

EXECUTIVE SUMMARY

OBJECTIVE: This report is intended to provide the BCC with an overview of the Rural Fringe Mixed Use District (RFMUD) program, its effectiveness and utilization, and to identify suggested areas of programmatic change. It is intended that the attached **Report on the Rural Fringe Mixed Use District (Report)** and the list of **Action Items** provided in the Report be used as a guide for preparing GMP and LDC Amendments to effect programmatic changes.

CONSIDERATIONS: Nearly 20 years ago, on November 15, 1997, the County adopted a set of Growth Management Plan (GMP) amendments that were found to be “not in compliance” with relevant state by the Governor and Cabinet sitting as the Administration Commission. On June 22, 1999 the Final Order AC-99-002 was issued. The Order found the County had failed to adopt and implement policies to: protect environmentally sensitive property, to discourage urban sprawl; and to prevent the premature conversion of agricultural land. It required, as remedial action, County conduct a “Rural and Agricultural Assessment.” The primary objectives of the Assessment were to:

- Identify and propose measures to protect prime agricultural areas;
- Direct incompatible uses away from wetlands and upland habitat in order to protect water quality and quantity and maintain the natural water regime as well as to protect listed animal species and their habitats; and,
- Assess the growth potential of the Area by assessing the potential conversion of rural lands to other uses, in appropriate locations, while discouraging urban sprawl, directing incompatible land uses away from critical habitat and encouraging development that utilizes creative land use planning techniques including, but not limited to, public and private schools, urban villages, new towns, satellite communities, area-based allocations, clustering and open space provisions and mixed use development.

That Assessment process was bifurcated into two separate study areas. One area is now known as the Rural Lands Stewardship Area (RLSA).; The other area, which is the subject of this Report, consisted of approximately 93,600 acres, located between the County’s urban coastal area and the north and south blocks of the Golden Gate Estates subdivision. The Rural Fringe Study resulted in the creation of the Rural Fringe Mixed Use District Sending, Receiving, and Neutral designations, and established the Transferable Development Rights (TDR) Program, designed to encourage the transfer of density from environmentally sensitive “Sending” lands to the more developable “Receiving” lands, in order to compensate Sending land owners for lost value experienced as a result of lower density and new more restrictive development standards applied to Sending lands.

Over the past twelve years, the program has been amended on several occasions, in order to create a viable market for TDR utilization in Receiving lands. No TDR’s have been utilized to entitle a Rural Village. The majority of Sending land parcels are less than 10 acres in size and there is little incentive for such landowners to sever TDRs. Even if there was sufficient incentive, there are simply not enough TDR’s available and the cost per TDR is too high to create a market attraction.

It is clear that it is once again time to revisit this program in order to establish a viable market for TDR’s and to accomplish the TDR program objectives of preservation of environmentally sensitive lands, and

compensating Sending landowners for lost value. To this end, a group of Rural Fringe landowners have come together to fund the creation of this report as supporting data and analysis and to be used as a guide during a reassessment of the RFMUD regulations.

A draft of the Report was provided to the following stakeholder groups:

- Florida Wildlife Federation
- Collier County Audubon Society
- Conservancy of SW Florida; and
- GG Estates Civic Association.

Meetings were held with representatives from each group. In general, the comments from these stakeholders groups were positive and supportive of the recommended reassessment. The Conservancy provide written comments (attached). Each group expressed a desire to participate during the GMP and LDC amendment process.

CONCLUSION: In order for the program to work, there must be economic incentive to participate on both sides of the equation, that is from both the “supply” side (Sending Land Owners who can generate TDRs) and the “demand” side (Receiving land owners or developer who purchase the TDR’s). At present, there is little to no economic incentive on either side of the equation. An owner of a 5 acre parcel can only achieve a return of approximately \$25,000 to \$30,000 dollars for severing the development rights (after subtracting transaction costs, and cost to remove exotics and pay the perpetual exotic maintenance fee). This is far below the actual or perceived market value of a 5 acre parcel with the right to develop one dwelling unit. On the Receiving side of the equation, the estimated cost per unit to be used in Receiving is above the unit cost for most similarly situated lots not located within RFMUD Receiving. This additional per unit cost does not even consider the significant additional expense likely to be incurred for access and to provide public services such as water and sewer. ***The cost of “entitling” Receiving lands, coupled with the additional cost and relatively scarcity of TDR’s and the costs to provide necessary public facilities and services results in a market condition that is not viable.***

FISCAL IMPACT: The process to reassess the RFMUD regulations and amending the GMP and LDC to implement necessary changes is anticipated to take 12 to 18 months to complete. It is assumed that doing that period, consulting fees will range from \$75,000 to \$100,000, with existing staff managing and overseeing the process.

GROWTH MANAGEMENT IMPACT: Changes to the RFMUD program will require amendments to the Future Land Use Element of the County’s Growth Management Plan, and may require amendments to other elements (such as the Conservation and Coastal Management Element) as well.

RECOMMENDATIONS: The RFMUD regulations must be reassessed or the program objectives will not be realized. It is critical to ensure that Sending landowners can realize a viable return in exchange for severance of their development rights and that the regulations that apply to Receiving lands create and promote market viability. To this end we request that the BCC:

Initiate a RFMUD reassessment guided by the list of Actions Item providing in the attached ***Report on the Rural Fringe Mixed Use District, Recommendations for Programmatic Changes.***