

Staff Report

Presentation to the Collier County Planning Commission (CCPC) of the 2015 combined Annual Update and Inventory Report (AUIR) on Public Facilities and Schedule of Capital Improvements as provided for in Chapter 6.02.02 of the Collier County Land Development Code and Section 163.3177(3)(b), Florida Statutes.

OBJECTIVE: Request that the CCPC review the combined 2015 Annual Update and Inventory Report (AUIR)/Capital Improvement Element (CIE) on public facilities and provide recommendations to the Collier County Board of County Commissioners (BCC) on specific projects and associated funding sources for inclusion in the Schedule of Capital Improvements within the Capital Improvement Element during the FY15/16 annual update (only Category "A" public facilities are included in the CIE). The AUIR identifies capital needs for new facilities to serve projected population growth in the 5-year AUIR time period. Also like past AUIRs, this year's AUIR presents additional information related to individual division/department operational data. This additional data is provided to evaluate the year to year change in demand experienced by each AUIR component and to assist the CCPC in making recommendations upon the appropriateness of the County's current Level of Service Standards (LOSS) and timing/necessity of proposed projects. The AUIR constitutes the process of evaluating budgetary priorities, as well as determining appropriateness of the County's currently adopted LOSS.

BACKGROUND: Chapter 163, Part II, Florida Statutes requires the County to adopt certain Land Development Regulations (LDR's) to implement its Growth Management Plan adopted on January 10, 1989. Section 6.02.00 of the LDC requires the County to, "Provide that public facilities and services meet or exceed the standards established in the CIE required by Section 163.3177 and are available when needed for the development..." This Section of Chapter 163, Part II, Florida Statutes is commonly known as the concurrency requirement. Accordingly, on March 21, 1990, the BCC adopted the Collier County Adequate Public Facilities Ordinance No. 90-24. This Ordinance was subsequently codified in Chapter 6.02.02 of the Land Development Code (LDC). It should be noted that changes initiated by HB7207 in 2011 only requires from each local government that they maintain concurrency management for Stormwater, Potable Water, Wastewater and Solid Waste. During the 2011 AUIR/CIE process, the County decided to maintain concurrency for the optional elements of Schools, Roads and Parks, based upon the perspective that maintaining concurrency management for the optional elements is necessary to sustain the current identified Levels of Service for the respective facilities and to ensure that the demands of new development are provided for by system expansion corresponding to those demands.

As noted, Chapter 6.02.02 of the LDC establishes the management and monitoring program for public facilities, which provides for an annual determination of Level of Service Standard (LOSS) concurrency for Category "A" facilities and identification of additional facilities needs. Category "A" facilities are arterial and collector roads, drainage system and stormwater management, potable water supply and distribution, wastewater collection and treatment, solid waste disposal, public schools and parks. The AUIR also provides analysis and recommendations on Category "B" facilities for which the County has adopted LOSS and collects impact fees. The Category "B" facilities are jails, law enforcement, library buildings and collections, emergency medical services, government buildings and the two dependent fire districts, Ochopee and Isles of Capri. Adoption of Category "B" facilities LOSS are necessary in order to legally validate impact fees for these facilities, related to the LOSS provided within each impact fee. Chapter 6.02.02 of the

Land Development Code requires the preparation of an AUIR on Public Facilities for presentation to the Board of County Commissioners.

At the direction of the County Manager, Coastal Zone beach re-nourishment and inlet management projects were added to the AUIR in 2013, within a new Category "C". This inclusion allows for a formal and predictable BCC evaluation of the condition for each respective capital programming. Category "C" areas (coastal zone beaches and inlets) are not subject to concurrency management or coupled to impact fee funding. The quality and usability of these features are sustained through periodic surveys, and maintenance and management programs, funded with tourist development taxes and other revenue sources.

Under the provisions of Chapter 6.02.02 of the LDC, the BCC's options in response to the needs identified in the AUIR include, but are not limited to, the following:

1. Establishment of Areas of Significant Influence (ASI) surrounding deficient road segments which are not in a Traffic Congestion Management Area (TCMA) or Traffic Congestion Exception Area (TCEA).
2. In response to the needs identified in the AUIR, Public Facility projects can be added to the financially feasible Schedule of Capital Improvements in the Capital Improvements Element. Road projects must be in the first or second year of the next adopted Schedule of Capital Improvements in order to be factored as available capacity in the real-time Transportation Concurrency Management System database.
3. Deferral of development order issuance will occur for development not vested by statute in areas affected by deficient Category "A" public facilities. This applies to necessary improvements both pending and not financially feasible, or not in the 5-year CIE Schedule of Capital Improvements. Both circumstances could result in the following remedial action:
 - a. Modification of Level of Service Standards (LOSS) via Growth Management Plan Amendments.
 - b. Subsequent direction to staff to include the necessary Category "A" public facility projects in a future Annual CIE Update and Amendment to be adopted by the Board.
 - c. Future approval of new or increased revenue sources for needed Public Facility projects, by the Board of County Commissioners, the State Legislature or the County voters.
 - d. Developer constructed improvements guaranteed by an enforceable development agreement.

It should be noted that the options identified above are crafted under the design of attaining a fiscally feasible CIE based on the concurrency management system. The BCC through Objective 2 of the CIE provides direction to maintain an annual financially feasible CIE. The requirement for financial feasibility is a local requirement, no longer a statutory requirement.

CIE ~ OBJECTIVE 2: (FINANCIAL FEASIBILITY)

Provide public facilities, as described in Policy 1.1 above, in order to maintain adopted level of service standards that are within the ability of the County to fund.....

It should be noted that Policies 1.1 through 1.5 of the CIE establish the standards for levels of service for Category "A" public facilities.

GROWTH MANAGEMENT IMPACT: The preparation and presentation of the AUIR to the CCPC and BCC meets the requirements of Chapter 6.02.02 of the Land Development Code for an annual determination of the status of public facilities. Board direction to include the projects identified in the AUIR in a financially feasible FY15 Annual CIE Update and Amendment will establish and maintain concurrency for Category "A" public facilities, except roads, for the next twelve (12) months. Road projects needed to remedy LOS deficiencies must be in the first or second year of the Schedule of Capital Improvements.

Based upon statutory changes initiated in 2011, the Capital Improvement Element is no longer required to be sent to the State Land Planning agency and 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. This single hearing process allows for the concurrent hearing of the AUIR/CIE.

Schools: The Schools component of the 2015 AUIR/CIE stands as a unique component. A summary of the School District Five Year Capital Improvement Plan is being provided for review by the CCPC, but when the special meeting is held to discuss the AUIR, the School District's Capital Improvement Program (CIP) will already have been approved by the School Board, as required by the Florida Department of Education. The proposed School CIP has been reviewed by County staff in conjunction with School district staff to ensure no inconsistencies exist with the timing of new facilities and required infrastructure. **There are no proposed additions or expansion projects within the District's 5-year CIP, which obviously does not create infrastructure deficiencies.** It should be noted that while the Schools component is included as part of the Category "A" facilities which dictate the concurrency management system for the County, the concurrency management for schools is administered by the School District. **The recommendation sought from the CCPC related to the School District's proposed CIP is for a recommendation to include the District's CIP by reference within the CIE and that no inconsistencies are contained within the District's CIP compared against the other planned capital improvements within the AUIR or corresponding CIE.**

LOSS Appropriateness: As indicated within the Objective portion of this staff report, the AUIR provides the platform for the Planning Commission to make evaluations and recommendations regarding the appropriateness of the County's current LOSS. The process of capital improvement programming for the County is a linear equation for most components of the AUIR, (New Population x Level of Service Standard = Capital Improvement). **This equation is the only justification required of the proposed capital improvement.** It should be noted that Public Utilities, Stormwater Management and Transportation have developed a more complex formula and system for maintaining LOSS which dictates capital expansion, but the basic premise of additional demand requiring new improvements is the underlying fundamentals of the equation.

The role of the AUIR is to provide an opportunity on an annual basis for the CCPC to evaluate and provide recommendations on the appropriateness of the currently adopted LOSS within the AUIR. Within each individual section, the year to year demand for service or demands upon the system has been included to assist the advisory boards and the BCC in this determination.

LOSS and Impact Fees: It should be noted that impact fee studies and methodologies do not establish levels of service, but at a minimum, they set a base line where levels of service cannot fall below without invalidating the impact fee. A level of service standard that is established by an impact fee study represents the standard that has been achieved for a particular facility, but does not dictate that a local government cannot adopt a level of service that is higher than the

achieved level of service. However, the difference between the achieved level of service and the adopted level of service will require supplemental funding from a source other than impact fees to fund the cost of the improvement. Government Buildings and EMS are two AUIR components in which the Impact Fee LOSS are below the AUIR adopted LOSS. As indicated, this discrepancy is resulting in a higher level of necessary general revenue supplemental funding.

It should be noted that the current level of service standards for most AUIR components are currently satisfied based upon the LOSS and current population levels, but the population growth over the past four years has begun to deplete the available capacity of the respective infrastructure and service providers. Based upon this diminishing capacity, the due diligence process to bring about the next iteration of system expansion has begun and will result in a continued growth in the revenues needed to maintain the LOSS for the system providers.

Population: The population projections utilized with the 2015 AUIR are based upon prior BCC policy direction and acceptance from the Department of Economic Opportunity (DEO). The population method utilizes the Bureau of Economic and Business Research (BEBR) Medium Range projections for the entire projection period with a 20 percent seasonal adjustment factor applied to permanent population projections. The chart below is a comparison of the past six years of projected permanent population growth.

AUIR Year	BEBR Estimate	Permanent Population Following 5-Year BEBR Growth Projections					5 Year Growth Percent	Growth Percent Annualized
2010	333,600	339,786	346,087	352,505	359,042	365,700	9.62%	1.92%
2011	327,062	332,699	338,433	344,267	350,200	356,788	9.09%	1.82%
2012	328,339	332,893	337,446	342,000	348,720	355,440	8.25%	1.65%
2013	335,405	341,055	346,800	353,792	360,925	368,202	9.78%	1.96%
2014	338,728	345,100	351,647	358,318	365,116	372,042	9.84%	1.97%
2015	346,371	352,771	359,289	365,927	372,688	379,084	9.44%	1.89%

From review of the above table, 2015 provides a sixth year in which the annualized growth rate is projected at under two percent of the total population. This continued outlook has established the new growth reality for the County. The recalibration of Collier County's population through the 2010 Census had provided additional capacity to each of the AUIR/CIE population based systems, but as noted, the population added since 2010 has eroded this capacity. As such, each of the AUIR providers are beginning to initiate the due diligence process for their next system expansion. It should be noted that the population increase for the five year population projection period totals 32,713 or 6,542 per year. The 6,542 of annual new population, utilizing the County's average 2.38 person per household rate, translates to **2,748** new dwelling units (assuming the new population were housed only by new units and not existing inventory). Based upon the CO data compiled by Growth Management for the 2014-15 fiscal year, **3,075** units were completed. These facts are provided to better evaluate the market's response to the demand for new housing units.


FISCAL IMPACT: Revenues are required to fund the CIE projects proposed in the 2015 AUIR/CIE for the FY15-16 thru FY19-20 planning period to maintain financial feasibility of the CIE for Category "A" facilities. These funds must be made available by the Board of County Commissioners or fall within the Board's statutory General Fund taxing authority. Current and Proposed revenues needed to fund public facility construction/expansion for the FY15-16 thru FY19-20 CIE planning period are set forth in each respective capital facilities section of the 2015 AUIR/CIE. Project expenditures in excess of estimated impact fee, gas tax, and user fee revenues receipts and funded bonds, are reflected as being augmented by General Fund Revenues in the body of this document. "General Fund Revenues" are defined as existing sales tax revenues and other state shared revenues, or ad valorem allocations at the discretion of the BCC. It should be noted that all projects identified within the Category "A" facilities have identified funding for the improvement. **When funding sources are not identified, the BCC is provided five options to address the situation by Policy 2.9 of the Capital Improvement Element.**

1. Remove through a plan amendment facility improvements or new facilities from the adopted Schedule of Capital Improvements that exceed the adopted levels of service for the growth during the next five (5) fiscal years;
2. Remove from the adopted Schedule of Capital Improvements through a plan amendment facility improvements or new facilities that reduce the operating cost of providing a service or facility but do not provide additional facility capacity;
3. Where feasible, transfer funds from a funded non-Capital Improvement Element capital project in order to fund an identified deficient Capital Improvement Element public facility. The resulting revisions shall be reflected in the required annual update.
4. Lower the adopted level of service standard through a plan amendment for the facility for which funding cannot be obtained.
5. Do not issue development orders that would continue to cause a deficiency based on the facility's adopted level of service standard.

It should be pointed out, that all of the Category "B" facilities, with the exception of the dependent fire districts, required loans from the general fund to meet the necessary revenue (Option 3 above). Additionally, it should be noted that spreadsheets detailing the revenue and debt service for the AUIR divisions/departments for the 5-year CIE period, as well as the long term debt financing schedules has been provided within the AUIR/CIE book appendix.

RECOMMENDATION: That the Collier County Planning Commission in the form of recommendations to the Board of County Commissioners:


1. Accept and approve the attached document as the 2015 Annual Update and Inventory Report on Public Facilities.
2. Give the BCC direction by separate motion and vote on Category "A", "B" and "C" facilities relative to projects and revenue sources, with Category "A" facilities set forth for inclusion in the FY15-16 Schedule of Capital Improvements of the Annual CIE Update and Amendment.
3. Provide a recommendation for the School District's CIP to be included in the FY15-16 Schedule of Capital Improvements of the Annual CIE Update and Amendment by reference.
4. Consider a recommendation to the BCC upon an alternative LOSS for individual components of the AUIR where deemed appropriate.
5. Forward the GMP CIE Schedule of Capital Improvements update to the BCC with a recommendation to adopt.

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