IMPACT FEES

FOR

EDUCATIONAL FACILITIES

IN

LAKE COUNTY, FLORIDA

Henderson
Young &
Company

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1. INTRODUCTION

Purpose of This Study

This study of impact fees for educational 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.

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.

Impact fees may be paid before or after public facilities are built. Impact fees that are paid before construction of public facilities are saved by the government until there is enough money to pay for needed public facilities. Impact fees that are paid after construction of public facilities constitute a repayment or reimbursement for expenditures (and/or debt) that the government incurred so that the public facilities would be available for each 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 Lake 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, 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),

[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.

- 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

- 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, 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 Lake County's updated school impact fee.

Furthermore, the fee revenue must be expended within a reasonable period of time, but there is no single 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 Lake County, Florida was provided by staff of Lake 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 Lake County Public Schools at the time the research was assembled and analyzed for this impact fee rate study.

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 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.

Responsibility for Schools

The County-wide Lake County Public School system presently consists of 24 elementary schools of which 3 are conversion charter school facilities, 11 middle schools, 7 high schools, 1 conversion charter school facility that houses grades PreK-6, a Pre-K through 12 school facility and 268,368 square feet of ancillary facilities

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

The School Board of Lake 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.

The Need for New Educational Facilities for New Development

Lake 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. Specific capacity standards are developed by each School Board and County and included in school concurrency ordinances and programs.

Current Enrollment and Current Capacity

Table 1 compares the current[2] student capacity for grades PreK-12 to the number of students based on the current enrollment (October, 2010) for grades PreK-12 within the Lake County Public School System. The student capacity is based on permanent student stations plus relocatables at schools where the capacity of the dining facility is more than the capacity of permanent student stations (capped at a 25% increase of capacity at each school). This is the standard for student capacity in Lake County's school concurrency ordinance.

The comparison of the current student enrollment to the student capacity required to serve the current student enrollment in Table 1 illustrates that there is a reserve (i.e., current surplus) of elementary, middle and high school student capacity that is available to serve future enrollment growth.

Table 1: Current Enrollment Compared to Current Capacity

	Elementary Schools	Middle Schools	High Schools	Total
Permanent Concurrency Capacity	22,568	11,259	12,071	45,898
Added Funded Concurrency Capacity	0	0	1,879	1,879
Total Funded Concurrency Capacity	22,568	11,259	13,950	47,777
Enrollment (October 2010)	18,720	8,848	11,535	39,103
Capacity Reserve/(Shortage)	3,848	2,411	2,415	8,674

Source: School F.I.S.H. Capacities: 2010-11_LOS_Report_Rev _0-08-10.xls; Added Concurrency Capacity: A7_Current_Construction_(HYC_Version)(DJM_Revised).xlsx; Enrollment: A2_LCS Enrollment 2010-2011_10222010.xlsx

Enrollment Growth and Student Capacity

The rate of growth in enrollment in the Lake County Public Schools has slowed substantially during the past 5 years. From 2005/06 and 2010/11 enrollment increased by 8.4%. The annual rate of growth during this six year period has been steadily declining from 4.3% between 2005/06 and 2006/07 to only 0.1% between 2009/10 and 2010/11 (October of 2010).

[2] Throughout this study, "current" means the 2010/11 school year, the beginning of the most recent 5-year plan adopted by Lake 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 Lake schools, the "current year" enrollment and program capacity is for the fall of 2010.

The Lake County Public Schools enrollment projections indicate there will be 40,992 PreK-12 students in the public schools by 2015-16[3], which equals an average annual growth rate of 0.95% from the beginning of the 2010/11 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 are reported here as though they had been calculated by an average annual growth rate of 0.95%.)

Table 2 shows the impact of projected growth on Lake County's school facilities. The data illustrate the increase in enrollment during the next 5 years and demonstrates that the district's recent construction of new schools will provide the capacity to accommodate the students from new dwelling units. In other words, the Lake County Public Schools will utilize a portion of the current surplus of capacity to accommodate the 1,889 additional students forecast for the next five years.

Because Lake County Public Schools can utilize the reserve capacity from schools that it has already built to house the students that will come from new development, the impact fee will reimburse the school district for the investment it made, and the money it borrowed to build the capacity for new development.

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

	Elementary School	Middle School	High School	Total
Projected PreK-12 Enrollment: 2015	19,806	9,045	12,141	40,992
October, 2010 Enrollment	18,720	8,848	11,535	39,103
Enrollment Growth Next 5 Years	1,086	197	606	1,889
Existing Reserve Capacity	3,848	2,411	2,415	8,674
2015 Capacity Reserve/(Shortage)	2,762	2,214	1,809	6,785

Source: Projected Enrollment: A4LCSforecastsoffutureenrollment.xls dated 9/13/10 and modified 2/14/11 to base on October 2010 40th day count; October, 2010 Enrollment: from Table 1

Types of Property Benefiting from New Educational Facilities

Impact fees are charged to properties that benefit from new educational facilities. Lake County Public Schools are used, for the most part, by individuals

[3] The fall enrollment for the 2015/16 school year is the enrollment for the first year that is five years after the "current" enrollment from the fall of the 2010/2011 school year that is used as the beginning point of this analysis.

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[4].

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 Lake 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 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 Lake County Public Schools presently bus just under 21,500 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

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

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

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

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

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

Variable (A) Types, Levels and Costs of Educational Facilities

Types

Impact fees for educational facilities in Lake County include six types of costs: school buildings, borrowing costs, land, off-site improvements, ancillary facilities, and transportation (school busses).

Levels

The Lake County Public Schools are structured by grade level: elementary schools serve pre-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.

Costs

The cost of most 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.

Variable (B) Students per Educational Facility

The impact of new development on educational facilities is computed on the basis of capacity (i.e., students per classroom, school, or school bus, according to the

type of educational facility). Each educational facility that was analyzed for the impact fee calculations presented in this study was evaluated for the most recent and local capacity that is available to serve each student enrolled in Lake County Public Schools.

Cost per Student: Tables and Data

The balance of this chapter contains a series of tables and accompanying text that documents and calculates the cost per student of educational facilities. Tables 3 through 9 document each type of educational facility cost: school buildings, borrowing cost to build educational facilities, land costs, off-site costs, ancillary facilities, transportation (school busses) and the revenue credit per student for future debt service payments that new development will pay. Each table includes a separate calculation of data for each educational level: elementary, middle, and high school.

Table 10 lists the results from Tables 3 through 9 and adds them together to calculate the total capital cost of educational facilities per student.

School Building Cost per Student

The school building cost per student for elementary, middle and high school students is shown in Table 3.

The cost of schools in Table 3 is based on Lake County Public Schools' most recent school construction projects: Elementary J (Sorrento); Gray Middle School and High School "BBB" (opening in August of 2011). Costs are the full cost of the school, including 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 & signage, permitting and construction inspection and testing. The costs do not include land costs or off-site costs (which are analyzed separately in this study).

Table 3: School Building Cost per Student

Cost Item	Elementary School	Middle School	High School
Cost of School	$ 20,844,151	$ 37,227,496	$ 63,350,000
Concurrency Capacity	993	1,283	1,879
School Cost Per Student	20,991.09	29,015.98	33,714.74

Source: A7_Current_Construction_(HYC_Version)(DJM_Revised).

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. Lake County Public Schools has borrowed money to pay for new school capacity, therefore borrowing costs are included in the cost basis for calculating the reimbursement impact fee rates.

Table 4 shows the calculation of borrowing (interest) cost per student. The total interest for all debt for each year 2011 through 2031 is divided by the forecast of enrollment for that year[5] to calculate the debt interest per student for each year.

Next, each year's debt interest per student is discounted to present value ($3,003.47) because the money to pay the interest is collected "up front" at the time the impact fee is paid, but the school district will not make the debt service payments until future years.

The final step is to allocate the discounted cost to elementary, middle and high school student costs. This is based on each school level cost per student as a portion of the total of the elementary, middle and high school costs per student from Table 3. For example, the elementary school cost per student in Table 13 ($20,991.09) is divided by the total cost per student for elementary, middle and high schools ($83,721.81) to determine that elementary schools are 25.07% of the cost per student. This is the basis for allocating 25.07% of the debt interest to elementary school costs per student.

[5] The growth in student enrollment for the years 2011 through 2020 is from the Florida Department of Education. The growth rate for 2021 through 2031 assumes the same rate of growth as the 2011 through 2020 forecasts.

Table 4: Borrowing Cost Per Student

Due Date	Total Interest Payments	Total Enrollment	Interest Per Student
2011	$ 16,104,892.53	39,115	$ 411.73
2012	15,624,738.77	39,405	396.52
2013	15,006,406.27	39,684	378.15
2014	14,329,114.40	40,303	355.53
2015	13,502,553.78	40,992	329.39
2016	12,522,126.28	40,711	307.59
2017	11,461,815.03	41,767	274.42
2018	10,324,395.65	43,267	238.62
2019	9,137,256.27	44,076	207.31
2020	8,619,737.51	45,158	190.88
2021	8,066,531.26	45,811	176.08
2022	7,471,375.01	46,474	160.76
2023	6,840,050.01	47,147	145.08
2024	6,342,681.25	47,829	132.61
2025	5,651,868.75	48,521	116.48
2026	4,926,075.00	49,223	100.08
2027	4,170,962.50	49,935	83.53
2028	3,382,062.50	50,658	66.76
2029	2,554,600.00	51,391	49.71
2030	1,699,000.00	52,135	32.59
2031	466,750.00	52,889	8.83
Total			4,162.65
Discount Rate			5.00%
Net Present Value of Debt Payments per Student			3,003.47
	Elementary Portion	25.07%	$ 753.04
	Middle School Portion	34.66%	1,040.93
	High School Portion	40.27%	1,209.50

Source: Debt Interest: A23A24 Lake Debt Analysis 110521.xlsx; Enrollment 2011-2020: A4LCSforecastsoffutureenrollment.xls dated 9/13/10 and modified 2/14/11 to base on October 2010 40th day count; Enrollment 2021-2031: continued using compound annual growth rate between 2011 and 2020.

Land Costs Per Student

The land costs per student are shown in Table 5. The land cost is based on the price paid by Lake County Public Schools for school sites for Elementary J (Sorrento), Middle School DD (East Ridge) and High School BBB. The size of the

property varies by school type and includes land needed for school buildings, playgrounds/athletic fields, auxiliary facilities, parking and on-site storm water retention.

The land cost per type of school is divided by the concurrency capacity for each of the three schools to calculate the land cost per student at each level (elementary, middle and high school).

Table 5: Land Cost Per Student

Cost Item	Elementary School	Middle School	High School
Cost of School Site (Land)	$ 1,000,000	$ 1,500,019	$ 1,517,636
Concurrency Capacity	993	1,591	1,879
Land Cost Per Student	1,007.05	942.82	807.68

Source: Land: Lake County Schools Property Inventory -- March 2010.xls and modified per 3/10/11 and 3/11/11 emails; Concurrency Capacity: School F.I.S.H. Capacities: 2010-11_LOS_Report_Rev _10-08-10.xls

Off-Site Costs Per Student

The off-site costs per student are shown in Table 6. Off-site costs include improvements that are needed for a school but which are "off campus," such as drainage and road improvements. The off-site costs vary significantly according to local circumstances. The elementary school off-site costs are based on actual costs for Elementary J (Sorrento), Minneola, Mascotte, Sawgrass Bay and Grassy Lake elementary schools. Middle school off-site costs are based on actual costs for Middle DD (East Ridge), Carver, and Gray middle schools. The high school off-site cost is based on the actual costs for High School BBB.

The total off-site costs for these schools is divided by the total concurrency capacity of the schools to calculate the off-site costs per elementary, middle and high school student.

Table 6: Off-Site Costs per Student

Cost Item	Elementary School	Middle School	High School
Cost of Off-Site Improvements	$ 997,522	$ 354,983	$ 337,964
Capacity of Schools With Off-Site Costs	5,963	4,052	1,879
Off-Site Cost Per Student	167.29	87.61	179.86

Source: A15_Offsite_Costs_(HYCO_Version).xlsx as modified 4/14/11 per LCSD

Ancillary Facility Cost Per Student

Support facilities that are not located at schools, such as maintenance, storage, transportation and administrative facilities, are called "ancillary" facilities. The cost per student 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 are included in the cost of schools, and are not analyzed separately.

Table 7 shows the calculation of the cost of ancillary facilities per student. Ancillary facilities serve the entire student body, therefore the cost per student is the replacement value of the entire inventory of all ancillary facilities divided by the total enrollment served by the ancillary facilities.

The District's ancillary facilities are analyzed in five categories: office space, warehouse space, warehouse and office space, service garage space, and computer center space. Each category is analyzed separately because it has a different construction cost per square foot.

Building costs are calculated for each of the five categories by adding the square footage of all buildings in a category[6], then multiplying the total by the average cost per square foot of that category of building.

For each category, land costs are calculated separately from building costs. Land costs are calculated by adding the site acreages of each site in a category, then multiplying the total by the average cost of land.

The land and building costs are combined to establish the total value for each category, and the category total values are added together to calculate the grand total value of $37.4 million for all ancillary facilities.

The value per student is calculated by dividing the total value of all ancillary facilities by the total enrollment for 2015 (from Table 2).

[6] The total square footage is adjusted by a factor of 1.4204 to calculate the gross square footage. The source of the adjustment factor is FDOE, SREF Chapter 6 (4) (d).

Table 7: Ancillary Facility Costs per Student

Facility	Location	Acres	Total Net Sq. Ft.	Gross Sq. Ft. @1.4204	Total Value
Office Space					
CV Griffin Education Center	Howey in the Hills	20	59,269	84,186	
District Office	Tavares	2	17,110	24,303	
Dabney Center	Leesburg	4	46,609	66,203	
Howey Education Center	Howey in the Hills	8	12,166	17,281	
LCS Accountability & Program Support	Eustis	3	17,612	25,016	
Office Space Total Gross Sq Ft		37		216,989	
Value per Unit of Land & Building		$ 20,362		$ 94.78	
Value		753,411		20,566,903	$ 21,320,315
Warehouse Space					
Warehouse and Grounds	Tavares	12	41,126	58,415	
Warehouse Space Total Gross Sq Ft		12		58,415	
Value per Unit of Land & Building		$ 20,362		$ 46.94	
Value		244,350		2,741,966	$ 2,986,316
Warehouse & Office Space					
Maintenance Dept. Compound		0			
Warehouse /Office Tot. Gross Sq Ft		0		0	
Value per Unit of Land & Building		$ 20,362		$ 46.94	
Value		0		0	$ 0
Service Garage Space					
Facilities/Maintenance/Transportation	Tavares	4	335,851	50,923	
Groveland Bus Lot	Groveland	4	3,000	4,621	
Leesburg Transportation Facility	Leesburg	7	6,273	8,910	
Service Garage Total Gross Sq Ft		15		64,094	
Value per Unit of Land & Building		$ 20,362		$ 77.61	
Value		305,437		4,974,370	$ 5,279,807
Computer Center Space					
ETS - North Lake County	Tavares	1	7,079	10,055	
ETS - South Lake County	Minneola	1	22,283	31,651	
Computer Center Total Gross Sq Ft		2		41,706	
Value per Unit of Land & Building		$ 20,362		$ 188.51	
Value		40,725		7,861,909	$ 7,902,634
Total Value Ancillary Facilities					$ 37,489,072
÷ Total Projected Enrollment					40,992
Cost Per Student					$ 914.55

Source: Lake County Public Schools A10InventoryofAncillaryFacilities.xls, 1/4/10

School Bus Cost per Student

School busses are analyzed separately from ancillary transportation facilities because of the different usage of busses by students at different levels of schools and the cost of busses are not included in the transportation ancillary facilities. Table 8 shows a series of calculations to calculate the school bus cost per elementary, middle and high school student.

The vehicle cost is the average current cost to Lake County Public Schools to purchase 47, 65 and 77 passenger busses. The types of busses have an overall rated capacity of from 47 to 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 busses can carry an average of 64 elementary students, but only 54 middle school and 44 high school students. Table 8 calculates the school bus cost per student separately for each school level. The first step in this calculation is to determine the vehicle cost per elementary, middle and high school student capacity by dividing the vehicle cost by the number of elementary, middle and high school students it can carry.

Next, the cost per student capacity is divided by the average number of runs per bus per day (i.e., 3) in order to allocate bus costs among elementary, middle and high schools. In the final calculation, the apportioned average cost per elementary, middle and high school student is multiplied by the percentage of enrollment at each grade level that rides school busses[7]. The result is the school bus capital cost per student, shown at the bottom of Table 8.

Table 8: School Bus Costs per Student

Cost Items	Elementary School	Middle School	High School
Average Vehicle Cost	$ 97,240.90	$ 97,240.90	$ 97,240.90
Number of Runs per Bus (am or pm)	3	3	3
Vehicle Cost for Grade Level	32,413.63	32,413.63	32,413.63
Average Vehicle Capacity (Students)	64	54	44
Apportioned Average Cost Per Student	506.46	600.25	736.67
Percent of Enrollment Riding Bus	48.44%	71.56%	49.39%
School Bus Capital Cost per Student	245.33	429.54	363.84

Source: A19LCSBusCostsByBusType2010-2011.xls, 11/2/10; A19BUSINVENTORYWCAPACITIES2010.xls, 9/15/10; A17LCSAvgrunsperbus.doc, 9/2/10; A18 LCS Transportation Survey--Ridership Assessment--February 2010.pdf, 9/2/10

[7] The percentage of enrollment riding school busses is based on data compiled by Lake County Public Schools comparing ridership and enrollment during the 2009-10 school year.

Credit Per Student for Other Revenue

The final step in determining the cost of educational facilities per student is to reduce the cost by subtracting any credits for other revenues from new development that the School Board will use to pay for part of the cost of new educational facilities.

Impact fees must be reduced by a "credit" for future taxes and revenues (other than impact fees) that will be paid by new development to pay for the educational facilities needed by growth. The revenue credit calculation ensures that new development does not pay twice for the same benefit (i.e., does not pay impact fees for educational facilities, and also pay taxes or other fees for the same facilities).

The only revenue sources that are required to be credited are those that are available and applied, as a matter of school district policy, to educational facility improvements for new development. 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 credit per student for other sources of revenue is calculated in Table 9 by determining the dollar amount of future bond debt service payments that Lake County Public Schools will use for growth-related educational facility projects. The credit includes all principal and interest on every debt issue with payments due from 2011 through the final payment of each issue[8].

Table 9 lists the future payments of debt service, both principal and interest and the forecast of student enrollment (from Table 4). The total debt per student is calculated by dividing each years' payment by the student enrollment for that year. Each year's debt per student is discounted to present value because the credit is given "up front" at the time the impact fee is paid, but the School District will not receive the debt service payments from new development until future years.

In the final calculation in Table 9 the discounted debt per student is allocated to elementary, middle and high school student costs using the same percentages as were used in Table 4 to calculate the interest cost per student.

[8] The specific debt issues are SBE COBI 2001A, 2002A, 2002B, 2003A, 2005A1, 2005A2, 2005B, 2006A, 2008A, 2009A, and 2009A Refunding; Sales Tax 2003 and 2004; COP 2002A, 2003A, 2004A, 2005A, 2005B, 2006A and 2006B.

Table 9: Revenue Credit Per Student

Due Date	Total Debt Payments	Total Enrollment	Total Debt Per Student
2011	$ 31,739,892.53	39,115	$ 811.45
2012	32,304,738.77	39,405	819.81
2013	32,826,406.27	39,684	827.19
2014	33,369,114.40	40,303	827.96
2015	33,787,553.78	40,992	824.25
2016	34,417,126.28	40,711	845.40
2017	34,846,815.03	41,767	834.31
2018	35,509,395.65	43,267	820.70
2019	20,397,256.27	44,076	462.77
2020	20,364,737.51	45,158	450.97
2021	20,356,531.26	45,811	444.35
2022	20,116,375.01	46,474	432.85
2023	20,055,050.01	47,147	425.37
2024	20,127,681.25	47,829	420.83
2025	20,131,868.75	48,521	414.91
2026	19,966,075.00	49,223	405.62
2027	19,875,962.50	49,935	398.03
2028	19,882,062.50	50,658	392.48
2029	19,579,600.00	51,391	380.99
2030	19,504,000.00	52,135	374.11
2031	19,136,750.00	52,889	361.83
Total			11,976.13
Discount Rate			5.00%
Net Present Value of Debt Payments per Student			7,995.13
	Elementary Portion	25.07%	$ 2,004.57
	Middle School Portion	34.66%	2,770.92
	High School Portion	40.27%	3,219.64

Source: Debt Interest: A23A24 Lake Debt Analysis 110521.xlsx; Enrollment 2011-2020; Enrollment Forecast and school level portion of combined construction cost: From Table 4.

Total Educational Facility Cost per Student

Table 10 repeats the "bottom line" from Tables 3 through 8, and adds those costs to calculate the total capital cost per student for all educational facilities components: school buildings, borrowing , land, off-site costs, ancillary facilities, and school busses. The revenue credit per student from Table 9 is subtracted from the total cost to calculate the net cost per student of educational facilities at the end of Table 10. These costs will be used as the beginning point for calculating the cost per dwelling unit in the next chapter.

Table 10: Total and Net Educational Facility Costs per Student

Cost Items	Elementary School	Middle School	High School
School Buildings	$ 20,991.09	$ 29,015.98	$ 33,714.74
Borrowing	753.04	1,040.93	1,209.50
Land	1,007.05	942.82	807.68
Off-Site	167.29	87.61	179.86
Ancillary Facilities	914.55	914.55	914.55
School Busses	245.33	429.54	363.84
Total Cost per Student	24,078.34	32,431.41	37,190.17
Revenue Credit per Student	2,004.57	2,770.92	3,219.64
Net Cost per Student	22,073.77	29,660.49	33,970.54

Source: Tables 3 – 9.

4. IMPACT FEE PER DWELLING UNIT FOR EDUCATIONAL FACILITIES

The final step in determining the impact fee for educational facilities is to convert the net cost per student to a cost per dwelling unit. The net cost per student is multiplied by the average number of public school students per dwelling unit, to calculate the public school student cost 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.	Net Cost per Student $_L$[9]	x	Students per Dwelling Unit$_T$[10]	=	Impact Fee per Dwelling Unit$_T$

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

Variable (C) Students per Dwelling Unit

The number of public school students per dwelling unit is the factor used to convert the cost of schools per student into cost of schools per dwelling unit.

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 because they house larger families with more students. The data measuring students per dwelling unit will be determined for 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.

Table 11 documents the average number of students from each type of dwelling unit (single-family, multi-family or mobile home) that attend Lake County Public Schools' elementary, middle, and high schools and converts this number to

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

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

the average number of students for each type of dwelling unit. Section A of Table 11 shows the current number of dwelling units in Lake County by type of unit (single-family, multi-family, and mobile home) and the number of Lake County elementary, middle and high school students that occupy each type of dwelling unit.

The total single-family, multi-family and mobile home dwelling units are adjusted to exclude the units that are restricted to persons 55 years old or older through deed restrictions on file with the County. These dwelling units will not generate students and therefore will not require school capacity.

Lake County schools matched the street address for each elementary, middle and high school student to the property use codes for the addresses in the Lake County Property Appraiser's database. The results are shown in Section A of Table 11. The use of recent and local enrollment data replaces the census-based data used in the previous impact fee study of 2006.

In Section B, the dwelling unit and enrollment data from Section A is used to calculate the Lake County Public Schools students 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 76,412 single-family houses that were not deed restricted in 2010 housed 13,132 elementary school students. Dividing the number of elementary students by the number of houses calculates the average of 0.172 elementary school students per single-family home, as shown in Section B. The process is repeated for middle school and high school students in single-family homes, and for all school levels in multi-family and mobile homes.

Table 11: Public School Students Per Dwelling Unit

Unit Type	Total Dwelling Units	Elementary School Students	Middle School Students	High School Students	Total School Students
A. Dwelling Units and LCSD Student Population					
Single-Family	76,412	13,132	6,518	8,936	28,586
Multi Family	16,993	2,261	870	872	4,003
Mobile Home	30.915	2,004	892	979	3,875
B. LCSD Students per Dwelling Unit					
Single-Family		0.172	0.085	0.117	0.374
Multi Family		0.133	0.051	0.051	0.235
Mobile Home		0.065	0.029	0.032	0.126

Source: LCSD Step_by_Step_Process_Utilized_for_Student_Generation_Rate_Analysis_--_with_Pre-K_Students.pdf

Impact Fee per Dwelling Unit

The impact fee for each type of dwelling unit is calculated by multiplying the cost per student by the number of students in each type of dwelling unit for the same school level.

The net cost per student for each level of educational facility (from Table 10) is multiplied by the number of public school students per dwelling unit (from Table 11). For example, multiplying the $22,073.77 net cost per elementary school student (from Table 10) by the 0.172 public elementary school students per single-family dwelling unit (from Table 11) produces an elementary school impact fee of $3,796.69 per single-family dwelling unit in Table 12, below[11]. The same formula is applied to each combination of elementary, middle and high schools and single-family, multi family and mobile homes. The resulting impact fees per dwelling unit are listed in the rest of Table 12.

Table 12: Public School Impact Fee per Dwelling Unit

Housing Type	Elementary School	Middle School	High School	Total
Single-family	$ 3,796.69	$ 2,521.14	$ 3,974.55	$ 10,292.38
Multi-family	2,935.81	1,512.69	1,732.50	6,180.99
Mobile Homes	1,434.80	860.15	1,087.06	3,382.01

Source: Tables 10 and 11.

[11] 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.