

INDIAN RIVER COUNTY, FLORIDA

M E M O R A N D U M

TO: Jason E. Brown; County Administrator

THROUGH: Stan Boling, AICP
Community Development Director

THROUGH: Sasan Rohani, AICP
Chief, Long-Range Planning

FROM: Bill Schutt, AICP
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DATE: November 27, 2017

RE: County Initiated Request to Amend the 5 Year Capital Improvements Program and the Supporting Data and Analysis of the Capital Improvements Element of the Comprehensive Plan for the Period FY 2017/18 – 2021/22

Plan Amendment Number: CPTA 2017080149-80103

It is requested that the following information be given formal consideration by the Board of County Commissioners at its regular meeting of December 5, 2017.

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 four) is the County's proposed Capital Improvements Program (CIP). It lists all programmed capital improvements for fiscal years 2017/18 through 2021/22. 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 \$315,228,104. That is \$27,182,030 more than the \$288,046,074 cost of the current (last) five year CIP and represents a 9.44% 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 nine separate categories, with dedicated funding sources listed after each project. The nine separate categories are: 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.

For conservation capital projects, the focus is on improvements to conservation lands. Those improvements include construction of passive recreational access facilities such as boardwalks, and stabilization/preservation of historic structures. The projects will be funded from environmental land bonds, grants, optional sales tax, boating improvement funds, upland mitigation funds, secondary roads, Windsor property exchange donation, and park impact fees. The total expenditure amount for the projects within this category for fiscal years 2017/18 through 2021/22 is \$4,450,000, representing 1.41% of the overall CIP.

For the next five fiscal years, emergency services capital projects total \$21,373,235 and represent 6.78% of the overall CIP. Proposed projects within this category include but are not limited to acquisition of multiple ambulances (med units), fire engines and brush trucks, replacement of emergency services Station 7, and construction of two new emergency services stations. Funding for those improvements comes from impact fees, one-cent local optional sales tax, and emergency services district millage.

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, North County Park, and 58th Avenue ballfields. 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, 17th Street Ballfield sale funds, and impact

fees. The expenditures within this category for fiscal years 2017/18 through 2021/22 total \$6,808,111, representing 2.16% of the overall CIP.

As listed within Appendix A, facilities management capital improvements projects represent 4.77% of the overall CIP for fiscal years 2017/18 through 2021/22 and total \$15,052,000. Those projects include improvements such as the construction of new courtroom facilities, acquisition of land for future buildings, 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 court facility surcharges.

Planned law enforcement and corrections capital improvements projects include corrections medical housing, inmate laundry, and Sheriff Facility expansion needs design/construction. Those 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 2017/18 through 2021/22 is \$5,210,000, representing 1.65% of the overall CIP.

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 2017/18 through 2021/22 include construction of several new water mains, North County septic to centralized sewer conversion, and meter conversions to an Advanced Metering Infrastructure (AMI) system. 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 14.90% of the overall CIP, or \$46,977,931, during the five year CIP time period.

In the next five years, solid waste capital improvements will involve expansion and closure of segments of the landfill, a new single stream recycling building, new automated scale system, emergency access roadways and fire protection improvements, and site drainage improvements at the landfill. Those improvements total \$21,905,000 during the five year CIP time period and account for 6.95% of the overall CIP. The projects will be funded primarily by assessments and user fees.

For stormwater management, capital improvements include construction of a canal treatment system in the North Relief Canal, upgrades to the main relief canal screening system, North and South Relief Canal mechanical vegetation/debris removal, Osprey Acres Floway 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, Vero Lake Estates assessments, and transportation fund. The expenditures within this category for fiscal years 2017/18 through 2021/22 total \$22,266,649, representing 7.06% of the overall CIP.

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 over half (54.31%) of the entire five year CIP and totals \$171,185,178, an amount which is \$14,124,104 more than last year's five year transportation CIP of \$157,061,075. The overall increase in the total transportation category expenditures in part reflects an increase in local option sales tax, gas tax, and grant funds.

Transportation projects to note due to recently changed conditions are a possible Aviation Boulevard extension from U.S. Highway 1 to 37th Street, a possible north-south connector road between 41st Street and 37th Street, and recently increased costs of the previously scheduled 43rd Avenue/SR 60 improvements on 43rd Avenue from 18th Street to 26th Street.

At the November 14, 2017 Board of County Commissioners meeting, the Board authorized staff to explore the concept of constructing an alternative roadway project to access the hospital node (Indian River Medical Center and nearby/adjacent medical facilities) in lieu of widening 37th Street between U.S. Highway 1 and Indian River Boulevard from 3 lanes to 5 lanes. While the proposed CIP lists the 37th Street widening project at a cost of over \$9 million, that project could in a future CIP be replaced by an alternative project such as an Aviation Boulevard extension and/or a new north-south connection (41st Street to 37th Street). As proposed, the CIP includes the alternative project "Aviation Extension US Highway 1 to 37th Street" as a place holder with no cost listed after it. At a future Board meeting, staff will report its findings on the alternative roadway projects and obtain further policy direction from the Board. The CIE will be updated as appropriate, to reflect the status of the 37th Street widening alternative .

With respect to the 43rd Avenue/SR 60 improvements on 43rd Avenue from 18th Street to 26th Street, staff recently received correspondence from the Florida Department of Transportation (FDOT) indicating that the overall project cost previously disclosed to the County has increased by approximately \$8 million. With the project increase, FDOT has advised the County that its cost share agreement requires the County to pay 50% of the cost increase. The increased cost to the County of approximately \$4 million is reflected in Fiscal Year 2017/18 of the proposed CIP, with the County's portion coming from optional sales tax revenue.

Comparison of Existing (Last) 5 Year CIP Expenses by Category to Proposed 5 Year CIP Expenses by Category				
Category	FY 2016/17 - 2020/21	FY 2017/18 - 2021/22	Difference \$	Difference %
Conservation & Aquifer Recharge	\$3,282,519	\$4,450,000	\$1,167,481	36%
Emergency Services	\$24,221,404	\$21,373,235	-\$2,848,169	-12%
General Services/Facilities Management	\$12,206,658	\$15,052,000	\$2,845,342	23%
Law Enforcement & Corrections	\$7,693,000	\$5,210,000	-\$2,483,000	-32%
Recreation & Open Space	\$6,497,455	\$6,808,111	\$310,656	5%
Sanitary Sewer & Potable Water	\$36,782,985	\$46,977,931	\$10,194,946	28%
Solid Waste	\$21,550,000	\$21,905,000	\$355,000	2%
Stormwater Management	\$18,750,978	\$22,266,649	\$3,515,671	19%
Transportation	\$157,061,075	\$171,185,178	\$14,124,104	9%
Total	\$288,046,074	\$315,228,104	\$27,182,031	9%

Project Modifications

With the improved economy, County revenue increased in Fiscal Year 2016/17. For all funding sources, except “other sources”, County revenue is expected to continue to slowly increase through Fiscal Year 2021/22 above what was previously forecasted in the prior year’s Capital Improvements Program.

With this year’s update, some projects have had their timeframes 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.

With respect to transportation projects, available roadway capacity has increased because older, 5 – year concurrency certificates for some development projects with vested trips have expired. Those trips are now reflected as available in the County’s concurrency management system and will be used up over a number of years as projects gradually build-out.

By extending the timeframe 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 pages 18 and 19 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 until

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 (FY 2019/20 – 2023/24).

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 addresses the 20% allocation in the Stormwater Management section of the CIP. In that section for County Fiscal Years 2019/20 through 2021/22, \$10,990,000 is allocated to lagoon improving projects out of a total projected one-cent local option sales tax revenue of \$54,447,087 for the same time period ($\$10,990,000/\$54,447,087= 20\%$). The lagoon benefiting projects listed in the Stormwater section of the proposed Capital Improvements Element include the following:

- PC North - North Relief Canal Treatment System
- PC Main Screening System – Upgrade Conveyor Systems No. 1 and 2
- PC Main Screening System – Upgrade Inlet Channel Hydraulics and Rehabilitate Flexrake No. 1
- Osprey Acres Flowway and Nature Preserve
- North and South Relief Canal Mechanical Vegetation/Debris Removal System
- East Gifford stormwater Improvements including outfall to 41st Street pond Gifford Neighborhood Plan (GNP) Action 11.2
- Miscellaneous Lagoon Projects

In addition to the above listed lagoon benefiting projects from the Stormwater Management section of the proposed CIP, there are numerous projects with secondary benefits to the lagoon listed in both the Sanitary Sewer & Potable Water section and the Transportation section of the proposed CIP. Those projects include septic to sewer projects and 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 both 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, the county enters development impact information on those lots into the concurrency management system and subtracts the public facility capacity that they utilize 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. That 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 2017/18 – 2021/22 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

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