

**THE OVERSIGHT COMMITTEE FOR
THE IMPLEMENTATION OF THE SECOND AMENDED INTERLOCAL AGREEMENT FOR PUBLIC
SCHOOL FACILITY PLANNING, BROWARD COUNTY, FLORIDA**

**Minutes
Oversight Committee Public Meeting**

June 6, 2014

12:00 noon

Kathleen C. Wright Administration Center, School Board Meeting Room

1. Call to Order

Chair Tingom called the June 6, 2014 Oversight Committee meeting to order at 12.01 p. m.

2. Roll Call

Linda Houchins took roll call, and the following Committee Members were in attendance:

- Cooper, Joy
- Eichner, Shelly
- Eisinger, Debbie
- Freedman, Abby M.
- Good, Patricia
- Hunschofsky, Christine
- Krishnaiyer, Latha
- Naylor, Lew
- Resnick, Gary
- Rich Levinson, Laurie
- Soltanipour, Marilyn (by telephone)
- Stermer, Daniel J.
- Tingom, Peter S.
- Wexler Lois

3. Approval of Minutes - April 9, 2014 Meeting

Committee Member Wexler made a motion to approve the minutes of the April 9, 2014 meeting. Committee Member Good seconded the motion, and the minutes were approved unanimously.

4. Additions to the June 6, 2014 Meeting Agenda

There were no additions to the June 6, 2014 meeting agenda.

5. Approval of the Final Agenda for the June 6, 2014 Meeting

Committee Member Eisinger made a motion to approve the final agenda for the June 6, 2014 meeting. Committee Member Naylor seconded the motion, and the motion passed unanimously.

6. PUBLIC INPUT

There was no public input.

7. SUBCOMMITTEE REPORTS

There were no subcommittee reports.

8. OLD BUSINESS

8.1 Interpretation Document

Committee Member Eisinger made a motion to approve Item 8.1. Committee Member Good seconded the motion. The motion passed with two no votes from Committee Members Soltanipour and Wexler. Committee Member Wexler said the item was a continuation document, that the only new item was what was brought forward from the April 2014 meeting, and that her vote was consistent with the vote at that meeting.

8.2 Student Generation Rate/School Impact Fee Study Presentation

Mr. Walter Keller, President, Walter H. Keller, Inc. advised that his firm was preparing the update of the Student Generation Rate (SGR)/School Impact Fee (SIF) Study. He said that the Study was initiated in December 2013, and was tentatively scheduled for the June 24, 2014 School Board meeting.

Mr. Keller stated that the impact fee rates currently used in Broward County were based on the 2007 Study. He said that the methodology used in the Study Update to generate the demographic data, the SGR, and the financial data was similar to that used in the 2007 Study. He said he had looked at SIF rates at the countywide level, the planning area level, and also by benefit zones. Mr. Keller stated that Attorney Nancy Stroud worked with him on the legal basis for the fees.

Mr. Keller talked about the Study work components and said that the methodology had been refined. He said the Municipalities had been very helpful in supplying bedroom information for units where he had matched students. Mr. Keller stated that the work on the SGR was completed. Also, that the net funding deficit per student had been identified, and that a SIF schedule had been developed.

Mr. Keller stated that he was currently in the process of presenting the results of the Study to various agencies and to the public. He said that the School Board would make recommendations from the Study which would be transmitted to the Broward County Commission, and the Commission would adopt the recommendations from the School Board after receiving a recommendation from the Broward County Planning Council. He said that the County Commission was the final decision makers.

Mr. Keller talked about the methodology used to develop the housing data set, and said that it was done in cooperation with the information supplied by the Broward County POSSE Files, the property appraiser's data sets, and after an extensive review, editing and refinement process. He talked about the planning area map, and said that the planning areas were very similar to the ones used in the 2007 Study. He said that the 2014 planning areas were consistent with the high school innovation zones. He also talked about the data set that had been developed by dwelling unit type and by planning areas between the years 2006 and 2013.

Mr. Keller said the results of his Study showed that although there was a decrease in the overall SGR when looking at a typical dwelling unit and also for single family units, the rate increased for

all other dwelling units. He said one reason for the change was that in the 2007 Study data set, approximately 44 percent of the dwelling units were single family units, whereas in his Study data sets, only 25 percent of the dwelling units were single family. He said that single family units are decreasing because land to construct single family units is decreasing. Mr. Keller said that SIF did not apply to private or charter schools, and therefore, private school and charter school students were not included in his Study.

Mr. Keller talked about how he determined the net funding deficit per new student for the SIF portion of the Study. He said that once the net funding deficit per student was determined and subsequently established the SGR per typical unit, then he could determine the average funding necessary per unit. He said that adjustments were made based upon monies collected from millage, federal, state, and past payment credits. He said that was important in calculating the SIF.

Mr. Keller talked about the average rates for the current impact fees for Broward County, the maximum defensible fees countywide and also by planning area. He emphasized that when calculating the impact fees by planning area, there was a smaller sample of units, and therefore there was a wide range of fees. He said that Broward County currently assesses only 75 percent of the SIF that were developed in 2007, that the fees were phased in over the first three years, and that there have been minor cost of living adjustments. Additionally, Mr. Keller said he also looked at the four current impact fee benefit zones, and that he was proposing that those four benefit zones be changed to three zones to be compatible with the planning areas. He stated that when the 7 planning areas are changed to 3 benefit zone areas, the differences in the proposed impact fees did not exhibit the same wide spread differences in fees because of a larger data sampling of the unit mix. Mr. Keller stated that if the School Board wanted to develop impact fees by areas in lieu of a countywide rate, his recommendation would be to utilize the benefit zones rather than planning areas because the swing in the range of fees were not as extreme when benefit zones were used.

Committee Member Wexler talked about Broward County's economy, development and financial situations between the years 2006 through 2013. She asked Mr. Keller to clarify whether the year column on Page 8 of his presentation for the new student total cost per station represented when the contracts were awarded by the School Board. Mr. Keller said that he did not know the answer to that question. Committee Member Wexler requested that staff find out if that date was when the contract was awarded or when the school was completed. She also asked Mr. Keller how the new student total cost per station amount of \$31,147 was derived. Mr. Keller advised that he worked with the Capital Budget Department regarding facility costs. He said there were a limited number of construction projects to choose from, and that he tried to take the more typical projects to get a cost for the facility for the particular improvement by student stations. He said that once he obtained the student station by the school type, then the adjustment factor was used which was based upon how many students were in that certain type of facility within a five year period. Mr. Keller said he did not apply any inflation factors.

Committee Member Wexler asked Mr. Keller if he would be making a recommendation to the School Board. Mr. Keller said that if the Board desired to apply the SIF to an area rather than having countywide fees, he would recommend applying the fees by benefit zones because they had a larger grouping of units and did not have the wide swing in the impact fees. Mr. Keller also advised that most counties in the State of Florida used countywide rates.

Committee Member Naylor asked if the cost per student station was a straight average or a weighted average. Mr. Keller explained the chart on page 8 of the presentation, and said it was

more weighted than averaged. Discussions followed regarding how the new student total cost per station was obtained.

Mr. Keller talked about the SIF and said that the Broward County Commission would adopt an ordinance which would include a SIF schedule that they would approve. He stated that the School Board would recommend to the County Commission what they believe the fee schedule should be. Mr. Keller said that once the County Commission adopted the fee schedule, the schedule would go into effect within 90 days after the ordinance was adopted. He said that any new residential permits that were subject to SIF would have to be paid after that 90 day date. Ms. Brown clarified that SIF apply to all new residential units. Brief discussions followed regarding mid-rise and high-rise unit developments.

Committee Member Freedman said she was concerned that charter school students had not been utilized in the Study because if a charter school closed, the burden would fall on the traditional public schools to house those students. After brief discussions, Mr. Keller said that he utilized the five-year student projections that were developed by District staff and that the Study was updated every three years. He said in looking at the projections of future students, it appeared that there were difficulties in projecting what would happen regarding charter schools. Ms. Brown advised that SIF were not used to build charter schools, and said that was why charter school students were not included as part of the District numbers. She also stated that the SGR was updated every three years to capture the shifts in population, but that the District was behind because the 2010 SGR/SIF Study was not accepted by the County Commission. Ms. Brown said that it was important to understand that staff had been very concerned about the questions raised regarding the methodology of the 2010 Study. She advised that a significant amount of time was spent on developing the RFP, and staff did not allow the consultant to do a proportionate share methodology. She said the consultant found significant gaps in how the data was collected and that bedroom mixes were completely missing from the data that had been entered from the cities. Ms. Brown said that Mr. Keller and the municipalities had worked very hard to close those gaps, and stated that the data they collected was as correct as they could get it. She said that the Board was in the middle of negotiating what recommendation would be brought to the County Commission, and that was what staff wanted to discuss with the Oversight Committee. Ms. Brown said that collectively, the District, the Municipalities and the County Commission must come up with something that works.

Committee Member Wexler asked if the developers had been informed about the public workshop scheduled for June 9, 2014 at 10:00 a.m. Mohammed Rasheduzzaman advised that staff had received an interested parties list from Broward County staff and had provided due notice for the public workshop. Committee Member Cooper asked that staff provide less technical, simple bullet points regarding the Study to share with the community.

Ms. Brown advised that state law required that SIF be applied first to the school site, then by the innovation zone areas, and third by benefit areas. She said staff would incorporate that into the bullet points. Committee Member Hunschofsky commended staff for addressing the concerns that she had heard over the years, and she suggested that when presenting the SGR/SIF Study, that the concerns be addressed first. She asked why the consultant was recommending three benefit zones instead of the seven planning areas. Mr. Keller explained that in his experience in calculating SIF over the years, he had found that there was more controversy when the range of fees varied for the same type of unit. He stated that when he used smaller areas, there had been a range of fees that would be hard to defend, and that in the 2006 - 2013 data sets unusual things had occurred. He said in some instances the data showed that the smaller units had higher students per household

than the bigger units per household which made the data hard to defend. Mr. Keller stated that when larger areas such as the benefit zones were used, there was a much larger set of units to deal with and the extremes on the fees were not as large.

Committee Member Stermer said that the Study showed that between the years 2005 – 2006 there had been a constant decline in students projected out through 2018/19, and asked Mr. Keller to justify the continuation to collect SIF? Mr. Keller answered that the basis for the fees was that the District borrowed money to build capacity when the District was under tremendous growth, that the built capacity was still there, and the debt of that capacity was still there. He stated that the Study looked at projections, and although the overall student total may go down, there would still be new students coming from new developments and going to District schools. Additionally, Mr. Keller said the SGR/SIF Study was updated every three years, and he did not know what the future would hold regarding growth. He said that Broward County's population projections show that Broward County would continue to grow. He said that the District would look at the changes in conditions and projections again when the Study is updated in three years. Mr. Keller said that Attorney Nancy Stroud had said that the legal basis for SIF was strong, and that was what he showed in his Study. Additionally, Mr. Keller said that the population growth of Broward County was very high in the 1995 to 2000 timeframe, and that the District increased school capacity at that time. Committee Member Stermer said that he had difficulty contemplating that the zone that would have the highest SIF for a four or more bedroom single family home would be located in the central part of the County which was also one of the neediest communities.

Committee Member Resnick suggested that the Committee should have a part in the recommendation that would be made by the School Board. He said that SIF were like a tax and should not weigh into construction decisions. He cautioned the School Board from making a recommendation to adopt a model that would raise SIF and influence development decisions, which might be publicized as a negative for investing in the county and have an additional burden on residents. Committee Member Resnick said he understood and supported the bond issue, but said that a rise in SIF might be a tough sell with residents. He asked staff to make a comparison between SIF in Broward, Miami/Dade and Palm Beach Counties. Discussions followed regarding the limited scope as to what SIF can be spent on and the fact that investing in schools is a good investment because strong school systems attract business to the County.

Committee Member Good advised that when update of the SGR/SIF Study was discussed at the Board Workshop, it was clearly understood that a recommendation needed to be passed that everyone could agree with. She commended staff for taking into consideration the comments observed from the last Study update. Additionally, she said that the Board understood the difficulties of any increase in SIF, but said that anything done must be defensible and based on certain criteria. Committee Member Good said she looked forward to the Oversight Committee providing a recommendation to the School Board.

Committee Member Freedman advised that SIF range from \$3,000 to \$18,000, depending on the area, and that it was the job of the School Board to look on a more collective scale. She asked staff what the debt service actually was within each zone. Committee Member Stermer talked about the concept of SIF being used to pay off old debt. He asked if the debt service that was being paid off was broken down by zones or was a countywide number. Ms. Brown advised that the SIF must be paid in the benefit zone where the funds were generated.

Committee Member Wexler advised that she believed in a countywide school system and as such, she made a motion to recommend to the School Board that a single countywide SIF be moved

forward. Committee Member Resnick seconded the motion. After brief discussions on the motion to recommend a countywide SIF, Committee Member Naylor called the question, and the motion passed unanimously.

Ms. Brown captured staff's next steps from the Committee as follows:

- Provide bullet points regarding the SGR/SIF Study
- Begin the public workshop presentation with the concerns and how to address those concerns regarding data and reporting structure
- Provide a comparison chart of the Broward, Miami/Dade and Palm Beach SIF rates
- Unanimous recommendation from the Committee to pursue countywide rates

Ms. Brown thanked the Committee, and said she appreciated all of the dialogue which would give staff insight for moving forward.

Committee Member Stermer asked if the numbers would change between now and when the Study goes to the County Commission. Mr. Keller said that new information received would affect the fees. He stated that the final results would be available in one week. Committee Member Stermer requested that when the Study becomes final, that it be provided to the Oversight Committee. Committee Member Wexler made a motion to rescind the motion to support countywide SIF. After further discussions regarding the motion made, she withdrew her motion. She requested that staff provide to the members of the Oversight Committee the updated Study when available and the link to the June 24, 2014 School Board agenda item. Chair Tingom requested that staff ask for a time certain for the item.

9. NEW BUSINESS

There was no new business.

10. INFORMATIONAL ITEMS

10.1 May 1, 2014 Staff Working Group (SWG) Draft Not Approved Minutes

There was no discussion regarding the SWG draft minutes.

10.2 Next Scheduled Meeting - October 8, 2014

Chair Tingom advised that the next Oversight Committee meeting was scheduled for October 8, 2014. Committee Member Resnick suggested that the Chair represent the Committee's position at the County Commission meeting.

11. ADJOURN

Committee Member Resnick made a motion to adjourn the Oversight Committee meeting. Committee

Member Eisinger seconded the motion, and the meeting was adjourned at 1:50 p.m.

Respectfully submitted by:

Marilyn Soltanipour
Marilyn Soltanipour, Secretary

10-8-2014
Date