

PARK IMPACT FEE UPDATE

prepared for **LEE COUNTY, FLORIDA**



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June 2001

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Introduction

Lee County operates and maintains a wide variety of parks and recreational facilities for the benefit of county residents and visitors. The County first adopted park impact fees in 1985. At that time there was a single park fee that was informally divided into two components—regional and community parks. In 1989, the park impact fee was formally divided into separate regional and community park impact fees. Also in 1989, the fees were adjusted downward to reflect lower unit occupancy, but the fees still increased slightly because the discount was reduced from 20 percent to 10 percent. In 1990, a comprehensive update of the park impact fees was conducted, and this was the most recent update to the park impact fee schedules. The history of park fees assessed on new residential development by Lee County is shown in Table 1.

**Table 1
HISTORY OF PARK IMPACT FEES**

Housing Type	Unit	1985	1989	1989	1989	1990	1990	1990
		Total Park Fee	Community Park Fee	Regional Park Fee	Total Park Fee	Community Park Fee	Regional Park Fee	Total Park Fee
Single-Family	Dwelling	\$562	\$466	\$113	\$579	\$619	\$253	\$872
Multi-Family*	Dwelling	\$371	\$308	\$74	\$382	\$408	\$131	\$539
Timeshare	Dwelling	\$788	\$653	\$158	\$811	\$867	\$228	\$1,095
Mobile Home	Dwelling	\$470	\$390	\$94	\$484	\$439	\$210	\$649
RV Park	Pad	\$342	\$311	\$76	\$386	\$417	\$199	\$616
Hotel/Motel	Room	\$342	\$311	\$75	\$386	\$417	\$179	\$596

* Includes duplex, two family attached, townhouse, residential condominium, and apartment (excludes timeshare)
Source: Lee County Ordinances 85-24, 89-14, 89-16 and 90-48.

Lee County's growing population continues to create demands for new park facilities in order to maintain acceptable levels of service in terms of parks and recreational facilities. Park impact fees are one way to help ensure that rapid growth does not degrade the level of service for park facilities. As shown in Table 2, the permanent, year-round population of the county grew 32 percent during the 1990s. While the population of the unincorporated area has been reduced by the incorporation of two new municipalities during the decade, it has still continued to grow at a significant pace.

**Table 2
POPULATION GROWTH, 1990-2000**

Jurisdiction	1990	2000	Increase
Fort Myers	45,206	48,208	7%
Cape Coral	74,991	102,286	36%
Sanibel	5,468	6,064	11%
Fort Myers Beach	n/a	6,561	n/a
Bonita Springs	n/a	32,797	n/a
Subtotal, Incorporated	125,665	195,916	56%
Subtotal, Unincorporated	209,448	244,972	17%
Total, County-Wide	335,113	440,888	32%

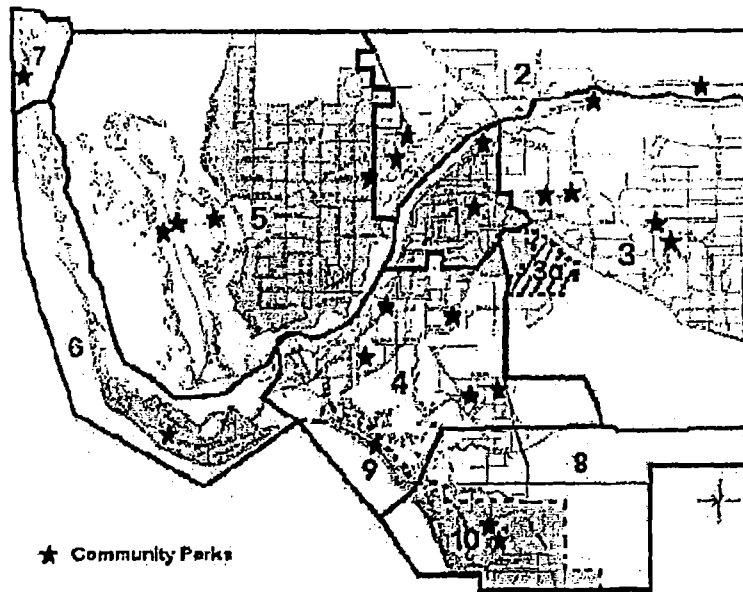
Source: U.S. Census Bureau (Fort Myers Beach Incorporated 12/31/95, Bonita Springs Incorporated 12/31/99)

Benefit Districts

The regional park impact fees are based on the entire population of the county, including residents in the municipalities as well as in the unincorporated area. The entire county is defined as a single benefit district for regional park impact fees, and regional park impact fee revenues may be spent anywhere within the county. Fort Myers and Sanibel collect the County's regional park impact fees and remit them to the County pursuant to interlocal agreements. Despite the fact that the incorporated municipalities of Cape Coral, Fort Myers Beach and Bonita Springs benefit from the County's regional parks, they do not participate in the County regional park impact fee system. Since its incorporation, Fort Myers Beach charges its own regional park impact fee, which it retains and which County staff does not administer. Bonita Springs, since its incorporation in January of 2000, has also essentially adopted the County's regional park impact fee ordinance as its own, but does not share fees collected with the County. Cape Coral does not collect any kind of regional park impact fee.

The County's community park system is designed to serve only the unincorporated areas of the county, and the community park impact fees are not collected within any of the municipalities. The unincorporated area of the county is subdivided into 8 community park impact fee benefit districts. The County has also been tracking the collection of community park impact fees in the newly incorporated municipalities of Fort Myers Beach and Bonita Springs (shown as 9 and 10 in Figure 1), since the County administers their development regulations by contract and therefore collects the fees, but the fees collected belong to the municipalities and have no relation to the County's community park impact fees. Impact fees collected within each district are earmarked to be spent on community parks within that same district. The community park benefit districts are shown in Figure 1, which also shows the approximate location of some of the major community parks. The benefit districts shown in the ordinance should be updated to reflect how the impact fees are currently being earmarked.

Figure 1
COMMUNITY PARK BENEFIT DISTRICTS



Over the past three years, the County has been collecting an average of about \$3 million in community park impact fee revenues (this includes the estimated value of in-kind contributions for credit), and \$1.2 million in regional park impact fee revenues (Table 3). The community park impact fee revenue collected in Districts 9 and 10 are collected by the County on behalf of the municipalities of Fort Myers Beach and Bonita Springs, and these funds are remitted to the municipalities to be spent on municipal parks.

**Table 3
PARK IMPACT FEE REVENUES, FY 1998-2000**

	FY 97-98	FY 98-99	FY 99-00	Average
Community Park District 1	\$9,724	\$3,894	\$8,306	\$7,308
Community Park District 2	\$117,663	\$119,781	\$126,114	\$121,186
Community Park District 3 (excl. 3a)	\$404,213	\$478,758	\$465,384	\$449,452
Community Park Subdistrict 3a	\$99,519	\$98,140	\$92,850	\$96,836
Community Park District 4	\$1,187,607	\$898,521	\$1,313,579	\$1,133,236
Community Park District 5	\$83,288	\$143,121	\$136,203	\$120,871
Community Park District 6	\$10,523	\$13,604	\$9,911	\$11,346
Community Park District 7	\$34,327	\$24,170	\$25,886	\$28,128
Community Park District 8	\$617,383	\$1,209,548	\$1,118,018	\$981,650
Fort Myers Beach (District 9)*	\$16,798	\$52,049	\$18,218	\$29,022
Bonita Springs (District 10)*	—	—	\$298,112	\$298,112
Total, Community Park Fees	\$2,581,045	\$3,041,586	\$3,612,581	\$3,277,147
County's Community Park Fees**	\$2,564,247	\$2,989,537	\$3,296,251	\$2,950,013
Regional Parks	\$1,100,405	\$1,352,014	\$1,376,501	\$1,226,210
Total County Park Fees	\$3,664,652	\$4,341,551	\$4,672,752	\$4,176,223

* municipal fee revenues (District 10 created on January 1, 2000, date of incorporation of Bonita Springs, out of District 8)

** excludes municipal fees collected in Districts 9 and 10

Source: Lee County Impact Fee Coordinator, reports prepared October 9, 2000.

Level of Service

Lee County's comprehensive plan, the *Lee Plan*, specifies several level-of-service standards for various types of parks and recreational facilities. These include both a "regulatory" standard and a "desired" standard. For regional parks, the regulatory standard is seven acres of regional parks per 1,000 peak seasonal residents of the entire county, including municipal residents and visitors. The acres used in calculating this standard are improved acres that are open for public use, and include regional parks operated by federal, state and municipal governments. The existing level of service is somewhat higher than the desired standard of eight acres per 1,000 persons.

For community parks, the regulatory standard is 0.8 acres of developed community parks per 1,000 permanent, year-round residents in each of the eight community park benefit districts. Some of these community parks are on land owned by the school district, but have been improved and are maintained and operated by the County. The desired level-of-service standard set forth in the *Lee Plan* is to achieve two acres per 1,000 residents by 1998, but this has not been met in all districts. The

level of service varies significantly between benefit districts, but in all of them the existing level of service is significantly higher than the regulatory standard of 0.8 acres per 1,000 residents.

Despite the fact that the County's adopted level of service standards are based on permanent, year-round residents for community parks, tourists and visitors make use of community parks as well as regional parks. It is recommended that community park fees should continue to be assessed on hotel and motel units. The fees for community parks, like the fees for regional parks, should be based on peak season conditions.

Lee County's 1990 park impact fee update study was prepared by Dr. James C. Nicholas.¹ The 1990 study calculated the regional and community park impact fees on the basis of the then-existing, jurisdiction-wide levels of service. The levels of service used in the 1990 study were expressed in terms of the replacement value of existing land and improvements per peak season resident. The 1990 study divided the replacement cost of existing facilities by peak seasonal population (county-wide population for regional parks and unincorporated area population for community parks) to determine gross costs per person, then reduced that to account for revenue credits. The resulting net costs per person were multiplied by the average household size for specific housing types in order to calculate maximum impact fees. The proposed methodology for this update is essentially the same as the original methodology prepared by Dr. Nicholas.

There is not necessarily a close link between the formal levels of service adopted by a community in its comprehensive plan and the methodology used to calculate impact fees. Generally, impact fees are based on the existing levels of service, rather than adopted or desired levels of service. In addition, the levels of service used in calculating park impact fees generally rely on the replacement value of existing park land and improvements, rather than on acres, since, for example, an acre of intensively-developed park land is not equivalent to an acre of open space or passive recreation land.

Estimates of peak seasonal population depends on several factors, including the occupancy rates of dwelling units (including time-share units) during the off-season and the number of hotel and motel rooms. At the time of the 1990 study, the County was using a peaking factor of 1.30 (e.g., peak seasonal population equal to 1.3 times permanent, year-round population). On the basis of analysis done for comprehensive plan amendments in 1996, this was revised to 1.236. The point is that estimates of peak season population can vary substantially. The park impact fees can more reliably be based on the number of dwelling units and hotel/motel rooms, without having to deal with the intervening variable of occupancy rates.

This study continues the approach of basing the park impact fees on the existing level of service, and measuring that level of service in terms of the ratio of the replacement value of existing facilities to some measure of existing residential development. The measure of existing development is the subject of the next section.

¹James C. Nicholas, PhD., *A Recalculation and Update of Regional and Community Park Impact Fees, Lee County, Florida*, August 2, 1990.

Service Unit

Disparate types of development must be translated into a common unit of measurement that reflects the impact of new development on the demand for park facilities. This unit of measurement is called a "service unit." The most common service unit used in park impact fee analysis, including the County's most recent 1990 update, is population. Population estimates are based on three factors: the number of dwelling units (and hotel/motel rooms for peak season population), average household sizes for various types of units and occupancy rates. The number of dwelling units can be estimated with some degree of precision, and average household size has been declining somewhat predictably but has been stabilizing in recent years. Occupancy rates, on the other hand, tend to vary significantly over time, and not in predictable directions.

Consequently, this report recommends the use of a service unit that avoids the need to make assumptions about occupancy rates. This service unit is the "equivalent dwelling unit" or EDU, which represents the impact of a typical single-family dwelling. By definition, a typical single-family unit represents, on average, one EDU. Other types of units each represent a fraction of an EDU, based on their relative average household sizes.

Since the level of service for park facilities is measured in terms of population, demand for park facilities is proportional to the number of people in a dwelling unit. Consequently, data on average household size for various types of units is a critical component of a park impact fee. The most recent and reliable data on average household size in Lee County is still the 1990 U.S. Census. Comparable data from the 2000 census will not be available for another two years. While this data is ten years old, we know from a variety of sources that the steep declines in average household size observed in the 1970s and 1980s have largely stabilized in the 1990s.²

Most local governments assess park impact fees by housing type, although an increasing number are assessing them based on some measure of dwelling size. For example, a recent survey of the 16 counties in Florida that assess school impact fees found that a slight majority of the counties (9 out of 16) assess their school (and park) impact fees on the basis of housing type (e.g., single-family detached, multi-family). One charges all new dwelling units a flat rate, and the other seven charge based on some measure of unit size.

Table 4
ASSESSMENT BASIS FOR FLORIDA SCHOOL IMPACT FEES

Assessment Basis	Counties
Flat Rate Per Dwelling	Volusia
Housing Type	Citrus, Collier, Hernando, Orange, Osceola, Pasco, St. Lucie, St. Johns, Seminole
Housing Type & Bedrooms	Broward, Hillsborough, Lake
Size Categories	Martin, Palm Beach
Square Footage	Dade

Source: Survey by Duncan Associates, April 2001

²Nationwide, from 1990 to 1998, average household size declined from 2.63 to 2.62, according to the U.S. Bureau of the Census, *Statistical Abstract of the United States: 1999*, Table 69. In Florida, persons per household declined from 2.52 to 2.49 over the same period, a decline of only 1%, according to University of Florida, Shimberg Center for Affordable Housing, *The State of Florida's Housing, 2000*.

While the survey being discussed addresses school impact fees, this is appropriate since Lee County will soon be considering school impact fees, and similar considerations will be raised at that time. Three of the Florida counties that impose school impact fees base them on the number of bedrooms, in combination with housing type (Broward, Hillsborough and Lake). In addition, two counties (Martin and Palm Beach) have translated bedrooms into four or five size categories (e.g., a one-bedroom unit is on average less than 800 square feet, etc.). Dade is the only county that bases school fees on a fee per square foot.

As discussed above, the best available data source on average household size in Lee County is still the 1990 U.S. Census. Average household sizes for Lee County by housing types are available from the full census enumeration, consisting of about 140,000 households. In addition, data is available on average household size by other housing characteristics, such as the number of bedrooms and the age of the unit, from the 5 percent sample, consisting of 7,347 households that filled out the long-form questionnaire. Since new units built in the last ten years (1980-1990) tend to have more bedrooms per unit and to have more occupants per unit than older (pre-1980) units,³ the average household size data relies on the subset of the five percent sample that lived in units that were less than ten years old at the time of the census (3,256 households).

As can be seen in Table 5, average household size in Lee County varies by both housing type and number of bedrooms. Within housing types, average household size varies drastically depending on the number of bedrooms. In contrast, there is relatively little difference in average household size between housing types within bedroom categories. It is clear that household size is more strongly related to the size of the unit, reflected in the number of bedrooms, than it is to housing type. In other words, single-family units tend to have more occupants than multi-family units primarily because single-family units tend to have more bedrooms. For example, based on the sample sizes in the table below, about 70 percent of new single-family units built in Lee County have three bedrooms, while 68 percent of new multi-family units have only two bedrooms.

Table 5
1990 AVERAGE HOUSEHOLD SIZE, LEE COUNTY UNITS BUILT 1980-1990

Number of Bedrooms	Single-Family Det.	Multi-Family	Mobile Home	All Housing Types
1-Bedroom/Efficiency Unit	—	1.66	—	1.76
2-Bedroom Unit	2.15	2.06	1.86	2.03
3-Bedroom Unit	2.79	2.60	—	2.78
4-Bedroom+ Unit	3.90	—	—	3.93
All Unit Sizes	2.79	2.07	1.94	2.44
Sample Size:				
1-Bedroom/Efficiency Unit	22	195	73	290
2-Bedroom Unit	319	733	334	1,386
3-Bedroom Unit	1,213	143	29	1,385
4-Bedroom+ Unit	187	7	1	195
All Unit Sizes	1,741	1,078	437	3,256

Source: U.S. Census Bureau, 1990 Public Use Microdata Sample (PUMS) 5% sample data for Lee County units built 1980-1990; all cells with number shown have sample size of at least 100.

³ For example, single-family units built 1980-1990 had an average of 2.90 bedrooms, compared to 2.74 bedrooms for older single-family units; single-family units with 4 or more bedrooms built 1980-1990 had an average of 3.90 occupants, compared to 3.59 for all single-family units with 4 or more bedrooms.

Based on techniques used in other Florida counties, park fees could be assessed on the basis of housing type (the current method), number of bedrooms, or the combination of housing type and number of bedrooms. However, the combination of housing type and number of bedrooms runs into the problem of limited sample size for certain type/size combinations. The other two options are preferred based on the available data.

Another possible approach would be to translate bedrooms into size categories, as is done in Broward and Palm Beach County's school impact fees. To explore this possibility, the consultants analyzed data on units built since 1989 from the Lee County Property Appraiser's records. Data on unit size in square feet was available for single-family detached and mobile home units, but not for apartments. Duplex was the only type of multi-family for which square feet per unit could be established. These data, summarized in Table 6, reveal that there is not a lot of difference in size between 2-bedroom and 3-bedroom units, and that single-family and duplex units are considerably larger than mobile home units with the same number of bedrooms. These data indicate that the size of the unit in square feet may not be a reliable proxy for the number of bedrooms, at least for units built in Lee County during the last decade.

Table 6
MEDIAN SQUARE FEET, LEE COUNTY UNITS BUILT 1990-2000

Number of Bedrooms	Single-Family Det.	Half a Duplex	Mobile Home
1-Bedroom/Efficiency Unit	1,004	—	420
2-Bedroom Unit	1,839	1,748	1,056
3-Bedroom Unit	2,029	2,010	1,404
4-Bedroom+ Unit	2,771	—	—
All Unit Sizes	2,082	1,864	792
Sample Size:			
1-Bedroom/Efficiency Unit	126	1	784
2-Bedroom Unit	3,148	394	781
3-Bedroom Unit	23,151	337	287
4-Bedroom+ Unit	4,169	2	26
All Unit Sizes	30,594	734	1,878

Source: Lee County Property Appraiser data for units built since 1989.

In sum, the two characteristics that would be the most appropriate bases for assessing Lee County's park impact fees are housing type and number of bedrooms. Since both housing type and number of bedrooms provide a defensible basis on which to assess park impact fees, the choice between them can be made on the basis of policy objectives or practical considerations. These issues are discussed at the end of this report.

As described earlier, the service unit for park impact fees is defined as an equivalent dwelling unit, or EDU. An EDU is a unit that has an average household size equivalent to a typical new single-family unit built in Lee County. The number of EDUs associated with each housing type and bedroom size category are shown in Table 7.

**Table 7
EQUIVALENT DWELLING UNIT MULTIPLIERS**

Land Use	Unit of Measure	Avg. HH Size	EDUs/ Unit
Single-Family Detached	Dwelling	2.79	1.00
Multi-Family	Dwelling	2.07	0.74
Mobile Home/RV Park*	Dwelling	1.94	0.70
Hotel/Motel	Room	1.40	0.50
1-Bedroom/Efficiency Unit	Dwelling	1.76	0.63
2-Bedroom Unit	Dwelling	2.03	0.73
3-Bedroom Unit	Dwelling	2.78	1.00
4-Bedroom+ Unit	Dwelling	3.93	1.41

*mobile home on separately platted lot classified as single-family detached dwelling

Source: Average household sizes from Table 6; EDUs/unit for dwellings is ratio of average household size to single-family detached average household size; hotel/motel EDUs/room based on assumed occupancy of 1.4 persons, which is one-half of average vehicle occupancy on vacation trips from U.S. Department of Transportation, *Nationwide Personal Transportation Survey*, 1995.

In order to determine the existing level of service, it is necessary to estimate the total number of EDUs, both county-wide for the regional park impact fee, and in the unincorporated area for the community park fee. The first step is to compile an estimate of existing dwelling units and hotel rooms, which is summarized in Table 8.

**Table 8
EXISTING RESIDENTIAL DEVELOPMENT**

Land Use	Unit of Measure	Unincorporated Area	Total County
Single-Family Det.	Dwelling	63,410	123,288
Multi-Family	Dwelling	44,707	86,600
Mobile Home/RV	Dwelling	35,416	43,370
Total Dwelling Units		143,533	253,258
Hotel/Motel	Rooms	3,627	6,746

Source: Total dwelling units from 2000 U.S. Census, Table DP-1: Profile of General Demographic Characteristics, increased by 3.2% (average annual increase during the 1990s from Table 1) to adjust to 2001; distribution of dwelling units by housing type for unincorporated area from Lee County Planning Division, May 2001; distribution by housing type for Fort Myers and Cape Coral from planning departments and from Sanibel, Fort Myers Beach and Bonita Springs from Lee County Property Appraiser records as compiled by Lee County Planning Division, 1998; hotel/motel rooms from Lee County Property Appraiser records; Fort Myers hotel rooms from Planning Department, Nov. 30, 2000 email; Cape Coral hotel rooms as of August 2000 from city planning staff, Dec. 12, 2000.

The final step in determining total service units is to multiply the number of existing residential units by the EDUs per unit calculated earlier based on relative average household sizes. To determine the total EDUs for the purpose of the community park impact fee, the number of existing dwelling units of each housing type in the unincorporated area is multiplied by the appropriate EDUs per unit and

the results for all housing types are summed. As shown in Table 9, there are 123,098 park service units (EDUs) in the unincorporated parts of the county, and 221,104 park service units county-wide.

**Table 9
EXISTING PARK SERVICE UNITS**

Land Use	Unit of Measure	Existing Units	EDUs/Unit	Total EDUs
Single-Family Detached	Dwelling	63,410	1.00	63,410
Multi-Family	Dwelling	44,707	0.74	33,083
Mobile Home/RV Park*	Dwelling	35,416	0.70	24,791
Hotel/Motel	Room	3,627	0.50	1,814
Community Park EDUs, Unincorporated Area				123,098
Single-Family Detached	Dwelling	123,288	1.00	123,288
Multi-Family	Dwelling	86,600	0.74	64,084
Mobile Home/RV Park*	Dwelling	43,370	0.70	30,359
Hotel/Motel	Room	6,746	0.50	3,373
Regional Park EDUs, County-Wide				221,104

*mobile home on separately platted lot classified as single-family detached dwelling
 Source: Existing units from Table 8; EDUs/unit for dwellings from Table 7; hotel/motel EDUs/room based on assumed occupancy of 1.4 persons, which is one-half of average vehicle occupancy on vacation trips from U.S. Department of Transportation, *Nationwide Personal Transportation Survey*, 1995.

Cost per Service Unit

The total replacement cost of existing community park facilities, including both land and improvements, is at least \$82 million, as summarized in Table 10. Land costs were in some instances based on recent acquisition costs, but were in most cases based on assessed value. No land costs were included for parks located on land owned by the Lee County School District. Improvement costs were generally based on insured values.

**Table 10
COMMUNITY PARK REPLACEMENT COST**

Facility	Acres	Land Cost	Improvements	Total Cost
Alva Community Park	10	\$200,000	\$1,028,415	\$1,228,415
Bay Oaks Comm Center & Park	7	\$760,900	\$3,239,100	\$4,000,000
Bayshore Elementary School*	13	\$0	\$436,001	\$436,001
Boca Grande Community Center	2	\$712,040	\$2,787,960	\$3,500,000
Boca Grande Community Park	8	\$383,840	—	\$383,840
Buckingham Community Center	1	\$24,500	\$73,553	\$98,053
Buckingham Community Park	51	\$1,249,500	\$4,750,500	\$6,000,000
Cape Coral Community Pool	—	—	\$1,300,000	\$1,300,000
Cypress Lake Community Pool	1	\$108,700	\$1,300,000	\$1,408,700
Estero High School*	10	\$0	\$1,300,000	\$1,300,000
Estero/Bonita Community Park (10 ac dev'd)	65	\$2,100,000	\$400,000	\$2,500,000
Gateway Community Park	16	\$320,000	\$1,180,000	\$1,500,000
Hancock Park	17	\$584,460	\$3,300,000	\$3,884,460

Facility	Acres	Land Cost	Improvements	Total Cost
Harlem Hts/Kelly Road Community Park	42	\$0	\$1,500,000	\$1,500,000
J Collin Englis Elementary School*	1	\$0	\$504,584	\$504,584
Jerry Brooks Park**	10	\$0	\$1,500,000	\$1,500,000
Judd Park	14	\$280,000	\$505,729	\$785,729
Karl Draws Community Center and Pool	3	\$383,760	\$2,100,000	\$2,483,760
Lee County Sports Complex (portion)***	30	\$6,810,000	\$4,338,000	\$11,148,000
Lehigh Acres Community Center	2	\$413,780	\$398,731	\$812,511
Lehigh Acres Community Park	20	\$567,000	\$1,933,000	\$2,500,000
Lehigh Acres Senior Center	5	\$100,000	\$3,000,000	\$3,100,000
Lehigh Acres Middle School*	1	\$0	\$600,000	\$600,000
Matlacha Park	9	\$668,610	\$1,700,264	\$2,368,874
Nalle Grade Park	80	\$264,000	\$100,000	\$364,000
N Ft Myers Senior Center	6	\$183,810	\$1,400,000	\$1,583,810
N Ft Myers Community Park	51	\$1,020,000	\$2,300,000	\$3,320,000
N Ft Myers Swimming Pool	1	—	\$1,300,000	\$1,300,000
N Ft Myers Senior Center Pool	—	—	\$1,300,000	\$1,300,000
North Shore Park	—	—	\$210,000	\$210,000
Olga Community Center and Park	2	\$40,000	\$158,088	\$198,088
Phillips Park	8	\$160,000	\$1,500,000	\$1,660,000
Pine Island Elementary School*	4	\$0	\$200,000	\$200,000
Riverdale High School*	15	\$0	\$509,232	\$509,232
Rutenberg Park	40	\$3,138,000	\$2,816,710	\$5,954,710
San Carlos Elementary School*	7	\$0	\$350,000	\$350,000
Sanibel Elementary School*	6	\$0	\$367,618	\$367,618
Schandler Hall	4	\$131,200	\$192,828	\$324,028
Spring Creek Elementary School*	5	\$0	\$300,000	\$300,000
Suncoast Elementary School*	5	\$0	\$102,666	\$102,666
Tanglewood Elementary School*	3	\$0	\$500,000	\$500,000
Three Oaks Community Park	38	\$760,000	\$4,740,000	\$5,500,000
Tice Elementary School*	2	\$0	\$398,731	\$398,731
Veterans Park	97	\$500,000	\$2,000,000	\$2,500,000
Villas Elementary School*	3	\$0	\$500,000	\$500,000
Total	715	\$21,864,100	\$60,421,710	\$82,285,810

* no land costs included for land owned by Lee County School District

** no land costs included for land owned by Port Authority

*** assumed 1/4 of complex replacement value per County parks staff

Source: Acres from Lee County Department of Community Development, *Concurrency Management, Inventory and Projections, 1998/1999 - 1999/2000*, November 1999 with exceptions that Highland East Recreation Center was subsequently taken back by school district after lease expired and partially-developed Estero/Bonita Community Park was added; land costs based on original purchase price, where available, or from assessed value, with a minimum assumed value of \$20,000 per acre; improvement costs based on insured value or estimated replacement costs from County parks staff.

The total replacement cost of existing regional park facilities, including both land and improvements, is about \$109 million, as summarized in Table 11. The regional facilities include the Red Sox stadium owned by the City of Fort Myers, which participates in the County's regional park impact fee system. Land costs were in some instances based on recent acquisition costs, but in most cases were based on assessed value. Improvement costs were generally based on insured values.

**Table 11
REGIONAL PARK REPLACEMENT COSTS**

Regional Park Facility	Acres	Land Cost	Improvements	Total Cost
Alva Boat Ramp	—	\$69,000	\$1,431,000	\$1,500,000
Bowditch Point Park	17	\$5,750,000	\$418,915	\$6,168,915
Bonita Beach Park	4	\$23,000	\$1,177,000	\$1,200,000
Bonita Beach Accesses	—	—	\$360,000	\$360,000
Bowman's Beach Park	196	\$1,136,800	\$363,200	\$1,500,000
Caloosahatchee Regional Park	800	*	\$2,500,000	\$2,500,000
Davis Blvd Boat Ramp	—	—	\$900,000	\$900,000
Deleone Regional Park	14	—	\$1,300,000	\$1,300,000
Ft Myers Beach Accesses	—	—	\$1,000,000	\$1,000,000
Ft Myers Beach Pier	—	\$90,090	\$3,000,000	\$3,090,090
Hickey Creek Mitigation Park	720	\$3,259,440	\$750,000	\$4,009,440
Imperial River Boat Ramp	—	\$465,000	\$1,500,000	\$1,965,000
Lakes Park	276	\$4,459,090	\$683,142	\$5,142,232
Lee County Civic Center	97	\$4,937,300	\$7,959,564	\$12,896,864
Lee County Sports Complex (part)**	50	\$11,350,000	\$13,013,000	\$24,363,000
Little Hickory Beach Park	2	\$800,000	\$750,000	\$1,550,000
Lynn Hall Memorial Park	5	—	\$3,000,000	\$3,000,000
Manatee Park	12	—	\$1,500,000	\$1,500,000
Mantanzas Pass Park	47	\$117,500	\$900,000	\$1,017,500
Matlacha Park Boat Ramp	—	—	\$1,000,000	\$1,000,000
Punta Rassa Boat Ramp	—	\$40,540	\$2,000,000	\$2,040,540
Red Sox Stadium	50	\$10,000,000	\$15,000,000	\$25,000,000
Sanibel Causeway Park	10	—	\$200,000	\$200,000
Six Mile Cypress Slough Interpretive Center	70	\$392,000	\$608,000	\$1,000,000
Terry Park	36	—	\$4,367,968	\$4,367,968
Turner Beach Park	3	\$12,000	\$50,000	\$62,000
Total, County Regional Parks	2,409	\$42,901,760	\$65,731,789	\$108,633,549

* land owned by the State of Florida and leased to the County at nominal rate

**improvement value is estimated as 3/4 of insured value of entire 80-acre complex per County staff

Source: Acres from Lee County Department of Community Development, *Concurrency Management, Inventory and Projections, 1998/1999 - 1999/2000*, November 1999; land costs based on original purchase price if available or current assessment value; improvement costs based on insured values if available or County staff estimates.

Dividing this total replacement cost of existing park land and capital improvements by the number of existing park service units (or EDUs) yields the cost per EDU to maintain the existing level of service. The cost to maintain the current level of service for community parks in unincorporated areas of the county is \$668.46 per EDU, as summarized in Table 12. The cost per service unit to maintain the current county-wide level of service for regional parks is \$491.32 per EDU.

**Table 12
PARK COST PER SERVICE UNIT**

	Community Parks	Regional Parks
Park Replacement Cost	\$82,285,810	\$108,633,549
Total Existing Equivalent Dwelling Units (EDUs)	123,098	221,104
Cost per EDU	\$668.46	\$491.32

Source: Park replacement costs from Tables 10 and 11; total EDUs from Table 9.

Revenue Credits

New development should not be required to pay for new park facilities required to serve it through impact fees, while also having to pay for existing park facilities through property tax or other payments used to retire outstanding debt. In addition, new development should not have to pay for that share of new park facilities that will be funded through state or federal grants or other outside funding sources.

Lee County taxpayers are still repaying three bond issues that were wholly or partially used to fund community or regional park improvements.⁴ All of these remaining bond issues will be repaid over the next 12 years. The net present value of future debt service payments per equivalent dwelling unit is presented in Table 13.

Table 13
PARK DEBT SERVICE CREDIT PER SERVICE UNIT

Year	Community Parks			Regional Parks		
	Debt Service	EDUs	Credit/EDU	Debt Service	EDUs	Credit/EDU
2000	—	221,104	—	—	221,104	—
2001	\$207,769	228,400	\$0.91	\$825,407	228,400	\$3.61
2002	\$207,408	235,696	\$0.88	\$825,154	235,696	\$3.50
2003	\$384,249	242,992	\$1.58	\$811,048	242,992	\$3.34
2004	\$384,140	250,288	\$1.53	\$810,844	250,288	\$3.24
2005	\$263,205	257,586	\$1.02	\$583,371	257,586	\$2.26
2006	\$358,752	264,882	\$1.35	\$1,014,534	264,882	\$3.83
2007	\$359,293	272,178	\$1.32	\$1,016,064	272,178	\$3.73
2008	\$359,572	279,474	\$1.29	\$1,016,853	279,474	\$3.64
2009	\$359,339	286,770	\$1.25	\$1,016,196	286,770	\$3.54
2010	\$385,679	294,066	\$1.31	\$1,090,684	294,066	\$3.71
2011	\$411,131	301,362	\$1.36	\$1,040,618	301,362	\$3.45
2012	\$120,519	308,658	\$0.39	\$226,691	308,658	\$0.73
Total	\$3,801,056		\$14.19	\$10,277,464		\$38.58
Net Present Value			\$9.83			\$27.05

Source: Debt service attributable to community and regional parks derived from *Lee County Debt Manual, FY 1999*; county-wide EDUs based on year 2000 EDUs from Table 9 and constant annual increase based on projected 2000-2005 unincorporated area population growth of 16.5% from Lee County Community Development Department; net present value based on 6.24% discount rate, which was the County's average return on investments in the State Board of Administration (SBA) Investment pool for the year 2000.

In addition to the County-wide debt service credits for community and regional parks, there should also be a credit for the City of Fort Myers' outstanding debt for its regional park facility, the Red Sox

⁴ First, approximately \$4.1 million of the \$16.4 million 1992 Series Lee County Capital Bonds was used for the construction of Lakes Park, a regional park facility. This issue was refunded by the 1985 Series Capital Refunding Revenue Bonds, which in turn was refunded by the 1993 C Series Capital Refunding Revenue Bonds. Second, a variety of community and regional park improvements, totaling \$1.6 and \$3.1 million, respectively, were funded with the \$30.5 million Series 1989C Capital Refunding Revenue Bonds, which were subsequently refunded with Series 1993 B Capital Refunding Revenue Bonds. Third, a number of community and regional park improvements, totaling \$2.0 and \$5.8 million, respectively, were funded with the \$29 million Series 1989 B Capital Refunding Revenue Bonds, which were subsequently refunded with Series 1997 A Capital Refunding Revenue Bonds.

Stadium. Approximately \$2 million of regional park impact fees were used to help pay for the stadium. The City issued revenue bonds to pay for most of the remaining land and improvement costs.⁵ The bonds are being repaid with a combination of five revenue sources, which include excess utility taxes, franchise fees, occupation taxes, ½ cent sales tax revenues and guaranteed entitlement revenues. The outstanding debt on the stadium is about \$25 million. This amounts to over \$1,300 for every park service unit in Fort Myers, as shown in Table 14. Even if we assumed that half of the debt service would be paid by nonresidential development, the credit would still be greater than the county-wide regional park cost of \$491 per EDU. Consequently, new residential development in Fort Myers should not be required to pay a regional park impact fee.

**Table 14
FORT MYERS REGIONAL PARK FEE CREDIT**

Land Use	Unit of Measure	Existing Units	EDUs/Unit	Total EDUs
Single-Family Detached	Dwelling	8,295	1.00	8,295
Multi-Family	Dwelling	11,937	0.74	8,833
Mobile Home/RV Park*	Dwelling	1,604	0.70	1,123
Hotel/Motel	Room	1,822	0.50	911
Total Fort Myers Park EDUs				19,162
Outstanding Debt for Red Sox Stadium				\$25,228,616
Regional Park Debt Credit per EDU				\$1,317

*mobile home on separately platted lot classified as single-family detached dwelling
 Source: Total dwelling units from 2000 U.S. Census, Table DP-1: Profile of General Demographic Characteristics; distribution of dwelling units by housing type and hotel rooms from Planning Department, Nov. 30, 2000; EDUs/unit for dwellings from Table 7; outstanding debt from City Finance Department, June 1, 2001.

Lee County has a history of spending some Community Development Block Grant (CDBG) funding on community park improvements. Over the last seven years, the County has spent an average of \$42,000 annually on community park improvements, as summarized in Table 15.

**Table 15
COMMUNITY PARK GRANT FUNDING, 1995-2001**

Grant	Year	Description	Amount
CDBG	FY 1994/95	Charleston Park	\$14,941
CDBG	FY 1995/96	Charleston Park	\$31,228
None	FY 1996-97	—	\$0
CDBG	FY 1997-98	Harlem Heights	\$170,954
CDBG	FY 1998-99	Harlem Heights	\$79,302
None	FY 1999-00	—	\$0
None	FY 2000-01	—	\$0
Total Grant Funding, 1995-1999			\$296,425
Average Annual Grant Funding			\$42,000

Source: Lee County Human Services Department, April 13, 2001.

⁵The stadium was originally paid for with two City bond issues. The 1992-B taxable issue, which built the stadium, and the 1992-A, which reimbursed the City and then was turned around and used to buy the land. The 1992-A issue was advance refunded as part of the 1997-A issue. The 1992-B issue had a cash defeasance and was partially refunded by a portion of the 1999-GB Bonds.

Lee County has also received some grant funding in recent years for regional park facilities. Over the past five years, the County has received an average of about \$70,000 in grant funding for regional park improvements each year, as summarized in Table 16.

**Table 16
REGIONAL PARK GRANT FUNDING, 1995-1999**

Grant	Year	Description	Amount
None	FY 1994/95	—	\$0
None	FY 1995/96	—	\$0
Pollution Recovery	FY 1996-97	Lakes Park	\$47,474
FRDAP	FY 1996-97	Matanzas	\$100,000
SBA Tree Grant	FY 1996-97	Matanzas	\$27,868
DEP	FY 1997-98	Caloosahatchee	\$75,000
Flowway	FY 1998-99	Lakes Park	\$100,000
Total Grant Funding, 1995-1999			\$350,342
Average Annual Grant Funding			\$70,000

Source: Lee County grants coordinator, June 14, 2000.

Assuming that the County continues to spend CDBG funds on community parks and to receive regional park grants proportional to the amount of development it serves, over the typical 20-year financing period for capital facilities the County will receive the equivalent of a current lump-sum contribution of \$3.83 per service unit for community parks and \$3.60 per service unit for regional parks, as shown in Table 17.

**Table 17
PARK GRANT FUNDING CREDITS**

	Community Parks	Regional Parks
Annual Park Capital Funding	\$42,000	\$70,000
Total Existing Park Equivalent Dwelling Units (EDUs)	123,098	221,104
Annual Park Funding per EDU	\$0.34	\$0.32
Net Present Value Factor for Future Funding	11.25	11.25
Park Funding Credit per EDU	\$3.83	\$3.60

Source: Annual grant funding from Tables 15 and 16; existing park EDUs from Table 9; net present value factor based on 20 years at 6.24% discount rate; discount rate based on the County's average return on investments in the State Board of Administration (SBA) investment pool for the year 2000.

In addition to grants, the State of Florida is leasing the Caloosahatchee regional park to the County at nominal rates. For this reason, the land value of the 800-acre park has not been included in the regional park impact fee cost calculations.

The Conservation 2020 mill levy, a county-wide property tax that expires in three years but can be renewed, generates about \$10 million annually in revenue dedicated for acquiring land for preservation. However, the conservation land purchased with these funds generally does not have public access and thus does not qualify as regional park land. Since none of the land acquired with Conservation 2020 funding has been included in the existing level of service on which the regional park impact fees are calculated, no impact fee credit is warranted.

Another park funding source is Tourist and Development Commission (TDC) funding. The County receives approximately \$600,000 in TDC funds annually, and uses these funds exclusively for the operation and maintenance of the County's beach parks. Since none of the money is spent on capital improvements, no impact fee credit is warranted.

Reducing the costs per service unit by the park debt service credits and the anticipated grant funding per service unit leaves a community park net cost of \$655 per EDU, and a regional park net cost of \$461 per EDU for new development in the unincorporated area and participating municipalities other than Fort Myers, as shown in Table 18.

**Table 18
PARK NET COST PER SERVICE UNIT**

	Community Parks		Regional Parks	
	Unincorporated Only	Fort Myers	Uninc./Sanibel	
Cost per EDU	\$668.46	\$491.32	\$491.32	
Debt Service Credit per EDU	\$9.83	\$27.05	\$27.05	
Red Sox Stadium Credit per EDU	—	\$1,317.00	—	
Grant Funding Credit per EDU	\$3.83	\$3.60	\$3.60	
Net Cost per EDU	\$654.80	\$0.00	\$460.67	

Source: Costs per EDU from Table 12; debt service credits per EDU from Table 13; Fort Myers debt credit includes credit from Table 14; grant funding credits per EDU from Table 17.

Maximum Fee Schedules

As discussed earlier, this report explores the possibility of basing the fees on the number of bedrooms, as an alternative to the current method of basing them on housing type. Although not attorneys licensed in Florida, the consultant team believes that either approach is defensible. Both sets of characteristics are strongly related to the number of people that will reside in the unit and potentially make use of the County's regional and community park facilities. Sound, reliable data are available for Lee County's average household size by housing type and number of bedrooms characteristics, in the form of five percent sample data from Lee County households from the 1990 census. Even better data will be available in about two years when comparable 2000 census data are released, but for now the 1990 census data are the best available. Consequently, this report presents two alternative maximum fee schedules, and the choice between them is a policy issue to be decided by the Board of County Commissioners.

Assessment by Housing Type

The current approach used to calculate maximum park impact fees is to multiply the number of equivalent dwelling units (EDUs) per unit associated with various housing types by the net cost per EDU of maintaining the existing level of service. These park impact fee calculations are presented in Table 19.

**Table 19
POTENTIAL PARK IMPACT FEES BY HOUSING TYPE**

Housing Type	Unit	EDUs/ Unit	Community Parks		Regional Parks	
			Net Cost/ EDU	Net Cost/ Unit	Net Cost/ EDU	Net Cost/ Unit
Single-Family Detached	Dwelling	1.00	\$654.80	\$655	\$460.67	\$461
Multi-Family	Dwelling	0.74	\$654.80	\$485	\$460.67	\$341
Mobile Home/RV Park	Pad Site	0.70	\$654.80	\$458	\$460.67	\$322
Hotel/Motel	Room	0.50	\$654.80	\$327	\$460.67	\$230

Source: EDUs per unit from Tables 7; net costs per EDU from Table 18.

The potential fees by housing type calculated above are compared with the County's current park fees in Table 20. Note that time-share units have been included with other multi-family units, since the distinction is based on the ownership and operation of the complex, rather than on the type of structure. In addition, mobile home and recreational vehicle parks have been lumped together in the same housing category. These changes are dictated by the fact that there is no reliable data on average unit occupancy in timeshare units or recreational vehicles.

**Table 20
COMPARISON OF CURRENT AND POTENTIAL PARK FEES**

Housing Type	Unit	Community Parks			Regional Parks			Combined Fees		
		Current Fee	Potential Fee	Potential Change	Current Fee	Potential Fee	Potential Change	Current Fee	Potential Fee	Potential Change
Single-Family	Dwelling	\$619	\$655	\$36	\$253	\$461	\$208	\$872	\$1,116	\$244
Multi-Family	Dwelling	\$408	\$485	\$77	\$131	\$341	\$210	\$539	\$826	\$287
Timeshare	Dwelling	\$867	\$485	(\$382)	\$228	\$341	\$113	\$1,095	\$826	(\$269)
Mobile Home	Pad Site	\$439	\$458	\$19	\$210	\$322	\$112	\$649	\$780	\$131
Rec. Vehicle	Pad Site	\$417	\$458	\$41	\$199	\$322	\$123	\$616	\$780	\$164
Hotel/Motel	Room	\$417	\$327	(\$90)	\$179	\$230	\$51	\$596	\$557	(\$39)

Source: Current fees from Lee County Ordinance 90-48; updated fees from Table 19.

Assessment by Bedrooms

If the County decided to change the basis for assessing park impact fees from housing type to the number of bedrooms, the maximum fees that could be adopted are shown in Table 21. Note that while single-family detached, mobile/manufactured homes on individual lots and multi-family units would be assessed based on the number of bedrooms, mobile home/RV parks would be assessed per pad site and hotel/motels per room at the rates calculated above for housing type.

**Table 21
POTENTIAL PARK IMPACT FEES BY NUMBER OF BEDROOMS**

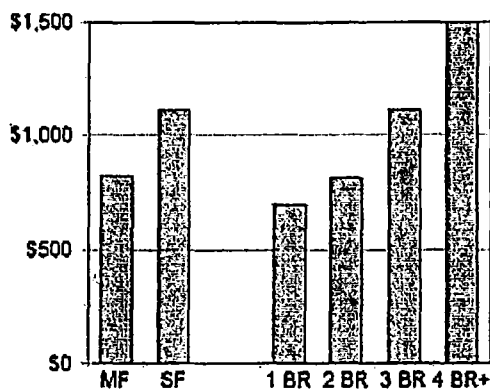
No. of Bedrooms	EDUs/ Unit	Community Parks		Regional Parks		Combined Potential Fee
		Net Cost/EDU	Potential Fee	Net Cost/EDU	Potential Fee	
up to 1	0.63	\$654.80	\$413	\$460.67	\$290	\$703
2	0.73	\$654.80	\$478	\$460.67	\$336	\$814
3	1.00	\$654.80	\$655	\$460.67	\$461	\$1,116
4 or more	1.41	\$654.80	\$923	\$460.67	\$650	\$1,573

Source: EDUs/unit from Table 7; net cost per EDU for community and regional parks from Table 18.

Policy Considerations

The main policy reason in favor of assessing park impact fees on the number of bedrooms, rather than on the basis of housing type, would be its presumed lesser negative impact on the provision of affordable housing. Under the current assessment mechanism, all new units of the same housing type are assessed the same fee, regardless of size (as reflected in the number of bedrooms). Under the alternative mechanism, the fees would be higher for larger, more expensive units and lower for smaller, less expensive units (to the extent that smaller units with fewer bedrooms are less expensive). Figure 2 illustrates the difference between fees by housing type and by bedrooms.

**Figure 2
POTENTIAL FEES**



A related policy consideration is that the approach to assessing park impact fees could have implications for assessing school impact fees as well. Potential school impact fees are currently being developed by the consultant team for the Lee County School District, and student generation is even more strongly related to number of bedrooms than is average household size. For example, a three-bedroom single-family unit in Lee County generates twice as many public school students as a two-bedroom home. The same issue of the assessment mechanism will be raised when school impact fees come before the County Commission.

A practical consideration is how to define and identify a bedroom. Bedrooms must comply with building code requirements for emergency egress, so identifying bedrooms is something that is already done in the permit review process, although some judgement is involved. As noted earlier, Broward, Lake and Martin Counties all charge by bedroom for park and school impact fees. Lake County's land development code contains the following approach to defining a bedroom:

The building official makes all determinations as to what constitutes a "sleeping room" or a "bedroom." The building official takes into consideration the following factors when making such determination:

1. The presence or absence of a closet;
2. The presence or absence of a smoke detector;
3. Whether the room has direct access or access via a hallway to a restroom as opposed to having to go through a separate room to get to a restroom.

4. The total number of bedrooms/sleeping rooms;
5. The square footage of the room;
6. The total square footage of the house/building as a whole;
7. Whether the construction plans depict an egress window; and/or
8. Any other factor(s) the building official deems relevant in making his determination

While determining the number of bedrooms from construction plans is somewhat more subjective than determining housing type or square footage, it is something that is already done and is not an insurmountable obstacle to assessing park impact fees based on the number of bedrooms.

A final policy issue that does not arise with fees by housing type, but does arise when fees are based on a measure of unit size, is whether to charge for residential additions. Broward County, for example, assesses park and school impact fees on the basis of the number of bedrooms, but does not charge for residential additions that add new bedrooms. The most consistent position would be to charge for any residential addition that has the net effect of adding a bedroom, as well as for any replacement structure that contains more bedrooms than the structure being replaced. On the other hand, assessing residential additions would entail some administrative costs.

In sum, the County has two reasonable options that are supported by the data and are administratively feasible. Whether to continue to assess park impact fees by housing type or to change to assessment by number of bedrooms is a policy decision for the Board of County Commissioners.