April 23, 2015

Stockton Whitten, Brevard County Manager  
Brevard County Government Offices, 
2725 Judge Fran Jamieson Way, Building C 
Viera, FL 32941

RE: Request to Implement Consultant’s Recommendations for Educational Facilities Impact Fees

Dear Mr. Whitten:

First and foremost, the School District of Brevard County thanks the Brevard County Commission for their implementation of Educational Facilities Impact Fees in 2004 and their continued support of this critical source of capital funding for the School District. These revenues were a vital component in our construction of student stations to meet growing student enrollment and the requirements of Class Size legislation in the early years of the program, and essential in helping us service our debt payments when our capital revenues declined by 65% in recent years. Fortunately, rising property values and the recent approval of the sales surtax now allow us to pay our debt and address critical infrastructure renewal, making it possible once again to use the impact fees to construct new student stations in the high-growth areas of the county.

At a School Board Workshop on March 31, 2015, I presented an analysis showing the need for two new elementary schools in the next five years. I have attached that portion of my presentation for your reference. Superintendent Dr. Brian Binggeli then presented a six-year capital strategy that included the use of impact fees as the primary funding source for the construction of those two new schools. I have attached a copy of Dr. Binggeli’s presentation for your reference (see page 17). Please note that the annual impact fee revenues for the new schools in Dr. Binggeli’s presentation requires the aggregation of all impact fees in the county (at the current fee schedule) to generate sufficient funds meet the required timeline.

On March 3, 2015, Tindale Oliver presented the Final Report of the Brevard County Impact Fee Update Study, which included Educational Facilities Impact Fees. I have attached the cover page of the study and the essential elements of their recommendations regarding Educational Facilities Impact Fees, which include:

1. A single, county-wide impact fee benefit district.
2. An increase in the impact fee schedule from $4,445 to $10,195 for Single Family Detached units, with a slight increase for Multi-Family/Condo/Townhouse and a slight decrease for Mobile Home.

Dane G. Theodore, AIA, CGC  
Assistant Superintendent / Facilities Services  
Phone: (321) 633-1000 x450 Fax: (321) 633-4646
While we hope that the County Commissioners will implement both the new impact fee schedule and the county-wide benefit district recommended by your consultant, we understand that implementing both of the recommendations would be difficult.

We are, therefore, requesting that the County Commissioners consider revising the ordinance and the related interlocal agreement to implement one of the recommendations. Either change would provide sufficient impact fees to fund the new schools within the required timeline. Our suggestion is the single, county-wide benefit district.

A single, county-wide benefit district is appropriate for several reasons:
1. Our extensive choice programs allow a significant percentage of our students to attend schools that are not in the impact fee benefit district where they reside.
2. It is consistent with a county-wide School District and our methodology of utilizing District-wide funds to address both operating and capital needs wherever they occur.
3. It helps the School District address the $5,748 deficit between the current impact fee and the recommended fee (actual impact of the unit) every time a new single unit is built by allowing the the impact fees to be aggregated and utilized where needed.

Please note that I was (informally) authorized by the School Board to transmit this request at the School Board Workshop on March 31, 2015. If a formal request from the School Board is required to begin the process, please let me know and I will obtain same.

Also note that we discussed our intention to request a single, county-wide benefit district with the members of the Impact Fee Benefit District Advisory Committee Members at a meeting on April 6, 2015. Because several members expressed concern about a single benefit district, we will continue to work with the committee regarding this request.

Thank you in advance for your assistance in forwarding this request to the County Commissioners. Please let me if you have any questions or require additional information.

Sincerely,

Dane G. Theodore, AIA, CGC
Assistant Superintendent, Facilities Services

Copy w/ attachments:
School Board Members
Impact Fee Benefit District Advisory Committee Members
Dr. Brian Binggeli, Judy Preston
Steve Swanke (Brevard County Planning & Development)
2019-2020 Elementary School Student Enrollment
Projected Permanent Capacity Utilization

LEGEND
Elementary School Student Enrollment 2019-2020
Permanent Capacity Utilization
- less than 70%
- 70% to 79%
- 80% to 89%
- 90% to 99%
- 100% or more

Facilities Services
Planning and Project Management
Map by David Lindemann
March 2015
Impact Fees Received for 2013-14 = $8.3m. The graph splits these dollars over two years to equalize available funds.
Minimal Capital Needs Above Debt Service: $43.3 Million

- **$4 Million: Buses** – 14 Year Replacement Cycle (Standard = 10-12)
  - 2010-2013: Should Have Spent $16m – Actually Spent $4m

- **$6 Million: Technology**
  - Nothing New – Meet LAN/WAN Requirements; Servers – 8 Year Cycle; Computers – 5 Year Cycle (Exceed Industry Standards)
  - 2010-2013: Should Have Spent $24m – Actually Spent $8.46m

- **$27.5 Million: Facilities Renewal** – 1.5% of Assessed Value—25 Year Life Cycle (Association of Physical Plant Administrators (APPA) standard is 1.5% to 3%)
  - 2010-2013: Should Have Spent $110m - Actually Spent $20.2m

- **$5.8 Million: Facilities Maintenance & Repair at Failure**: (2006-2007 budgeted $7.1 Million)
## Capital Reserve Assets

### Capital Reserves As Of:

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2015</td>
<td>$19.5m</td>
</tr>
</tbody>
</table>

### Bond Refunding – Debt Avoidance

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 18, 2014 – Refunding</td>
<td>$5.4m</td>
</tr>
<tr>
<td>February 10, 2015 – Refunding</td>
<td>$9.2m</td>
</tr>
</tbody>
</table>

### Total Capital Reserve Assets: $34.1m
Impact Fees Received for 2013-14 = $8.3m. The graph splits these dollars over two years to equalize available funds.
Estimated Property Tax & Surtax Revenue

- **Surtax Proceeds**
- **State Sources**
- **Local Sources**
- **Bond Refunding - Debt Avoidance & Capital Reserves (both greens)**
- **Local Impact Fees**
- **Debt Payments**

**NOTE:** Pulled Out Previous Capital Reserve & Subtracted Facilities Contingency
Dollars Not Displayed in Sales Tax
Annual Additions to Capital Expenditures

All 6 Years (2015-16 to 2020-21)

- $4,000,000 – Property Insurance
- $966,000 – School Security
Expenditure Line Increases $5m Annually

RED LINE: 2015-16 – 2020-21: Added $4m Property Insurance & $0.96m School Security
Annual Capital Expenditures
Paid with Surtax Revenue

- $26.2m ($27.5m) Facilities Renewal
- $4.2m ($6.0m) Technology

* $1.3m Renewal & $1.8m Technology Must Come From Discretionary Capital to Meet Red Line Minimum

All Others (Buses, Maintenance, Property Insurance) Must Be Paid For with Discretionary Capital Dollars
Proposed Deployment of Capital Assets
(2015-16 to 2020-21)

NOTES: 2015-16 – 2016-17: -$1.3m Renewal; +$2.5m Bond Refunding – Debt Avoidance
2017-18: -$1.3m Renewal; +$1.0m Capital Reserve
Amount of Discretionary Capital Dollars Above Debt Needed

2015-16 & 2016-17

- $4.0m: Buses
- $1.8m: Technology
- $5.8m: Maintenance
- $4.0m: Property Ins.
- $2.5m: New School

Total: $18.1m

2017-18

- $4.0m: Buses
- $1.8m: Technology
- $5.8m: Maintenance
- $4.0m: Property Ins.
- $1.0m: New School

Total: $16.6m
Amount of Discretionary Capital Dollars Above Debt Needed

2018-19

- $4.0m Buses
- $1.8m Technology
- $5.8m Maintenance
- $4.0m Property Ins.
- $1.3m Renewal

Total: $16.9m

2019-20

- $3.6m Buses
- $1.0m Technology
- $5.8m Maintenance
- $4.0m Property Ins.
- $2.5m New School

Total: $16.9m

2020-21

- $4.0m Buses
- $1.8m Technology
- $5.8m Maintenance
- $4.0m Property Ins.
- $1.3m Renewal

Total: $16.9m
Amount of Discretionary Capital Dollars Above Debt Available

Note: Amount in Brackets Equal Discretionary Capital Revenue Above Debt
Why Not Defer Instead of Meeting Red Line Expenditures?
Estimated Average Daily Bus Fleet Age
Based on Proposed $4m Expenditure (36 Buses) for 6 Years

Average Age of Bus
- Current: 10.5
- FY15: 10.4
- FY16: 9.6
- FY17: 9.3
- FY18: 8.9
- FY19: 8.6
- FY20: 8.3
- FY21: 7.5

Age of Oldest Bus
- Current: 20.1
- FY15: 18.6
- FY16: 16.8
- FY17: 17.3
- FY18: 17.6
- FY19: 17
- FY20: 16.2
- FY21: 16

# of Buses under Warranty
- Current: 31
- FY15: 40
- FY16: 86
- FY17: 105
- FY18: 138
- FY19: 163
- FY20: 180
- FY21: 180

36 Buses Per Year for 6 Years
Estimated Parts Expenditure Reduction
Based on Proposed $4m Expenditure (36 Buses) for 6 Years

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Parts Expenditure in $100K</td>
<td>700</td>
<td>649.6</td>
<td>599.2</td>
<td>548.8</td>
<td>498.4</td>
<td>448</td>
<td>397.6</td>
<td>341.6</td>
</tr>
<tr>
<td># of Buses Under Warranty</td>
<td>31</td>
<td>40</td>
<td>86</td>
<td>105</td>
<td>138</td>
<td>163</td>
<td>180</td>
<td>180</td>
</tr>
</tbody>
</table>

36 BUSES PER YEAR
Proposed Funding for New Elementary School – W. Melbourne

$3.3m → Existing 2014-15 Impact Fees
$9.0m → 2015-16 & 2016-17 Impact Fees
$5.0m → 2015-16 – 2017-18 Bond Refunding – Debt Avoidance
$1.0m → 2017-18 Capital Reserve
$18.3m → BUILD: 2017-18  OPEN: 2018-19

Proposed Funding for New Elementary School – Viera

$5.0m → 2017-18 Impact Fees
$5.5m → 2018-19 Impact Fees
$6.0m → 2019-20 Impact Fees
$2.5m → 2017-18 – 2019-20 Bond Refunding – Debt Avoidance
$19.0m → BUILD: 2019-20  OPEN: 2020-21
Available Reserves

- **Capital Reserve (2021)**: $4.3m
- **Surtax Contingency**: $9.8m
- **Board Contingency**: $19.9m

But it should get better .....

## Additions & Changes to Future Capital Funding

### Source of Funding

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Capital Reserve</th>
<th>New Schools</th>
<th>Project List</th>
<th>Renewal</th>
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<tbody>
<tr>
<td>Additional Bond Refinancing</td>
<td>☑</td>
<td></td>
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<tr>
<td>Impact Fees</td>
<td></td>
<td>☑</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in Property Assessment - ? (+/-)</td>
<td>☑</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>½ Cent Surtax Proceeds - ? (+/-)</td>
<td></td>
<td></td>
<td>☑</td>
<td></td>
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<tr>
<td>Capital Supplement</td>
<td>☑</td>
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<td>☑</td>
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<tr>
<td>PECO</td>
<td></td>
<td></td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Sale of Land</td>
<td></td>
<td>☑</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tech Categorical/E-Rate</td>
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</tr>
</tbody>
</table>
Capital Strategic Approach
(2015-2021 ... and Beyond)

- Average Age of Bus Fleet Goes From 10.5 Years to 7.5 Years in 2021
- Two New Elementary Schools in High-Growth Areas – Built Without Adding Debt
- Critical Infrastructure and Maintenance/Repair Needs Addressed (Issues from 7 Years of Deferred Still Exist)
- Adequate Technology Infrastructure at All Schools – Minimum Replacement Cycle
- Access Security Enhanced at All Schools
- $4 Million Annually Recovered in Operating Fund (Property Insurance Paid from Capital Budget)
- 6/30/21 Capital Reserve Should Increase Beyond $4.3 Million
- Outstanding Debt Reduced From $1.025 Billion on 6/30/09 to $471.783 Million in 6/30/21
Questions
Service Area and Enrollment

The Brevard Public Schools provides public education facilities that are available to all Kindergarten thru 12th grade (K-12) students throughout the entire county. Currently, Brevard County has four school impact fee benefit districts, which require that impact fee revenues collected in one district be spent in the same benefit district. Benefit districts are typically created to ensure the fee payer receives the benefit in cases when the capital projects built with impact fee revenues benefit a limited geographic area. In the case of public schools, attendance boundaries can be redrawn to balance school enrollment with available school capacity and therefore can serve different geographic areas over time. In addition, the State Department of Education (DOE) has been increasing its support of Choice programs where students can attend schools outside of their designated districts. Brevard County Public Schools provides extensive opportunities for a student to attend schools other than their zoned school, with five Schools of Choice and numerous Choice programs resulting in 9,700 students (15 percent) attending out-of-area schools. As such, the appropriate impact fee benefit district for public schools is countywide.

Table VI-1 presents the historical student enrollment since 2000, and projected enrollment through 2019. In order to be consistent with the inventory used in the impact fee analysis, the figures presented in this table only include those students attending (or projected to attend) the schools listed in Appendix C, Table C-1. The annual percent change is presented, as well as a three-year average to account for any random fluctuations.
Calculated School Impact Fee Schedule

To determine the calculated school impact fee for each residential land use under each fee schedule scenario, the net impact cost per student is multiplied by the student generation rate. The resulting calculated impact fees are presented in Table VI-11. The change in impact fees is due primarily an increase in costs and a reduction in credit. In addition, changes in the student generation rates results in fluctuations in the calculated impact fee.

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Unit</th>
<th>Students per Unit&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>Net Impact Cost per Student&lt;sup&gt;(2)&lt;/sup&gt;</th>
<th>Total Impact Fee&lt;sup&gt;(3)&lt;/sup&gt;</th>
<th>Current Adopted Fee&lt;sup&gt;(4)&lt;/sup&gt;</th>
<th>Percent Change&lt;sup&gt;(5)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single Family Detached</td>
<td>du</td>
<td>0.308</td>
<td>$33,095</td>
<td>$10,193</td>
<td>$4,445</td>
<td>129%</td>
</tr>
<tr>
<td>Multi-Family/Condo/Townhouse</td>
<td>du</td>
<td>0.115</td>
<td>$33,746</td>
<td>$3,881</td>
<td>$2,794</td>
<td>39%</td>
</tr>
<tr>
<td>Mobile Home</td>
<td>du</td>
<td>0.075</td>
<td>$33,504</td>
<td>$2,513</td>
<td>$2,667</td>
<td>-6%</td>
</tr>
</tbody>
</table>

(1) Source: Table VI-10
(2) Source: Table VI-9
(3) Students per unit (Item 1) multiplied by the net impact cost per student (Item 2).
(4) Source: Brevard County
(5) Percent change from the current adopted fee (Item 4) to the total impact fee (Item 3).

School Impact Fee Schedule Comparison

As part of the work effort in updating Brevard County’s school impact fee program, a comparison of the calculated single family school impact fees for Brevard County is made to the single family school impact fees adopted by other counties throughout Florida has been prepared. Table VI-12 presents this comparison. For those where the information was available, the percentage that the impact fee was adopted at is shown.