mr. Thomas explained they also prepared the Water and Wastewater rates. PRMG updated the Municipal Impact Fees to include Police, Fire, Recreation and Library. The Impact Fees were based upon the recovery of the capital investment required to provide capacity to serve future growth.

Mr. Thomas explained that the State passed an Impact Fee Act in 2007 and amended in 2009 and 2011. He said they relied on Florida case law for Impact Fees and one requirement was that the fee be based on recent localized data. To comply, the Impact Fees should be updated periodically, particularly if the City had major capital improvements just funded. He explained that the increase could not be implemented until ninety days after adoption in consideration of developers absorbing the increased cost of Impact Fees.

He explained their main task was looking at the service area forecast and certain assets apportioned between existing population and future growth. They looked at the level of service standards for Police as one officer per thousand population. For Police Impact Fees, the City was unique because there was a visitor population and a permanent population and significant visitor population issues.

To look at the population forecast, they used total average population which included both the visitor and the permanent population. In 2017 it was estimated at just under 45,000 persons and projected to grow to 57,800 persons by 2040. Mr. Gisbert explained the data used to project the average population for the visitors was information from the TDC. Mr. Thomas said the dwelling unit growth looked to go from 18,000 units to just over 23,000 units. The growth rate in commercial square footage would grow consistent with the overall growth in the community and population, now at slightly under 6000 square feet of commercial development to about 7,700 by 2040. In the Recreation Impact Fee, it was calculated on a per person basis.

POLICE

For the Police Impact Fees, the biggest asset was the new police facility. They looked at the existing level of service and he said the City could not charge the new population growth for a level of service not provided. The only new investment included in the Impact Fee was the new communications and dispatch equipment.

Mr. Thomas said a lot of commercial development had occurred since the last study. They looked at the call data for the calls to residences versus commercial as a way to proportion the costs. For the Impact Fees, the residential was per dwelling unit and the commercial was per square foot. The City had 59 full-time sworn officers when the study was published which averaged 1.32 persons per thousand of average daily population that included both permanent and visitor population. Even though the standard was based on sworn officers per thousand, the City also had 34 support employees. The equipment needed to run the whole Department related to only the

sworn officers and not the total employees for the Department. The total investment today was about \$8 Million Dollars and included the vehicles, vehicle related equipment, general machinery and equipment. Dividing that \$8 Million Dollars by the 59 sworn officers would have the cost of a full-time officer at \$136,516. Based on the growth forecast to 2040, they estimated approximately 17 officers to maintain the existing level of service, equating to a \$2.4 Million Dollar investment to serve that new growth.

Mr. Gisbert asked Mr. Thomas to explain the \$136,516. Mr. Thomas explained for the most part, these were embedded costs already spent by the Police Department. Councilman Solis asked why not include support staff. Mr. Thomas said there was not a lot of capital costs associated with the support staff and only included if the City was trying to collect operating costs. The Department may grow and add sworn officers, but not necessarily more communication officers. It was appropriate to divide the capital cost and the growth of sworn officers. Mr. Thomas said the mix of calls today was much heavier for commercial since the study was prepared in 2001. He said the current Impact Fee for residential was \$135 and the proposed Impact Fee would be \$144. For Commercial, the current Impact Fee was \$.40 based on the square footage and the proposed fee would be \$.88 per square foot.

FIRE

Mr. Thomas explained the real driver in fire and rescue was the response time. The City must add new fire stations to maintain adequate response times to a growing population and with fire stations, they must be staffed and equipped. In their study, they considered that the City planned to add a new fire station and rehab the two current stations. Mr. Gisbert said the new station would be storm-hardened and located off Nautilus. Mr. Thomas said the average response time in 2016 was 4.32 minutes. The Fire Department currently had 35 Fire/Rescue personnel in two fire stations. He said they estimated the new station at Nautilus would require an additional 15 Firefighters. With the existing capital investment, they estimated a cost of \$131,205 per Firefighter. Based on the future growth, conservatively, they estimated \$4.1 Million Dollars in investments which became \$93,159 per Firefighter. Mr. Thomas explained that the new fire station would serve everyone so the costs must be blended. The two totals would be \$224,364 per Firefighter which included the new station, the new ladder trucks, and the new equipment. For the call data, the split was 40% residential and 60% commercial, totaling a fee of \$249 per dwelling (residential) and \$1.14 per square foot (commercial). Mr. Thomas said the existing Impact Fees for residential were \$130 and the proposed Impact Fee would be \$249. For commercial, based on the growth, the existing rate was \$.17 per square foot, and they proposed the new rate of \$1.14 per square foot. He explained other cities and how they estimated their Impact Fees. Mr. Gisbert said Panama City Beach was unique and that he would guess the other cities in comparison had an Ad Valorem Tax.

RECREATION

Mr. Thomas said they looked at the current level of service, as well as current and future investments in assets. He said they allocated the costs between the permanent and visiting populations because the City was unique in that the visitors used the recreational facilities. He emphasized that the recreation fees were not charged to a restaurant, only residential or the public lodging category. Mr. Thomas reported on the existing level of service, including the 8 different recreational facilities as well as the 250 acres of open space and 3150 acres in the Conservation Park. He spoke of other cities and their recreational facilities. They estimated the total existing and future capital investment would be \$20,378,885. After research, they determined for residential the cost per unit was \$867 and for public lodging per unit was \$634. Mr. Gisbert clarified that condominiums were included in the residential figure along with the single-family homes.

Councilman Solis said he disagreed with restaurants not being included because the City brought in hundreds of tournaments that stayed in hotels and ate at restaurants. Mr. Thomas said that would be an economic benefit where he was discussing the benefit of the use of the facilities. Mayor Thomas explained how Mr. Sale had originally used the link and felt comfortable using the public lodging. Mr. Thomas explained the City was able to spread the costs over a larger group due to including the public lodging, compared to some cities who only charged residential. This allowed a more reasonable fee for residential. He said the existing residential fee was \$763 and proposed Fee would be \$867. For public lodging, the existing fee was \$639 and the proposed fee would be \$634.

Mr. Thomas said all Impact Fees were less than the average which encouraged growth.

LIBRARY

Mr. Thomas said for the Library, the City had limited investment, basically the capital costs of the library itself. He said the assumption was that the library was typically used by the residential population. He said the current Fee was \$65 and the proposed Fee would be \$72.

Councilwoman Strange said if someone visited the library now, they would see that it was packed with visitors. Mr. Gisbert said they were usually people that stayed in condominiums, which would be captured within this residential fee.

Mayor Thomas said the rules were very strict on Impact Fees. Mr. Thomas said Home Rule was very important and case law said the funds could not be used to make up for existing deficiencies. Mr. Gisbert said the legislature was attempting to take away the City's ability to impose such fees.

Mr. Thomas said he recommended that the City adopt the proposed Impact Fees and periodically review them every three to five years. He also stressed to spend the Impact Fees, probably within seven years, not merely save them. He mentioned reviewing the fees when the City planned a large capital investment.

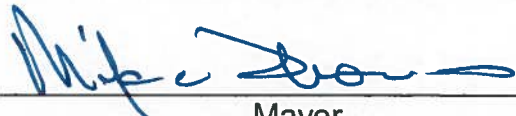
The Mayor asked if there were any questions. Councilwoman Strange asked when the new Impact Fees would be imposed. Mr. Gisbert said no one would be impacted with the new rates until 90 days after adoption.

Mayor Thomas said the County reviewed their Impact Fees every two years. He asked when the Impact Fees were last reviewed in the City. Mr. Gisbert replied 2001 for Police, Fire, Library, and most of Recreation. Regarding Water and Sewer, the City followed a better schedule and those fees were being reviewed now by PRMG. The Mayor said all the new growth since 2001 had been assessed the old rate. Mr. Thomas said the commercial sector benefitted quite a bit from those old rates being charged. Mr. Shortt texted Mr. Gisbert that he would advise when the Water and Sewer rates were last updated.


The meeting was adjourned at 11:55 A.M.

READ AND APPROVED this 8th of February, 2018.

IN THE EVENT OF A CONFLICT BETWEEN THE FOREGOING MINUTES AND A VERBATIM TRANSCRIPT OF THESE MINUTES, THE FOREGOING MINUTES SHALL CONTROL.



Mayor

ATTEST:


City Clerk