



Office of the
**INDIAN RIVER COUNTY
ADMINISTRATOR**

Jason E. Brown, County Administrator
Michael C. Zito, Assistant County Administrator

MEMORANDUM

TO: Members of the Board
of County Commissioners

FROM: Jason E. Brown
County Administrator

DATE: November 8, 2021

SUBJECT: Public Hearing Re: Petition to Establish Lakeside at Indian River Community
Development District

Background

On October 21, 2021, Jere Earlywine submitted to Indian River County a Petition to Establish Lakeside at Indian River Community Development District ("Petition"). The Petition seeks to establish the first Community Development District in Indian River County (CDD). Per section 190.003, Florida Statutes, a CDD is defined as a local unit of special-purpose government. The main purpose of a CDD is to plan, finance, construct, operate and maintain infrastructure and services in a development. The financing for the infrastructure and services is through the issuance of tax-exempt bonds, with the principal and interest then paid back over time by the residents through assessments on the annual property tax bill. Please note that the CDD assessment is in addition to the other taxes and assessments on the annual property tax bill and homeowner's association fees that are not found on the annual property tax bill. The CDD is a financing option for developers that allows them to shift the upfront development costs of a project onto the future residents of a development. Unfortunately, many homebuyers who purchase property located in a CDD will not understand the ramifications of owning property within a CDD, even though buyers are provided with documents which require disclosure. CDD fees can range from \$1,000 to \$4,000 a year. If these assessments are not paid, homeowners can lose their homes through the same process established under Florida statutes for not paying property taxes.

The proposed district under the submitted Petition would cover approximately 208.02 acres of land, located south of Oslo Road, east of Interstate 95, west of 27th Avenue SW, north of 25th Street SW and bisected by 43rd Avenue SW. The property is owned by FVP Miami Lakes, LLC.

As set forth in the Petition, the proposed district would be responsible for financing various infrastructure improvements such as the stormwater management system, roadways and water and wastewater systems. The total estimated cost of the proposed facilities, as set forth in the Petition, is roughly \$22 million.

Per section 190.005, Florida Statutes, the Indian River County Board of County Commissioners (“Board”) has the authority to establish a CDD of less than 2,500 acres in size. The Board is to consider the record of the public hearing and the factors set forth below in making a determination as to whether to grant or deny the Petition.

1. Whether all statements contained within the Petition have been found to be true and correct.
2. Whether the establishment of the proposed district is inconsistent with any applicable element or portion of the state comprehensive plan or of the Indian River County Comprehensive Plan.
3. Whether the area of land within the proposed district is of sufficient size, is sufficiently compact, and is sufficiently contiguous to be developable as one functional interrelated community.
4. Whether the proposed district is the best alternative available for delivering community development services and facilities to the area that will be served by the proposed district.
5. Whether the community development services and facilities of the proposed district will be incompatible with the capacity and uses of existing local and regional community development services and facilities.
6. Whether the area that will be served by the proposed district is amenable to separate special-district government.

County staff does not believe that the proposed district is the best alternative available for delivering community development services and facilities to the area that will be served by the proposed district. The Petition calls for the establishment of a CDD for the 208.02 acres of land, which is anticipated to contain approximately 320 residential dwelling units. To date, two separate Preliminary Planned Development applications have been submitted to Indian River County that make-up the 208.02 acres covered by the Petition. One project site is east of 43rd Avenue and the other project site is west of 43rd Avenue. Both of the proposed developments received Conceptual Planned Development Approval in 2004. Through the Planned Development review process, both projects provide additional public benefits over-and-above the County’s conventional development standards; however, those public benefits are provided in order to offset waivers (increases or reductions) from the County’s conventional development standards. Therefore, the proposed CDD offers no additional services or facilities that makes it appropriate for the establishment of an additional governmental entity that has the authority to issue tax exempt bonds. It appears that the proposed development will meet the basic requirements of Indian River County’s land development regulations, including the County’s Planned Development requirements. However, without additional services or facilities, the best alternative for delivering the services under this development is to have the developer fund those costs upfront, as other developers have done in Indian River County, without passing those costs onto future property owners on the annual property tax bill. Indian River County is a desirable community, which has attracted a significant, healthy amount of growth over the last several years without the use of CDD’s. County staff would recommend that the Board consider CDD’s only in situations where a specific project is going to provide an important additional benefit (e.g. significant additional public amenities, special conservation component, the need to overcome a substantial infrastructure obstacle), which could then make a CDD the best alternative for delivering community development services and facilities.

Staff Recommendation

Staff recommends that the Board of County Commissioners open the public hearing and receive input from the petitioner and any interested members of the public and consider the proposed ordinance to establish the

Lakeside at Indian River Community Development District. Staff also recommends that the Board make a determination that the proposed Community Development District is not the best alternative for delivering community development services and facilities to the area that would be served by the district and deny the petition to establish the Lakeside at Indian River Community Development District.

Attachments

Petition to Establish Lakeside at Indian River Community Development District

Proposed Draft Ordinance to Establish the Lakeside at Indian River Community Development District