

COLLIER COUNTY GOVERNMENT
PRODUCTIVITY COMMITTEE
Minutes – November 19, 2008, 2 p.m.

Members Present: Larry Baytos, John Barlow, Brad Boaz, Gina Downs, Doug Fee, Jim Gibson, Michele Harrison, Steve Harrison and Joe Swaja. Janet Vasey attended by phone.

BCC Liaison: Commissioner Fiala was in attendance.

Staff Present: Amy Patterson, Impact Fee Manager; Paula Fleishman, Impact Fee Coordinator; Norman Feder and Nick Casaliguیدا, Transportation; Michael Sheffield, Assistant to the County Manager; Barbetta Hutchinson, Office of Management and Budget.

Others Present: Steve Tindale and Nilgun Kamp of Tindale-Oliver;

Larry Baytos called the meeting to order at 2:05 p.m.

Approval of the October 15, 2008 Productivity Committee Meeting minutes. Joe Swaja made a motion to approve the minutes of October 15 and John Barlow seconded the motion. The group voted unanimously to approve the minutes.

Old Business:

AUIR – Larry Baytos suggested that the committee not be involved in these meetings in the future.

Impact Fee Indexing and Methodology Study: At the BCC meeting last month the commissioners agreed that the Productivity Committee perform a study of indexing and methodology of impact fees. Steve Tindale gave an overview of the project. Steve said that he would help the group in any way he could. The method we are using to calculate fees right now will not have the results that we want because the process takes 2 to 3 years to catch up.

New Business:

Transportation Impact Fee Review: Nick Casaliguیدا gave a presentation on the study update. They also prepared a study to determine how many miles people were actually driving. This was blended with older studies and Florida studies as well. Since the last indexing, the cost has dropped about two million dollars per road mile. Impact fees are coming down but retail fees are going up. Steve Tindale spoke to the group regarding the impact fees, the demand component, the cost per lane mile, construction cost trends and calculation methods. He explained that Collier County is higher than other

counties because of utilities and urban interchange costs which are unique to Collier County. This trend is now coming down to put us more in line with the rest of the state. Much discussion was made regarding the costs of interchanges, road construction, relocating utilities, costs of adding lane capacity and vehicle miles traveled. The consultant has done an extreme amount of documentation and has much information and staff notes substantiating the reasoning behind the findings. He also had slides showing the changes in net impact fees and ratios between retail and office. Nick said he is not a bid component of impact fees, but if you want to cut the fees you have to find an alternative source of revenue.

John Barlow addressed the group giving a presentation called "Impact Fees – Under the Microscope". He reviewed impact fee revenue by year of controlled funds. What if we discounted the impact fees 10-15% across the board? What would happen? It would encourage new building temporarily until we move them back up. Commissioner Fiala would like to suggest that the vacated buildings have no impact fees if someone moves (whether it is the same type of business or not) into them at least for a year so that we can start filling this buildings before they become a detriment to the community. Norman doesn't want to see us pull back because it takes 7 or 8 years to bring a project into being. Whatever we do, if we don't provide the funding, we are creating a giant backload of time and dollars. John said that there is an enormous amount of money that needs to be paid back. We don't want to jeopardize our bond ratings by not being able to repay these loans.

First issue: Is the Transportation Impact Fee feasible? The second: Should we be raising fees? Larry Baytos said that Mr. Tindal's presentation shows we are demonstrating that our cost of building roads is about the same as other counties. His trip studies had higher results than what we expected and were averaged to our satisfaction. Most felt the study was a well thought-through computation. The group commented on the study and asked specific questions which he answered. Overall, the committee was pleased with the result of the study. Janet Vasey commented that she feels it is very defensible. She is concerned about the plans of the Florida legislature to roll-back the impact fees by 25%. She feels if we back down now on impact fees, we may be sorry later. The general consensus is that the Productivity Committee should support the transportation review. Brad Boaz and Steve Harrison feel the impact fees should be lowered to match the lower costs.

A representative from the Chamber of Commerce and its Board of Directors are very involved in trying to help the county to be the best place it can be.

Joe Swaja motioned to accept the transportation proposal. Jim Gibson seconded. The group voted. Brad and Michele voted no. All others voted aye. The motion passed.

Larry Baytos suggested that sub-committee be formed to review alternative sources of revenue other than impact fees and reducing expenses to become more efficient. Commissioner Fiala said that the Commissioners would eagerly receive any suggestions on ideas for revenues. Larry volunteered to chair the sub-committee. Gina

Downs, Janet Vasey, Jim Gibson and Doug Fee volunteered to join him. Larry made a motion to form a sub-committee to come up with recommendations for possible different policy approaches for impact fees. Joe Swaja seconded and the group unanimously agreed.

Indexing Impact Fees – Since last year's transportation indexing we've been thinking about the way they are done and whether this is the correct way. There has been much concern about land values going down and making sure that we don't want to charge too much. A two year average was used to come up with the most recent numbers.

Steve Harrison said that there will be a much higher level of delinquencies on ad valorem dollars. Contingency plans are necessary and the BCC has one in the works and another constitutional officer is working on a plan. These need to be put on the front burner. John pointed out that there is debt amounting to over \$300M. We need to watch this and be aware of whether our banks will back us. He feels we need to have these issues put on our agenda. If the PC will write a letter to Commissioner Fiala, she will make the suggestion to the other commissioners. Steve will draft the letter.

Public Comments: Leanne Graziani.

Adjournment: Gina motioned to adjourn the meeting, Michele Harrison seconded and the group unanimously approved. The meeting was adjourned at 5:05 p.m.

Next Meeting: The next regular meeting of the Productivity Committee Meeting will be held at 2:00 p.m. on Wednesday, December 17, 2008. This meeting will be held in the County Manager's Conference Room on the 2nd floor of the W. Harmon Turner Building (Administration Building F).

Approved by Productivity Chair, Larry Baytos