



FREDERICK COUNTY GOVERNMENT

Jan H. Gardner
County Executive

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

TO: County Council

FROM: Jan H. Gardner, County Executive *JHG*

DATE: September 18, 2018

SUBJECT: Council Bill #18-21 Adequate Public Facilities – Adjustment to School Construction Fees

Please accept these comments in connection with Bill #18-21, "Adequate Public Facilities – Adjustment of School Construction Fees," as introduced by Council President Otis at the August 21, 2018 meeting. This Bill is scheduled for public hearing on September 25, 2018.

The original school construction fee ordinance, Ordinance No. 11-18-584, included a sunset provision, which took effect on July 20, 2016. As of that date, no new developments may use the option to pay a fee when they have failed the APFO schools test. However, about 12 developments, based on decisions prior to July 2016, are still obligated to pay a fee as a condition of approval. The fees currently in place date from 2014. The fees must now be updated to reflect the rising cost of school construction that has occurred since that time.

The Administration has attempted to update the fees since last fall. A proposed Bill was first presented to the Council by the Administration in a workshop on October 10, 2017. This bill (#17-19,) was tabled by the Council and eventually expired on March 5, 2018. The Administration Bill was reintroduced as Bill #18-13 on April 3, 2018. However, this Administration bill was also never scheduled for a vote and it expired on July 2, 2018. It is regrettable that a vote could not be scheduled for either of these bills. We feel that these bills should have been considered since they accurately reflect recent school construction cost increases.

There are major differences between the Administration bill and the Council bill in revenues to the County from new developments. As identified in the fiscal note, Administration Bill #18-13 would have resulted in an increase in income of \$2.6 million in Fiscal Year 2020, compared to the Council Bill #18-21, which results in an increase of only \$286,000 in Fiscal Year 2020. My position is that the Administration Bill would do a better job at addressing the County's need to meet rising school construction costs than Council Bill #18-21. Addressing growing enrollments in our public school system is a key priority for this Administration.

Should the Council decide to support Council Bill #18-21, it is recommended that a definition for the school Construction Cost Index be added. As provided in the fiscal note attached to Bill #18-21, the bill should clarify how to calculate increases in the future, by combining the building and site work cost factors provided by the state.