



STAFF REPORT
COLLIER COUNTY PLANNING COMMISSION

FROM: COMMUNITY DEVELOPMENT & ENVIRONMENTAL SERVICES DIVISION
COMPREHENSIVE PLANNING DEPARTMENT

HEARING DATE: JANUARY 21, 2010

SUBJECT: REVIEW OF PROPOSED AMENDMENTS TO THE CAPITAL IMPROVEMENT
ELEMENT OF THE COLLIER COUNTY GROWTH MANAGEMENT PLAN, ORDINANCE
89-05, AS AMENDED; AND, RECOMMENDING TRANSMITTAL OF THESE
AMENDMENTS TO THE FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS
(ADOPTION HEARING)

BACKGROUND

Chapter 163, Part II, Florida Statutes, also known as the Local Government Comprehensive Planning Act, requires all local governments within the State of Florida to maintain comprehensive planning programs based upon an adopted local government comprehensive plan. As part of this process, the local government must monitor changing conditions and must use this information to guide periodic amendments to the local comprehensive plan a/k/a Growth Management Plan (GMP). More specifically, Section 163.3177(3)(b)(1), F.S., requires the County to review its Capital Improvement Element (CIE) on an annual basis in order to maintain a financially feasible 5-year Schedule of Capital Improvements. An amendment to the comprehensive plan is required to update the schedule on an annual basis, or to eliminate, defer or delay construction of any facility listed in the 5-year Schedule.

The primary purpose for maintaining a financially feasible 5-year CIE Schedule is to avoid being forced into a long term CIE and long-term concurrency management; particularly in the case with transportation exception areas. In addition, it is essential for the Transportation Division to continue to address deficiencies as a means to avoid being compelled to create a *Transportation Concurrency Backlog Authority* in Collier County. The *Backlog Authority* would divest the BCC of major transportation related projects and expenditures.

The 2009 CIE's Schedule of Capital Improvements covered the 5-year planning period for fiscal years 2009 through 2013. The 2009 annual amendments to the CIE were adopted February 24, 2009 by Ordinance 2009-07, and text-based revisions are denoted by "(X)" in the Element's margins.

The presently proposed CIE's Schedule of Capital Improvements covers the 5-year planning period for fiscal years 2010 through 2014, and correlates with the 2009 AUIR adopted by the BCC on November 3, 2009. This Report serves as a reminder how during AUIR hearings, the BCC directed Transportation Division staff to provide alternatives during the CIE update and amendment process for both Roads and Stormwater Management.

Capital Improvement Element amendments recommended herein result from adoption of the 2009 AUIR, BCC direction, additional staff analysis, and in some situations, either combining or truncating projects based on changes in demand and funding.

As with 2009, the County is again faced with decreased demand on capital infrastructure and facilities, and is proposing to delay and in some situations eliminate proposed infrastructure and facilities in the adopted 5-year Schedule of Capital Improvements. However, the County will remain concurrent in the 5-year CIE.

Pursuant to Section 163.3177(3)(b)(2), F.S., amendment to the Capital Improvement Element requires only a single public hearing before the Collier County Planning Commission (sitting in its official role as the County's land planning agency) and one single public hearing before the governing board (BCC) as an adoption hearing.

STAFF ANALYSIS

The Collier County Comprehensive Planning Department is currently positioned at the beginning phases of the next, or 2011, Evaluation and Appraisal Report (EAR). EAR-based amendments will account for virtually all of the text-based revisions to the CIE. Consequently, the presently proposed annual update to the Capital Improvement Element confines itself to the 5-year Schedule of Capital Improvements, and the second 5-year Schedule as an un-adopted CIE appendix.

Growth and population estimates and projections have been falling since the issuance of the 2006 BEBR population projections. These declining numbers were taken into account in the preparation of the County's Annual Update and Inventory Report (AUIR) and the CIE. However, it should be noted that the Transportation Division uses actual traffic counts instead of population numbers. This practice is attributed to the fact that counts vary based on facility expansion, and origin and destination changes that normally occur through the normal development process.

For comparison, the Collier County Population Estimates and Projection (CCPEP) figures are 6.2%, 12% and 17.2% decreases from the 2006, 2007 and 2008 CCPEPs for the same years, respectively. Population projections for years 2010, 2015 and 2020 have fallen 22.1%, 29.8% and 34.4%, respectively, from the 2006, to the 2009 CCPEPs. *[These decreases may also be interpreted to mean that, it will take 22% to 34% more time to reach the populations previously projected for 2010 through 2020; and existing capital facilities will correspondingly maintain their reliable capacity for this additional time, without need for expansion or construction.]* It should be noted that if this trend continues, some projects would be pushed out of the second 5-year planning period. However, staff is concerned that when the economy rebounds, and vacant residential units are occupied, there will be instantaneous demand. Fortunately, the CIE is updated annually – which identifies pending financial constraints and curtails possible concurrency issues.

[Collier County Population Estimates and Projections, (CCPEP), May 2009]

The effects of these decreases have influenced the demand for public facilities and infrastructure with a corresponding reduction in the expenditure of revenues for them throughout the County. They are discussed generally herein and specific examples are included below.

One of the more illustrative indicators of this downward trend is the traffic counts on County roads. The 2009 AUIR includes peak hour trip count logs in Attachment F, observations in Attachment B and mapped data in Attachment C of the County Roads section of the AUIR (pp. 23-29) illustrating an overall decline in peak hour directional volume from 2008. Traffic volume decreased an average of 4% from the peak hour trip counts reported the prior year. More than 22% of the 132 counting stations showed a decrease of greater than 10%. At ninety-nine count stations, for example, counts

were down from the prior year; 27 count stations were up from the prior year; and, six stations showed no change. Consequently, County road projects gained another measure of flexibility while still maintaining concurrency. The 5-Year Schedule of Capital Improvements included with this annual CIE update and amendment presents three Transportation alternatives and two Stormwater Management alternatives responding to the potential impacts and costs associated with an uncertain planning future.

Another indicator exemplifying population decreases is the students enrolled, or membership counts, in County schools. Between 2000 and 2007, the school district grew by more than 5,300 students. In the past three years, however, the district has experienced a decline in enrollment as economic forces have been changing. The Collier County School District membership reports from 2005 to 2009 provide the student counts in public schools, which illustrate a continuation of the short-term downward trend.

- ❖ October 2005 counts report a total of 43,296 students attended County-wide. 21,002 children were enrolled in elementary schools, with 9,428 in middle schools, and 12,866 in high schools.
- ❖ October 2008 counts report a total of 42,697 students attended County-wide. 20,581 children enrolled in elementary schools, with 9,516 in middle schools, and 12,600 in high schools. Certain schools reported declines of 13 to more than 19 percent.
- ❖ October 2009 counts report a total of 40,302 students attended County-wide. 20,432 children enrolled in elementary schools, with 8,431 in middle schools, and 11,439 in high schools.

These figures represent an overall decline in the rate of growth resulting in over 2,700 fewer students over the next 20 years when compared with last year's twenty-year enrollment projections. The decreases in student enrollment are most likely understated, as it is the norm during economic slowdowns and recessions for parents to enroll their children in public school, as private school is no longer affordable.

Reduced traffic demand and school enrollment are symptomatic of an out-migrating populace and workforce, as well as foreclosures and speculators not closing on pre-sold residential units. This allows for a reduction in public expenditures devoted to capacity improvements, correlated with a reduction in capital project activity in the CIE Schedule of Capital Improvements.

The amendments that are the subject of this staff report are limited in scope primarily to those Category "A" items recommended in the AUIR.

As with the previous Schedule of Capital Improvements, all Community Park Land and Regional Park Land transactions are being facilitated through interdepartmental transfers exchanging land holdings for park lands, or using another method not involving expenditure of capital funds. One example is the 47 acre Randall Curve interdepartmental transfer in exchange for regional park land at Big Corkscrew Island Regional Park. These transactions represent changes to land inventory and the corresponding value of land holdings.

The projected decrease in population growth reported in the AUIR has led to the existing potable water plants being able to maintain reliable capacity longer without plant expansions or new plant construction. The following changes were made to correlate with the May 2009 Collier County Population Estimates and Projections (CCPEP) and resulting water demands:

NERWTP: Deleted new 7.5 MGD plant construction from FY 18;
Deleted 6.0 MGD expansion from FY 26

SERWTP: Deleted new 6.0 MGD plant construction from FY 22

When demand projections increase, the hibernated water treatment facilities are 100% designed and can be reactivated, permitted and constructed in four to five years.

The projected decrease in population growth reported in the AUIR has also led to the existing wastewater treatment plants being able to maintain reliable capacity longer without plant expansions or new plant construction. The following changes were made to correlate with the May 2009 CCPEPs and resulting water demands:

NEWRF: Deleted 4.0 MGD plant construction from FY 18

SEWRF: Deleted 4.0 MGD plant construction from FY 18 and 2.0 MGD expansion from FY 24

When demand projections increase, the hibernated wastewater reclamation facilities are 100% designed and can be reactivated, permitted and constructed in four to five years.

Though not necessarily recommended by the AUIR, additional data and analysis supporting the proposed changes are required by Florida Statutes and Florida Administrative Code for review by the Florida Department of Community Affairs. The data and analysis are in the form of support documentation and not incorporated into the CIE.

Additional details for each category of public facilities are provided in Appendix A, supplemental to this Staff Report and attached hereto.

The economic realities that influenced growth and development during the last two years have required adjustments in capital improvements and services planning and potential changes in the GMP that have not been experienced since the adoption of the GMP in 1989, as required by *Florida's Local Government Comprehensive Planning and Land Development Regulation Act (Growth Management Act)*. This is only the second time our Capital Improvement program requires us to deal with falling population projections, declining school enrollment, an out-migrating populace and workforce, and diminishing demand on capital infrastructure and services. The tangible affects of these new realities can be seen in nearly every planned public project and capital improvement. Our levels of service can be maintained longer than previously projected, or can be achieved at later dates where projects were scheduled to address deficiencies. An indirect effect of decreasing demand for new facilities and services are revenues associated with new development. Until new development occurs, the demand for new capital infrastructure, services, and associated revenue (Impact Fees) will remain stagnant as demand and anticipated revenue are inextricably intertwined. Until the economy recovers, it is quite possible that the aforementioned economic realities and corresponding impacts will continue.

Finally, other factors attributable to the economy that warrant consideration are changes apparent in the day-to-day practices of the residents, workers and visitors in Collier County. People are conserving more and consuming less, extending the life of existing public facilities and forestalling the need for new facilities.

Numerous County personnel collaborated extensively with Comprehensive Planning staff in preparing this edition of the CIE – including Transportation Planning, Stormwater Management, Public Facilities (Parks & Recreation), Public Utilities (Potable Water, Wastewater & Solid Waste) and the Office of Management and Budget.

STAFF RECOMMENDATION:

That the CCPC forward the GMP amendments to the BCC with a recommendation to adopt and to transmit to the Florida Department of Community Affairs.

Prepared By: Corby Schmidt Date: 12/28/09
Corby Schmidt, AICP, Principal Planner
Comprehensive Planning Department

Reviewed By: MRC Date: 12/28/09
MRC for Randall Cohen, AICP, Director
Comprehensive Planning Department

Approved By: Joseph K. Schmitt Date: 12/22/09
Joseph K. Schmitt, Administrator
Community Development and Environmental Services Division

COLLIER COUNTY PLANNING COMMISSION:

MR. MARK STRAIN, CHAIRMAN

NOTE: This petition has been scheduled for the March 9, 2010 BCC hearing.

This appendix provides additional remarks regarding public facilities and capital improvement planning not addressed elsewhere in this Staff Report.

Road Projects

Projected five year figures were reduced from the 2008 AUIR to the 2009 AUIR based on the downturn in development. Development is projected to decline still further, beyond the reduction used in the 2009 AUIR. This additional reduction in development activity affects the amount of Impact Fees collected. The resulting reduction in demand for roadway improvements has a direct correlation to the reduction in Impact Fee-related expenditures required. Changes to and the reprioritization of the Transportation Division work program for road projects listed in the CIE Schedule of Capital Improvements are necessary based on changes in demand reflected in peak hour trip counts.

Capital expenditures from Impact Fee revenues are projected to be reduced by 54% over the previous CIE. Capital expenditures from Gas Tax revenues are projected to be reduced by 17% over the previous CIE. Ad valorem/General Fund revenues may be reduced from as little as 11% to as much as 20%, reflecting not only capital expenditures on road projects, but also Transportation Division funding division-wide.

At the BCC's direction, Transportation Division was charged with developing alternatives that also reduce ad valorem/General Fund expenditures for the Transportation Capital program. In combination with the Impact Fee and Gas Tax reductions, three alternatives were developed to address a reduction in ad valorem General Fund support for Transportation. They are: 1) the anticipated 11% ad valorem reduction in fiscal years 2011 through 2014 based on decreased assessed values; 2) a 15% ad valorem reduction; and 3) a 20% reduction in ad valorem. *These three Transportation alternatives are itemized in the document entitled CIE Changes from 2009 to 2010, included as a supplement to this Report, and are presented in Exhibit "A" on pages 16.11, 16.15 and 16.20.*

In each alternative, the total percent of reduction for the entire Transportation Division (operations and capital) is assumed to be reduced from the capital budget. While sufficient ad valorem funding (beyond debt service) is available in the Transportation Capital budget to cover the \$3.53 million reduction annually for the 11% in alternative No. 1, the \$4.82 million reduction for the 15% in alternative No. 2 would require that \$898,000 in Gas Tax also be reduced in the Transportation Capital program annually to maintain level funding in the Operations and Maintenance budget for the Transportation Division. Alternative No. 3 at 20% reduction would require \$1.72 million of Gas Tax be reduced annually beyond all non-debt service ad valorem in the Transportation Capital program to maintain level funding for Transportation Operations and Maintenance Programs. With the addition of over 400 new and improved lane miles of roadways, the expanded infrastructure for Traffic Operations and the advancing age of our bridges, further budget cuts to Operations and Maintenance would not allow sufficient investment to safely maintain the capital inventory that currently exists, nor address the increased demand for maintenance that will result from the deferral of capital projects. In fact, a generally level funding for Operations and Maintenance will still mean a further increase in deferred maintenance, which will need to be addressed at a significantly higher cost when funding improves.

The alternatives prepared seek to ensure deficiencies are addressed or, at least, progress is being made to address each deficiency. At the same time, BCC policy directive is to keep the County out of a long-term concurrency management system and from facing the creation of a *Transportation Concurrency Backlog Authority*.

This approach also avoids being forced into a long-term financially feasible CIE, which by Statute can be 10 or 15 years. Both the *Transportation Concurrency Backlog Authority* and long-term CIE and concurrency management system could become issues if there is a significant upturn in growth and there is a widening of the financial gap for all of the deficient road segments where ultimately, major funding would be required in a short period of time and no funding is available.

The alternatives substantially address existing and projected transportation deficiencies but further delay major improvements. The different alternatives take the costs that have been deferred into consideration, as well as the cumulative effect of the interim improvements and what the potential financial impact will be when the deferred improvements must be done. It is possible that these improvements could all be required in close proximity in time with, or at the same time that, other major projects will be required. The cost benefit ratio of deferring improvements to out-years differs with each alternative, resulting with different financial scenarios. The 11% alternative slows down future project readiness and removes construction for the segment of Collier Boulevard from north of I-75 to Green Boulevard and the construction for the Valewood Extension. The 15% reduction results in the further reduction in rights-of-way acquisition and the loss of construction funding for Santa Barbara Boulevard from Copper Leaf Lane north to Green Boulevard. The major difference between the 15% and 20% alternatives is that the 20% alternative does not leave any funds to roll into the new fifth year (fiscal year 2015) or thereafter to bring forward a current concurrency concern (Golden Gate Boulevard), the Santa Barbara Boulevard Project, Collier Boulevard between Golden Gate Main Canal and Green Boulevard, nor other concurrency segments that may develop over the next five years. Specific project implications of the three alternatives are demonstrated in the Schedule of Capital Improvements included with this annual CIE update.

Transportation projections used the anticipated 11% reduction in preparing the second 5-year Schedule. If the BCC adopts the 15% or 20% reduction, then the Roads component of CIE Appendix H, the Future Costs and Revenues by Type of Public Facility will be modified accordingly.

Park and Recreation Projects

The 2009 AUIR indicates a surplus of both Community Park Land and Regional Park Land through the 5-year planning period.

Two Park and Recreation projects were removed from the Schedule of Capital Improvements, as follows; the scheduled project for future improvements of an ATV Park, and the scheduled project for future purchases of land programmed for parking expansion for Bayview Park.

Stormwater Management Projects

The Lely Area Stormwater Improvement Program (LASIP) has been an ongoing project continuing over many years. Collier County reached the production phase approximately three years ago. Since that time, stormwater improvements in this area have advanced by coordinating them with road projects. LASIP remains a long term project in the Schedule of Capital Improvements.

The Belle Meade Stormwater Master Plan was completed in September 2006. Initiation of Belle Meade Stormwater Improvement projects have been deferred until completion of the watershed study effort currently underway by the CDES Engineering and Environmental Services Department. The watershed study effort progress to date includes prioritization of study completion by drainage basin,

consultant selection to perform hydrologic and hydraulic modeling, and drafting watershed studies. The delay in the Belle Meade projects was anticipated, as the South Florida Water Management District emphasized the need for an integrated watershed management plan to ensure the establishment and utilization of sound data and analysis to protect water quality and manage water quantity. The anticipated completion date of the studies, including recommendations and project funding prioritizations, is fiscal year 2012.

On June 22, 2004, the Collier County Board of County Commissioners established a Stormwater Program funded via a 0.15 mil ad valorem levy, securing funding beginning in fiscal year 2006 for the next 20 years. This program was modified by action of the BCC in 2009 to a 0.10 mil ad valorem levy.

During the 2009 AUIR hearing, the BCC requested two alternatives be developed for the Stormwater Management component of the Schedule of Capital Improvements that correspond with the different funding levels. First, an alternative that reflects Stormwater Management's status as a millage neutral program was developed within the assumption that revenues from the BCC established .15 mills would be reduced by 11% based on lower assessed values. The second alternative substantially restricts Stormwater Management project funding by reducing the millage from .15 mills to .10 mills and then applying the anticipated 11% reduction in assessed values. Under this second alternative, the Stormwater Management program is essentially restricted to implementation of LASIP with some assumed reductions in scope and costs to meet the permitted schedule for completion of the project. *Both Stormwater Management alternatives are presented in Exhibit "A" on pages 18.11 and 18.11R.*

As with Transportation projections, Stormwater Management projections used the anticipated 11% reduction in preparing the second 5-year Schedule. If the BCC adopts the 15% or 20% reduction, then the Stormwater Management component of CIE Appendix H, the Future Costs and Revenues by Type of Public Facility will be modified accordingly.

Potable Water Projects

The Water & Wastewater Rate Study and Impact Fee Study approved by the BCC on June 24, 2008 were the sources for the figures used to prepare the CIE 5-Year Schedule of Capital Improvements.

The Water & Wastewater Master Plan Capital Improvements Program for 2015 through 2019 was divided equally for each year and funding sources were allocated in the same proportions as 2010 through 2014. Funding sources for 2015 through 2019 are not based on the rate study. These are estimations only and will change when an actual rate study for this period is prepared.

Certain water treatment facilities were affected by deferred demand so as not to require a high pressure reverse osmosis expansion for at the NCRWTP, or incorporation of Orangetree facilities into the County system until fiscal years 2012 and 2023, respectively.

Solid Waste Projects

Pursuant to the Landfill Operating Agreement (LOA) with Waste Management, Inc. of Florida (WMIF), landfill cell construction is scheduled and guaranteed by WMIF over the life of the Collier County Landfill. Collier County landfill expansion costs are paid for by WMIF through agreed upon Collier County landfill tipping fees. By contract under the LOA, WMIF will construct any future required cells. The timing of new landfill cell construction has been updated to reflect Waste Management Inc. of Florida's current cell development schedule, which affects when new cell capacity is recognized. Landfill cells previously scheduled to be constructed in fiscal years 2010 and 2014 were affected by

deferred demand enough not to require new cell construction until fiscal years 2012 and 2015, respectively.

Updated projections indicate that the Collier County Landfill will have zero capacity remaining in fiscal year 2039, while previous projections indicated zero capacity remaining in fiscal year 2036 [and fiscal year 2033 before that]. This "gained" capacity reflects both the positive impacts of the past and current solid waste initiatives that have increased recycling and decreased disposal as well as reductions in the population estimates used to calculate the remaining disposal capacity.

Sewer - Wastewater Projects

The Water & Wastewater Rate Study and Impact Fee Study approved by the BCC on June 24, 2008 were the sources for the figures used to prepare the CIE 5-Year Schedule of Capital Improvements.

The Water & Wastewater Master Plan Capital Improvements Program for 2015 through 2019 was divided equally for each year and funding sources were allocated in the same proportions as 2010 through 2014. Funding sources for 2015 through 2019 are not based on the rate study. These are estimations only and will change when an actual rate study for this period is prepared.

Certain water reclamation facilities were affected by deferred demand so as not to require incorporation of Orangetree facilities into the County system until fiscal year 2012.