

TO: Charles Wu, Coral Gables Interim Development Services Director  
FROM: Dwayne Pierce Guthrie, Phd, AICP  
DATE: December 12, 2016  
SUBJECT: Impact Fee Benefit Area and Expenditure Timeframe

In response to inquiries from the City Attorney, TischlerBise offers the following responses regarding the appropriate benefit area and expenditure timeframe for impact fees to be collected after the effective date of the 2016 impact fee update. Our comments are based on the latest version of the Impact Fee Study, which is dated 11/21/16.

### Service or Benefit Area

The 2016 impact fee update builds on the foundation of the 2007 and 2008 impact fee studies for the City of Coral Gables, which were based on a citywide service or benefit area for all types of infrastructure. The difference in terms is due to the variation in focus with “service area” typically used in the context of discussing the need for infrastructure and “benefit area” typically used when considering the benefit to fee payers from the construction of capital improvements. As shown in Figure ES2 of the 2016 Impact Fee Study, all types of infrastructure have a citywide service area.

<i>Type of Infrastructure</i>	<i>Service Area</i>	<i>Cost Recovery (past)</i>	<i>Incremental Expansion (present)</i>	<i>Plan-Based (future)</i>	<i>Cost Allocation</i>
<i>Police</i>	Citywide			Police Buildings and Site Expansion	Functional Population and Inbound Vehicle Trips to Nonresidential Development
<i>Fire</i>	Citywide			Fire Buildings and Site Expansion	Functional Population and Jobs
<i>Municipal</i>	Citywide		Buildings and Land		Functional Population and Jobs
<i>Park and Recreation</i>	Citywide		Active Parks, Passive/Linear Parks and Recreation Buildings (improvements and land)		Daytime Population and Jobs
<i>Mobility</i>	Citywide			Multimodal Roadway and Streetscape Improvements	Functional Population and Jobs
<i>Sanitary Sewer</i>	Citywide	Collection System		Capacity Projects (average cost allocation)	Average Day Wastewater Flow

As clarified in the Parks and Recreation Facilities section of the 2016 Impact Fee Study, “The impact fee for parks and recreation facilities will enable Coral Gables to maintain current infrastructure standards for active parks, passive/linear parks and recreation buildings. All parks and recreation facilities included in the impact fees have a citywide service area. Cost components are allocated 88% percent to residential development and 12% to nonresidential development, based on daytime population in Coral Gables (explained further below).”

The proportionate share cost allocation methodology for parks and recreation facilities is explained in the following paragraph.

“TischlerBise recommends daytime population as a reasonable indicator of the potential demand for park and recreation facilities, from both residential and nonresidential development. According to the U.S. Census Bureau web application OnTheMap, there were 51,508 inflow commuters traveling to Coral Gables for work in 2014. The proportionate share is based on cumulative impact days per year with residents potentially impacting park and recreation facilities 365 days per year. For institutional jobs, like the University of Miami, inflow commuters potentially impact parks and recreation facilities 32 days per year, assuming one workday per week multiplied by 32 weeks a year (i.e. academic calendar). Inflow commuters at all other jobs potentially impact parks and recreation facilities 50 days per year, assuming one workday per week multiplied by 50 weeks per year. In other words, it is reasonable to assume that once a week inflow commuters will use parks or recreation buildings for sports leagues (e.g. softball, basketball or volleyball), or enjoy passive/linear parks by taking a walk or eating lunch outdoors. Based on cumulative impact days per year, 88% of the growth cost of future parks and recreation capital improvements resulting from growth will be funded by residential development and 12% by nonresidential development.”

In addition to the analysis of demographic data for the City of Coral Gables, as described above, City staff provided additional research in support of the proportionate share cost allocation methodology, as documented in the following paragraph.

“As an example of the demand for parks and recreation facilities by nonresidential development, City staff compiled data on special events held at City parks and recreation buildings during FY15-16. Businesses and non-profit organizations held special events, such as festivals, fundraisers, and corporate parties on approximately 25% of the days (i.e. 91 event days divided by 365 days in a year). Also, the City of Coral Gables has two different leagues (i.e. adult softball and basketball) that have local businesses and non-profit organizations participating, averaging 16 teams per year.”

In contrast to the previous impact fee study that documented “open space” standards, the 2016 Impact Fee Study is based on “passive/linear parks” that will benefit both residential and nonresidential development. In the City of Coral Gables, most development activity tends to be located along arterial streets and typically contains a mixture of uses, including higher-density residential construction. Providing additional passive/linear parks will enhance connectivity between neighborhoods and nonresidential areas, which is consistent with the nationwide trend to promote active lifestyles and healthy communities.

#### Expenditure Timeframe

The City of Coral Gables impact fee ordinance already addresses the expenditure timeframe for impact fees and TischlerBise is not recommending any changes to the ordinance or administrative practices regarding capital improvements funded by impact fee revenue. Because Florida’s impact fee enabling legislation does not specify a timeframe for spending impact fees, the City should rely on legal precedents and best practices regarding impact fees. To ensure benefit to fee payers, TischlerBise recommends the completion of capital improvements as soon as possible, with multi-year phasing for major infrastructure projects. For example, land acquisition might occur in year one, with design/engineering in year two, and construction in year three.