



**School Board of Martin County
Agenda Item Request Form
Board Meeting: September 18, 2012**

Agenda Item #17.02*

1. **AGENDA ITEM:** Martin County School Impact Fees – Technical Report –Review and Approve
 appropriate box(s): New Renewal Addenda Presentation Grant \$ _____

2. **BACKGROUND INFO./STAFF RECOMMENDATION:** The current Martin County School District Impact Fee schedule has been in place since 2007. State regulations require that local governments review and update their impact fee schedules to stay current with changing cost and fiscal conditions. The School District has coordinated the update of the school impact fees with Martin County’s impact fee update. The administrative costs of the program are specified in an Interlocal Agreement with Martin County that is currently 3% of the school impact fee collections. The attached Technical Report outlines the data and methodology used to update the impact fee schedule. After School Board review and approval, the School Impact Fee Technical Report is transmitted to the Martin County Board of Commissioners for final action.
STAFF RECOMMENDS APPROVAL.

3. **FINANCIAL IMPACT:**
 Is there a financial impact (Finance Review Required)? YES NO
 Is funding provided in approved budget? YES NO
 What additional funding is required? Indicate Amount \$ _____
 Source: _____

4. **REQUIRED SIGNATURES:** By signing below, you are verifying that you have reviewed the item and it is ready for submittal to the Superintendent and School Board respectively.

Requestor: Boyd Lawrence _____ Signature: *Boyd Lawrence* _____
 Type or Print Name

Director/Principal: Julian G. (Jay) Angel _____ Signature: *Julian G. Angel* _____
 Type or Print Name

Exec. Director or
 Asst. Superintendent: Steve Weil _____ Signature: *Steve Weil* _____
 Type or Print Name

Finance Review: Bryan Thabit _____ Signature: *Bryan Thabit* _____
 Type or Print Name

Legal Review: REQUIRED Fred vanVommo
 NOT REQUIRED Signature: *Fred vanVommo* _____

5. **SUPERINTENDENT RECOMMENDS APPROVAL:** YES NO



Martin County School District Impact Fee Study

Technical Report

August 30, 2012

DRAFT

Prepared For:

Martin County School District
Stuart, Florida

Prepared by:



Walter H. Keller, Inc.

Consulting Engineers & Planners
Coral Springs • Sewall's Point

Nancy E. Stroud, Esq.
Lewis Stroud & Deutsch, P.L.
Boca Raton, Florida

I. INTRODUCTION

Impact fees are used by the Martin County School District as part of its overall program of funding the Capital Building Program. Martin County School District's most recent study of Impact Fees was completed in 2007. In November 2011, Martin County engaged the firm of Walter H. Keller, Inc. to revise and update the Martin County and School District Impact Fees.

This Technical Report documents the updating of Martin County School District's Impact Fee to current conditions. The legal basis for the Florida Impact Fees is provided in Section II of the Report. This portion of the Report reviews the case law that establishes Florida's dual rational nexus test and the results of recent state legislation. Nancy Stroud, J.D./M.R.P., an attorney with Lewis, Stroud and Deutsch, P.L. is providing legal and planning assistance on this effort.

The data collection for Martin County School Impact Fee and the technical development of the fee is presented in Section III. The proposed School Impact Fee is presented in Section IV of the Report.

II. LEGAL BASIS FOR IMPACT FEES

The Florida experience since the early 1980s has shown that impact fees remain a popular means for funding infrastructure needed as a result of new development. Impact fees can supplement and enhance other revenue sources, creating more flexibility for existing capital resources to be used for capital needs other than those created by new development. Judiciously used, they can positively affect the timing for providing facilities.

The authority for use of impact fees in Florida has been established through local home rule power and ordinances, rather than through legislative authorization and statutory mandates. As a result, the significant legal limitations on impact fees in Florida are found in Florida case law, although there are some procedural limitations found in Florida statutes as well. Most recently, the 2011 Florida legislature mandated that the burden of establishing the reasonableness of an impact fee is the responsibility of the local government. This was a substantive shift of the burden from the normal judicial review of local government action, which would place the burden on the party who challenges the fee to prove that it is unreasonable.

The propriety of imposing impact fees on new development to provide for the cost of capital facilities made necessary by that growth was first discussed in *City of Dunedin v. Contractors & Builders Ass'n*¹. Prior to Dunedin, only three reported Florida decisions had dealt with any form of impact fee. Dunedin became the first Florida appellate opinion to validate impact fees, based on the principle that new growth can be made to pay its proportionate share of the costs of providing capital facilities to serve that growth. Although the Florida Supreme Court later invalidated the Dunedin water and sewer impact fee for failure to earmark the proceeds in a trust fund, it permitted the city to correct the flaw retroactively, and the Dunedin decisions became the polestar cases validating the concept of impact fees in Florida.²

¹ 312 So. 2d 763 (Fla. 2d DCA 1975).

² See *Contractors and Builders Ass'n of Pinellas County v. City of Dunedin*, 329 So. 2d 314 (Fla. 1976).

Later, Home Builders and Contractors of Palm Beach County v. District of County Commissioners³ decided the validity of impact fees for roads made necessary by the increased traffic generated by new development. The Florida appellate court upheld the Palm Beach County road impact fee ordinance and applied what became known as the “dual rational nexus test” for determining the validity of impact fees adopted under local government police powers. Under this test, an impact fee must be based on a reasonable connection between the need for additional park facilities and the growth in population that will be generated by the subdivision. The fees must be an equitable pro rata share of the cost of reasonable capital expansion required because of the new development. The rational nexus test also requires that the development that pays the fee benefit from its use. Notably, in response to the challenge that non-payers would receive benefit from the roads, the Home Builders court held that benefits accruing to the overall community did not invalidate the ordinance, so long as those affected did not have to pay more than their fair share. Exclusivity is not the proper test for valid impact fees, the court stated, because “[i]t is difficult to envision any capital improvement for parks, sewers, drainage, roads, or whatever which would not in some measure benefit members of the community who do not reside in or utilize the new development.”⁴

The dual rational nexus test had been articulated in more detail the same year in Hollywood, Inc. v. Broward County⁵, upholding the validity of park impact fees. Following these cases, many Florida local governments adopted impact fees for various capital facilities, particularly for roads and parks.⁶ There remained doubt, however, of whether the court would accept impact fees for schools, as schools for historical reasons could be viewed as uniquely the responsibility of the community as a whole. As a result, only a few jurisdictions attempted to adopt such impact fees. The question of whether school impact fees could withstand constitutional scrutiny was finally decided by the Florida Supreme

³ 446 So. 2d 140 (Fla. 4th DCA 1983), rev. denied, 451 So. 2d 848 (Fla. 1984), app. dismissed, 469 U.S. 976 (1984).

⁴ Home Builders, 446 So. 2d at 143.

⁵ 431 So. 2d 606 (Fla. 4th DCA 1983).

⁶ See Fred Bosselman and Nancy E. Stroud, “Pariah to Paragon: Developer Exactions in Florida 1975-1985,” 14 Stetson Law Rev. Local Government Law Symposium 525 (1985).

Court in St. John's County v. Northeast Fla. Builders Ass'n, Inc.⁷ In St. Johns, the Court examined the constitutionality of a county ordinance imposing an impact fee on new residential construction, to be used for new school facilities. The Court applied the two-part “rational nexus” test to the school impact fee. The Court held that a school impact fee based on an expected need to service a projected 44 students per 100 dwelling units, or an average of 0.44 public school children per single-family home, met the first part of the dual rational nexus test. However, it held that the second part of the test was not met, because there was no assurance that the funds would be spent to benefit those who paid the fees. The impact fee was not effective within municipalities that did not enter into an interlocal agreement with the county to collect the fee, and thus there was nothing to keep impact fees from being spent to build schools to accommodate new development within a municipality that had not entered into the interlocal agreement. The Court further indicated that if the county could demonstrate that “substantially all” of either the county population or of the projected new development was covered by the ordinance, then the second test could be met. The St. Johns case unleashed school impact fees from constitutional uncertainty, and counties began to add school impact fees to their land development regulations.

As noted above, there are few statutory limitations pertaining to impact fees in Florida. The Growth Management Act of 1985, §163.3202 required local governments to adopt land development regulations as part of the implementation of their comprehensive plans. This requirement remains even after state planning mandates were significantly reduced through the 2011 Community Planning Act. §163.3202 (3) encourages the use of innovative land development regulations, specifically including impact fees. In addition, §380.06(15)(e), Florida Statutes, requires local governments to enact impact fees applicable to all development, in order to be able to collect such fees from developments of regional impact (DRI). A reciprocal provision is found in §380.16, Florida Statutes, which requires that developments of regional impact be given credits against any impact fees which are for the same purposes of the exactions that are made a part of the DRI development order.

⁷ 583 So. 2d 635 (Fla. 1991).

In 2006, the legislature enacted the “Florida Impact Fee Act,” codified in §163.31802, and subsequently amended the Act in 2009 and 2011. The Act explicitly recognizes that impact fees are an important source of revenue for a local government to use in funding the infrastructure necessitated by new growth and places some restrictions on the use of impact fees. As noted above, the Act since 2011 requires that the government has the burden of proving, by a preponderance of the evidence, that the imposition or amount of the fee meets legal requirements. It also requires that notice be provided no less than 90 days before the effective date of an ordinance or resolution imposing a new or increased impact fee. Other provisions of the Act, consistent with existing case law and practice, require that:

- the calculation of the impact fee be based on the most recent and localized data;
- a local governmental shall account for the revenues and expenditures of impact fees in a separate accounting fund;
- administrative charges for the collection of impact fees are limited to actual costs; and,
- audits performed pursuant to Section 218.39, Florida Statutes, and submitted to the Auditor General must include an affidavit signed by the chief financial officer of the local governmental entity or school District stating that the entity or District has complied with the Act.

The general principles applicable to impact fees from the case law do not mandate any one particular methodology to arrive at a legally defensible fee. However some methodological guidelines have become professionally well accepted. These include the calculation of the costs of facilities on a per capita or square foot basis; credits for capital contributions made by the Feepayer toward payment of the fees; the use of geographic districts for the collection and expenditure of the fees; and a time frame for the expenditure of the fees collected.

III. PUBLIC SCHOOL DATA

Population

Detailed characteristics of Martin County's population and housing are provided in the U.S. Census. At the present time however, only limited results have been published for 2010. Table 1 below provides a comparison of available 2000 and 2010 results.

Table 1 – Population and Housing Characteristics

| 2000 Census | 2010 Census | 2010-2000 Difference | Characteristic | % 2000 | % 2010 |
|--------------------|----------------|-------------------------|----------------------------|--------|--------|
| 126,731 | 146,318 | 19,587 | Total Pop | | |
| 123,375 | 142,385 | 19,010 | Pop in H/H | | |
| 3,356 | 3,933 | 577 | Pop in Group Qtrs | | |
| 2.65% | 2.69% | 0.040% | % of Tot Pop in Group Qtrs | | |
| 65,471 | 78,131 | 12,660 | Total Housing Units | | |
| 55,288 | 63,899 | 8,611 | Occupied Units | 84.4% | 81.8% |
| 10,183 | 14,232 | 4,049 | Vacant Units | 18.4% | 18.2% |
| 44,136 | 49,196 | 5,060 | Owner Occupied | 79.8% | 77.0% |
| 11,152 | 14,703 | 3,551 | Renter Occupied | 28.1% | 23.0% |
| 2.2315 | 2.2283 | (0.003) | Avg H/H Size | | |
| 2.1990 | 2.1800 | (0.019) | Avg H/H Size - Owner | | |
| 2.3399 | 2.3900 | 0.050 | Avg H/H Size - Renter | | |
| 97,055 | 107,247 | 10,192 | Population in Owner Units | 78.7% | 75.3% |
| 26,095 | 35,140 | 9,045 | Population in Renter Units | 21.2% | 24.7% |
| UNITS IN STRUCTURE | | | | | |
| 64,471 | 78,132 | 13,661 | Total housing units | | |
| 33,210 | 41,462 | 8,252 | 1-unit, detached | 51.5% | 53.1% |
| 5,456 | 6,888 | 1,432 | 1-unit, attached | 8.5% | 8.8% |
| 1,925 | 1,598 | (327) | 2 units | 3.0% | 2.0% |
| 3,394 | 3,230 | (164) | 3 or 4 units | 5.3% | 4.1% |
| 3,167 | 4,804 | 1,637 | 5 to 9 units | 4.9% | 6.1% |
| 6,143 | 7,767 | 1,624 | 10 to 19 units | 9.5% | 9.9% |
| 3,410 | 4,357 | 947 | 20 or more units | 5.3% | 5.6% |
| 7,626 | 7,796 | 170 | Mobile home | 11.8% | 10.0% |
| 140 | 230 | 90 | Boat, RV, van, etc. | 0.2% | 0.3% |

Source: U.S. Census

The population estimates of the University of Florida's Bureau of Economic and Business Research are used for future resident population. Future household and dwelling units were forecast based on 2000 and 2010 U.S. Census ratios. The base year for the Martin County School District Impact Fee Study will be April 1, 2012.

The October 13, 2011 School Report counted 17,501 students in the Martin County School System. Recent public school enrollment projections developed by Public Pathways, Inc. were prepared based on the October count. The projections provided a 20 year local public school forecast which is incorporated into this Study. Table 2, below, provides projections of population and school enrollment through 2032.

Table 2 – Population & Public School Enrollment Projections

| Year | US Census | Resident Population | Households | Dwelling Units | Public School Enrollment |
|------|-----------|---------------------|------------|----------------|--------------------------|
| 2000 | 126,731 | 126,731 | 55,288 | 65,471 | 16,307 |
| 2010 | 146,318 | 146,318 | 63,899 | 78,131 | 17,463 |
| 2011 | | 147,900 | | | 17,501 |
| 2012 | | 149,400 | 65,280 | 78,790 | 17,530 |
| 2013 | | 151,000 | | | 17,561 |
| 2014 | | 152,500 | | | 17,590 |
| 2015 | | 154,100 | 67,380 | 79,790 | 17,621 |
| 2016 | | 155,900 | | | 17,662 |
| 2017 | | 157,800 | 69,040 | 80,640 | 17,704 |
| 2018 | | 159,600 | | | 17,745 |
| 2019 | | 161,500 | | | 17,788 |
| 2020 | | 163,300 | 71,500 | 82,140 | 17,828 |
| 2021 | | 165,100 | | | 18,003 |
| 2022 | | 166,900 | 73,120 | 83,340 | 18,177 |
| 2025 | | 172,200 | 75,500 | 86,040 | 18,845 |
| 2030 | | 180,500 | 79,200 | 91,040 | 19,891 |
| 2032 | | 183,500 | | | 20,269 |
| 2035 | | 187,900 | 82,058 | 96,040 | |

Notes: 2000 & 2010 Population, Households & Dwelling Units per US Census
 5 Yr 2015-2035 Population by BEBR, Vol 44 Bulletin 160, 12/2011
 Public Pathways, Inc. - 20 Year Student Projections - August 31, 2012
 Walter H. Keller, Inc.

Housing

Limited 2010 U.S. Census information has been released on housing characteristics. Information was obtained from Martin County on Certificates of Occupancy from April 1, 2010 to December 31, 2011. Additionally, detailed analysis was performed on the Martin County Property Appraiser's Real Improvement Files and selected residential files in order to ascertain residential bedroom mix and residential unit finished floor areas. Based on CO's and housing unit counts from the 2010 U.S. Census total dwelling units for April 1, 2012 were estimated at 78,790. Property Appraiser residential information provided housing unit totals of approximately 73,000 units although there were some questions on the reliability of triplex and multi-family units for building complexes with less than 10 units. The Property Appraiser's information for multi-family complexes with more than 10 units per building did not have information on bedrooms. Table 3 on the following page provides information on the bedroom mix for approximately 90% of Martin County's residential units.

Information was not available on the household occupancy for various sizes of residential units. In order to estimate current population by household size, information on housing unit occupancies for various dwelling unit types and bedroom mixes utilized information from Table D2 of the 2009 Martin County Impact Fee Study by James Nicholas, Ph.D. These unit occupancies per unit type and bedroom size were used for units built between 2000 and April 1 2012. Table 4 provides the aggregate persons per household by household size. In general, the unit sizes correspond to the bedroom mix used in Table D2 in the 2009 Impact Fee Study.

Table 3- Martin County Residential Bedroom Characteristics

| DU Type | No Units | No. of Bedrooms | Avg Fin SF | % | Group % |
|-------------------|----------|-----------------|------------|-------|---------|
| Single Family | 780 | 0 | 1,112 | 1.7% | |
| | 984 | 1 | 799 | 2.1% | 3.7% |
| | 12,982 | 2 | 1,369 | 27.6% | 27.6% |
| | 24,628 | 3 | 2,044 | 52.3% | 52.3% |
| | 6,370 | 4 | 3,001 | 13.5% | 16.3% |
| | 1,091 | 5 | 4,283 | 2.3% | |
| | 175 | 6 | 5,062 | 0.4% | |
| | 34 | 7 | 7,787 | 0.1% | |
| | 18 | 8 | 7,118 | 0.0% | |
| | 3 | 9 | 11,821 | 0.0% | |
| | 47,065 | 2.83 | 2,016 SF | | |
| Mobile Home | 1,064 | 0 | 936 | 23.9% | |
| | 170 | 1 | 606 | 3.8% | 27.7% |
| | 3,011 | 2 | 946 | 67.7% | 67.7% |
| | 203 | 3 | 1,395 | 4.6% | 4.6% |
| | 1 | 4 | 2,356 | 0.0% | |
| | 4,449 | 1.53 | 951 SF | | |
| Duplex | 204 | 0 | 960 | 11.3% | |
| | 100 | 1 | 799 | 5.5% | 16.9% |
| | 1,285 | 2 | 1,030 | 71.3% | 71.3% |
| | 146 | 3 | 1,331 | 8.1% | 8.1% |
| | 63 | 4 | 1,799 | 3.5% | 3.7% |
| | 3 | 5 | 2,232 | 0.2% | |
| | 1 | 6 | 2,702 | 0.1% | |
| | 1,802 | 1.88 | 955 SF | | |
| Triplex | 96 | n.a. | | | |
| MF 4-6 Units | 66 | n.a. | | | |
| MF > 10 Units | 3,358 | n.a. | 928 SF | | |
| Condominium | 90 | 0 | 794 | 0.6% | |
| | 2,053 | 1 | 745 | 13.9% | 14.5% |
| | 10,705 | 2 | 1,158 | 72.6% | 72.6% |
| | 1,838 | 3 | 1,761 | 12.5% | 12.5% |
| | 61 | 4 | 2,147 | 0.4% | 0.4% |
| | 2 | 5 | 2,770 | 0.0% | |
| 14,749 | 1.98 | 1,178 SF | | | |
| Other Residential | 206 | 0 | 1,383 | 16.2% | |
| | 115 | 1 | 648 | 9.0% | 25.3% |
| | 476 | 2 | 1,259 | 37.5% | 37.5% |
| | 416 | 3 | 1,708 | 32.7% | 32.7% |
| | 43 | 4 | 2,741 | 3.4% | 4.6% |
| | 7 | 5 | 3,816 | 0.6% | |
| | 5 | 6 | 3,836 | 0.4% | |
| | 3 | 8 | 3,465 | 0.2% | |
| | 1,271 | 2.03 | 1,450 SF | | |
| All Units* | 72,694 | | 1,694 SF | | |

Source: Martin County Property Appraiser's 2011 Real Improvement Residential Files
Walter H. Keller, Inc.

* - Triplex & Buildings with 4-6 Units not included in Total.

Table 4 – Person Per Household by Unit Size Calculation

| Aggregate Total of Units Constructed from 2000 - April 1, 2012 | | | |
|--|------------|---------------|---------------|
| Unit Size | % of Units | No. of Units | PPHH |
| 800 SF or Less | 6.6% | 775 | 1.750 |
| 801 - 1,100 SF | 38.6% | 4,522 | 2.014 |
| 1,101 - 2,300 SF | 42.5% | 4,972 | 2.884 |
| 2,301 SF and Up | 12.3% | 1,441 | 3.947 |
| Avg Residential | | 11,710 | 2.2122 |
| Number & Type of Dwelling Units constructed from 2000 - April 1, 2012 | | | |
| Single Family | % | Units | PPHH |
| 800 SF or Less | 3.75% | 331 | 2.106 |
| 801 - 1,100 SF | 27.58% | 2,433 | 2.240 |
| 1,101 - 2,300 SF | 52.33% | 4,615 | 2.914 |
| 2,301 SF and Up | 16.34% | 1,441 | 3.947 |
| | 100% | 8,820 | 2.867 |
| Multi-Family (Duplex, MF and Condo) | | | |
| 800 SF or Less | 14.53% | 394 | 1.423 |
| 801 - 1,100 SF | 72.58% | 1,968 | 1.748 |
| 1,101 - 2,300 SF | 12.88% | 349 | 2.467 |
| 2,301 SF and Up | 0.01% | - | |
| | 100% | 2,711 | 1.793 |
| Mobile Homes | | | |
| 800 SF or Less | 27.74% | 50 | 1.962 |
| 801 - 1,100 SF | 67.68% | 121 | 1.783 |
| 1,101 - 2,300 SF | 4.56% | 8 | 3.344 |
| 2,301 SF and Up | 0.02% | - | |
| | 100% | 179 | 1.903 |

Sources: Martin County Property Appraisers 2011 Real Property Listing
 Martin County CO Report April 1, 2010 to December 31, 2011
 Walter H. Keller, Inc.

Student Generation Rates (SGR) by dwelling unit size were estimated using information from Table 4, the October 13, 2011 Martin County School Report, prior Technical Studies for the School District and U.S. Census results. Table 5 presents the SGR for 2012 through 2022.

Table 5 – Student Generation Rates

| Student Generation Rate by Unit Size | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| Unit Size | 1995 | 2007 | 2012 | 2017 | 2022 |
| 800 FT ² & Under | 0.153 | 0.153 | 0.148 | 0.148 | 0.148 |
| 801 to 1,100 | 0.228 | 0.227 | 0.219 | 0.219 | 0.219 |
| 1,101 to 2,300 | 0.237 | 0.236 | 0.228 | 0.228 | 0.228 |
| 2,301 & Over | 0.245 | 0.244 | 0.236 | 0.236 | 0.236 |
| Enrollment | 13,817 | 17,814 | 17,530 | 17,704 | 18,177 |
| Dwelling Units | 60,043 | 77,603 | 78,790 | 80,640 | 83,340 |
| Students per Unit | 0.230 | 0.230 | 0.222 | 0.220 | 0.218 |

Source: J. Nicholas, PhD. - Public Educational Fee Update, Dec 2007
 2012 - 2022 Enrollment Estimates by Public Pathways, Inc. - 8/31/12
 Walter H. Keller, Inc.

Public School Facilities

Information from the School District's District Work Plan and the Florida Inventory of School Houses (FISH) dated June 27, 2012 were utilized to prepare an inventory of Public School Facilities. Table 6, on the following page, provides the Inventory. The District has 23,097 student stations and a capacity of 21,117. Approximately 5% (1,238) of the student stations are located in portable classrooms.

Table 6 – Martin County Facilities Inventory

| School Name | Total | | FISH Capacity 2011 | | Enrollment Oct 2011 (ESE PK-12) | | Percent of Permanent Student Stns | | % of Capacity | Acres |
|-------------------------------------|---------------|---------------|--------------------|--------------|---------------------------------|-----------|-----------------------------------|--------|---------------|-------|
| | Permanent | Portable | Capacity | Portable | Oct 2011 | Permanent | Student Stns | | | |
| Bessey Creek Elem | 599 | 599 | 599 | | 525 | | 87.6% | 87.6% | 17 | |
| Citrus Grove | 767 | 767 | 767 | | 603 | | 78.6% | 78.6% | 17 | |
| Crystal Lake | 662 | 621 | 662 | 41 | 528 | | 85.0% | 79.8% | 32 | |
| Feix Williams | 653 | 635 | 653 | 18 | 631 | | 95.4% | 96.6% | 26 | |
| Hobe Sound | 776 | 776 | 776 | | 665 | | 85.7% | 85.7% | 14 | |
| JD Parker | 695 | 695 | 695 | | 614 | | 88.3% | 88.3% | 5 | |
| Jensen Beach | 668 | 668 | 668 | | 576 | | 86.2% | 86.2% | 20 | |
| Palm City | 724 | 670 | 724 | 54 | 649 | | 96.9% | 89.6% | 13 | |
| Pinewood | 832 | 756 | 832 | 76 | 754 | | 99.7% | 90.6% | 15 | |
| Port Salerno | 805 | 805 | 805 | | 761 | | 94.5% | 94.5% | 14 | |
| Sea Wind | 764 | 764 | 764 | | 721 | | 94.4% | 94.4% | 20 | |
| Warfield Elem* | 1,048 | 1,048 | 1,048 | | 704 | | 67.2% | 67.2% | 11 | |
| Anderson Middle | 1,316 | 1,316 | 1,184 | | 956 | | 72.6% | 80.7% | 29 | |
| Hidden Oaks | 1,455 | 1,345 | 1,309 | 110 | 1,086 | | 80.7% | 83.0% | 24 | |
| Indiantown* | 1,348 | 1,348 | 1,213 | | 421 | | 31.2% | 34.7% | 20 | |
| Murray | 1,330 | 1,330 | 1,197 | | 747 | | 56.2% | 62.4% | 20 | |
| Stuart Middle | 1,285 | 1,285 | 1,156 | | 927 | | 72.1% | 80.2% | 17 | |
| Jensen Beach High | 1,636 | 1,636 | 1,554 | | 1,634 | | 99.9% | 105.1% | 100 | |
| Martin County | 2,370 | 1,738 | 2,251 | 632 | 1,998 | | 115.0% | 88.8% | 65 | |
| South Forks High | 1,796 | 1,721 | 1,706 | 75 | 1,840 | | 106.9% | 107.9% | 147 | |
| Challenger ESE | 171 | 171 | 171 | | 38 | | 22.2% | 22.2% | 10 | |
| Spectrum Alt. MS/HS | 218 | 130 | 218 | 88 | 85 | | 65.4% | 39.0% | 2 | |
| Teen-Parent PreK | | | | | 15 | | | | | |
| Infants/Toddlers | | | | | 23 | | | | | |
| Environmental Studies Ctr | 139 | 139 | | | | | | | 4 | |
| Indiantown Adult Learning Ctr | 110 | 110 | 165 | | | | | | 1 | |
| Indiantown Adult Learning Ctr Annex | - | - | | | | | | | 1 | |
| Indiantown Child Development Ctr | 216 | 72 | | 144 | | | | | 2 | |
| Indiantown Family Learning Ctr | 35 | 35 | | | | | | | 10 | |
| Port Salerno Head Start & PK Ctr | 54 | 54 | | | | | | | 5 | |
| Salem Learning Ctr | 260 | 260 | | | | | | | 14 | |
| Stuart Learning Ctr | 365 | 365 | | | | | | | 2 | |
| Totals | 23,097 | 21,859 | 21,117 | 1,238 | 17,501 | | | | 677 | |
| | | | | | | | | | 0.0310 | |

Source: MCSB October 13, 2011 Fall Report
MCSB District Work Plan 2011-2012
FISH - Level of Service Report (7-24-2012)
FISH - School Land Inventory (7-24-2012)

Note: Portables at SFHS and MCHS are leased for temporary use

The 5 Year Capital Plan is oriented to building replacement, renovations, remodeling and capital equipment purchases that do not increase school capacity. A new classroom building for 153 students with a FISH capacity of 145 is proposed for South Fork High School. Two additional capacity increases are proposed in the 5-10 year time frame. These efforts have been included to provide an appropriate student station cost for the Impact Fee Study. The cost for the new buildings are provided in Table 7. Note, because two of the new buildings are being constructed on existing land, land costs are excluded in the proportionate share total. The Table also includes the cost of Central Facilities. The value of these items were derived from the insurance inventory with land values based on the Martin County Property Appraiser's assessments.

Table 7 – Total Cost Per Student Station

| School/Facility | Cost | Capacity | Cost Per Station |
|--|--------------|----------|------------------|
| School | | | |
| High School 300 Student Exp | \$9,900,000 | 290 | \$34,138 |
| SFHS New Classroom Bldg | \$4,950,000 | 145 | \$34,138 |
| New Elementary School | \$30,000,000 | 750 | \$40,000 |
| Weighted Average | | | \$37,848.10 |
| Land | | | |
| Land Area per Station - Acres | | | 0.0310 |
| Land Cost per Acre | | | \$42,351 |
| Land Cost per Station | | | \$1,311.66 |
| Proportionate Land Cost Per Station | | | \$830.17 |
| Central Facilities | | | |
| Vehicle Fleet | | | |
| Number of Buses | | | 111 |
| Cost per Bus | | | \$107,000 |
| Value of Buses | | | \$11,877,000 |
| Environmental Studies Center | | | \$1,999,192 |
| IALC Teen Parent Center | | | \$120,000 |
| Stuart Learning Center | | | \$3,758,708 |
| Martin Superintendents Office | | | \$7,412,867 |
| Migrant Program | | | \$231,487 |
| Transportation - Service Center | | | \$13,488,225 |
| Land | | | |
| Acres | | | 37.64 |
| Value per Acre | | | \$161,180 |
| Land Value | | | \$6,066,815 |
| Value of Central Facilities | | | \$44,954,294 |
| Central Facility Value Per Station | | | \$2,056.56 |
| Total Cost Per Station Proposed | | | \$40,734.82 |
| Total Cost Per Station Existing | | | \$41,216.32 |

Source: MCSB District Work Plan 2011-2012
MCSB RMS SOV 12-13
MCSB 5 YR Capital Budget Plan Draft (7-2011)
MCSB 5 YR Capital Budget Plan Draft (7-2012)
Walter H. Keller, Inc.

Citizen's Equity is calculated in Table 8, below. The Table provides an estimate of the value of the Public School System less outstanding capital debt by student station. The value of permanent stations below utilizes the Cost per Existing Station from Table 8. The equity per student station will be the basis for calculating the School Impact Fee.

Table 8 – Citizen's Equity

| Replacement Value of School Facilities | |
|---|---------------|
| Value of Permanent Stations | \$900,947,539 |
| Replacement Value of Central Facilities | \$44,954,294 |
| Total | \$945,901,833 |
| Outstanding Debt | \$14,717,282 |
| New COPs Issued | \$36,660,000 |
| Citizen's Equity | \$894,524,551 |
| Student Stations - Permanent | 21,859 |
| Equity Per Student Station | \$40,922 |

Source: Walter H. Keller, Inc.

Note: Value of Portables not included.

The Martin County School District utilizes a mixture of local, state and federal funding sources to provide the necessary funds to operate, maintain and provide needed school facilities. Revenue for capital projects are provided by millage (local property taxes), Capital Outlay and Debt Service (CO&DS) from the State of Florida, school impact fees and voter approved bond issues. Funds under the Public Education and Capital Outlay (PECO) are not forecast for capital outlay in the next 5 years. Table 9, on the following page, provides a projection of future funding and expenditures for the Martin County School System Capital Projects.

Table 9 does not include unreserved fund balances, carryover or impact fees. For impact fee purposes, 27.6% of the available capital revenue funds in the five year time frame are expended on capital projects.

Table 9 – Revenue Sources and Funding Expenditures

| Capital Revenues | FY2011-12 | FY1012-13 | FY2013-14 | FY2014-15 | FY2015-16 | 5 Yr Total |
|---|--------------|--------------|--------------|--------------|--------------|---------------|
| State of Florida: | | | | | | |
| Peco - Maintenance | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Peco - New Construction | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CO&DS (including interest) | \$526,382 | \$532,621 | \$532,621 | \$532,621 | \$532,621 | \$2,656,866 |
| COBI Bonds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total State | \$526,382 | \$532,621 | \$532,621 | \$532,621 | \$532,621 | \$2,656,866 |
| Net State | \$526,382 | \$532,621 | \$532,621 | \$532,621 | \$532,621 | \$2,656,866 |
| Enrollment | 17,501 | 17,530 | 17,561 | 17,590 | 17,621 | 86,803 |
| State Funds per Student | \$30.08 | \$30.38 | \$30.33 | \$30.28 | \$30.23 | \$150.28 |
| Local: | | | | | | |
| Local Millage (1.5 mills @ 96%) | \$26,156,541 | \$25,832,803 | \$26,220,295 | \$27,006,904 | \$27,817,111 | \$133,033,653 |
| Interest | \$515,000 | \$150,000 | \$172,500 | \$198,375 | \$228,131 | \$1,264,006 |
| Fuel Tax Rebate | \$28,000 | \$28,000 | \$28,000 | \$28,000 | \$28,000 | \$140,000 |
| Impact Fees (to be determined) | - | - | - | - | - | - |
| Miscellaneous (FPL Rebate) | \$172,144 | \$0 | \$0 | \$0 | \$0 | \$172,144 |
| COPS | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Capital Funds w/o Unfunded Balance | \$27,398,067 | \$26,543,424 | \$26,953,416 | \$27,765,900 | \$28,605,863 | \$137,266,669 |
| Growth Projects | | | | | | |
| New Elementary School | | | | | | |
| High School 300 Student Expansion | | | | | | |
| SFHS New Clism & Instr Upgrades | | | | | | |
| Total Growth Projects | \$4,950,000 | \$4,950,000 | \$4,950,000 | \$4,950,000 | \$4,950,000 | \$4,950,000 |
| Prop Dmg, ESE Equip & Cust Equip | \$275,000 | \$275,000 | \$275,000 | \$275,000 | \$275,000 | \$1,375,000 |
| School Bus Purchases | \$500,000 | \$1,000,000 | \$500,000 | \$200,000 | \$500,000 | \$2,700,000 |
| Other Vehicle Purchases | \$100,000 | \$50,000 | \$100,000 | \$50,000 | \$100,000 | \$400,000 |
| Capital Outlay Equipment | \$993,220 | \$820,864 | \$900,000 | \$900,000 | \$900,000 | \$4,514,084 |
| Rent/Lease Payments | \$300,000 | \$340,000 | \$300,000 | \$300,000 | \$300,000 | \$1,540,000 |
| Rent/Lease Portables | \$100,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$300,000 |
| C/W Technology Projects | \$4,500,000 | \$4,500,000 | \$5,000,000 | \$5,000,000 | \$5,000,000 | \$24,000,000 |
| Major Construction Projects | \$10,000,000 | \$1,000,000 | \$7,500,000 | \$6,000,000 | \$6,000,000 | \$30,500,000 |
| Maintenance, Renovation and Repair | \$6,303,000 | \$5,700,000 | \$5,450,000 | \$6,475,000 | \$6,475,000 | \$29,378,000 |
| Other Capital Projects | \$9,444,980 | \$10,110,507 | \$10,193,982 | \$10,195,015 | \$10,195,015 | \$50,139,499 |
| Total Capital Costs | \$32,516,200 | \$28,796,371 | \$30,268,982 | \$28,420,015 | \$29,795,015 | \$149,796,583 |
| Total Capital Expansions | \$0 | \$4,950,000 | \$0 | \$0 | \$0 | \$4,950,000 |
| Total Capital Projects | \$6,368,220 | \$6,645,864 | \$6,775,000 | \$6,425,000 | \$6,775,000 | \$32,989,084 |
| % Exp & Capital Projects to Capital Funds | 23.2% | 43.7% | 25.1% | 23.1% | 23.7% | 27.6% |

Source: FY12: Martin County School Board 5 YR Capital Budget Plan Draft (7-2011)

FY13-16: Martin County School Board 5 YR Capital Budget Plan Draft (7-2012)

Walter H. Keller, Inc.

Notes: Table excludes Unfunded Balance from Prior Year & Unfunded Carryover to future year

Table does not include Impact Fees

Rent/Lease Payments not Included in Capital Projects.

The Martin County Property Appraiser's estimate of fair market value and average taxable value of residential properties is used to calculate average just value. Table 10 provides key statistics relative to average residential values.

Table 10 – Martin County Property Values

| Martin County 2011 Assessment Roll Items | Number of Parcels | Taxable Value | Just Value |
|--|------------------------------|--------------------------|--------------------------|
| Number of Parcels Receiving Credit for Homestead Exemption | 43,187 | | |
| Residential Parcels: | | | |
| Single Family | 46,024 | \$ 10,091,609,353 | \$ 12,883,080,091 |
| Condominium | 14,913 | \$ 1,225,778,109 | \$ 1,514,176,560 |
| Co-op | 1,784 | \$ 35,887,212 | \$ 52,904,420 |
| Mobile Homes * | 2,918 | \$ 74,973,044 | \$ 131,050,610 |
| Multi-family less than 10 units | 1,002 | \$ 120,947,884 | \$ 130,262,690 |
| Multi-family more than 10 units | 56 | \$ 104,147,030 | \$ 111,159,340 |
| Retirement Homes & Misc. | 321 | \$ 83,134,995 | \$ 84,600,420 |
| Total | 67,018 | \$ 11,736,477,627 | \$ 14,907,234,131 |
| Average Taxable Value | | \$175,124 | |
| Average Just Value | | \$222,436 | |

Source: Martin County Property Appraiser (10/25/11)

The calculation of local credit amount for property tax levies for capital millage (1.5 mills) are summarized in Table 11. The Average Just Value in the 2011 Tax Roll is \$222,436. Table 11 assumes the average new residential dwelling unit costs 30% more than the average existing (used) residential unit. Estimated millage proceeds are provided for new residential units for the capital millage. The resulting net present value is estimated to be \$2,001.89.

Table 11 – Capital Millage Proceeds

| 2011 Residential - Millage Item | Millage Proceeds |
|--|-------------------------|
| Just Value - Average Residential Unit | \$222,436 |
| New Residential Unit Factor* | 30.0% |
| Assessed Value - Average New Residential Unit | \$289,167 |
| Homestead Exemption Adjustment | \$11,475 |
| Taxable Value - Average New Residential Unit | \$277,692 |
| Millage Rate** | 1.500 |
| Millage Proceeds per Average New Residential Unit | \$416.54 |
| % of Millage Funding Available (for Capital Projects) | 27.60% |
| Proceeds Per Avg. New Residential Unit | \$114.96 |
| Net Present Value (Capitalizing this payment at 3% for 25 yrs) | \$2,001.89 |
| * Estimate of average new home sale versus used home sale. | |
| ** 2011-2012 actual rate | |

Source: Martin County Property Appraiser
Walter H. Keller, Inc.

Past Payment Credit identifies the payment of property taxes on vacant or undeveloped lands. Information on the Past Payment Credit is provided in Table 12.

Table 12 -- Past Payment Credit

| Martin County Property Values | Number of Parcels | Taxable Value |
|--|--------------------------|--------------------------|
| Vacant Parcels: | | |
| Residential | 5,638 | \$ 422,555,847 |
| Commercial | 515 | \$ 127,371,150 |
| Industrial | 267 | \$ 53,038,404 |
| Agricultural Parcels | 2,454 | \$ 246,180,326 |
| Vacant and Agricultural Totals | <u>8,874</u> | <u>\$ 849,145,727</u> |
| County-wide Totals | <u>93,944</u> | <u>\$ 14,940,117,146</u> |
| % of Vacant and Agricultural Properties to Countywide Total | | 5.68% |
| % of capital millage funding available for construction | | 27.60% |
| Past Payment Credit | | 1.57% |
| The total number of parcels in Martin County is 93,944. Residential housing parcels comprise 67,018 of the total number of parcels; commercial, industrial and other properties make up the remaining parcels. | | |

Source: Martin County Property Appraiser DR403PC - 10/25/11
Walter H. Keller, Inc.

Information on the net funding deficit per new student is provided in Table 13.

Table 13 – Net Deficit Per New Student

| Cost or Funding Item | | Amount |
|---|---------------|-------------------|
| Equity Cost Per New Student Station (Table 8) | | \$40,922 |
| Average Students Per New Residential Unit (Table 5) | | 0.2210 |
| Average Funding Required Per New Residential Unit | | \$9,044 |
| Average Cost Per New Student | | \$40,922 |
| State (CO&DS) (Table 9) | 1.94% | (\$792) |
| Local (Capital Millage) (Table 9) | 27.60% | (\$11,295) |
| PV New Unit Millage Credit (Table 11) | 4.89% | (\$2,002) |
| Past Payment Credit (Table 12) | 1.57% | (\$642) |
| Total | 36.00% | (\$14,731) |
| Anticipated Average Net Funding Deficit Per New Student | | \$26,192 |

Source: Walter H. Keller, Inc.

IV. PUBLIC SCHOOL IMPACT FEE

The School Impact Fee for Martin County is not stratified into components. The Fee is collected countywide.

The Public School Impact Fee Schedule is based on the Residential Unit floor area size. The residential fee is based on the number of occupied units and the floor area size. The Public School Impact Fee per land use type is calculated based on the following formula:

$$F_S = S_{SGR} \times C_{\$} \times D$$

Where:

F_S = The Public School Impact Fee Rate for the Residential Unit Floor Area Size;

S_{SGR} = The Student Generation Rate by Unit Size;

C_{\$} = The Average Cost per Student; and,

D = The Deficit Factor in Dollars.

The average deficit per student was presented in Table 13 as \$26,192. The Student Generation Rate (SGR) by household size was listed in Table 5 with the average rate as 0.221 per dwelling unit. The proposed School Impact Fee Schedule is provided in Table 14. The Table indicates the proposed fee by household size with a comparison to the existing fee. Note, the proposed fees do not include administrative costs.

Table 14 – Proposed School Impact Fee

| Residential Unit Size | Unit | Students | Proposed School Impact Fee | Existing School Impact Fee |
|------------------------------|-------------|-----------------|-----------------------------------|-----------------------------------|
| 800 FT ² & Under | Dwelling | 0.148 | \$3,868.00 | \$3,609.37 |
| 801 to 1,100 | Dwelling | 0.219 | \$5,739.00 | \$5,355.08 |
| 1,101 to 2,300 | Dwelling | 0.228 | \$5,966.00 | \$5,567.39 |
| 2,301 & Over | Dwelling | 0.236 | \$6,169.00 | \$5,756.12 |

Source: Walter H. Keller, Inc.

Note: Proposed Fees do not include Administrative Costs.