

***School Impact Fee Technical Report
School District of Clay County, Florida***

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*Prepared for the
Clay County School Board
Green Cove Springs, Florida*

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1.0 Background and Scope

1.1 General Purpose and Methodology

The Clay County public school system experienced unprecedented growth in enrollments and facilities during the past decade (2000-2010). PK-12 enrollments increased by nearly 8,000 students from 27,736 in school year 2000-2001 to 35,683 in year 2010-2011, and ten schools were built or expanded to accommodate this growth. All the more significant is that all this growth occurred in the first six years. School enrollment growth has been flat for the past several years because of the collapse of the national housing market and an economy that has remained in the doldrums for several years and struggles to recover.

Clay County is well known and regarded for its high quality school system. This was and will continue to make the County a major draw for families with school age children in and moving to Northeast Florida. During this prolonged economic slump, however, families have been unable to move to and within the region because of declining numbers of jobs and an inability to sell their existing homes. As the national and regional housing and job markets recover over the next few years, Clay County will once again be sought out as a place to live and raise families. School enrollment will once again increase, likely at a lesser rate than occurred in last decade, and new school facilities will be needed to accommodate growing enrollment.

It is becoming clear that state funding for education and public schools facilities can be counted on less and less in the future. School districts will have to rely increasingly on locally-raised tax revenues and other sources to fund facilities and services. Development impact fees will continue to provide a much needed additional source of revenues to help meet future financial needs, although very little development has taken place in recent years.

School impact fees were established in Clay County in 2002 and have been updated since then. These fees are found in a majority of Florida counties. Ordinances establishing and extending the Clay County fees require that fee determinations be revisited and updated periodically to reflect changing and up-to-date financial, enrollment, and demographic data. Cost analyses, credit calculations, and fee determinations are all updated herein to reflect the latest available information. Fees are determined by methodologies that take into account several factors:

- Type and characteristics of land use. *Note:* School impact fees apply only to residential uses, but may vary by type of housing (e.g., single family and multifamily) based on household size and number of school age children by type of unit.

- Cost of new and expanded facilities needed to serve new development. *Note:* Costs to improve and replace existing facilities are eligible only where capacity is increased.
- The extent to which these costs are funded by other local and state sources. *Note:* To the extent that other sources of funding are available to expand school capacity, impact fees are based on the difference between total costs and credits determined for other funding sources. These other capital funding sources include the local two-mill advalorem tax and various state sources profiled in this report.

Calculation of school impact fees involves the following three basic steps:

- Determination of total costs -- capital cost of facilities and equipment per student and household (details are presented in Section 3).
- Determination of capital funding credits -- local and state sources of funding which reduce these costs (details are presented in Section 4).
- Determination of net costs and potential impact fees -- residual capital cost by type of housing unit (details are presented in Section 5).

Impact fee revenues cannot be used to fund improvement, repair, replacement, and renovation of existing facilities and equipment unless such actions increase capacity for additional students. Likewise, impact fees cannot be used to remedy existing over-capacity conditions.

1.2 Florida Impact Fee Act

The Florida Impact Fee Act (Section 163.31801, Florida Statutes) was signed into law in 2006. The Act requires that calculation of local impact fees “be based on the most recent and localized data.” As appropriate, this report utilizes local data through or as of the 2010/2011 school year, much of which is provided by the Clay County School Board. Certain assumptions and estimates were, however, based on or extrapolated from 2000 and 2010 Census data for Clay County in the absence of more up-to-date localized data.

School capital costs in the original 2002 Impact Fee Technical Report and subsequent updates were based on Florida Department of Education (FDOE) student station cost factors (i.e., cost per student station for elementary, middle, and high schools). Local costs of a number of new schools constructed between 2000 and 2007 were analyzed in an earlier update were found at that time to be in close approximation to FDOE cost factors. Although costs of four new school constructed from 2008 to 2010 are substantially higher than FDOE cost factors in 2011 dollars, FDOE cost factors continue to be used as a basis for cost analyses and projections in this report in order to maintain consistency with past reports.

1.3 Existing Public School System

As of 2010-2011, there were 40 schools in the Clay County system, including 26 elementary schools (Grades PK-6), six middle/junior high schools (Grades 7-8), six high schools (Grades 9-12), one combined junior/senior high school (Grades 7-12), and an alternative education facility. For the 2010-2011 school year, enrollments are at 74.0 percent of capacity, with an apparent unused capacity of 12,516 student stations, based on FISH capacities for all individual public schools in the system (Table 1).

Table 1. Utilization of Existing Schools, 2010/2011

School Type	Number of Schools	FISH Capacity	Enrollment (1)	Percent Utilization	Unused Capacity
Elementary (PK-6)	26	24,282	18,636	76.7	5,647
Junior High (7-8)	6	7,540	5,227	69.3	2,313
High (9-12)	6	14,073	10,465	74.4	3,608
Comb Jr/Sr HS (7-12)	1	1,752	1,206	68.8	546
Other (K-12) (Note 2)	1	551	149	27.0	402
TOTAL	40	48,198	35,683	74.0	12,516

- (1) Based on FDOE Final FTE enrollment estimates, October 2010.
 (2) Bannerman Learning Resource Center, a special education facility.
 Source: Clay County School Board, URBANOMICS, Inc.

While there appears to be ample unused capacity in the system to accommodate many years of future enrollment growth, 42.6 percent of all 50,150 “satisfactory” student stations (21,384) are in relocatable classrooms and 91.4 percent, the equivalent of 19,545 student stations, are 20 or more years old, according to FDOE records. The average age of relocatables is 37 years.

Older and aging relocatable units are inefficient and costly to operate and beyond productive renovation. The FDOE recommends replacement of relocatable units 20 year old and older. The Clay County School Board has a policy to replace older relocatable units with permanent classrooms depending on the availability of funding.

Phasing out the high proportion of old relocatable units in existing schools over time would greatly reduce, if not eliminate, the current seeming oversupply of student stations (12,516). When combined with projected future enrollment increases (see below), the School Board will require the local financial resources necessary to provide new classroom facilities for a growing future public school population.

In addition, the new Community Planning Act (Chapter 2011-139, Laws of Florida) under Section 15 relating to school concurrency and amending Section 163.3180, FS, provides the following: “a school district that includes relocatable facilities in its inventory of student stations shall include the capacity of such relocatable facilities as provided in S.1013.35(2)(b)2.f., provided the relocatable facilities were purchased after 1998 and the relocatable facilities meet the standards for long-term use pursuant to S.1013.20.”

Inasmuch as 91.4 percent of existing relocatable units in the school system, representing as many as 19,415 student stations, are 20 years old and older and were purchased well before 1998, this language may provide support for disqualifying most existing relocatable classrooms and student stations from the County inventory, perhaps resulting in elimination of current over-capacity conditions.

2.0 School Needs Analysis

2.1 Population and Enrollment Trends, 2000-2010

Clay County added an average 5,005 new residents and 1,855 new households per year from 2000 to 2010 (Table 2). Much of the County's growth in the past decade occurred in the first seven years (2000 through 2006). Permits were issued for 21,365 new housing units from 2000 through 2010, 87 percent of which occurred from 2000 through 2006, averaging nearly 2,650 new housing units annually, and peaking in 2005 with more than 4,000 units permitted. For the past four years (2008-2011), permit activity has averaged less than 600 units per year. Through September, 2011 is trending to be the lowest year for new units permitted.

Table 2. Population, Households, and School Enrollment, 2000-2010

Parameter	2000	2010	Change, 2000-2010
<i>County Totals</i>			
Population	140,814	190,865	50,051
Households	50,243	68,792	18,549
Population per Household	2.77	2.76	Negligible
<i>School Age Population</i>			
Total Ages 5-17	30,156	38,301	8,145
Percent of Total Population	21.42	20.07	----
Number per Household	0.600	0.557	----
<i>Public School Enrollment</i>			
Number of Students (PK-12)	27,736	35,683	7,947
Percent of Total Population	19.70	18.70	----
Number per Household	0.552	0.519	----

Source: US Census, Clay County School Board, Florida Department of Education, URBANOMICS, Inc.

PK-12 enrollment in Clay County schools increased from 27,736 in the 2000/2001 school year to 35,683 in 2010/2011, averaging 795 new students per year. In relation to the total population, enrollment declined from 2000 to 2010, from 19.70 percent to 18.70 percent, as did the school age population (ages 5-17) from 21.42 to 20.07 percent. The average number of PK-12 school students per household also declined from 0.552 to 0.519, even though average household size remained nearly the same from 2000 to 2010. Numbers of school age children and public school students are expected to continue to decline in relation to County population and households.

2.2 Population and Enrollment Growth, 2010-2030

Population and school enrollment projections from 2010 to 2030 are shown below in Table 3 and are based on the following:

- 2010 Census data for population and households
- Final FTE enrollment estimates by FDOE for the 2010/2011 school year
- Post-Census University of Florida Bureau of Economic and Business Research (BEBR) “medium” population projections for the County.

Additional assumptions on which the projections are based are that:

- Average household size will decline slightly as the County matures and adds greater shares of smaller households, including young couples, empty nesters, and retirees.
- The number of students per household and school enrollment as a percentage of the total population will continue to decline as they did from 2000 to 2010.

Table 3. Population and Enrollment Projections, 2010-2030

Parameter	2010	Projected 2020	Projected 2030	Growth	
				2010-2020	2020-2030
Total Population (1)	190,865	237,400	284,400	46,535	47,000
Household Population (2)	189,614	235,740	282,410	46,126	46,670
Persons per Household	2.76	2.73	2.70	----	----
Number of Households	68,792	86,352	104,596	17,560	18,244
PK-12 School Enrollment (3)	35,683	42,312	48,575	6,629	6,263
Students per Household	0.519	0.490	0.464	----	----
Enrollment per Pop (%)	18.70	17.95	17.20	----	----

(1) University of Florida BEBR “medium” projections for 2020 and 2030, June 2011.

(2) Household population is 99.3 % of total population; rest is institutionalized or in other group quarters.

(3) FDOE Final FTE enrollment estimate for 2010/2011, October 2011.

Source: URBANOMICS, Inc.

BEBR “medium” population projections are substantially lower than Clay County Planning Department projections used in earlier updates of this report, and are lower than projections used as the basis for the recently conducted Northeast Florida “Reality Check” regional visioning process, sponsored by the Urban Land Institute and Northeast Florida Regional Planning Council. Reality Check projections for the County are 255,600 for year 2020 and 300,900 for

year 2030. BEBR projections reflect longer-term effects of the continuing economic and housing market slump on the County's future growth, but might also be regarded as conservative. Resulting BEBR-based projections shown in Table 3 indicate the following:

- The County population will increase by almost as much in each of the next two decades (47,000±) as it did in the past decade (50,000+).
- PK-12 school enrollment will increase by a projected 6,629 students from 2010 to 2020 and another 6,262 from 2020 to 2030, totaling 12,891 new students in the next 20 years.

This is less of an enrollment increase than occurred in the past decade (7,947 new students), but is in sharp contrast to FDOE COFTE projections, which show a decline of nearly 3,000 below current levels by 2020/21. Although County population growth and housing activity slowed considerably in the past four years, FDOE Final FTE PK-12 enrollment estimates have remained relatively constant at around 35,500-36,000 for the past five school years (2006/07 through 2010/11). URBANOMICS considers it unreasonable to project major enrollment declines over the next ten years, as has the FDOE, when, according to BEBR population projections, the County returns to a much faster pace of growth than occurred in the past four years.

2.3 *New School Facility Needs, 2010-2030*

Based on enrollment projections presented above, as many as 12 new schools may be needed to accommodate projected growth from 2010 to 2030, including seven elementary, two junior high, and two senior high schools (Table 4). Needs for new schools reflects the assumption that existing older relocatable units in the system can and will be phased out over time, thereby reducing, if not eliminating, existing unused student station capacity.

Table 4. *New School Facility Needs, 2010-2030*

School Type	Percent of Enrollments	New Students 2010-2030	No. Students Per School (1)	No. Schools Needed
Elementary (PK-6)	53.0	6,832	862	7.9
Junior High (7-8)	16.0	2,063	1,005	2.0
High (9-12)	31.0	3,996	1,600	2.5
TOTALS	100.0	12,891	NA	12.4

(1) Clay County School Board school capacity standards.

Source: URBANOMICS, Inc.

Average numbers of students by school type are based on capacities of three new elementary schools and one new high school built from 2008 to 2010. Percent distribution of enrollment by

school type is based on analysis of enrollment patterns for the past five school years, resulting in an assumed enrollment mix of 53.0 percent for elementary schools, 16.0 percent for junior high schools, and 31.0 percent for high schools (Table 5).

Table 5. Percent Distribution of School Enrollments, 2006/07- 2010/11

Grade Level	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
PK-6	53.2	53.3	53.1	53.0	52.3
7-8	16.3	15.8	15.7	15.9	15.8
9-12	30.5	30.9	31.2	31.1	31.9

Source: Florida Department of Education, URBANOMICS, Inc.

3.0 School Cost Analysis

3.1 Facility Costs

Impact Fee Technical Reports prepared originally in 2002 and updated subsequently used statewide student station cost factors generated by the FDOE. Local costs of several schools built from 2000 to 2007 were studied in an earlier update and were found to be in close conformance to FDOE cost factors. Because of this comparability of costs, FDOE cost factors continued to be used in order to be consistent with previous updates. However, local costs of three new elementary schools and one new high school built from 2008 to 2010, in 2011 dollars (Table 6), are substantially higher than FDOE cost factors (Table 7). Nevertheless, FDOE cost factors are used in this report to maintain consistency with earlier impact fee reports.

Table 6. Cost Experience with New School Facilities

School (Year Built)	Student Stations	Total Original Cost (\$)	FDOE/CPI Inflation Rate (%)	Total Current Cost (\$)	Cost Per Student Station (\$)
Oakleaf Village ES (2008)	929	24,698,157	4.20	25,726,100	----
Shadowlawn ES (2008)	929	26,302,423	4.20	27,407,124	----
Plantation Oaks ES (2009)	929	19,539,372	4.40	20,399,104	----
ES Averages	929	----	----	24,516,508	26,390
Oakleaf HS (2010)	1,729	56,720,757	3.25	58,564,181	33,872

Source: Clay County School Board, URBANOMICS, Inc.

Table 7. Student Station Cost Factors, October 2011

Type of School	FDOE Cost Per Student Station, October 2011 \$(1)	Cost Factor Based on Local Experience, 2008-2010 (\$)
Elementary (PK-6)	20,388	26,390 (2)
Junior High (7-8)	22,016	Not Applicable
High (9-12)	28,598	33,872 (3)
Weighted Average (4)	23,193	Not Applicable

(1) FDOE cost factors released August 2011.

(2) Weighted average of costs of Oakleaf Village ES (2008), Shadowlawn ES (2008), and Plantation Oaks ES (2009) inflated to 2011 using FDOE CPI inflation factors.

(3) Costs of Oakleaf HS (2010) inflated to 2011 using FDOE CPI inflation factors.

(4) Weighted average based on enrollment distribution of 0.53 for ES, 0.16 for JHS, and 0.31 for HS.

Source: URBANOMICS, Inc.

3.2 Land Costs

The School Board retained a real estate appraisal firm in 2005 to prepare an opinion of the then current average per acre bulk unimproved land value of school sites in the County, to be used by the Board in calculating the land cost component of total school costs and in negotiating credits for school site donations by developers. The opinion of the appraisal firm was a land value average of \$45,000 per acre in March 2006. The firm also projected an increase in this average value to \$50,560 in March 2008.

Values of undeveloped land in the County may have declined since the appraisal was completed, but a value of \$50,000 per acre is considered by URBANOMICS to be a reasonable basis for this analysis. The weighted average land cost/value per student is \$1,861 (Table 8).

Table 8. School Site Cost Factors, 2011

Type of School	Site Size (ac)(1)	Site Cost (\$)(2)	No. Students (3)	Cost /Student (\$)
Elementary (PK-6)	30	1,500,000	862	1,740
Junior High (7-8)	45	2,250,000	1,005	2,239
High (9-12)	60	3,000,000	1,600	1,875
Weighted Average (4)	----	----	----	1,861

(1) Clay County School Board site planning standards.

(2) Based on \$50,000 per acre.

(3) Clay County School Board school capacity standards.

(4) Weighted average based on enrollment distribution of 0.530 for ES, 0.16 for JHS, and 0.31 for HS.

Source: URBANOMICS, Inc.

3.3 Transportation Costs

Additional school buses will be needed as school capacity increases and enrollment grows. The School Board has a current inventory of 283 buses, including those used daily and spares for regular education (207 buses, 73 percent of the total) and special education use (76 buses, 27 percent of the total).

The FY11/12 budgeted cost of new radio-equipped buses is \$115,388 for regular education buses and \$134,229 for special education buses. The weighted average cost per bus is \$120,475.

Weighted average cost per student is \$952, based on the proportional use of buses by school type used in previous impact fee technical reports, which are as follows: ES - 45 percent; MS - 28 percent; HS - 27 percent (Table 9).

Table 9. School Bus Cost Factors, 2011

Type of School	No. Students, 2010-2011 (1)	No. Buses Allocated (2)	No. Buses/ Student	Cost Per Student (\$)(3)
Elementary (PK-6)	18,662	128	0.0069	831
Junior (7-8)	5,646	79	0.0140	1,687
High (9-12)	11,375	76	0.0069	831
Totals	35,863	283	0.0079	952

(1) FDOE Final FTE enrollment, October 2011.

(2) Based on 0.45 share fleet utilization for ES, 0.28 for JHS, and 0.27 for HS.

(3) Based on a weighted average budget cost of \$120,475 per new bus for FY11/12.

Source: Clay County School Board, URBANOMICS, Inc.

3.4 New School Costs Per Student and Per Household

The weighted average total cost of new schools per student is **\$26,006** (Table 10). The average cost per household is **\$13,497**, based on a student generation rate of 0.519 per household in 2010.

Table 10. New School Costs Per Student, 2011

Type of School	Facility (\$)	Land (\$)	School Buses	Total Cost (\$)
Elem (PK-6)	20,388	1,740	831	22,959
Junior (7-8)	22,016	2,239	1,687	25,942
High (9-12)	28,598	1,875	831	31,304
Weighted Avg (1)	23,193	1,861	952	26,006

(1) Weighted average based on enrollment distribution of 0.53 for ES, 0.16 for JHS, and 0.31 for HS.

Source: URBANOMICS, Inc.

3.5 Total Projected New School Costs, 2010-2030

This subsection is presented for information only. Future costs are not a factor in determining impact fees, except to illustrate the magnitude of funding needs. Estimated costs of new school facilities, school sites, and associated transportation equipment needed to accommodate projected enrollment growth from 2010 to 2030 total \$335.5 million, including \$299.0 million for facilities, \$24.0 million for land, and \$12.5 million for transportation equipment (Table 11).

Note: Projections of new school needs and costs are based on the assumption that excess existing student station capacity will be reduced if not eliminated over the next 20 years by phasing out a substantial number of the 19,000+ student stations in existing relocatable classrooms that are 20 or more years old.

Table 11. Total Projected New School Costs, 2010-2030 (1)

Type of School	Enrollment Growth	Facility Costs (\$000)	Land Costs (\$000)	Cost of Buses (\$000)	Total Cost (\$000)
Elem (PK-6)	6,832	139,290.8	11,887.7	5,677.4	156,855.9
Junior (7-8)	2,063	45,419.0	4,619.1	3,480.3	53,518.4
High (9-12)	3,996	114,277.6	7,492.5	3,320.7	125,090.8
Total	12,891	298,987.4	23,999.3	12,478.4	335,465.1

(1) Based on facility, land, and transportation equipment costs summarized in Table 10.
Source: URBANOMICS, Inc.

4.1 *Determination of Credits*

The total average cost per household of new school capacity of \$13,497 is reduced by amounts reflecting the presence of other revenue sources available to help fund new schools and equipment needed to serve growth. In this regard, various existing local and state sources of capital funds are analyzed in this section.

Credits are determined by evaluating the recent history of the amounts of these funds available for and allocated to growth-related facilities and equipment, projecting potential revenues over a period of years, and estimating the net present value of these future revenues. Typically, credits are based on the discounted present value of revenues over some period of years. A modest discount rate of five percent is generally used inasmuch as neither costs nor revenues are inflated and projected future revenues are more uncertain and less valuable than current revenues.

For this analysis, a traditional 20-year credit period is used. A five-year credit period was used in the last impact fee report update in 2008-2009, as permitted at the time by legal precedent related to the establishment of then new local school concurrency regulations. Five-year credit periods were associated with the requirement to prepare five-year cost-feasible plans.

A return to a more traditional credit period of 20 years is recommended by URBANOMICS inasmuch as the new Community Planning Act eliminates requirements for Public School Facilities Elements and mandatory school concurrency. URBANOMICS considers a 20-year credit period to be a much more realistic representation of the value of recurring annual funding contributions. In addition, a longer credit period is considered appropriate and necessary by URBANOMICS because of sharply diminished real estate values and tax revenues.

4.2 *Local Advalorem Taxes*

The principal local capital funding source for Florida school districts is the two mill advalorem tax. The Clay County School Board currently allocates 1.5 mills for capital outlay, but has the authority to utilize up to two mills, as it did through FY08/09. This local tax source is projected to generate revenues of \$13.7 million in FY10/11, a sharp decline from \$20.3 million generated in FY07/08. Revenues are used for (a) maintenance, improvement, and renovation of existing schools and replacement of equipment, and (b) repayment of debt incurred on previous school capacity expansion projects and on new capital projects that increase school system capacity.

Costs of maintenance, improvement, and renovation of existing schools and replacement of equipment account for approximately one third (33.3 percent) of activities funded, based on analysis of capital expenditures over several fiscal years, and are not credit eligible. The other two-thirds (66.7 percent) used for repayment of debt incurred on previous school capacity expansion projects and on new capital projects that increase school system capacity is credit eligible.

Local capital improvement tax revenues will continue to fund maintenance, improvement, and renovation of existing schools and replacement of equipment purposes, including removal and replacement of aging relocatable classrooms. Because school enrollment growth has been flat for the past several years and is projected to increase at a slower rate in the future, it should be possible to allocate greater shares of revenues to maintaining and improving existing facilities. Therefore, it is reasonable to assume that future advalorem tax revenues will be allocated somewhat equally (50-50) between maintaining and improving existing facilities and funding new facilities and debt obligations.

4.2.1 Credits for New Residential Development. The credit amount attributed to advalorem taxes generated by a unit of new residential development is defined for this analysis as the discounted cash flow generated by a new single family home over 20 years. In previous impact fee technical reports, the average sale price for the most recent year was used as the basis for calculating credits, inasmuch as prices tended to increase from-year-to-year until the recent housing market collapse. New home prices and property tax revenues have dropped significantly over the past four years. While this trend may linger for a while longer, prices and tax revenues will rebound. Because slumping property values and tax revenues are considered atypical, URBANOMICS recommends basing this credit analysis on average housing values and tax revenues over the past five years rather than the most recent anomalous year.

Average sales price of a new single family detached home in 2010 was only \$188,585 for 403 closed sales (Table 12). This is a 34 percent decline from 2006, when 2,337 new homes sold for an average of \$286,565. The weighted average sales price for the past five years is \$260,481. Average taxable value is \$196,409, based on 85 percent of sales price, per the Clay County Property Appraiser, less the \$25,000 homestead exemption applicable to school taxes.

Annual capital revenues generated on a taxable value of \$196,409 by the current 1.5 mill tax rate are \$294.61. These revenues are reduced by 50 percent to reflect the portion allocated for growth-related uses, or \$147.31. Capitalized over a 20-year credit period at a five percent discount rate, this annual revenue stream results in a present value credit of \$1,835.81 per housing unit.

Table 12. Housing Value and LCIF Revenue Trends, 2006/07-2010/11

Fiscal Year	New Home Value		Local Capital Improvement Tax	
	No. Sold	Avg Price (\$)	Millage	Revenues (\$)
2006-2007	2,337	286,565	2.0	17,749,800
2007-2008	976	274,590	2.0	20,260,400
2008-2009	581	228,915	2.0	18,380,823
2009-2010	497	205,230	1.5	14,991,315
2010-2011	403	188,585	1.5	13,749,039
Average	----	260,481 (1)	----	17,026,275

(1) Weighted average.

Source: Clay County School Board, Metro Market Trends, Inc., URBANOMICS, Inc.

Although taxable values of new multifamily units and mobile homes and corresponding credits would be lower than for new single family homes, impact fee determinations for the various types of housing in this analysis and report are indexed to the single family detached home. Single family housing is the dominant form of residential development in Clay County and indexing to single family housing simplifies data requirements and analysis.

4.2.2 Credits for Other Taxable Property. The local capital improvement tax on all other taxable property in the County is the principal source of funding for maintaining, improving, and expanding school facilities. The methodology used for determining credits for annual tax revenues generated by all other property in the County involves estimating revenues generated per student, converting to an amount per household (housing unit), and calculating the discounted cash flow of annual revenues over 20 years.

Average annual revenues generated by the local capital improvement tax on all school taxable property in the County for the past five years are \$17,026,275 (Table 12). This equates to an average of \$477.15 per student, based on an enrollment of 35,683 students in FY10/11, and \$247.64 per household (housing unit), based on an average 2010 student/household factor (student generation rate) of 0.519. This amount (\$247.64) is reduced by 50 percent (the portion of these tax revenues not used to expand school capacity), to \$123.82 per household (housing unit). This amount capitalized over a 20-year credit period at a five percent discount rate yields a present value credit of \$1,543.07 per housing unit.

4.3 Local Option Sales Tax Sharing

The School Board receives a ten percent share of Clay County's one percent local option sales tax. Proceeds are used to fund technology equipment and improvements for existing and new schools. Revenues of \$1,532,527 are budgeted for FY10/11, averaging \$42.95 per student based on an enrollment of 35,683 in 2010/11. Analysis of how these revenues were used in the past indicates that approximately 20 percent is expended for growth-related purposes. Most is spent on replacing and upgrading existing equipment. Thus, approximately \$306,505 of FY10/11 revenues is spent on new schools.

This equates to an average of \$8.59 per student, or \$4.46 per household (housing unit), based on a 2010 student/household factor of 0.519. This amount (\$4.46) capitalized over a 20-year credit period at a five percent discount rate yields a present value credit of \$55.58 per housing unit.

4.4 State Capital Funds

State capital funding support to the Clay County school system is of two general types -- recurring and non-recurring. Recurring funds are those provided in all or most years over a number of years. Non-recurring funds are those provided very infrequently and at irregular intervals. The two recurring funding sources are Public Education Capital Outlay (PECO) and Capital Outlay & Debt Service (CO&DS). PECO Fixed Capital Outlay Project funds are used almost entirely to fund new construction and related capital expenditures.

The School Board has had three non-recurring sources of state funds in the past several fiscal years, including extraordinary PECO Fixed Capital Outlay funding from FY06/07 through FY08/09, Classrooms For Kids funding from FY03/04 through FY07/08, and a High Growth Grant in FY05/06. This level of funding has provided significant and much needed relief to the fast-growing, under-funded school system, but is considered extraordinary and non-recurring, and not likely to be repeated. In fact, no PECO Fixed Capital Outlay funding has occurred in the past two fiscal years (FY09/10 and FY10/11) and no Classrooms for Kids funding has occurred in the past three fiscal years (FY08/09 through FY10/11).

4.4.1 PECO Fixed Capital Outlay Funds. The recurring portion of PECO Fixed capital Outlay Funds received in FY06/07 through FY08/09 (\$1,933,737) is based on the average for FY02/03, FY03/04, and FY05/06 (Table 13). The extraordinary non-recurring portions occurring in FY06/07 through FY08/09 are the differences between total funding and the recurring amounts. Non-recurring PECO funds totaled \$19,443,077 over the three years, but are unlikely to

be repeated in the future. Indeed, The School Board received no PECO Fixed Capital Outlay Funds in the past two fiscal years, nor are any projected for FY11/12.

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Table 13. PECO Fixed Capital Outlay Funds, 2006/07-2010/11

Fiscal Year	Enrollment	Recurring Funds (\$) (1)		Non-Recurring Funds (\$)	Total Funds (\$)
		Total	Per Student		
2002-2003	---	2,190,891	---	0	2,190,891
2003-2004	---	1,621,719	---	0	1,621,719
2004-2005	---	0	---	0	0
2005-2006	---	1,988,602	---	0	1,988,602
2006-2007	35,193	1,933,737	54.95	5,810,338	7,744,075
2007-2008	35,573	1,933,737	54.36	11,256,783	13,190,520
2008-2009	35,394	1,933,737	54.63	2,375,956	4,309,693
2009-2010	35,349	0	0	0	0
2010-2011	35,683	0	0	0	0
Total/Average	---	1,160,242	32.79	19,443,077	25,244,288

(1) Recurring fund portion is based on average for FY02/03, FY03/04, and FY05/06.
Source: Clay County School Board, URBANOMICS, Inc.

Credits for the recurring portion of PECO Fixed Capital Outlay funds reflect average revenues of \$32.79 per student over the past five fiscal years (FY06/07 through FY10/11), or \$17.02 per household (housing unit), based on a student/household factor of 0.519 as determined for 2010. This amount capitalized over a 20-year credit period at a five percent discount rate yields a present value credit of \$212.11 per housing unit.

4.4.2 Capital Outlay & Debt Service Funds. CO&DS funding has occurred annually for many years and is expected to continue in the future. Funding in the past five fiscal years ranged from to \$300,000 in FY06/07 to \$450,000 in FY08/09 and FY09/10 (Table 14). FY10/11 funds declined very slightly to \$428,579. For FY10/11, funds received average \$12.01 per student based on a 2010-2011 enrollment of 35,683.

Credits for CO&DS Funds are based on an average \$12.01 per student in FY10/11, based on an enrollment of 35,683 for the year, or \$6.23 per household (housing unit), based on a student/household factor of 0.519. This amount capitalized over a 20-year credit period at a five percent discount rate yields a present value credit of \$77.64 per housing unit.

Table 14. CO&DS Funding, 2006/07-2010/11

Fiscal Year	Total Funding (\$)
2006-2007	300,000
2007-2008	350,000
2008-2009	450,000
2009-2010	450,000
2010-2011	428,579

Source: Clay County School Board, URBANOMICS, Inc.

4.4.3 Classrooms For Kids Funds. This program was established to help local school districts meet new class size reduction standards, generally by spreading the same number of students over more classrooms, as opposed to creating new school capacity to serve growth. The Clay County School Board received a total of \$82,292,687 million from FY03/04 through FY07/08.

The Board used approximately half of the \$12.4 million received in the first three years (FY03/04 through FY05/06) to meet the new class size reduction standards. Remaining funds, plus those in FY06/07 and FY07/08, helped finance new schools and related facilities. No additional funding has occurred in the past three fiscal years (FY08/09 through FY10/11), nor is any projected for FY11/12.

It would be reasonable to assume that funds received from this program and used to meet class size reduction standards would not be eligible for impact fee credits as no additional student stations were provided. However, on advice from legal counsel retained by the Clay County Board of County Commissioners to review an earlier edition of this technical report and to draft revisions to the school impact fee ordinance, all Classrooms For Kids funding received to date is to be considered credit eligible.

4.4.4 Non-Recurring Funding Credits. The three non-recurring funding sources total \$104,920,435 (Table 15), representing 25.6 percent of total growth-related capital costs projected in Table 10 above from 2010 to 2030. These non-recurring funds average \$2,940.35 per student, based on an FY10/11 enrollment of 35,683, and \$1,526.04 per household (housing unit), based on a student/household factor (student generation rate) of 0.519 in 2010.

These non-recurring revenues, having been already received by the School Board and not expected to be repeated in the future. Thus, the credit amount is \$1,526.04 per housing unit, unlike recurring sources of revenues where credits are based on the discounted present values of revenues projected over the next 20 years.

Table 15. Non-Recurring State Capital Funding, 2003/04-2010/11

Year	PECO (\$)	Classrooms For Kids (\$)	High Growth Grant (\$)
2003-2004	0	8,275,859	0
2004-2005	0	2,352,146	0
2005-2006	0	1,792,727	3,184,671
2006-2007	5,810,338	38,315,599	0
2007-2008	11,256,783	31,556,356	0
2008-2009	2,375,956	0	0
2009-2010	0	0	0
2010-2011	0	0	0
Total	19,443,077	82,292,687	3,184,671

Source: Clay County School Board, URBANOMICS, Inc.

4.5 Summary of Credits

The total amount of all credits per household for the 20-year credit period is \$5,250 (rounded), including \$3,434 for local capital funding sources and \$1,816 for state capital funding sources (Table 16).

Table 16. Summary of Impact Fee Credits

Credit Source	Credit Per Household (Housing Unit) (\$)
Local Funding Sources	
1.5 Mill Advalorem Tax - Per New Unit	1,835.81
1.5 Mill Advalorem Tax - All Property	1,543.07
Ten Percent Share of Local Sales Tax	55.58
Total Local Credits	3,434.46
State Funding Sources	
PECO Funding -- Recurring	212.11
CO&DS Funding	77.64
Non-Recurring Sources	1,526.04
Total State Credits	1,815.79
TOTAL -- All Sources	5,250.25

Source: URBANOMICS, Inc.

5.0 Impact Fee Determinations

5.1 Net Costs (Costs less Credits)

Total costs of new facilities and equipment per household (i.e, **\$13,497**), as determined in Section 3, less total credits per household (i.e, **\$5,250**), as determined in Section 4, represents the theoretical maximum impact fee applicable to a new single family residential unit.

5.2 Housing Characteristics

Differential impact fees can be determined for and assigned to specific types of housing based on their household sizes and age composition. Individual fees are most often determined for single family homes, multifamily units, and mobile homes to reflect their different characteristics.

Differences in impacts on schools by housing type can be defined, for example, by differences in numbers of school-age children (ages 5 through 17) in an average housing unit of various types. Detailed 2010 Census housing demographic data is not yet available, therefore 2000 Census data is used to proportion 2010 Census school-age population and household data by type of housing. The assumption here is that although the average number of school age children per household declined from 0.600 in 2000 to 0.557 in 2010, average numbers of school age children in each housing type are in the same proportion as 2000 data (Table 17).

Table 17. School Age Population by Housing Type, 2000-2010

Type of Housing	2000		2010 Population Age 5-17 Per Unit (1)
	Total Population Per Unit	Population Age 5-17 Per Unit	
Single Family Detached	2.88	0.67	0.62
Attached and Multifamily (2)	2.16	0.31	0.29
Mobile Home	2.80	0.57	0.53
Total/Average	2.77	0.60	0.557

(1) Numbers by housing type in 2010 are assumed to be proportional to 2000, based on proportion of the total.

(2) Two or more units in a building, incl two-family homes, duplexes, apartments, condos, and townhomes.

Source: US Census, URBANOMICS, Inc.

Note: Numbers of school age children per housing unit as determined for this impact fee analysis may be similar to but are not identical to student generation rates used for school concurrency planning and evaluation. For example, enrollments in 2010 were only 93 percent of

the defined school age population (5-17). *Special Note: School age population data from the 2000 and 2010 Censuses were used herein as indicators of proportional relationships among housing types, and are NOT intended to represent current public school student generation rates. The overall student generation rate for 2010 of 0.519 used in this report is based on relating actual enrollments in the 2010/2011 school year to the 2010 Census household count in Clay County.*

5.3 Potential Impact Fees

Based on the above school population age characteristics by housing type, impact fee levels by type of housing can be indexed to the maximum potential single family fee, as shown below (Table 18). The table shows the theoretical maximum fees associated with a 20-year credit period, including fees up to **\$8,247** for new single family homes, up to **\$3,876** for new attached and multifamily units, and up to **\$7,010** for new mobile homes.

Table 18. Potential School Impact Fees by Housing Type

Type of Housing	Ratio to Single Family	Potential Impact Fee (\$)
Single Family Detached	1.00	8,247
Attached and Multifamily	0.47	3,876
Mobile Home	0.85	7,010

Source: URBANOMICS, Inc.

5.4 Implementation Considerations

5.4.1 School Site Land Value Limitations. It is desirable to implement a two-tier impact fee that separates land and other capital costs, and which recognizes that land cost is a small part of the total cost of delivering new school capacity. Under this two-tier system, credits for contributions of school sites would be applied to only a portion of the total fee. The rationale for this procedure is that schools located in or immediately adjacent to a residential development are conveniences to that development and help promote sales of residential property. Moreover, contribution of land does comparatively little to ease the burden to the School Board in having to build and equip new schools to serve new residential development. Tables 10 and 11, above, indicate that land represents in the order of seven percent of the total cost of new school capacity, based on an assumed land value of \$50,000 per acre. URBANOMICS recommends that the Clay County continue with its adopted two-tier impact fee approach, where credits for land contributions account for not more than 10-15 percent of total required impact fees.

5.4.2. Older Relocatable Classroom Units. Student enrollment is expected to increase only gradually over the coming few years and, in any case, is not projected to grow to the extent experienced in the early and middle years of the past decade. During this time URBANOMICS recommends that the School Board embark on a program to reduce significantly the number of older relocatable classroom units in the system, if such a program is not already in progress. Impact fees are difficult to justify and impose on new residential development when enrollments are well below capacity of existing school facilities, as it would appear is the case today in Clay County. Reduction and ultimate elimination of existing relocatable units 20 years old and older is recommended by FDOE. In addition, language in concurrency provisions of the new Community Planning Act may support the exclusion of relocatable units purchased before 1998 from determinations of school system capacity. The School Board should review and revise, as appropriate, how capacity of schools is determined where old relocatable units are present.