TITLE: Bill #18-21 Adequate Public Facilities-Adjustment of School Construction Fees

FILE NUMBER: N/A

REQUEST: Bill #18-21 Adequate Public Facilities-Adjustment of School Construction Fees Public Hearing

PROJECT INFORMATION: N/A

APPLICANT/REPRESENTATIVES: Council President Bud Otis

STAFF:

RECOMMENDATION: That the Planning Commission provide a recommendation to the Frederick County Council regarding the Text Amendment.

ATTACHMENTS:
Proposed Bill
Council Summary Memorandum
To: Frederick County Planning Commission

From: Steven C. Horn, Director, Planning & Permitting Division

Date: August 28, 2018

Subject: Bill #18-21 Adequate Public Facilities-Adjustment of School Construction Fees
(By: Council President Bud Otis)

Attached, please find the proposed Bill and summary memorandum from Council President Bud Otis.

Thank you for your attention to this matter.

Attachment
Proposed Bill
Council Summary Memorandum
COUNTY COUNCIL
FOR FREDERICK COUNTY, MARYLAND

By: Council President Bud Otis

AN ACT to: Adjust School Construction Fees as authorized by §1-20-62(G) of the Frederick County Code.

By amending:
Frederick County Code, Chapter, N/A Section(s) N/A
Other: Department of Planning and Permitting Fee Schedule

Boldface
Underlining
[SINGLE BOLDFACE BRACKETS]
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Double underlining
[[DOUBLE BOLDFACE BRACKETS]] and strikethrough

Heading or defined term.
Added to existing law.
Deleted from existing law.
Existing law unaffected by bill.
Added by Amendment.
Deleted by Amendment.
The County Council of Frederick County, Maryland, finds it necessary and appropriate to provide for an Annual Adjustment to the School Construction Fees as authorized by Section 1-20-62(G) of the Frederick County Code (School Construction Fee Option), including: (1) an annual adjustment of School Construction Fees by a percentage based on the most recent data from the State of Maryland School Construction Cost Index; (2) adding an annual increase of two percent (2%) of the then-current School Construction Fees as a method to recapture fee increases that were not adopted for prior fiscal years; (3) setting a maximum annual increase of six percent (6%); and (4) annually amending the Division of Planning and Permitting Fee Schedule on January 1, 2019 through and including January 1, 2026 to reflect the adjusted School Construction Fees.

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.

The school construction fees shall be increased once annually, on January 1, 2019 through and including January 1, 2026, without further action of the County Council. The annual fee increases shall be based on the following formula: the change in the State of Maryland School Construction Cost Index from the prior year to the current year, expressed as a percentage, plus two percent (2%). The result will be multiplied by the then-current school construction fees, provided that the fee increases in any single year shall not exceed six percent (6%).

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To: County Council

From: Council President Bud Otis

Date: July 23, 2018

Subject: Adjustment of APFO School Construction Fees

Issue:
Should the County Council approve a Bill that will increase the Adequate Public Facilities Ordinance (APFO) School Construction Fees by up to 6% per year for the next 8 years, starting on January 1, 2019?

Background:
In April 2016, the County Council adopted Bill No. 16-05, which added language to §1-20-62(E) of the Frederick County Code to require that the APFO School Construction Fees be listed in the Department of Permits and Inspections fee schedule.

In August 2016, the County Council adopted Bill No. 16-09, which revised §1-20-62(G) to provide a process for annual adjustment of the School Construction Fees based on the most recent data from the State of Maryland School Construction Cost Index. Section 1-20-62(G) also states that any proposed annual adjustment will not take effect unless the County Council enacts a bill adopting the adjustment.

School Construction Fees have not been adjusted since November 1, 2014.

What will the new bill do?
The new bill sets a schedule for reasonable School Construction Fee increases for the next 8 years, on January 1 of 2019, 2020, 2021, 2022, 2023, 2024, 2025, and 2026.

The annual fee increases shall be based on the following formula: the change in the State of Maryland School Construction Cost Index from the prior year to the current year, expressed as a percentage, plus two percent (2%) (to recapture a portion of the fee increases that were not adopted for prior fiscal years). The result will be multiplied by the then-current school construction fees. Each annual increase may not exceed six percent (6%).

What will be these fee increases look like over 8 years?
Since the annual fee increases are the result of the formula described in the Bill, the exact yearly changes are not known at this time. However, as an example, the attached exhibit shows the resulting fee increases for each year if fees increase by 6 percent each year.
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Year 8: 62.7% increase

Mitigation Fees: 8 years at no more than 6% per year (baseline is previous year already multiplied at 6%)

Cost per Home: Year 1 - 2, Year 2 - 4, Year 3 - 6, Year 4 - 8, Year 5 - 10, Year 6 - 12, Year 7 - 14, Year 8 - 16

Current Mitigation Fees: Year 1 - 100, Year 2 - 100, Year 3 - 100, Year 4 - 100, Year 5 - 100, Year 6 - 100, Year 7 - 100, Year 8 - 100

Proposed Mitigation Fees: Year 1 - 100, Year 2 - 100, Year 3 - 100, Year 4 - 100, Year 5 - 100, Year 6 - 100, Year 7 - 100, Year 8 - 100

Tackles: HS $1.148, MS $594, ES $218.200, Residential $1.213

Tackles: HS $1.74, MS $92, ES $252.9'86, Duplex $299.2'86

Tackles: HS $3.08'6, MS $1.533, ES $522.9'86

Tackles: High $3.721, Middle $1.752, Elementary $3.977

Office: 62.7% increase