

CITY OF CAPE CORAL, FLORIDA



WATER, WASTEWATER AND IRRIGATION IMPACT FEE STUDY

Executive Summary

By



Public Resources Management Group, Inc.

Purpose of Study / Summary of Study Results

- ❖ The City is required to periodically update the Utility Capital Expansion Fees (Impact Fees) to conform with Florida Statutes and recognized Impact Fee Case Law
- ❖ City has not changed the Combined Water, Wastewater and Irrigation Fees for ten (10) years or since April 1, 2007.
- ❖ Based on the actual and projected costs to serve new growth through Fiscal Year 2025, PRMG recommends updating the existing fees
 - ◆ Wastewater Impact Fees proposed to decrease
 - ◆ Water and Irrigation Impact Fees proposed to increase
 - ◆ Wastewater decreases are offset by increases to the Water and Irrigation Fees
- ❖ To minimize the amount of increase to the existing Combined Impact Fees, City staff recommends implementing all fee decreases, while discounting the calculated Water and Irrigation Impact Fees
 - ◆ The average discount of the proposed fees relative to the maximum charge allowed is approximately 6-7%

Proposed Alternative Impact Fees

- ❖ No change to the total Combined Impact Fees for Water, Irrigation and Wastewater Service is proposed within the Expansion Areas that include Sewer District 2 because:
 - ◆ Decreases in the local portion of the Wastewater Impact Fees are offset by increases to the Combined Water and Irrigation Fees
- ❖ While Sewer District 1 fees are equal to the Sewer District 2 charges, the total District 1 fees will increase since there is no local Wastewater Impact Fee due from District 1 (the local fee accounts for an additional decrease in District 2)
- ❖ According to the City's Rate Consultant, the Proposed Alternative Fees should not have an adverse affect on the utility system's recent revenue sufficiency results
- ❖ Over time, the City may elect to increase the Water and Irrigation Impact Fees based on the maximum charges that were calculated

I am Planning to Build My Typical Single Family Home in Sewer District 1

<u>Utility Service</u>	<u>Water System Service</u>			<u>Wastewater System</u>			<u>Total</u>
	<u>Potable</u>	<u>Irrigation</u>	<u>Subtotal</u>	<u>Major Fee</u>	<u>Local Fee</u>	<u>Subtotal</u>	
<u>Single Service With No Change To Ordinance</u>							
<u>Existing</u>	\$2,274	N/A	\$2,274	\$2,862	N/A	\$2,862	\$5,136
<u>Proposed</u>	\$2,658	N/A	\$2,658	\$2,529	N/A	\$2,529	\$5,187
<u>Net Change</u>			= \$384 Increase			= \$333 Decrease	= \$51 Increase
<u>Mandatory Dual Service With Mandatory Irrigation Connection Under New Ordinance</u>							
<u>Existing</u>	\$1,516	\$758	\$2,274	\$2,862	N/A	\$2,862	\$5,136
<u>Proposed</u>	\$1,320	\$2,318	\$3,638	\$2,529	N/A	\$2,529	\$6,167
<u>Net Change</u>			= \$1,364 Increase			= \$333 Decrease	= \$1,031 Increase

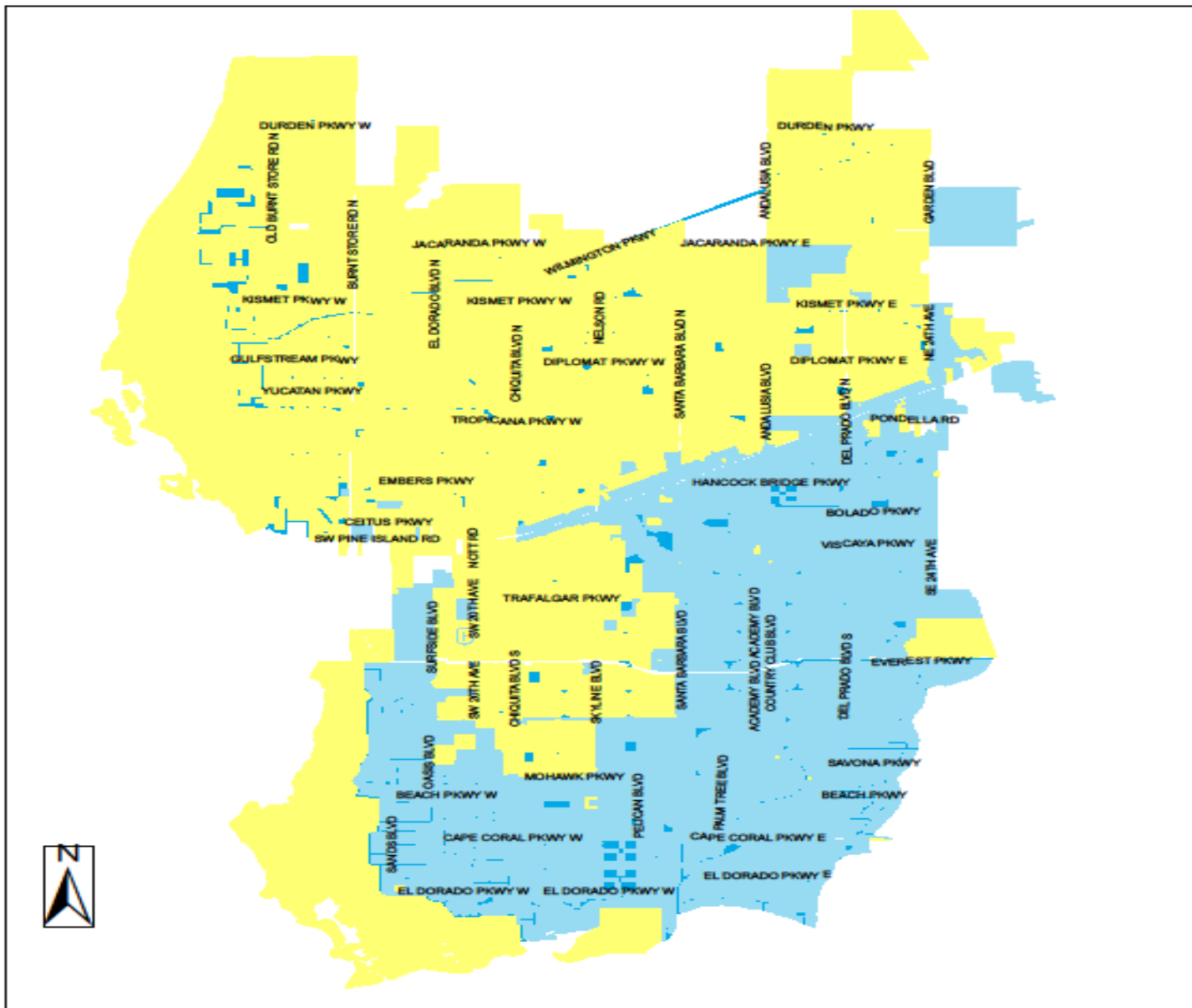
Sewer District 1
Properties within Sewer District 1 generally reflect infill development where water, wastewater and irrigation services are available.

I Own or I am Planning to Build My Typical Single Family Home in Sewer District 2

<u>Utility Service</u>	<u>Water System Service</u>			<u>Wastewater System</u>			<u>Total</u>
	<u>Potable</u>	<u>Irrigation</u>	<u>Subtotal</u>	<u>Major Fee</u>	<u>Local Fee</u>	<u>Subtotal</u>	
<u>Single Service With No Change To Ordinance</u>							
Existing	\$2,274	N/A	\$2,274	\$2,862	\$1,614	\$4,476	\$6,750
<u>Proposed</u>	\$2,658	N/A	<u>\$2,658</u>	\$2,529	\$583	<u>\$3,112</u>	<u>\$5,770</u>
Net Change			=\$384 Increase			=\$1,364 Decrease	=\$980 Decrease
<u>Mandatory Dual Service With Mandatory Irrigation Connection Under New Ordinance</u>							
Existing	\$1,516	\$758	\$2,274	\$2,862	\$1,614	\$4,476	\$6,750
<u>Proposed</u>	\$1,320	\$2,318	<u>\$3,638</u>	\$2,529	\$583	<u>\$3,112</u>	<u>\$6,750</u>
Net Change			=\$1,364 Increase			=\$1,364 Decrease	= No Change

Utility Extension Areas

Most new connections will occur in Sewer District 2 with Dual Water & Irrigation Service. While a future Single Service could occur in District 2, this class a service represents a minority group within the District.



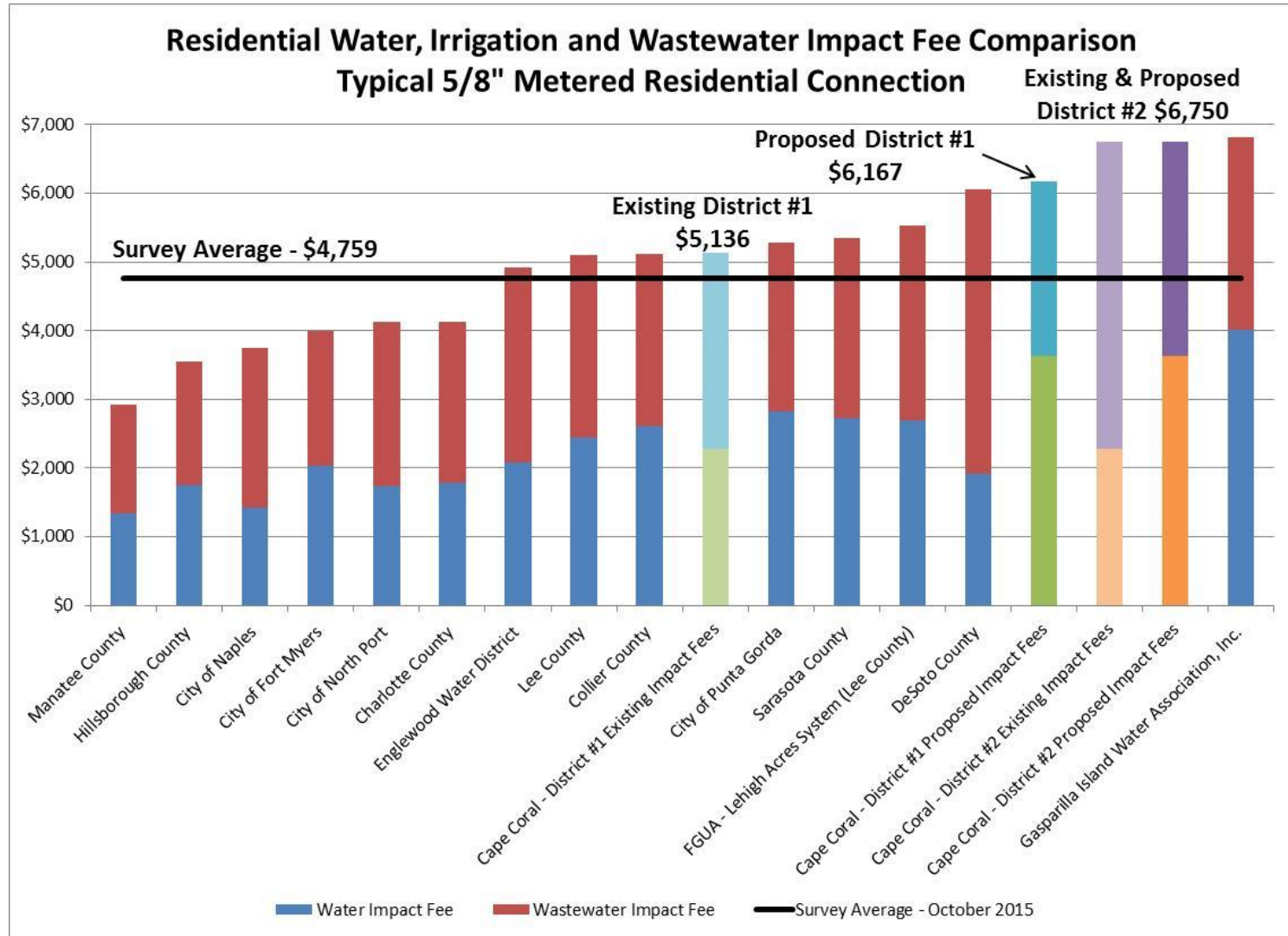
Sewer District Map

Sewer Districts

- Sewer District 1
- Sewer District 2

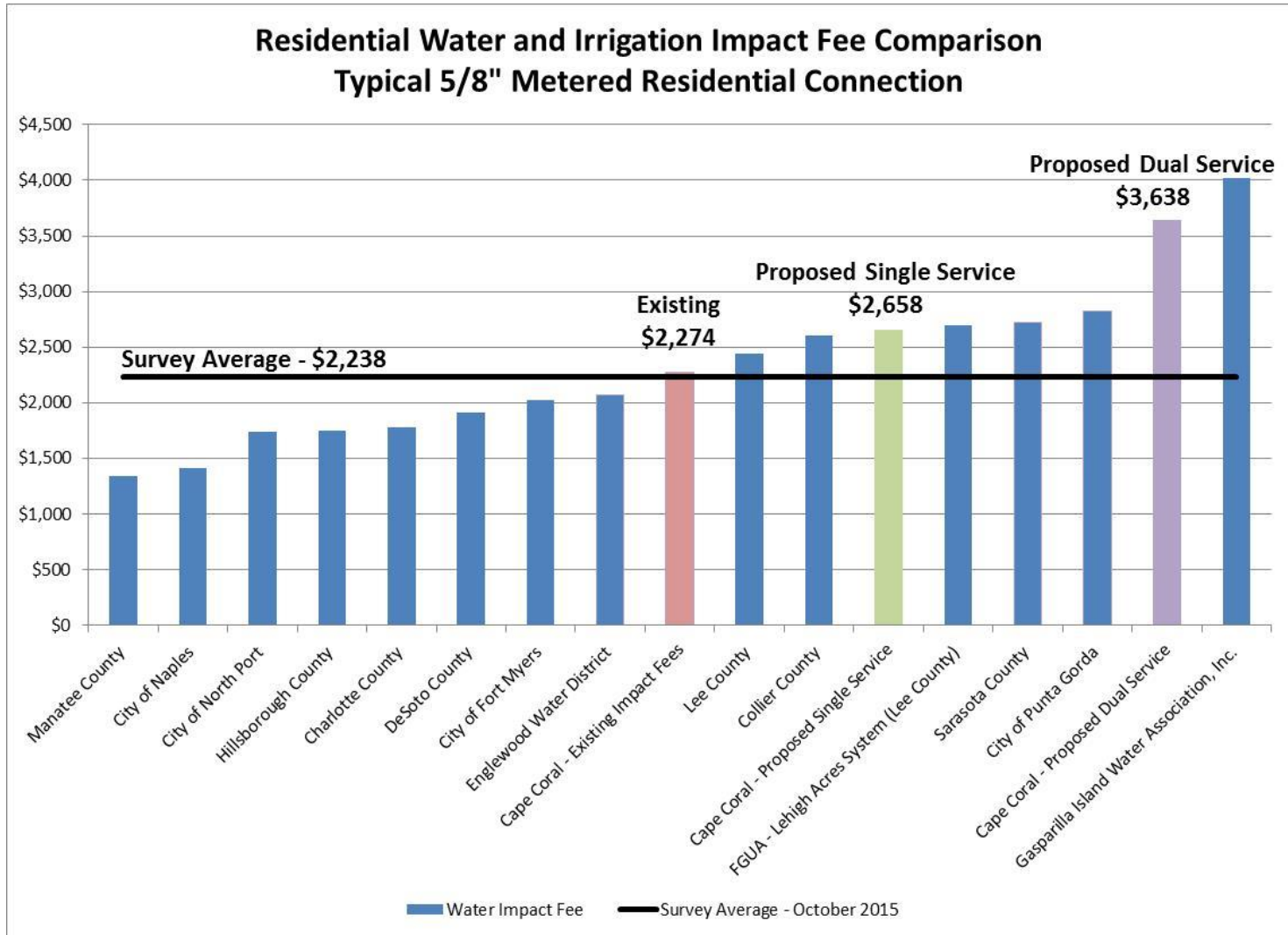
This map is not a survey and should not be used in place of a survey. While every effort is made to ensure the map is as accurate as possible, some errors may occur. Therefore, the City of Cape Coral cannot be held liable for any errors or omissions on this map. This map is not intended for use in any legal proceedings or for any other purpose. The Department of Community Development will be pleased to sign a letter of disclaimer.

Comparison of Combined Impact Fees for a Typical Residential Home with Dual Services



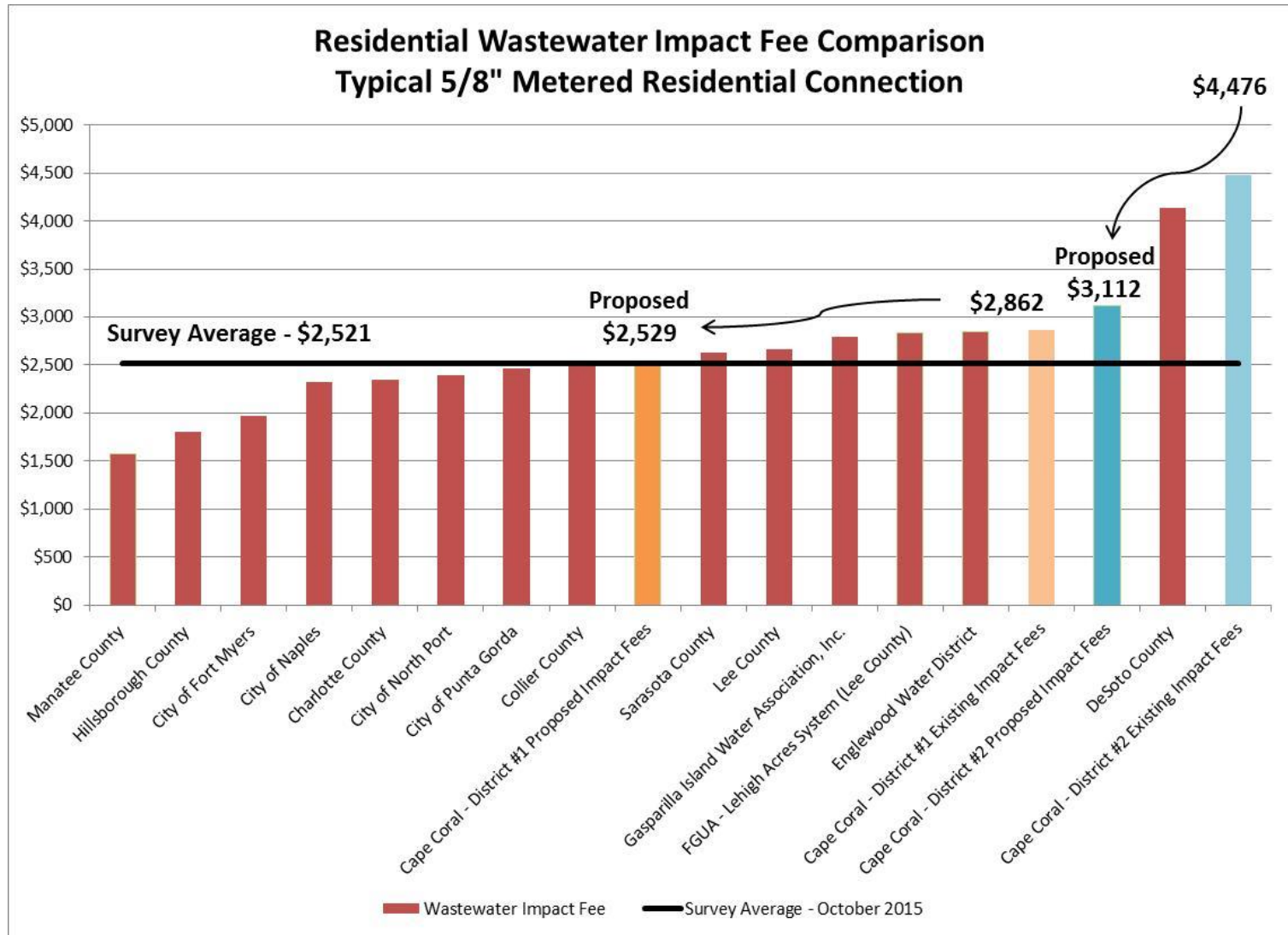
- Water Fee includes the irrigation component of the charge.

Comparison of Water Impact Fees



- Dual Service Fee includes the irrigation component of the charge.

Comparison of Wastewater Impact Fees



Conclusions & Recommendations

- ❖ The City should consider adopting the proposed water, wastewater and irrigation impact fee ordinance revisions
- ❖ The proposed fees reflect the established level of service requirements for each utility service as adopted by the City
- ❖ The proposed Combined Impact Fees for Single and Dual Services within Sewer Districts 1 and 2 reflect an average discount of approximately 6-7% for all new development when compared to the actual and projected costs to serve future customers over the next ten (10) years
- ❖ The City may increase the proposed fees over time based upon the maximum costs identified in this study
- ❖ The City should provide at least ninety (90) days notice before the new fees become effective

Conclusions & Recommendations

- ❖ A number of housekeeping revisions were made to update the Impact Fee Ordinance 2-20 through 2-24.6
- ❖ The Protectus III fireline meter assemblies will no longer be allowed to serve both potable and fire protection.
- ❖ The various impact fee tables were updated and some of the language regarding impact fee updates was revised.
- ❖ The City's mandatory connection policy in City Ordinance 19-2.5 was revised and irrigation water was added to the ordinance for properties under one acre in size.
- ❖ Property owners will no longer have the option to opt out of utilizing the City's irrigation water.

Conclusions & Recommendations

Housekeeping revisions made to Chapter 19 includes:

- ❖ Added “potable and reclaimed” to § 19-3 and 19-4
- ❖ Added “including indebtedness perfected by a lien(s) (excluding special assessment liens) to §19-5
- ❖ Changed “occupant” to “account holder” in §19-5.1
- ❖ Added “reclaimed water” to §19-6 (a) Customer Deposit
- ❖ Added “including outstanding balances secured by a lien” to §19-6 (b) Exemptions
- ❖ Removed “notary” requirement in §19-19 and added “Voluntary uses of water such as lawn watering or failure to turn off an outside hose shall not provide the basis for a sewer billing adjustment”

Conclusions & Recommendations

Housekeeping revisions made to Chapter 19 includes:

- ❖ Added “Penalties and Appeal process to §19-22 (d) “Any person, firm, contractor, corporation, association or partnership who is found by the city to have made or caused to have made any unauthorized connection may appeal a penalty, fee, or cost under this section. The person, firm, contractor, corporation, association or partnership shall notify the Code Compliance Manager within ten (10) days of receipt of the notice of penalty, fee, or cost. Proper notice to the Code Compliance Manager shall stay the imposition of a penalty, fee, or cost, until adjudication by the Code Compliance Special Magistrate. The Special Magistrate shall conduct a hearing and consider evidence presented by the person, firm, contractor, corporation, association or partnership, and the city. The Special Magistrate shall make a decision based on the preponderance of the evidence standard. The decision of the Special Magistrate is a final administrative remedy as to the city”

Supplemental Schedules

Sewer District 1 - Existing to Proposed Impact Fee Comparison Per Typical Single Family Home

Utility Service	Water System			Wastewater System			Total Impact Fees
	Water Service	Irrigation Service	Combined Service	Wastewater Major	Wastewater Local	Combined Service	
Single Service							
Existing	\$2,274	N/A	\$2,274	\$2,862	N/A	\$2,862	\$5,136
Maximum Calculated	\$3,003	N/A	\$3,003	\$2,529	N/A	\$2,529	\$5,532
Increase (Decrease)	\$729	N/A	\$729	(\$333)	N/A	(\$333)	\$396
Proposed [1]	\$2,658	N/A	\$2,658	\$2,529	N/A	\$2,529	\$5,187
Increase (Decrease)	\$384	N/A	\$384	(\$333)	N/A	(\$333)	\$51
Dual Service							
Existing	\$1,516	\$758	\$2,274	\$2,862	N/A	\$2,862	\$5,136
Maximum Calculated	\$1,320	\$2,790	\$4,110	\$2,529	N/A	\$2,529	\$6,639
Increase (Decrease)	(\$196)	\$2,032	\$1,836	(\$333)	N/A	(\$333)	\$1,503
Proposed [1]	\$1,320	\$2,318	\$3,638	\$2,529	N/A	\$2,529	\$6,167
Increase (Decrease)	(\$196)	\$1,560	\$1,364	(\$333)	N/A	(\$333)	\$1,031

[1] Proposed amounts reflect all calculated decreases to the current rates. To minimize the total amount of increase in the total fees charged, the Combined Water and Irrigation Fees were discounted 11% (equal to approximately 89% of the water and irrigation system costs) for all service levels in Sewer District 1 and Sewer District 2.

Sewer District 1
Properties within Sewer District 1 generally reflect infill development where water, wastewater and irrigation services are available.

Sewer District 2 - Existing to Proposed Impact Fee Comparison Per Typical Single Family Home

Utility Service	Water System			Wastewater System			Total Impact Fees
	Water Service	Irrigation Service	Combined Service	Wastewater Major	Wastewater Local	Combined Service	
Single Service							
Existing	\$2,274	N/A	\$2,274	\$2,862	\$1,614	\$4,476	\$6,750
Maximum Calculated	\$3,003	N/A	\$3,003	\$2,529	\$583	\$3,112	\$6,115
Increase (Decrease)	\$729	N/A	\$729	(\$333)	(\$1,031)	(\$1,364)	(\$635)
Proposed [1]	\$2,658	N/A	\$2,658	\$2,529	\$583	\$3,112	\$5,770
Increase (Decrease)	\$384	N/A	\$384	(\$333)	(\$1,031)	(\$1,364)	(\$980)
Dual Service							
Existing	\$1,516	\$758	\$2,274	\$2,862	\$1,614	\$4,476	\$6,750
Maximum Calculated	\$1,320	\$2,790	\$4,110	\$2,529	\$583	\$3,112	\$7,222
Increase (Decrease)	(\$196)	\$2,032	\$1,836	(\$333)	(\$1,031)	(\$1,364)	\$472
Proposed [1]	\$1,320	\$2,318	\$3,638	\$2,529	\$583	\$3,112	\$6,750
Increase (Decrease)	(\$196)	\$1,560	\$1,364	(\$333)	(\$1,031)	(\$1,364)	\$0

[1] Proposed amounts reflect all calculated decreases to the current rates. To minimize the total amount of increase in the total fees charged, the Combined Water and Irrigation Fees were discounted 11% (equal to approximately 89% of the water and irrigation system costs) for all service levels in Sewer District 1 and Sewer District 2.

Utility Extension Areas

Most new connections will occur in Sewer District 2 with Dual Water & Irrigation Service. While a future Single Service could occur in District 2, this class a service represents a minority group within the District.