

**IMPACT FEES**  
FOR  
**LIBRARY FACILITIES**  
IN  
**LAKE COUNTY, FLORIDA**

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# 1. INTRODUCTION

## **Definition and Rationale of Impact Fees**

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

Local governments 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 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.

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 library facilities, however, are charged only to new residential development: houses, apartments, mobile home parks, and other residential construction. Non-residential new development is not charged library impact fees, as explained in chapter 3.

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

## **Rules Governing Impact Fees in Florida**

Impact fees for public facilities have been upheld by the Florida Supreme Court. Several court cases<sup>1</sup> 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

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<sup>1</sup> The following five significant court cases 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.

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 (i.e., through land use restrictions), and
- Costs of facilities that will be used by new development and existing users must be apportioned between the two groups in 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), and geographical proximity (presumed benefit). The connections among needs, benefits and fees will vary according to the type of facility; libraries will have different nexus of benefits criteria than roads. The nexus of benefit for libraries will be based on the amount of library building, collection, and public access computer 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. Lake County's library system provides access to its entire collection from any branch or public access computer, therefore it is a single unified system for the unincorporated area and all the cities it serves, and the library impact fee is calculated, collected, and expended in a single "zone" covering the entire service area of the library system.

Another aspect of nexus is timing. The fee revenue must be expended within a reasonable period of time, but there is no single maximum limit 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.

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 from establishing reasonable constraints on determining credits. For example, the location, quality and design of a donated public facility should conform to adopted local standards for such facilities.

## **Purpose of This Study**

This study of impact fees for library facilities in Lake 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.

## **Data Sources**

The data in this study of impact fees for library facilities in Lake County, Florida was provided by Lake County, unless a different source is specifically cited.

## **Data Rounding**

The data in this study 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. 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 LIBRARY FACILITIES

As described in the introduction, there must be a dual nexus between the benefits of library facilities and new development that is charged an impact fee to pay for a portion of the library 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 library facility impact fees: (A) responsibility for libraries, (B) the need for new library facilities for new development, (C) the type of property that receives the benefits from new library facilities, and (D) the location of the property in relation to the new library facilities.

### **A. Responsibility for Libraries.**

Lake County is legally and financially responsible for the Lake County library system, therefore the analysis of growth's impact on libraries, and service level requirements for libraries includes all of the County-wide public library system.

The County is not responsible for State, municipal, or private or school libraries. The County cannot control access to or usage of libraries operated by other agencies or private parties, therefore such facilities and their collections are excluded from the analysis of County library impact fees. The municipalities of Eustis, Howey-in-the-Hills, and Montverde provide their own library services to their residents and are not a part of the Lake County library system, therefore these municipalities are excluded from the analysis of County library impact fees.

The Lake County Library System presently consists of the library headquarters in Tavares and 12 branch libraries. The libraries contain a collection inventory of 414,139 items and 178 public access computers in 111,920 square feet of facilities. A detailed inventory of the Lake County library system, including the location of each branch is shown in Table 1.

***Table 1: Lake County Library System Inventory***

Library Facility	Location	Building Square Feet	Collection Inventory	Public Access Computers
Astor	Astor	4,200	7,713	7
Citrus Ridge	Four Corners	6,000	16,154	12
Cooper	Clermont	14,000	55,984	12
East Lake	Sorrento	5,000	13,959	7
Fruitland Park	Fruitland Park	6,800	25,000	15
Lady Lake	Lady Lake	8,700	27,169	15
Leesburg	Leesburg	19,700	116,645	35
Marion Baysinger	Groveland	5,000	12,645	11
Paisley	Paisley	4,200	8,038	7
Tavares	Tavares	9,100	40,907	12
Umatilla	Umatilla	8,620	30,044	22
W.T. Bland	Mount Dora	15,000	52,282	19
Library Headquarters	Tavares	5,600	7,599	4
<b>Total</b>		<b>111,920</b>	<b>414,139</b>	<b>178</b>

The following cities are members of the Lake County Library System: Astatula, Clermont, Fruitland Park, Groveland, Lady Lake, Leesburg, Mascotte, Minneola, Mount Dora, Tavares, and Umatilla. The cities of Eustis, Howey-in-the-Hills and Montverde do not participate in the Lake County Library System and are not included in this impact fee rate study.

**B. The Need for New Library Facilities for New Development**

Lake County determines its need for library facilities by comparing its standards for the capacity of various library facilities to the number of residents that it must serve. Lake County’s library standards are measured in square feet of library buildings per person, collection items per person, and technology/public access computers per 1,000 population. Table 2 lists the standards adopted by the Lake County Board of County Commissioners and used by Lake County for new library facilities

*Table 2: Library Facilities Levels of Service*

Capital Component	LOS Per 1,000 Population
Library Building Square Feet	510
Collection Items	2,000
Technology Public Access Computers	0.83

**C. Types of Property Benefiting from New Library Facilities;**

Impact fees are charged to properties which benefit from new library facilities. Lake County’s library system is used, for the most part, by individuals rather than businesses or other non-residential land uses. Impact fees for library facilities are charged only to residential development because the dominant stream of benefits redounds to the occupants of dwelling units. There is insufficient data to objectively allocate the value of the benefit of the library system to non-residential property.

**D. Location of Property Receiving Benefits from New Library Facilities**

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

The individual libraries in the Lake County library system are connected by inter-library loans and other resource sharing programs. Each library in the system has access to the entire library collection of the County, therefore a single county-wide zone is used to collect and expend a uniform library impact fee for the unincorporated area and all the municipalities that are members of the Lake County library system.

### 3. COSTS OF LIBRARY FACILITIES PER PERSON

The first step in determining the impact fee for library facilities is to determine the cost of the various library facilities per person. The cost per person is calculated using Formula 1:

$$1. \quad \text{Cost of Library Facility} \quad \times \quad \text{Standard Per Person} \quad = \quad \text{Cost per Person}$$

There are three variables used in formula 1: (A) the types of library facilities, (B) the costs of each type of library facility, and (C) the standard per person of each type of library facility.

#### **Variable (A) Types of Library Facilities**

There are three types of library facilities included in Lake County's library impact fees: buildings, collection items, and public access computers. Collection items include books, periodicals, reference materials, audio visual materials and all other items that are available to library users.

#### **Variable (B) Costs of Library Facilities**

The cost of each new library building includes land, design, buildings, equipment and furniture, and site improvements. Additional capacity in library building facilities can be provided by constructing new facilities or by expanding existing facilities. Throughout this study, any reference to new library facilities includes expansion of existing facilities as well as construction of new facilities.

The cost per collection item is based on the average replacement cost for all items in the existing collection inventory.

The cost for public access computers is the cost to purchase new computer hardware.

#### **Variable (C) Standard Per Person for Library Facilities**

The standards per person for each type of library facility is based on the levels of service per 1,000 population as shown in Table 2 of this study.

#### **Cost per Person: Tables and Data**

The balance of this chapter contains two tables and accompanying text that documents and calculates the cost per person of library facilities. Table 3 documents each type of library facility: buildings, collection items (books, periodicals, audio-visual, etc.) and public access computers, and the average cost per unit for each type of facility (square foot of building; one collection item, and one computer). Table 4 lists the costs from Table 3, and applies the level of service standards from Table 2 to calculate the total capital cost of library facilities per person.

## Library Facilities Average Costs

Table 3 lists the average cost per unit for library buildings, the collection items and public access computers. The building costs are based on the average costs of Lake County library building capital projects that were completed within the past 5 years.

The cost per collection item is equal to the average net cost to Lake County (after discounts for public libraries), for all books, periodicals, reference materials, audio-visual items and any other item available for use by the residents during the past 3 years.

The cost per public access computer is based on the most recent cost of computers acquired by Lake County's library system.

**Table 3: Library Capital Cost Components and Average Costs**

Cost Item	Average Cost	Unit
<b>Structure and Related Costs</b>		
Site	23.77	
Construction	66.39	
Furniture and Equipment	17.90	
Other	13.91	
Total: Structure	121.97	per square foot
Collection Items	12.23	per item
Public Access Computers	1,186.93	per computer

## Library Costs Per Person

Table 4 lists the average cost per unit of library facility(square feet, collection item, public access computer) from Table 3 and multiplies it by the standard per person (from the standards per 1,000 population in Table 2) to calculate the library component capital cost per person.

The "bottom line" of Table 4 is the capital cost (excludes operating and maintenance) to provide library facilities for each person.

**Table 4: Library Facility Costs per Person**

Cost Components	Cost Per Unit	Standard Per Person	Capital Cost Per Person
Buildings per square foot	121.97	0.51000	62.20
Collection per item	12.23	2.00000	24.46
Public access computers	1,186.93	0.00083	0.99
<b>Total</b>			<b>87.65</b>

## 4. COSTS OF LIBRARY FACILITIES PER DWELLING UNIT

The second step in determining the impact fee for library facilities is to convert the cost per person to a cost per dwelling unit. The cost per person is multiplied by the average number of persons per dwelling unit. The calculation is performed separately for each type of dwelling unit. There are three types of dwelling units: single family, multi-family or mobile home. The cost per dwelling unit is calculated using Formula 2:

$$2. \quad \text{Cost per Person} \quad \times \quad \text{Persons per Dwelling Unit}^2 \quad = \quad \text{Cost per Dwelling Unit}_t$$

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

### **Variable (D) Persons per Dwelling Unit**

The number of persons per dwelling unit is the factor used to convert the cost of library facilities per person into cost of library facilities per dwelling unit. The cost per person (from Table 4) is multiplied by the number of persons per dwelling unit to calculate the cost per dwelling unit.

Different types of dwelling units typically have different numbers of persons that live in them. Generally, single family dwelling units have more persons than multi-family dwelling units (i.e., apartments or condominiums) and mobile homes. This study measures persons per dwelling unit for three types of housing: single family, multi-family, and mobile home.

The impact of each type of dwelling unit on the library system is calculated by multiplying the cost per person) by the number of persons in each type of dwelling unit.

### **Cost per Dwelling Unit: Tables and Data**

The balance of this chapter contains a table and accompanying text that documents and calculates the cost per dwelling unit of library facilities.

The US census collects detailed information about population and dwelling units. The data includes the number of persons in different types of dwelling units. The second column of Table 5 shows the results of the 2000 census for persons per type of dwelling unit.

Table 5 also lists the capital cost per person from Table 4, and the cost per dwelling unit (the result of multiplying the persons per dwelling unit by the capital cost per person).

***Table 5: Library Facilities Cost per Dwelling Unit***

Housing Type	Persons Per Dwelling Unit	Capital Cost Per Person	Capital Cost Per Dwelling Unit
Single Family	2.55	87.65	223.51
Multi-family	1.96	87.65	171.79
Mobile Homes	2.03	87.65	177.93

<sup>2</sup> "t" = type of dwelling unit: single family, multi-family, or mobile home

## 5. IMPACT FEE PER DWELLING UNIT

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

$$3. \text{ Cost per Dwelling Unit} - \text{Credit for Other Revenue} = \text{Impact Fee per Dwelling Unit}$$

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 library facilities that are required to serve the new development.

Credits are *not* given for other payments that are *not* used for new library 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<sup>3</sup>.

The only revenue sources to be credited are those which are used for library capacity expansion according to law and local policy or practice. Credits are not given for revenues that are used for repair, maintenance or operating costs because impact fees are not used for such expenses.

The present practice of the Lake County Board of County Commissioners is to use a portion of the local government infrastructure surtax on the sales tax to pay for the capital cost of new library facilities.

The State budget has significantly cutback state funding of local libraries, therefore the only remaining sources of revenue for capital costs of Lake County libraries are the local option sales tax and impact fees. Furthermore, the County indicates it is not in a position to continue to provide sales tax revenue at the level it provided from 1991 through 2001. The County's future use of other revenue for expansion of the library will be based on County policy.

### **Credits and Impact Fee: Table and Data**

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

The library facilities credit adjustment is a "policy based credit" that was determined by calculating the cost to provide library facilities to new development and determining what portion of

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<sup>3</sup> 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);"

that annual cost to serve new development could be paid by local sales taxes as a matter of County policy.

This impact fee rate study is based on an assumption that the County's policy is to fund 10% of the annual cost to provide library facilities to new development from local option sales taxes<sup>4</sup>. As a result, the impact fee rate is calculated by reducing the library facilities cost per dwelling unit by 10%. Table 6 shows the cost per dwelling unit from Table 5, the dollar amount of the 10% credit adjustment, and the impact fee after the credit is subtracted from the full cost.

**Table 6: Impact Fees**

Housing Type	Capital Cost per Dwelling Unit	Credit Adjustment @ 10%	Impact Fee
Single Family	223.51	22.35	201.16
Multi-family	171.79	17.18	154.61
Mobile Homes	177.93	17.79	160.14

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<sup>4</sup> Based on building permit activity for 2002, the annual cost to provide library facilities to new development would be \$617,963. Assuming the County's policy is to pay 10% of this cost, the local sales taxes would pay \$61,793 per year, and impact fees would pay the remainder. In the event that the County receives any grants for library capital costs that would serve new development, the grants would reduce the amount needed from the local sales tax.