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School Board of Volusia County

Dr. Margaret A. Smith
Superintendent of Schools

Ms. Judy Andersen, Chairman
Mrs. Vicki Bumpus, Vice-Chairman
Ms. Candace Lankford
Ms. Judy Conte
Dr. Al Williams

November 30, 2005

Cynthia A. Coto
County Manager
County of Volusia
Thomas C. Kelly Administration Center
123 W. Indiana Avenue
DeLand, FL 32720

Hand Delivered

Dear Mrs. Coto:

Re: Update to Volusia County Educational Impact Fee

Attached is a copy of a report prepared by Tindale-Oliver and Associates presenting the calculation of the indexing component of the impact fee to establish a new fee effective February 1, 2006. The Ordinance requires a new study to be performed every three years and in the intervening years the amount of the impact fee is to be indexed for the changing costs of school construction and values of land. We have completed no new schools that were not already considered in last December's impact fee study thus the 24.7% increase in Volusia land values was the only factor considered. As required in 70-175 of the Ordinance, the increase in land costs was weighted at 10% so the resulting percentage increase in the impact fee should be 2.47%. The dollar amount of the increase is calculated to be \$301.74 and the amount of the new fee, \$5,744.26.

I appreciate the work you and your staff have done on our behalf. Let me know if we can provide any further information or assistance in this matter.

Sincerely,

William C. Kelly, Jr.
Deputy Superintendent
For Financial and Business Services

Attachment

Cc: Dr. Margaret A. Smith
Ms. Judy Andersen
Mrs. Vicki Bumpus
Ms. Candace Lankford
Ms. Judy Conte
Dr. Al Williams
Patricia Drago (no attachment)
Tim Huth (no attachment)
Ron Yates



November 29, 2005

Mr. William Kelly
Deputy Superintendent for
Financial and Business Services
Volusia County School District
200 North Clara Avenue
DeLand, FL 32720

Re: Volusia County School District Impact Fee – Indexing Update

Dear Bill:

Per your request, Tindale-Oliver & Associates, Inc. (TOA) has updated the indexing component of the Volusia County School District Impact Fee pursuant to Article V, Section 70-175 of the Volusia County Code of Ordinances, which is attached as an addendum to this letter. The Ordinance allows the indexing of both construction and land costs. Below is our recommendation concerning the indexing of the Volusia County School District Impact Fee.

Based on the language contained in the County Ordinance, the construction component of the impact fee analysis can only be updated based on schools constructed within the last year (since December 2004). As confirmed with Pat Drago, Hinson Middle School is the only school for which construction was completed within the last twelve months. As part of the in the TOA December 2004 School Impact Fee Report, bid costs for Hinson Middle School (bid in April 2003), along with costs for comparable middle schools in Seminole County, were included in the technical analysis used to calculate the construction cost per square foot for a typical middle school in Volusia County. Since construction costs for Hinson Middle School were considered in the December 2004 School Impact Fee Report, it is not appropriate to index the current school impact fee with construction costs of the Hinson Middle School.

In 2005, the Volusia School District received bids on two new elementary schools. The resulting cost per square from these two bids is significantly higher than the costs used in the 2005 Volusia School Impact Fee Study. However, since construction of these two schools has not yet been completed, they cannot be included in the calculation of the index for the School Impact Fee. Should construction of either or both of these two elementary schools be completed within the next twelve months, then it would be appropriate to consider their construction costs in the next update of the indexing component for the Volusia School Impact Fee.

As specified in Article V, Section 70-175, the indexing component shall be "based upon a blended rate of 90 percent of which is based on the percentage change in school constructions costs and ten percent of which is based on the percentage change in property values." As previously

mentioned, no adjustments should be made to the construction cost component of the index at this time. However, the land value component of the index should be adjusted to reflect the percent increase over the last 12 months of the countywide just land values contained in the recently certified 2005 tax roll.

Table 1 presents the percent increase for just land values in Volusia County over the past 12 months.

Table 1
Volusia County Just Values (2004-2005)⁽¹⁾

Year	Just Land Value	Percent Increase
2004	\$32,848,427,751	
2005	\$40,950,203,731	24.7%

(1) Source: Volusia County Property Appraiser, certified taxrolls

Applying these percentages, 0 percent for construction cost increases and 24.7 percent for just land value increases, would provide a combined index of 2.47 percent, as shown in Table 2.

Table 2
Indexing Application

Calculation Step	Annual Increase ⁽¹⁾	Percent of Total ⁽²⁾	Index ⁽³⁾
Land Cost	24.7%	10.0%	2.47%
Construction Cost	0.0%	90.0%	0.00%
Weighted Average Index			2.47%

(1) Source: Table 1 for annual increase of land

(2) Source: Volusia County Code of Ordinances, Article V, Section 70-175

(3) Annual increase (Item 1) multiplied by percent of total (Item 2)

This index is then applied to the currently adopted school impact fee of \$5,442.52, which includes a three percent administration fee assessed by the County. Applying this index, as well as the administration fee, would result in an increased impact fee from \$5,442.52 to \$5,744.26.

Please let me know if you have any questions.

Sincerely,
Tindale-Oliver and Associates, Inc.

A handwritten signature in black ink, appearing to read "Robert P. Wallace", with a long horizontal flourish extending to the right.

Robert P. Wallace, P.E., AICP
Vice-President

**ADDENDUM
ARTICLE V. SCHOOL IMPACT FEE**

Sec. 70-175. Methodology for calculating the impact fee.

(a) The amount of the impact fee shall be determined by the impact fee calculation set out in the impact fee calculation report. The impact fee calculation shall apply the following formula:
Impact fee (net capital cost) = Total capital cost - External revenues - Local capital revenues apportioned per dwelling based upon the student generation rate.

In performing the impact fee calculation, the same definitions as provided herein shall be used.

(b) On February 1, 2006, and February 1 of every subsequent year thereafter the impact fee shall be adjusted to reflect any inflation or deflation in school construction costs after December 1, 2004, based upon a blended rate of 90 percent of which is based on the percentage changed in school constructions costs and ten percent of which is based on the percentage change in property values. The percentage change in school construction costs will be the average of the percentage changes in the cost per square foot of schools completed in the previous 12-month period compared to the prior year's determination of cost per square foot. If no schools have been completed within the previous 12-month period, then the prior year's percentage change in cost per square foot will be used. The change in property values will be the percentage change in just property values as reported by the Volusia County Property Appraiser based upon the most recent final tax roll for Volusia compared to the final tax roll of the preceding year. The school board shall provide the adjustment rate with the revised impact fee amount to the county by December 1 of the year preceding the effective date for collection of the revised impact fee.

(c) For any revised calculation as provided in this section, the effective date of the new impact fee amount shall be the 1st day of February next following the school board having provided the adjustment rate as described in subsection (b).

(Ord. No. 97-7, § VII, 5-15-97; Ord. No. 2005-01, § V, 2-24-2005)