



## 300FREDERICK COUNTY COUNCIL

### Local Government Fiscal and Policy Note

#### CONTACT INFORMATION AND GENERAL INSTRUCTIONS

<b>Bill Number/Reference:</b>	19-06
<b>Bill Title:</b>	Impact Fees
<b>Local Government Agency:</b>	Frederick County Finance Division
<b>Prepared By:</b>	Erin White
<b>Title:</b>	Deputy Director of Finance
<b>Phone Number:</b>	301-600-1193
<b>E-Mail Address:</b>	<a href="mailto:ewhite@frederickcountymd.gov">ewhite@frederickcountymd.gov</a>
<b>Due Date:</b>	April 2, 2019
<b>Date Submitted:</b>	March 28,2019

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**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](mailto:rcherney@frederickcountymd.gov) with the bill number/reference in the subject line.**

- |           |  |
|-----------|--|
| <b>1.</b> | Describe the impact of this proposed legislation on your agency (operations, revenues, expenditures, etc). If there is no impact, <u>please explain why.</u> |
|-----------|--|

This legislation will adjust the public school development impact fees and library development impact fees based on the impact fees presented in the 2017 Impact Fee Study by the consultant TishlerBise, Inc.. This bill also adds language to Chapter 1-22 of the Frederick County Code to reinstate an annual fee adjustment to both fees. The school development impact fees annual adjustment would be tied to the State of Maryland School Construction Cost Index and the library development impact fees would be tied to the 20 City Annual National Average Engineering News Record Construction Cost Index. The proposed calculation for the annual adjustment would be the most efficient way to keep fees set at a current, updated rate.

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| <b>2.</b> | 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. |
|-----------|--|

- The proposed legislation does not apply to commercial properties; it only applies to residential dwelling units.
- The impact fee is calculated based on the type of dwelling unit (single family, townhouse or multi-family).
  - The fee is per unit and the fee is evenly applied to every property in the county, including within municipal areas.
  - Small developments pay the same per dwelling unit price as larger developments. Theoretically, the fees are applied the same to all units at permitting, although the ability to pay the fee may vary from builder to builder.

### FISCAL IMPACT SUMMARY – SHOW (DECREASE) IN PARENTHESES

#### REVENUES

- |           |   |
|-----------|---|
| <b>3.</b> | Analysis of <b>estimated increase (or decrease) in government revenues.</b> 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. |
|-----------|---|

Source	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
School Impact Fees	N/A	\$382,335	\$728,116	\$761,609	\$796,643
Library Impact Fees		(80,751)	21,420	22,041	22,680
<b>TOTAL \$</b>	<b>\$</b>	\$301,584	\$749,536	\$783,650	\$819,323

**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.**

As a result of this legislation the county's overall impact fee revenue would increase by an estimated \$301,584 to \$819,323 per year. In FY2020, the library impact fee revenue would actually decrease by approximately \$81,000, whereas the school impact would increase by approximately \$382,000. The estimated increases in school impact fees for FY21-FY23 are based on the average increase in the State of Maryland school construction cost index over the past 10 years or 4.6%. The estimated increase in library impact fees in FY21-FY23 are based on the average increase in the Engineering News Record Construction Cost Index over the past 10 years or 2.9%.

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<b><u>EXPENDITURES</u></b>						
<b>4.</b>	Analysis of <b>estimated increase (or decrease) in government expenditures.</b> 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.					
<b><u>A. Salaries &amp; Wages</u></b>		<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>	<b><u>FY 2022</u></b>	<b><u>FY 2023</u></b>
FTE Employees - _____ # of positions						
Fringe Benefits						
<b>TOTAL (Salaries, wages &amp; benefits)</b>		\$	\$	\$	\$	\$
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><u>B. Other Operating Expenses</u></b>		<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>	<b><u>FY 2022</u></b>	<b><u>FY 2023</u></b>
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))						
<b>TOTAL (Expenditures)</b>		\$	\$	\$	\$	\$
	<b>On the next page, please provide brief descriptions/breakdowns of the above “Other Operating Expenses.”</b>					
	<b>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.</b>					
This legislation will not impact expenditures.						

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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 2018 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 2019 Expenditures

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

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

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