



Bill No. 18-13

Concerning: Adequate Public Facilities - Adjustment of School Construction Fees

Introduced: April 3, 2018

Revised: _____ Draft No. _____

Enacted: _____

Effective: _____

Expires: _____

Frederick County Code, Chapter N/A

Section(s) N/A

COUNTY COUNCIL FOR FREDERICK COUNTY, MARYLAND

By: Council President Bud Otis on behalf of County Executive Jan Gardner

AN ACT to: Adjust School Construction Fees in accordance with § 1-20-62(G) of the Frederick County Code.

Executive: _____ Date Received: _____

Approved: _____ Date: _____

Vetoed: _____ Date: _____

By amending:

Frederick County Code, Chapter, N/A Section(s) N/A

Other: Department of Planning and Permitting Fee Schedule

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law.</i>
[Single boldface brackets]	<i>Deleted from existing law.</i>
***	<i>Existing law unaffected by bill.</i>

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The County Council of Frederick County, Maryland, finds it necessary and appropriate to provide for an Annual Adjustment to the School Construction Fees in accordance with Section 1-20-62(G) of the Frederick County Code (School Construction Fee Option), including: (1) adjusting School Construction Fees based on the original formula used to create the fees; (2) adjusting School Construction Fees based on the most recent data from the State of Maryland School Construction Cost Index; and (3) amending the Division of Planning and Permitting Fee Schedule to reflect the updated and adjusted School Construction Fee.

NOW, THEREFORE, BE IT ENACTED BY THE COUNTY COUNCIL OF FREDERICK COUNTY, MARYLAND, that the Frederick County Division of Planning and Permitting Fee Schedule is hereby, amended as shown on the attached Exhibit 1.

Harold F. (Bud) Otis, President
County Council of Frederick County,
Maryland

VII. APFO SCHOOL CONSTRUCTION FEES

School construction fees due to the county shall be determined by using the chart below. The school construction fees shall be calculated by multiplying the appropriate school construction fee component(s) (based on the proposed development's failure to meet public school adequacy at the elementary, middle or high school level) by the number of residential units of each type.

Housing Unit Type	Failure at Elementary School Level	Failure at Middle School Level	Failure at High School Level
Single Family Detached	<u>\$6,924</u> [3,977]	<u>\$2,745</u> [1,752]	<u>\$5,803</u> [3,721]
Townhouse/Duplex	<u>\$8,671</u> [4,981]	<u>\$2,401</u> [1,533]	<u>\$4,513</u> [2,894]
Other Residential	<u>\$3,798</u> [2,182]	<u>\$931</u> [594]	<u>\$1,791</u> [1,148]

Underlining indicates matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill.

Bill No. 18-13



FREDERICK COUNTY COUNCIL

Local Government Fiscal and Policy Note

CONTACT INFORMATION AND GENERAL INSTRUCTIONS

Bill Number/Reference:	Bill No. 18-13
Bill Title:	Adequate Public Facilities – Adjustment of School Construction Fees
Local Government Agency:	Frederick County Office of the County Executive and the Division of Finance
Prepared By:	Janice Spiegel, Kelly Weaver, and Erin White
Title:	Education Liaison, Assistant Budget Director and Deputy Director
Phone Number:	301-600-1622; 301-600-1185; 301-600-1193
E-Mail Address:	jspiegel@frederickcountymd.gov kweaver@frederickcountymd.gov ewhite@frederickcountymd.gov
Due Date:	April 24, 2018
Date Submitted:	

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Date:						
<p>Please respond to the questions below. If you prefer to provide responses or additional information in a separate file or document, send the file or document in a separate e-mail to rcherney@frederickcountymd.gov with the bill number/reference in the subject line.</p>						
1.	Describe the impact of this proposed legislation on your agency (operations, revenues, expenditures, etc). If there is no impact, <u>please explain why.</u>					
<p>The fiscal impact of the proposed legislation is that the County's School Mitigation Fee revenue would increase by approximately \$2.6 million per year. There will be no impact to County expenditures. The increase in fees would allow the county to provide additional funding to pay for school construction caused by the developments approved to use the School Construction Fee option as a result of its failure to the Adequate Public Facilities Ordinance (APFO) school capacity test period prior to July 20, 2016. No new developments were permitted to select the school construction fee after this date. The proposed legislation would increase the fee by approximately 62% on average.</p>						
2.	Please indicate whether the proposed legislation will affect small businesses in Frederick County, and if it will, please provide any information you may have which could be useful in determining the economic impact on small businesses.					
<p>This legislation only applies to residential dwelling units permitted to select the School Construction Fee option prior to July 20, 2016 and whose fees have not yet paid.</p> <ul style="list-style-type: none"> • The impact is calculated based on the type of dwelling (single family, townhouse or multi-family) and the level the development failed the APFO school capacity test (High, Middle or Elementary) • The fee is per unit and the fee is evenly applied to every property who has been approved to pay the School Construction Fee • Small developments pay the same per dwelling unit price as larger developments. 						
FISCAL IMPACT SUMMARY – SHOW (DECREASE) IN PARENTHESES						
<u>REVENUES</u>						
3.	Analysis of estimated increase (or decrease) in government revenues. Please estimate below any anticipated increase (or decrease) in revenues resulting from this legislation. Please be aware of any delayed effective dates in the bill or other factors that may cause revenue increases/decreases to begin in later years.					
	<u>Source</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
	School Construction Fees		\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000
	TOTAL \$		\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000
	<p>Please explain how the above estimated increase(s) or decrease(s) were arrived at, including any calculations and/or assumptions made. Please also explain any variation if the revenue increase(s)/decrease(s) are not constant.</p>					
<p>This bill will increase School Construction Fees revenue from developments approved to use the School Construction Fee option by approximately 62% on average. This will only impact developments who were approved to pay the School Construction prior to July 20, 2016. No new developments were permitted to select the school construction fee after this date.</p>						

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<u>EXPENDITURES</u>						
4.	Analysis of estimated increase (or decrease) in government expenditures . Please estimate below any anticipated increase (or decrease) in expenditures resulting from this legislation. Please be aware of any delayed effective dates in the bill or other factors that may cause expenditure increases/decreases to begin in later years.					
A. Salaries & Wages		<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
FTE Employees - _____ # of positions						
Fringe Benefits						
TOTAL (Salaries, wages & benefits)		\$	\$	\$	\$	\$
N/A	Please provide an explanation of the need for the number and type of any personnel listed above, including (1) what specific provision(s) of the bill necessitate additional staff; (2) what the duties of each type employee will be; and (3) why existing personnel cannot absorb the additional work. Please also certify the wage/salary rate and % fringe rate (if differing rates apply) for each personnel classification.					
B. Other Operating Expenses		<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Technical/Special Fees, Grants/Subsidies						
Communications-Phone, Postage						
Travel, Food, Auto, Fuel & Utilities						
Contractual Services						
Supplies						
Equipment-Replacement						
Equipment-Additional						
Land & Structures, Fixed Charges						
Other (Please Specify on Extra Page(s))						
TOTAL (Expenditures)		\$	\$	\$	\$	\$
	On the next page, please provide brief descriptions/breakdowns of the above "Other Operating Expenses."					
	Please explain below any additional calculations or assumptions made in estimating the "Other Operating Expenses" that will help us to understand the amounts and timing of the expenses.					
N/A						

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4. (cont'd)

C. Operating Expense Descriptions/Breakdowns

Please provide below a short description of the specific purpose of each expense listed under 4B. If any amount(s) listed under 4B represent(s) a total of multiple expenses, provide a breakdown of the fiscal 2016 amount with a short description of each expense (for example, if \$2,500 is listed for Communications – Phone, Postage, a statement such as “\$1,500 for cellphone charges for two new inspectors and \$1,000 for postage for mailings to permittees to notify them of changes to inspection requirements.”)

Fiscal 2018 Expenditures

Technical/Special Fees, Grants & Subsidies description/breakdown	\$
Communications – Phone, Postage description/breakdown	\$
Travel, Food, Auto Operations, Fuel & Utilities description/breakdown	\$
Contractual Services description/breakdown	\$
Supplies description/breakdown	\$
Equipment-Replacement description/breakdown	\$
Equipment-Additional description/breakdown	\$
Land & Structures, Fixed Charges description/breakdown	\$
Other (Please Specify) description/breakdown	\$

FREDERICK COUNTY COUNCIL

Local Government Fiscal and Policy Note

<u>ADDITIONAL POLICY IMPLICATIONS/CONCERNS</u>

Please submit BY E-MAIL to: Ragen Cherney, Legislative Director/Chief of Staff
Frederick County Council • E-Mail: RCherney@FrederickCountyMD.gov



FREDERICK COUNTY GOVERNMENT

Jan H. Gardner
County Executive

OFFICE OF THE COUNTY EXECUTIVE *Raymond V. Barnes, Jr., Acting Chief Administrative Officer*

TO: Frederick County Council

THROUGH: County Executive Jan Gardner

FROM: Janice Spiegel, Education Liaison *JPS*
Kelly Weaver, Assistant Budget Director *KW*

DATE: October 2, 2017

SUBJECT: Adequate Public Facilities - Adjustment of School Construction Fees

ISSUE:

Should the County Council consider and approve an increase to the School Construction Fee, to reflect the current actual cost of school construction?

BACKGROUND:

Between July 2011 and July 2016, § 1-20-62 of the County's Adequate Public Facilities Ordinance (APFO) allowed for the payment of a SCHOOL CONSTRUCTION FEE, also called a school mitigation fee. This option allowed developers to pass the school adequacy provision in the county's APFO even when the development failed to have adequate capacity for the entire length of the school capacity test period. The developments approved to use the school construction fee option, documented their approval by an APFO Letter of Understanding (LOU) or Development Rights and Responsibilities Agreement (DRRA) that were fully executed by the developer and the county on or prior to July 20, 2016.

During the years when the payment of a school construction fee was an option, a total of forty-four (44) developments chose the option to pay a school construction fee. No new developments were permitted to select the school construction fee option after July 20, 2016.

School construction fees are paid at the time of recording of subdivision plats for each unit, except for multi-family units, which are paid not later than the time of building permit application. The school construction fees applied to each residential unit are the fees in effect at the time of plat recordation or building permit application. Currently, twenty-two (22) residential developments owe the County school construction fees, according to the terms outlined in the approved LOU or DRRA.

In April 2016, the County Council amended § 1-20-62(G) of the County's APFO to allow for an annual adjustment of the school construction fee on or before January 15, 2017, and on or before January 15 of each year thereafter. The County Executive shall provide to the County Council a report which proposes an annual adjustment to the School Construction Fee Schedule, based on the most recent data from the State of Maryland School Construction Cost Index. This report fulfills that requirement. The proposed annual adjustment will not take effect unless the County Council enacts a bill adopting it.

The County Executive requested the County Council update the school construction fee in 2016 to reflect current costs, at that time. The County Council declined that request. The current fee is based on construction costs from 2014.

Staff calculated the school construction fee, utilizing the fees proposed in spring 2016 and adding the annual adjustment based on the most recent data from the State of Maryland School Construction Cost Index. The following fee is proposed:

Housing Unit Type	Failure at Elementary School Level	Failure at Middle School Level	Failure at High School Level
Single Family Detached	\$ 3,977 <u>6,924</u>	\$ 1,752 <u>2,745</u>	\$ 3,721 <u>5,803</u>
Townhouse/Duplex	\$ 4,981 <u>8,671</u>	\$ 1,533 <u>2,401</u>	\$ 2,894 <u>4,513</u>
Other Residential	\$ 2,182 <u>3,798</u>	\$ 594 <u>931</u>	\$ 1,148 <u>1,791</u>

RECOMMENDATION:

The County Council should initiate a public hearing process to consider the proposed legislation to increase in the School Construction Fee. This legislation:

- (1) provides the annual report required on or before January 15, 2018;
- (2) proposes an annual adjustment based on the most recent data from the State of Maryland School Construction Cost Index;
- (3) amends the Department of Permits and Inspections fee schedule to reflect the annual adjustment to the school construction fee;
- (4) sets a date of January 2, 2018 for application of the amended school construction fee.

FUNDING IMPLICATION: Yes (fiscal note forthcoming)

ATTACHMENT(S):

Attachment 1 – Proposed Bill