

INDIAN RIVER COUNTY, FLORIDA

M E M O R A N D U M

TO: Jason E. Brown; County Administrator

THROUGH: Roland Deblois AICP
Community Development Director

THROUGH: Bill Schutt, AICP
Chief, Long Range Planning

FROM: Matt Kalap
Long Range Planner

DATE: November 19, 2019

RE: County Initiated Request to Amend the 5 Year Capital Improvements Program and Supporting Data and Analysis of the Capital Improvements Element of the Comprehensive Plan for the Period FY 2019/20 –2023/24.

Plan Amendment Number: CPTA 2019080183-85311

It is requested that the following information be given formal consideration by the Board of County Commissioners at its regular meeting of December 3, 2019.

BACKGROUND

On February 13, 1990, Indian River County adopted its comprehensive plan. As required by state law, all development activities must be consistent with the comprehensive plan, and all county activities must conform to plan policies. Occasionally, the plan must be updated to reflect the latest and best available information and to address changed conditions. Additionally, the plan must periodically be reviewed and revised in order to reflect the community’s changing needs and desires.

While state law allows local governments to amend their comprehensive plans periodically, there is no requirement that local governments annually update their comprehensive plan, except for the Capital Improvements Element. The Capital Improvements Element (CIE) of the plan is different from the other plan elements. Unlike the other elements, the CIE must be amended every year. This is required both by plan policy and by state regulations.

During the 2011 session, the legislature made various changes to state growth management rules,

and some of the changes relate to Capital Improvements Element requirements. Among the changes brought about by enactment of House Bill 7207 (Chapter 2011-139, Laws of Florida), one eliminated the financial feasibility requirement of the Capital Improvements Program (CIP), while another added a requirement that the Capital Improvements Program list those projects that are necessary to maintain locally established level of service standards, identify projects as fully funded or unfunded, and give projects a level of priority for funding.

With those amendments, the state legislature preserved the ability of local governments to amend their Capital Improvements Program through a more direct and accelerated process than most other comprehensive plan amendments. According to state law, amendments to the Capital Improvements Program schedule and its supporting data and analysis may be accomplished by following local government ordinance adoption/amendment procedures. Those procedures require only one adoption hearing, while other types of comprehensive plan amendments must be processed through the state's "Expedited Amendment" process, which involves multiple public hearings and several months of review.

Consistent with state requirements, County staff has prepared the annual update of the County's existing Capital Improvements Element. A copy of the draft updated CIE is attached. Even though state statute no longer requires that local Capital Improvements Programs be financially feasible, the County's Capital Improvements Program is financially feasible.

Because this CIE amendment is a complete update of the 5 year Capital Improvements Program and its supporting data and analysis, all related tables, charts, graphs and associated text were updated. Updates are shown with ~~strike-throughs~~ and underlines and are limited to the text and tables of the CIE. Adding strike through and underlines to the charts, graphs, and entire appendices would have made the length of the document excessive and the resulting document confusing. Consequently, those items have been updated without strike-throughs and underlining.

ANALYSIS

In revising the 5 Year Capital Improvements Program and supporting data and analysis, staff used much the same methodology as it employed in preparing the original version. That involved coordinating with the budget and finance departments to obtain data on past revenues and expenditures as well as forecasted future revenue and expenditure amounts. Also, each county department was contacted to determine the status of its capital improvements program. For each department, information on completed projects, proposed projects, costs, revenues, prioritization, and other factors was collected. Projects were then reviewed by the budget department and revised as necessary to ensure financial feasibility. Based upon those data, planning staff revised the various tables and the text of the 5 Year Capital Improvements Program and supporting data and analysis. The result of those changes is an accurate, financially feasible, and up-to-date capital improvements program.

Proposed Changes to the Capital Improvements Element

- Capital Improvements Program

Appendix A of the CIE (Attachment 4) is the County's proposed Capital Improvements Program (CIP). It lists all programmed capital improvements for fiscal years 2019/20 through 2023/24. Within the CIP, each project was selected based upon need and the County's financial ability to fund it. As shown within the CIP, the total cost for all of the projects for the next five fiscal years is \$390,169,564. That is \$54,356,238 more than the \$335,813,326 cost of the current (last) five year CIP and represents a 16.19% increase. Much of this increase reflects increases from existing county funding sources and from external sources due to increased development activity and continually improving market conditions. Those funding sources include assessments and user fees, gas taxes, impact fees, local option sales taxes, developer contributions, and the Florida Department of Transportation.

As structured, the CIP consists of ten separate categories, with dedicated funding sources listed after each project. The ten separate categories are: Coastal Management, Conservation and Aquifer Recharge, Emergency Services, Facilities Management, Law Enforcement and Corrections, Parks and Recreation, Sanitary Sewer and Potable Water, Solid Waste, Stormwater Management, and Transportation. A comparison of the existing (last) 5 year CIP expenses by category to the proposed 5 year CIP expenses by category appears on page 5 of this agenda item.

Coastal Management

Planned coastal management projects occurring within the next five years include beach nourishment in sector 3, sector 5, and sector 7 of the coastline. Those projects will be funded by the Federal Emergency Management Agency, Florida Department of Environmental Protection, and the County's beach restoration fund. The total expenditure amount for the projects within this category for fiscal years 2019/20 through 2023/24 is \$25,000,000, representing 6.41% of the overall CIP expenditure within the next 5 years.

Conservation and Aquifer Recharge

For conservation capital projects, the focus is on improvements to conservation lands. Those improvements include construction of passive recreational access facilities such as boardwalks, kayak launches, associated improvements such as parking and restroom facilities, and projects to stabilize/improve/preserve historic structures. These projects will be funded from numerous sources including: environmental land bonds, grants, optional sales tax, boating improvement funds, upland mitigation funds, Windsor property exchange donation, and park impact fees. The total expenditure amount for the projects within this category for fiscal years 2019/20 through 2023/24 is \$11,239,398, representing 2.88% of the overall CIP.

Emergency Services

For the next five fiscal years, emergency services capital projects total \$19,216,635 and represent 4.93% of the overall CIP. Proposed projects within this category include but are not limited to acquisition of multiple ambulances (med units), fire engines, tankers, brush trucks, replacement of Emergency Services Station 7, and construction of new Emergency Services Station 15. Funding for these improvements comes from impact fees, one-cent local optional sales tax, and emergency services district millage.

Parks and Recreation

Capital improvements projects related to recreation and open space include improvements to existing recreation areas such as Victor Hart Sr. Complex (fka Gifford Park), Hosie-Schuman Park, Hobart Park, 58th Avenue ballfields, and County Fairgrounds. All of the recreation and open space projects identified in Appendix A will be paid for with one-cent local option sales tax revenue, golf club user fees, general fund loan, Windsor fund, Fairgrounds improvement fund, 16th Street Ballfield sale funds, and impact fees. The expenditures within this category for fiscal years 2019/20 through 2023/24 total \$11,989,997, representing 3.07% of the overall CIP.

Facilities Management

As listed within Appendix A, facilities management capital improvements projects represent 4.63% of the overall CIP for fiscal years 2019/20 through 2023/24 and total \$18,060,000. These projects include improvements such as construction of new courtroom facilities, acquisition of land for future buildings, Building B expansion, LED lighting, fiber optic cable connectivity, library renovations, North County Library expansion, and costs for replacement of various county building roofs. The projects will be funded through various sources, including one cent local option sales tax revenue, impact fees, and building department fund.

Law Enforcement and Corrections

Planned law enforcement and corrections capital improvements projects include development of corrections medical housing and corrections recreation yard expansion, and a sheriff facility expansion needs design. These projects will be funded by impact fees and one cent local option sales tax revenue. The total amount of expenditures for projects within this category for fiscal years 2019/20 through 2023/24 is \$9,005,000, representing 2.31% of the overall CIP and representing an 7.66% decrease in cost over last year's law enforcement and corrections 5 year CIP.

Sanitary Sewer and Potable Water

Within the next five years, there are potable water and sanitary sewer capital improvements projects planned at various locations within the county. Projects planned for fiscal years 2019/20 through

2023/24 include construction of several water mains (new and replacement), North County (Sebastian) septic to centralized sewer conversions, meter conversions to an Advanced Metering Infrastructure (AMI) system, and south waste water treatment facility improvements. The potable water and wastewater projects will be funded through one cent local option sales tax, user fees, grants, assessments, and capacity charges. The sanitary sewer and potable water category accounts for 20.92% of the overall CIP, or \$81,630,549, during the five year CIP time period.

Solid Waste

In the next five years, solid waste capital improvements will involve expansion of Cell III of Segment 3 of the landfill, a new single stream recycling building, new automated scale system, emergency access roadways, and site drainage improvements at the landfill. These improvements total \$14,300,000 during the five year CIP time period, account for 3.67% of the overall CIP, and representing an 44.44% increase in cost over last year’s solid waste 5 year CIP. Projects in the proposed 5 year CIP will be funded by assessments and user fees.

Stormwater Management

For stormwater management, capital improvements include construction of a canal treatment system in the North Relief Canal, Osprey Acres Flowway and Nature Preserve, and East Gifford Stormwater Improvements. The stormwater management projects identified in Appendix A will be paid for with one-cent local option sales tax revenue, grant funds, stormwater MSBU funds, and Vero Lake Estates assessments. The expenditures within this category for fiscal years 2019/20 through 2023/24 total \$15,425,000, representing 3.95% of the overall CIP.

Transportation

As the costliest CIP category, transportation includes intersection improvements, road widenings, sidewalk installations, turn lanes, paving, and related projects throughout the county. Generally, capital improvements to county maintained roads are funded by traffic impact fees, the County’s one cent local option sales tax revenue, and gas tax revenue, while sidewalks are funded through grants, one cent local option sales tax revenue, and gas tax revenue. Some expenditures for roads are also funded by the State of Florida, developers, and grants. Overall, the transportation category expenditures represent nearly half (47.24%) of the entire five year CIP and totals \$184,302,985, an amount which is \$11,716,535 more than last year’s five year transportation CIP of \$172,586,450.

Comparison of Existing (Last) 5 Year CIP Expenses by Category to Proposed 5 Year CIP Expenses by Category				
Category	FY 2018/19-2022/23	FY 2019/20-2023/24	Difference \$	Difference %
Coastal Management	N/A	\$25,000,000	\$25,000,000	N/A

Conservation & Aquifer Recharge	\$6,599,381	\$11,239,398	\$4,640,017	70.31%
Emergency Services	\$20,673,635	\$19,216,635	-\$1,457,000	-7.05%
General Services/Facilities Management	\$18,059,182	\$18,060,000	\$818	0.00 %
Law Enforcement & Corrections	\$9,695,000	\$9,005,000	-\$690,000	-7.12 %
Recreation & Open Space	\$9,803,718	\$11,989,997	\$2,186,279	22.30 %
Sanitary Sewer & Potable Water	\$65,209,250	\$81,630,549	\$16,421,299	25.18%
Solid Waste	\$9,900,000	\$14,300,000	\$4,400,000	44.44%
Stormwater Management	\$23,286,710	\$15,425,000	-\$7,861,710	-33.76%
Transportation	\$172,586,450	\$184,302,985	\$11,716,535	6.79%
Total	\$335,813,326	\$390,169,564	\$54,356,238	16.19%

Project Modifications

With the improved economy, County revenue increased in Fiscal Year 2019/20. For all funding sources except “other sources”, County revenue is expected to continue to slowly increase through Fiscal Year 2023/24 above what was previously forecasted in the prior year’s Capital Improvements Program.

With this year’s update, some projects have had their time frames extended, some have had their funding sources changed as priorities have shifted, and projects previously underfunded have been designated to receive additional projected funding. While some project time frames have been extended, none of the extensions will impact development project concurrency reservations.

By extending the time frame of transportation projects, the County can utilize its limited resources to complete priority concurrency related projects within the overall capital improvements program. In effect, the County can delay some projects so that other projects will remain fundable and so that additional priority projects may be funded. By funding necessary projects and other priority projects, and by extending the time frames for other projects, the County is maintaining a financially feasible capital improvements element.

Financial Feasibility

Although state statute no longer requires local capital improvements programs to be financially

feasible, Indian River County's CIP is financially feasible.

Overall, the CIP includes a summary of revenues and expenditures. The revenue and expenditure summary is included to demonstrate the financial feasibility of the CIP. That summary is included on page 20 of Appendix A of the CIP (see Attachment 4) and shows that, in fact, the County's Capital Improvements Program is financially feasible over the 5 year period by balancing revenues and expenditures.

Indian River Lagoon Projects

At the August 16, 2016 Board of County Commissioners meeting, the Board directed staff to commit to spending 20% of the proceeds of the first five years of the extended one-cent local option sales tax on lagoon-related projects, if the tax was renewed by the voters in November 2016. On November 8, 2016, Indian River County residents voted to extend the one-cent local option sales tax effective January 1, 2020 through December 31, 2034. Consequently, the County has a goal of spending 20% of the one cent optional sales tax proceeds on lagoon-related projects for the first five years of the extension, starting with January 1, 2020 and ending with December 31, 2024 (FY 2019/20 – 2024/25).

With the approval of the extension of the one-cent local option sales tax, the proposed 5 year Capital Improvements Program schedule allocates at least 20% of projected one-cent local option sales tax revenue to lagoon related projects during the portion of the FY 2019/20 – 2023/24 period covered by the proposed plan. As proposed, the CIP directly allocates \$19,051,603 out of a total of approximately \$96 million (adjusted for start of sales tax extension) in projected one-cent local option sales tax revenue to lagoon related projects from Fiscal Years 2019/20 through 2023/24. For this CIE, the 20% applies to 60% of Fiscal Year 2019/20 one-cent local option sales tax revenue (Fiscal year starts on October 1st 2019, sales tax reservation starts January 1st 2020) and 100% of the one-cent local option sales tax revenue for Fiscal Years 2019/20-2023/24.

The 20% allocation is within the Stormwater Management, Conservation, Parks and Recreation, and Sanitary Sewer and Potable Water sections of the CIP. The lagoon benefiting projects listed in those sections of the proposed Capital Improvements Element include the following:

- Hallstrom Farmstead water, sewer, restrooms
- North Sebastian Sewer Phase 2A design, engineering and CEI
- North Sebastian Sewer Phase 2B design, engineering and CEI
- Floravan Shores Septic to Sewer, engineering
- Sebastian Highlands Septic to Sewer Unit 2 and Unit 5 design and engineering
- Miscellaneous lagoon projects
- Lost Tree Islands restoration, replanting
- Captain Forester Hammock Preserve wetland restoration, dock replacement
- Indian River Lagoon Greenway wetland restoration/water quality improvement project

- Jones Pier public access improvements, wetland creation, shoreline enhancement
- Dale Wimbrow Park and Donald MacDonald Campground Septic to Sewer improvement/campground enhancement
- Fairgrounds Ag Pavilion, improvements to wastewater

In addition to the above listed lagoon benefiting projects of the proposed CIP, there are numerous projects with secondary benefits to the lagoon listed in the Transportation section of the proposed CIP. Those projects include certain road projects that will treat run-off from older improvements that currently provide no treatment. The projects listed in the Transportation section are proposed to be funded in part through the one-cent local option sales tax. Notes are included in the CIP sections indicating specific projects with additional Indian River Lagoon benefits.

- Existing Conditions and Analysis Sections

In addition to the changes made to Appendix A, all of the data in the existing conditions and analysis sections of the CIE have been updated to reflect current conditions. Those data include past revenue and expenditure figures for county operations as well as forecasted revenue and expenditure figures.

- Concurrency Management Section

Indian River County maintains a record of building permits issued to owners of parcels/lots. Those records are maintained as part of the County's concurrency management system. As permits are issued, county staff enters development impact information on those lots into the concurrency management system and subtracts the public facility capacity utilized from available capacities within the concurrency management system. Data from that system were used to assess the need for capital projects and inclusion in the proposed CIE update.

Consistency with the Comprehensive Plan

Comprehensive plan amendment requests are reviewed for consistency with all applicable policies of the comprehensive plan. As per section 800.07(1) of the county code, the comprehensive plan may be amended only in such a way as to preserve the internal consistency of the plan.

The goals, objectives and policies are the most important parts of the comprehensive plan. Policies are statements in the plan that identify the actions which the county will take in order to direct the community's development. As courses of action committed to by the county, policies provide the basis for all county land development decisions. While all comprehensive plan policies are important, some have more applicability than others in reviewing plan amendment requests. Of particular applicability for this amendment request is the following policy:

- Future Land Use Element Policy 14.3

The most important policy to consider in evaluating a plan amendment request for consistency with the county's comprehensive plan is future land use element policy 14.3. This policy requires that at least one of four criteria be met in order to approve a comprehensive plan amendment request. Those criteria are:

- a mistake in the approved plan;
- an oversight in the approved plan;
- a substantial change in circumstances affecting the subject property; or
- a swap or a reconfiguration of land uses at separate sites.

In this case, the proposed amendment to the CIE meets the third criterion of policy 14.3 of the future land use element. Since the CIE was last revised, some capital improvements have been completed, others have been added, revenue projections have changed, and priorities have been modified. Those circumstances warrant the amendment.

- Capital Improvements Element Policies 1.1, 1.2, 1.3, 1.5, 1.10, and 1.11

Capital improvements element policies 1.1, 1.2, 1.3, 1.5, 1.10 and 1.11 require the County to maintain and implement a capital improvements program which is evaluated and updated periodically. Those policies also describe how the county will evaluate and prioritize capital improvements. By updating the capital improvements program in accordance with those requirements, the proposed amendment is consistent with those policies.

- Capital Improvements Element Policy 1.9

Capital improvements element policy 1.9 states that the county shall include all capital expenditures in excess of \$100,000 in its schedule of improvements. Since the proposed CIE update amendment identifies all capital expenditures in excess of \$100,000, the proposed amendment is consistent with capital improvements element policy 1.9.

While the referenced policies are particularly applicable to this request, other comprehensive plan policies and objectives also have relevance. For that reason, staff evaluated the proposed amendment for consistency with all applicable plan policies and objectives. Based upon that analysis, staff determined that the proposed amendment is consistent with the comprehensive plan.

RECOMMENDATION

Based on the analysis conducted, staff recommends that the Board of County Commissioners approve the update to the 5 Year Capital Improvements Program for the period FY 2019/20-2023/24 and supporting data and analysis of the Capital Improvements Element (CIE) of the Comprehensive Plan by adopting the attached ordinance.

ATTACHMENTS

- 1.) Comprehensive Plan Text Amendment Application
- 2.) Comprehensive Plan Text Amendment Adoption Ordinance (Clean version of CIE on File in BCC Office)
- 3.) Strike Through and Underline Version of CIE
- 4.) 5 Year Schedule of Capital Improvements

F:\Community Development\Comprehensive Plan Text Amendments\CIE\2019\BCC item\BCC Adoption Item - 2019 CIE Clean.doc