

MINUTES OF THE MEETING OF THE BOARD OF COUNTY COMMISSIONERS
BREVARD COUNTY, FLORIDA

1:00 PM

The Board of County Commissioners of Brevard County, Florida, met in special session on March 14, 2013 at 1:05 PM in the Government Center Commission Room, Building C, 2725 Judge Fran Jamieson Way, Viera, Florida.

Call to Order

Attendee Name	Title	Status	Arrived
Robin Fisher	Commissioner District 1	Present	
Chuck Nelson	Commissioner District 2	Present	
Trudie Infantini	Commissioner District 3	Present	
Mary Bolin Lewis	Vice Chairman/Commissioner District 4	Present	
Andy Anderson	Chairman/Commissioner District 5	Present	

ITEM I.A., REPORT, RE: HOWARD TIPTON, COUNTY MANAGER

Howard Tipton, County Manager, stated God Bless the United States of America; he traveled outside of the United States; it feels good to him to be home; he has a lot to be thankful for; and he was photographed kissing the ground after his plane landed.

Howard Tipton, County Manager, stated yesterday Commissioner Infantini asked him to discuss San Sebastian Water Utility; it appears the troubled utility is about to be going out of business; and there are questions to be discussed with the Board regarding the timing of certain activities.

Robert Adolphe, Utility Services Department Director, provided the Board a handout of the San Sebastian Water Utility briefing sheet; stated this is an issue of the County being able to stand by to assume utility operations of a failing utility; the San Sebastian Water Utility is located about one mile north of the Sebastian River Inlet on the Indian River, it has 51 customers, serves the Sebastian Inlet Marina, with 50 wells, and 100 vacant lots in the served area; and the current owner/operator is Sean Flynn, Flynn Services/Pro Tech, LLC. He stated he was contacted on March 4, 2013, that Flynn Services/Pro Tech, LLC is going out of business; they want to have discussions with Brevard County for it to take over the operations of the San Sebastian Water Utility; he set up a meeting with San Sebastian Water Utility and the County Attorney's Office to discuss the background of services and the necessary items to allow Brevard County to perform services at San Sebastian Utility; the meeting took place; but there has been no contact from their attorney presently. He stated Flynn Services/Pro Tech, LLC had purchased San Sebastian Water Utility from Brevard County in March 2011 for \$40,000; the County was acting as the receiver of the utility; prior to that, the County had taken over from the previous owner; and on June 7, 2010, San Sebastian filed a Notice of Abandonment with the Florida Public Service Commission. He pointed out at a Board of County Commissioner (BOCC) meeting on July 8, 2010, the County Attorney's Office requested filing a Petition for Appointment of Brevard County Utility Services Department as a receiver for San Sebastian Water Utility; on August 3, 2010, \$20,000 was provided as a loan to operate San Sebastian Water Utility; and through various contracts secured the facilities operation company and accounting firm, with plant upgrades accomplished to improve the water quality and reliability. He stated on March 12, 2013, the County Attorney Office reviewed legalities for receivership; additional research had been conducted on San Sebastian Water Utility; County documents are options for assuming the operation and financials; he spoke with Florida Department of Environmental Protection (FDEP) several times to ascertain their environmental record, with operating reports showing proper

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operations and providing chlorine residual is up-to-date as of January 2013; some water quality data from last year had not been submitted through December 2012, which was supposed to be reported; and he has no information at this point of eminent failure. He advised he is briefing the County Manager regularly; on March 15, 2013, Commissioner Infantini had been briefed; additional requests for information had been submitted to the Utility Services Department that he will be addressing; and he is awaiting the Board's direction.

Mr. Tipton stated there has been no official action taken with regards to the company going out of business; and he inquired if the Board wants to be proactive so there is no interruption of service, or wait. Commissioner Infantini responded she wants to ensure Mr. Adolphe has direction and the proper authorization to move forward immediately, when and if needed; it appears proper testing has not been submitted, or any testing done in the last three months; and there is a certain amount of tests that have to be submitted when it is a public water system. She stated she will be working with FDEP to ensure there is follow up testing done; if a receiver needs to be appointed, she would like for Mr. Adolphe to have authorization from the Board to move forward; if \$20,000 or \$25,000 is needed, she wants that authorization to be taken care of; and advised this is a health and safety issue.

Shannon Wilson, Deputy County Attorney, stated no money can be spent to benefit the private entity; the first thing to do is establish whether or not they will be filing the appropriate notice under Florida Statutes; there is a 60-day waiting period before the County can file anything; Board direction is needed to contact Mr. Flynn to find out if he is willing to waive the 60-day waiting period and consent to a petition allowing the County to take over in terms of receivership; and that would need to take place before allowing Mr. Adolphe to take his action.

Commissioner Infantini noted there are so few individuals obtaining their water and that it was not a viable operating system; patrons agreed paying double the fees two years ago; and it appears that did not satisfy the company taking over.

Chairman Anderson inquired if a motion is needed for approval to contact Mr. Flynn to waive the notice requirement. Ms. Wilson responded to see if Mr. Flynn is willing to consent to the petition of obtaining receivership; stated there was some suggestion of a bankruptcy; and the bankruptcy is still being researched to see how that would effect this whole process; and staff will keep on top of this to be in a position to take whatever action the Board chooses to take.

Commissioner Bolin Lewis inquired if Mr. Flynn is in negotiations with another company that the County may not be aware of. Mr. Adolphe responded he is not sure if another company is being negotiated with; stated initially an email was sent to Ron Voll, Utility Services Department Assistant Director, who forwarded the email to him; he heard through FDEP that Mr. Flynn said the County is assuming the operations; proper direction is needed for the legalities; and he informed FDEP that the County had not been officially directed to take over the facility yet.

Commissioner Fisher advised he is not comfortable taking any action at this time until the situation is better known; it is great that the County had been put on notice, and that it may be needed to help bail somebody out; but at this point in time, putting dollars into it does not need to be done until there is a better understanding of what role the County will have in it, or if the County would have any role in it at all.

Commission Infantini inquired if the system begins to fail if Mr. Adolphe should have authorization; if FDEP determines the system is failing, is the Board going to allow for the drinking water to become tainted; and stated it is in her opinion to give Mr. Adolphe the authorization to act, so he does not feel in jeopardy of overstepping his authority as a Director in the event an emergency arises.

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Commissioner Nelson advised another alternative is individuals could sink their own well, which is part of the problem because half of the homeowners did sink their own well, and are not on the system, or contributing to the operation. He stated there is a series of questions; and he inquired if San Sebastian Water Utility is registered with the Public Service Commission (PSC) at this time. Mr. Adolphe responded San Sebastian Water Utility currently is not registered. Commissioner Nelson went on to say after San Sebastian Water Utility was purchased from the County, and they did not register with the PSC; he is not sure if there is a legal responsibility to the process; and there are other solutions available to the homeowners. He stated he sent 16 questions to staff; and he would like to know the answers to those questions before making a decision to bail them out for the second time.

Mr. Adolphe advised he is feverishly working on the questions.

Commissioner Nelson stated he appreciates Mr. Adolphe working on those questions; and he understands because it was sprung on every one at last minute.

Commissioner Infantini agreed with Commissioner Nelson, as they just found out about this yesterday afternoon; stated her concern is there is 50 homeowners whose sole source of water is the San Sebastian Water Utility system; originally, homeowners were told they could not have a well, but then they were told to apply for an exception, and get a well; and the cost is anywhere from \$2,700 and up. She added, some homeowners opted to stay on the water system; they were put into a failing development, through no fault of their own; and to suddenly punish individuals does not seem ethical.

Commissioner Nelson stated punishing the taxpayers of Brevard County is not ethical; ultimately, that is who is going to carry this; more answers to the questions are needed before making a decision; and there can be more discussion on Tuesday, with some answers in front of the Board.

Commissioner Infantini inquired if it is Commissioner Nelson's decision to not put the health and safety of the individuals first and foremost.

Chairman Anderson reiterated the questions submitted to Mr. Adolphe, by Commissioner Nelson, and those can be discussed on Tuesday, March 19; stated the utility is not going to shutdown between now and Tuesday; and he inquired if Ms. Wilson can provide a briefing of how the waiver process works. Ms. Wilson inquired if a memorandum would be sufficient. Chairman Anderson responded an email is sufficient, with applicable State Statues; stated it will be put on the March 19, 2013, Agenda; he shares Commissioner Infantini's concerns; and it does take a while to have a well drilled and installed.

ITEM I.D., REPORT, RE: COMMISSIONER CHUCK NELSON, DISTRICT 2

Commissioner Nelson stated he and Howard Tipton, County Manager, met this morning with the representatives of the United States Air Force (USAF), and cities of Cocoa, Cocoa Beach, Cape Canaveral, and Satellite Beach related to the Public and Public and Private Partnerships (P-4 Process), to continue having the USAF Base located in Brevard County because the USAF is reducing their budgets; and they all have capacities that can benefit each other, such as the County taking over the paving and them paying the County to do their road work, or working through the Solid Waste issues the Base has. He added, the intent is to develop a partnership that keeps the USAF here and viable as a Base, because as the Base realignment process is faced, in the future, the more viable the Base is, the greater the likelihood is that it will stay at its full capacity. He stated the Naval Testing Unit is a good example of the community coming together and having more assigned units to a simulator processor; so of all the new generations

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submarine submariners are going to be trained here on the missile launching capabilities; it is that kind of effort that keeps the units here; and he expressed his appreciation to Mr. Tipton and the USAF, for their willingness to do that. He added, Brevard County is one of 15 out of 70 Bases in the Air Force that is going through this process. Monterey, California is probably the best example of where they have partnered with the Army; it has worked out extremely beneficial for both; he will keep on top of this; it is about a six month process; it will be coming back to the Board to come up with cost-sharing ideas; and he wants to keep the Board apprised and the Base viable.

Chairman Anderson inquired if Commissioner Nelson is planning to attend the community leader's trip in Washington, D.C.; and stated he would like to be up to date on Brevard County's progress before going to the Pentagon.

Commissioner Nelson inquired the date of the community leader's trip. Mr. Tipton responded he is not sure of the date, but the Economic Development Commission (EDC) is working as the local quarterback with this.

ITEM I.E., REPORT, RE: COMMISSIONER TRUDIE INFANTINI, DISTRICT 3

Commissioner Infantini stated she attended a memorial soccer game for a local youngster who was killed as a result of the actions of a drunk driver; this has to happened way too many times for people to take notice of the fact a person really should not be drinking and driving; it is sad that two families have lost members of their home at such a young ages through no fault of their own; and she reminded folks to not drink and drive.

Commissioner Infantini stated she is disappointed with the Board; a few weeks ago, the Board approved \$1 million expenditure to upgrade irrigation at a failing golf course, that is creating a losses far and above the debt service; and yet, the Board is concerned about allocating \$20,000 or \$25,000 for safe drinking water for individuals. She went on to say she has to question the priority list of the Board; stated she is baffled; and wanted to go on the record to give it some perspective.

ITEM I.F., REPORT, RE: COMMISSIONER MARY BOLIN LEWIS, DISTRICT 4, VICE CHAIRMAN

Commissioner Bolin Lewis stated the matriarch of Satellite Beach Scotty Culp, passed away; she will be attending Ms. Culp's service tonight; and she will be representing Brevard County.

ITEM I.G., REPORT, RE: COMMISSIONER ANDY ANDERSON, DISTRICT 5, CHAIRMAN

Chairman Anderson stated on Saturday, March 16th, he will be a participant of the St. Baldrick's Third Annual fundraiser for children's cancer research at The Avenue; the people donating money will be getting their heads shaved; and he recognized the Brevard County Sheriff's Department and the Fire Rescue Department, for raising a commendable amount of \$60,000.

Chairman Anderson inquired if the Board agrees to move Item V., Public Comments, to be heard after Item II., Staff Presentation.

The Board reached consensus to move Public Comments to after the Staff Presentation.

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ITEM II., PRESENTATION, RE: TRANSPORTATION

John Denninghoff, Public Works Director, presented the Board with a PowerPoint Presentation covering transportation inventory, revenue, and needs. He stated the Brevard County unincorporated paved miles total is 1,017 miles; and incorporated paved miles total is 81 miles.

Commissioner Fisher inquired if the unincorporated has 83 unpaved miles and 350 paved miles; and incorporated has 13 paved miles. Mr. Denninghoff responded affirmatively.

Commissioner Nelson mentioned redistricting had caused Commissioner Fisher to pick up a sizeable number of unincorporated unpaved roads.

Mr. Denninghoff stated the transportation revenues generated in years 2000, 2005, and 2007 had bonding issues that were used to generate bond proceeds, which provided the bulk of the funding for capacity improvements, and some maintenance needs that the County has had since 2000; and during that time frame, the total locally funded projects total used is about \$179 million. He stated unincorporated spending was \$99 million and incorporated was \$80 million spent. He pointed out the largest funding portions are in District 4, it has two major projects, the Pineda Causeway and next year Barnes Boulevard; and District 5 has the St. John's Heritage Parkway project. He advised at the time the County was considering the Pineda Causeway project, it was being considered as a countywide project, because of the Base Realignment and Closure Commission (BRAC) seriously considering shutting down the Patrick Air Force Base, with accessibility to I-95 being the issue; but enhancement plans extending the Pineda Causeway to I-95 is now in place. He stated the bulk of the \$179 million is bond proceeds from the Local Option Gas Tax (LOGT), Constitutional Gas Tax (CGT), and impact fees that is pledged to pay the debt service on those bonds; and out of every dollar collected under the LOGT, 53 percent goes directly to support cities; the County's share is \$96 million, with \$43 million being spent inside cities, and totaling 74 percent of LOGT is spent inside incorporated areas of the County. He mentioned the Ninth Cent Gas Tax had been added to the present revenues list, because there are additional gas tax options that are available to the County; and if the ninth cent is enacted, it would generate approximately \$2 million in revenue per year. He provided Florida fuel tax comparisons of Statewide averages for local governments; he stated not having enacted any gas taxes has averaged at about .32 cents per gallon in adjacent counties; Brevard County has one of the lowest comparisons, averaging .30 cents, and Volusia County has the highest average of .36 cents; and that is why Brevard County is ranked at 57th out of 60 counties in tax burden. He stated the chart illustrates the value of a \$1, or in this case one penny, of gas taxes since 1960; if that is the reference year, a penny is worth a penny and a dollar is worth a dollar, and wrote it down to 10% of that in 2010, or over the last 50 years; and the reason for that is a combination of improved efficiencies on vehicles, so a reduced fuel consumption and inflation; and with those two, it is basically demonstrating that gas taxes transportation purposes, probably not the best idea, particularly when it is understood that transportation improvements and maintenance costs are going up, they are not going down. He stated by looking at the combination of revenue streams, including grant funding brings the \$179 million up to \$233 million; and the funds allocated 80 percent going to capacity improvements and 20 percent going to maintenance; the maintenance number has recently nearly doubled since 2010 when available funds were shifted out of the \$233 million, from going from capacity to going towards maintenance at 12 percent.

Commissioner Nelson inquired if the percentage numbers included Municipal Services Taxing Unit (MSTU) dollars. Mr. Denninghoff responded those percentage numbers do not include the MSTU; this is just the LOGT; he has not used the maintenance dollars associated with MSTU; and he will account for that in a few minutes.

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Mr. Denninghoff stated the same pie chart is a representation to illustrate the portion funded by impact fees is \$29 million; it is not the majority of the capacity portion, but it is certainly significant; and he wanted to emphasize the impact fees only being spent on capacity, it is not maintenance. He stated shifting to needs now, he will be focusing on two different aspects of needs; capacity and maintenance have already been talked about; the Capital Improvements Plan (CIP) and the unfunded CIP in the budget has about \$527 million listed in it; it has a series of projects, including maintenance needs at 15 percent of that; the sidewalks are about one percent; the bulk of it, 84 percent, is needed for capacity needs that have been identified; and the needs are limited to projects that had a particular interest for one reason or the other that staff went to the trouble to identify and perform cost estimates associated with them. He stated looking at that a different way, there is a breakout by District; and there are some countywide projects in there, which would include a traffic management center. He went on to say getting back to that list of projects, the only purpose for the slide is to emphasize they did not have some rule of thumb applied to the overall inventory; there were specific projects looked at; and cost estimates were done for them totaling 527 million. He added, that 527 million does include some maintenance, but the bulk is capacity. He stated he wants to focus on strictly maintenance now; at the beginning he was talking about 1,100 miles of paved roads; some of the numbers have been gone over previously in other presentations; by taking the total of 1,100 miles, divide it by the 20 years to get a 20-year cycle and resurfacing; and it totals 54 miles per year needed to be performing in order to stay even and not have an increase in backlog of roads that need to be resurfaced. He went on to say the reason that needs to be done is that the longer a road is in the red area, the more effort it is going to take to fix that road; instead of a simple resurfacing, it would be reconstruction mode, which would cause the costs to go up dramatically. He added, the reason the backlog of resurfacing has been going down, is in a few recent years' bond proceeds and stimulus dollars had been used to resurface; but the bond proceeds will be exhausted; at that point, the 54 miles will soon be back logged again; the County will be falling behind again; and in just a very few years, it will be back where it was before the bond proceeds were used. He stated currently MSTU is funding the rest of the resurfacing efforts in the County, not the bond proceeds; MSTU allows for about eight to 12 miles to be resurfaced in the unincorporated area, causing those 54 miles to be resurfaced at a 10-year cycle, instead of the 20-year cycle; that is an unsubstantial level of effort associated with resurfacing; and roads will be turning back into dirt roads. He stated revenue sources that help to address capacity is funded by gas tax, which is pledged towards the bonds and taking care of capacity use paid for by residents and tourists, pledge until 2036; and impact fees are in moratorium right now and are paid by new construction, which will not address all the capacity needs. He pointed out LOGT has been an ongoing whipsaw associated with how those funds have been allocated; in 1999, LOGT was going towards capacity and 80 percent to funding maintenance; in 2004 the Board issued the 2005 LOGT bonds, which reduced the amount that could go towards maintenance; in 2007, LOGT was bonded out and reduced maintenance to zero; and that is where it must stay because the funds are pledges towards paying the debt service. He mentioned the back and forth movements of how to spend the LOGT; stated during that time frame, funding was done for maintenance, but not capacity; and scheduling maintenance and capacity is not being done because bond proceeds have been exhausted, as well as the LOGT. He stated frequently he is asked how much of a person's property tax goes toward building new roads; the answer is zero property taxes go to fund capacity; and he does not recall during his time with the County of any General Fund dollars going towards building capacity in the County, or under the County's purview, because it is not utilized for that

Mel Scott, Assistant County Manager, stated it is important to note that there are three words that can be used to characterize Brevard County's dealings and history with impact fees, and that is discounts, exemptions, and moratorium. He stated thought its history in Brevard County, staff has tried very hard to ensure the impact fee remained a value to new construction as it was compared and contrasted against those that the costs of the impacts of that construction. He went on to say Brevard County was the first County to adopt impact fees in 1989; Brevard was

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the first county to adopt a Comprehensive Plan in the State, following the Growth Management Act; and one of the first to join the very large crowd, which was almost statewide and nationally now, with some kind of impact fee implemented to offset the cost of growth. He stated impact at their essence reduce the public's subsidy of new development's infrastructure costs; an impact fee closes the gap by 100 percent, represents the maximum amount that an impact fee can be for any particular type of development; and a basic formula for impact fees is what that has ensured it has been in place and a viable revenue stream for local governments, even though at times it has been challenged. He went on to say the landmark case they found in 1999 where there were two tenants that were established that impact fees had to satisfy at the Florida Supreme Court level in St. Johns County vs. Northeast Florida Builder's Association. He advised running through the formula, impact fees have to equal redevelopment's infrastructure costs, minus that new development's revenue; if staff were to do a transportation impact fee study and find that the revenues the County was collecting were equal to the costs of new development's infrastructure needs, that impact fee study would come back and recommend that the impact fee be set at zero; the formulas must be tailored to the individual local government; and that is why there are different impact fee rates for different local governments, because they all have to go through that analysis, which looks specially at the revenues that are brought in by those developments and compare and contrast those to the costs of those kinds of specific developments. He stated two things that have to be in place are the impact fees cannot be greater than the revenues collected; secondly, those fees must go to improve the roadway network that, that development has impacted, and that is called the rational nexus test; and those are the two main things seen with impact fees. He explained in 1989 the Board adopted the impact fees at 100 percent of the original study amount; those rates were kept in place for 12 years; in 2000, staff did a new study calculated the new rates, by looking at 2000 revenue streams, and comparing and contrasting those to the cost of infrastructure improvements needed to take care of the capacity needs of hundreds of types of new development land uses; in 2001, after a year of contemplation of new studies of those new rates, the Board adopted a new rate of 27.5 percent of the 2000 study's rate; and in the subsequent four years, that rate increased by one percent. He went on to say in 2006, the rate reached 32.5 percent, representing a 72.5 percent discount; and in 2007, the rate was increased to 100 percent, but of the 2000 study's rate. He stated the history of County impact fee exemptions from 1995 to 2001, all impact fees were waived on commercial, industrial, and manufacturing, non-residential land uses, and they exempted from all impact fees for that period of time; and from 2001 to 2009, the County retained the exemption with industrial and manufacturing attempting to stimulate job creation, and reinstated fees for commercial land use.

Mr. Scott stated the current moratorium from 2009 to present, the County is still in the midst of a residential, commercial, and industrial land use exemption from the transportation impact fee, and all other impact fees still apply; and staff has calculated approximately \$22.85 million of the transportation impact fees. He stated the next series of slides are going to compare and contrast the construction value comparison as the County has gone through these years. He advised when the Board sees the 2006 year come up, about \$700 million of construction value occurred that year. He stated in there were 1,145 single-family homes constructed; two years prior to that in 2004, 2,094 single-family homes were constructed; in 2005, 1,925 single-family homes were constructed; and the next year was the bubble burst of 2007. He added, in 2008, construction values fell across-the-board; in 2009, the Impact Fee Moratorium was enacted; in 2010 and 2011, new single-family home permits continued falling; and the first glimpse of good news is seen in 2012. He stated January and February statistics in 2013 are as encouraging as 2012, if not more so; and they are drastically higher in a month-to-month comparison than last year. He advised the Board that he spoke with Dr. Michael Slotkin, Associate Professor of Florida Institute of Technology (FIT), he is an economist; stated he was informed by Dr. Slotkin, that Brevard County had tried, just as many other local governments did across the State of Florida, to incentive development, the factors that were in play were so much greater in this one singular incentive; they were unable to incentivize in the midst of over-supply; jobs and

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population drives growth; and things are changing for the good in 2013. He added, *Florida TODAY* had an article providing the population estimates from the United States Census Bureau, showing the biggest growth spurt in Brevard County in more than four years; from 2007 to 2011 the County saw 2,000 coming to Brevard County; stated from July 2011 to July 2012, nearly 3,000 people relocated to Brevard County; the recent growth of real estate is a showing because of all the realtors in the room; and he is expecting a larger population upswing next year.

Mr. Scott advised the Board of the breakdown of waived impact fees by district during the moratorium; he highlighted the loss of impact fees could mean potential financing of future growth engines expected to be seen in Farmton and the Platt Ranch, if developed into a Development of Regional Impact (DRI); DRI's, such as The Viera Company receive all development entitlements up-front they had to prepare a plan to pay for their capacity needs that their community would require; they did not write a \$100 million check for roadway improvements; what they provided was a plan to invest in roadways up front; and they budgeted for developers as they pulled Building Permits from the County to pay impact fees, which in turn would be returned to The Viera Company, or any Master Developer, to allow recouping of the up-front investment and identified capacity improvements. He stated the impact fee credits are now not being received by the Master Developers, but investments in capacity improvement remain a requirement to ensure the community is paid for by development, and not the general taxpayer. He advised if the County were to some other revenue source, the future Master Plan communities would have to rethink the financing going into future deals. He stated funding approaches for other jurisdictions are occurring throughout the State, with conversations taking place of what should be done in an existing moratorium, or increasing to gain ground on the capacity side. He stated transportation funding source types of tax/fee is Infrastructure Sales Tax, Impact Fees, Property Tax, LOGT, and CGT; and Brevard County should be proud of the value it extends to its citizens. He suggested the Board keep the moratorium, phase it in at a discounted rate over time; look at developing new rates to exempt small business; and allow the moratorium to sunset, and return to the 2007 rates that were adopted at 100 percent, or implement other State of Florida approved funding sources, such as infrastructure sales tax for capacity needs adopted by neighboring counties.

Commissioner Infantini stated she did not see an option to cut spending; she is not talking about local transportation; the reason there is no funding going towards transportation out of property taxes is because it is being spent in every place found; she suggested the Board consider cutting spending instead of raising taxes, and doing away with penalty taxes; and she does not want people being hit with a penalty tax for doing business or building a home, because she thinks it is not good business.

Commissioner Fisher stated for the record, public safety takes six percent of the property taxes; Commissioner Infantini was not part of those cuts; \$500 million was cut out of the budget over the last five to seven years, with 500 people laid off; Brevard County is ranked 57th in efficiency; the Board has been making a lot of cuts; and it is unfortunate jobs were lost, but the County is still trying to find ways to be more efficient in the process. He stated Commissioner Infantini would have to make some cuts to know whether or not cuts were made; and he is glad to hear Commissioner Infantini decided it is good to cut something after her five years of being a Commissioner. Commissioner Infantini advised she would rather do spending cuts than budget cuts. Commissioner Fisher stated that he is not sure there is much of a difference. Commissioner Infantini advised there is.

Chairman Anderson stated the Board will move into Item V., Public Comments; if all firefighters and Sheriff's were laid off, it would pave 25 miles of new road; and a lot more cuts in spending would have to be done.

ITEM V., PUBLIC COMMENTS

Don Simms stated the Sam's Club paid \$1 million on its infrastructure improvements; before Sam's Club was built, there was vacant land with a low tax-base; hundreds of jobs were provided for the construction industry; Sam's Club employees over 200 people; they pay real estate taxes; and he commended the Board for allowing Sam's Club to come into the area. He requested two years extension on the impact fee moratorium.

Commissioner Infantini stated she would like to say something to the speaker. Chairman Anderson advised the Board is not going to engage with the speakers; the Board will hear public comments; and then it will follow up. Commissioner Infantini inquired if she is allowed to make a comment. Chairman Anderson responded when it goes back to Board discussion, is when the Board is allowed to comment.

The Board recessed at 2:06 p.m. and reconvened at 2:10 p.m.

Tim Harber stated he is shocked staff is running off of the year 2000 numbers; investors build the properties to lease to the box stores; if a couple hundred thousand dollars fee is added onto the cost of developing; the leases will not come to the area; and now is not the right time to be taking care of road issues. He stated the bubble has not returned, some appreciation has been seen, but adding a \$5,000 single-home penalty fee onto the buyer is not going to happen because it will only make the problem worse. He requested the Board allow for a two-year extension in the moratorium of impact fees.

Bobbie Bockman stated parts of the County are recovering real estate; she does not see it in North or Central Brevard County, and it is primarily south of the Beachline; to have 4,000 net new citizens is not even one percent of the population; adding impact fees right now is going to slow the recovery further; and extending the moratorium for two years should be considered.

Tim Pickles stated he compared Brevard County impact fees to other counties; and he urged the Board to extend the moratorium for a minimum of 24 months.

Mike Moehle stated foreclosure rates are voluminous; the only way to get the foreclosures to stop, is for people to get jobs so they can pay their mortgages; the construction industry has a big impact on jobs; inquired why set it back further with financial disincentives; stated tax abatements are granted regularly to new businesses; and penalizing construction is the same as penalizing growth. He stated the County paid \$175,000 to Tindal-Oliver & Associates, in 2000, for a flawed impact fee study; the study was paid for by an anti-growth County Commission that existed in 2000, with the intent to stifle growth; and all the formulas for impact fees are based upon traffic impact analyses. He reiterated the fees need to be looked at again for more realistic assumptions; stated the purpose of impact fees is to mitigate the additional road improvements assessed by new development; and impact fees are not meant, and should not be, used to cure existing transportation problems.

Vicki Yates stated she is disappointed the Board is not having interactions with the speakers because she does not get to attend Board meeting very often; she is a lifelong resident; she has a dream to build a house someday; and it is very difficult with foreclosure rates bringing down property values. She stated the community is very unstable from the economics; there is the sequestering loss of wages; in June, Obama Care is coming; there is a possibility of losing SpaceX to Texas, which is going to be another loss of jobs; layoff notices are coming out again tomorrow; and the community is not ready to survive the loss of a moratorium at this point. She suggested extending the impact fee moratorium for two years and to consider having a phase-in, so the change is not as drastic.

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Martin Lamb suggested the Board think of the many people who cannot attend Board meetings during the day; there has been some good news in the real estate industry, but it is not where it needs to be yet; and he does not want the Board to do anything that will halt the good news. He stated when a person buys a house it is not just the contractors or the realtors making money; the homeowners spend money on many appliances and things needed for a home; and he is requesting the Board extend the moratorium for two years.

J.J. Parrish, III stated residents in Brevard County need the confidence that they can make money by opening a business, or purchasing and selling a house; creating and curing a perception is needed; and he urged the Board to extend the moratorium for two years.

Bob Willi stated most of the contractors are local and small businesses; they are the community and the jobs that have been devastated over the past few years; an action to eliminate the moratorium is going to affect the confidence that some of the contractors are finally starting to get; and the construction industry is still standing after the terrible war it has gone through. He requested the Board hold off on moving forward; he understands the moratorium is coming to an end and some action had to take place; the workshop is only centering on impact fees; and it should be on transportation. He went on to say Mr. Denninghoff gave a presentation of the deficits in Brevard County, but impact fees do not address capacity projects; they cannot be bonded and are not a regular revenue stream; and the presentation offered other ways. He advised the LOGT is the means in which most of the road projects and capacity projects have been accomplished in the County; it is a user tax; and a person only pays it if he or she uses the roads. He asked the Board not to punish an industry that has been beaten down and is finally starting to make some progress; the numbers being thrown out had been waived during the moratorium, and is only part of the story; and inquired does the Board believe it would have received all of those impact fees for projects. He stated the hospital would have been charged over \$2 million in impact fees; the Board is supporting tax abatements to bring companies to the area; but he thinks not much emphasis supports the moratorium of impact fees to get jobs.

Carmine Ferraro commended the Board for putting a moratorium on the impact fees in 2009; stated commercial banks are starting to release inventory for commercial value properties going for a lower base price; and developers are beginning to start to want to develop again. He encouraged the Board to continue the moratorium for as long as possible; stated he appreciates the education he received today from staff's presentation; and he wants there to be continued education for the development community, so ways can be found for people to understand what is going on. He stated when he calculated the waived impact fees over the course of a four-year period, it totaled about \$25 million; there is about \$445 million in unfunded impact fee infrastructure; and when he divided the \$25 million by the \$445 million, it totaled 80 years, which is how long it will take to pay for the unfunded projects. He expressed his willingness to donate his time to help form, and be a part of, a citizen's advisory committee of developers to find solutions; and stated even if impact fees are collected, the future is not being addressed for the next generation.

Joe Goldblatt expressed his appreciation to the Board for holding the Workshop today; stated he has a problem with calling the impact fee a fee, because anything that is an investment in infrastructure should be paid for over long-term; the fee does not have anything to do with one-shot-deals; if homeowners can get an appraisal and financing they would be paying an extra \$4,353 on \$100,000 to \$150,000 homes, for 30 years; and the citizenry of Brevard County is being asked to pay impact fees, and carry it long-term for a hard-fiscal asset, which is wrong. He stated the building industry has gone down 85 percent in permits pulled; there are not many businesses or industries that can exist at 15 percent; and they cannot assume that type of a setback. He encouraged the Board to not reinstate the impact fees; and stated it needs to be re-titled, and a way found to figure out how to get the long-term capitalization expenditure.

Kimberly Lietzow stated recently she had been approached by some builders from California and Utah that are doing energy efficiency projects at a large scale out west; and they are looking at Cape Canaveral and Brevard County in particular, because of the folklore regarding the Cape's currents by NASA to help with the avoidance of hurricanes. She went on to say if this moratorium is halted, it will lower where the bar should be set for retrofit, for recovery, for efficiency; she had an opportunity to be a judge for the Parade of Homes; it is amazing the amount of energy efficiency and the new projects being created; inquired how people can come into homes that have not been maintained, many of them with aluminum wiring will keep people from buying the homes; and stated by bringing in the talent and new technology, there will be people capable of going into the older homes and retrofit them and bring the community up a few more notches.

ITEM III., BOARD DISCUSSION

Chairman Anderson stated a few Commissioners need to leave today by 3:30 p.m.; if there is time after talking about impact fees, then other sources of revenue can be discussed; he wants to establish the blue ribbon panel committee; and discussions can take place on Tuesday, March 19, 2013.

Commissioner Fisher stated he agrees with the speakers and the structuring of a committee; there needs to be serious discussions in another workshop for additional revenue sources, if there are going to be no impact fees, and how can the maintenance issues be solved; a Public Service Tax (PST) had previously been discussed, but was not supported; an infrastructure sales tax could be looked into and possibly placed on a ballot; and capacity needs addressing. He stated he is not prepared to have a two-year moratorium, but he is prepared to extend the moratorium to the end of 2014; he would like to have the realtor group in attendance today be a part of committee; and placing it on a ballot could happen in June or July 2014. He stated some projects are getting off the ground, because people are fearful that the Board may implement the impact fees again; he originally agreed to the moratorium to stimulate growth; the moratorium is not going to last forever; and there are several things in the works that could strain a future deal if the impact fees are implemented today.

Commissioner Bolin Lewis stated District 4 had the boom of new home building; she receives calls daily from homeowners requesting the need for traffic lights; there are four intersections deserving traffic lights; but she does not have any money to do so. She went on to say some of the needs, need to be funded because of the growth; she visited a homeowners association last night and all they wanted to talk about was the need for more traffic lights; and more industry is being promoted to come into District 4, but catching up with the current problems needs to be moved forward.

Commissioner Nelson stated the hospital built in Viera is costing The Viera Company their impact fees; they are recapturing the cost of investments by receiving impact fee credits; he does not know how long The Viera Company can afford to do so; it is how a Development of Regional Impact (DRI) works; and The Viera Company is a DRI. He explained, The Viera Company receives impact fee credits as people come in, and the money goes back to them for the roads they built; it is a catch-22; development may stop because the Board continues to waive impact fees; and he does not know how long The Viera Company can continue doing so. He mentioned this Workshop started out being about transportation; it unfortunately, was high jacked by the question of impact fees; and the Board has been inundated with that. He pointed out Sam's Club had made the commitment to come to Brevard County, it was not whether or not they could afford it; he is trying to show the impact of the most dangerous intersection in Central Brevard County is Cox Road and S.R. 520; the impact fee money would have been used to improve that intersection, but instead LOGT was used; and LOGT is a source that would have

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gone towards maintenance of roads, to resurfacing of subdivision streets, had it been spent on the intersection because the revenue was lost, which is the cause and effect he is trying to show. He stated it will cost the County \$500 million to catch up on road infrastructure; District 2 receives \$27 million of the \$500 million, which is less than five percent; Central Brevard will be contributing some sizeable chunks to the rest of the County; his needs are more for resurfacing and retrofit of existing; he cannot compete with capacity, because he loses to either of the widening of Minton, Babcock, or St. Johns Heritage Parkway; and when prioritizing by capacity, it is a decision he cannot make, and he has been criticized for not doing so. He advised 100 miles of resurfacing was able to be done for some districts, but he is about 200 miles short of bringing the roads up to where resurfacing needs to be; and there is no hope foreseeing any resurfacing in the future. He stated impact fees are usually generated from the southern portion of the County; the realtors building originally was to be about 3,800 square feet, but was expanded to about 8,000 square feet; there was an article saying there were about \$85,000 in impact fees due, which is not accurate; it was about \$35,000 to \$36,000 due; and because it was done during a moratorium, it was not paid.

Leah Selig, Space Coast Realtors Chief Executive Officer, stated she wrote the article; the realtors building originally was going to be built in two phases; phase one, was the second floor build; phase two, was the parking lot; the general contractor informed the realtors of the impact fee charge of \$85,000 if phase two is delayed; and instead of waiting a mortgage was received and the parking was included with phase one. Commissioner Nelson advised \$85,000 was never the amount due; and he expressed his apology to Ms. Selig for the incorrect information.

Commissioner Nelson went on to say funding affects different parts of the County in different ways; if most impact fees are being collected in southern Brevard County, it ends up impacting other parts of the County differently, and it negatively affects District 2; and he is trying to ensure a revenue source to take care of his problems with resurfacing of existing streets, replacing pipes, and fixing infrastructure. He added, LOGT is divided among the cities and the County; a lions share of that has been spent inside of cities; the cities actually get their fair share, plus the County puts monies back in the cities; it is unfair to the unincorporated populations that money generated on population there is expended inside of cities; and he opined it is a hard argument. He stated he agrees with Commissioner Fisher to extend the moratorium, but not indefinitely, because of the long-term detrimental impact; and discussions need to take place.

Chairman Anderson inquired if the committee item can be on the Agenda Tuesday under New Business. Howard Tipton, County Manager, responded affirmatively.

Commissioner Infantini inquired how much impact fees need to be refunded to Sam's Club. John Denninghoff, Public Works Director, responded he does not know the exact amount, but it is approximately \$770,000.

Commissioner Infantini stated she contacted Sam's Club and she was told they hire between 175 to 300 individuals; they pay property taxes on that property year-after-year, which is all going to go to the General Fund of the County; the County determines what the best use of the property tax is; and Pollo Tropical and Grills are two businesses that would have not been able to come to Brevard County if they had to pay impact fees. She added, jobs are being created; and they may not be those special jobs desired for tax abatements, but some of those jobs are in her district, and for that she is thankful.

Commissioner Fisher stated he wants the committee to understand the County cannot operate with the mindset of no impact fees, no infrastructure sales taxes, no PST's, no property tax increases, and no extra penny on fuel taxes, and solving the \$543 million problem. He added, the County has many obligations; it cannot fund road improvements and capacity needs with

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property taxes, whether leveled or increased, because six percent of revenue goes to public safety; it is unfair for the Board to think it can solve the problem without addressing other revenue sources; and it is unfair for the public to put that expectation on the Board.

Commissioner Nelson advised he is okay with the moratorium time frame, but he prefers it to be until July 2014.

Chairman Anderson advised he thinks the time frame is okay, because it will take a few months to get the committee formed for discussions; the Board is not obligated to keep the moratorium; and it can be revisited at anytime.

Commissioner Fisher stated someone is going to come up with a solution, either created by ordinance, or placed on a ballot; if a decision is made in July, to place it on the ballot and it fails in November, then the Board would know and could not keep ignoring it; and in January 2015, it could be addressed.

Chairman Anderson stated it can be revisited at any time; and he is envisioning a joint-workshop to be scheduled with the committee in the future.

Commissioner Fisher inquired if there are no impact fees, does it feel the concern needs to be addressed in another revenue source, or not address it at all. Chairman Anderson responded it needs to be addressed to motivate businesses, and to address maintenance. Commissioner Fisher stated he is hopeful the study will show how impact fees work, rather than trip generated.

Commissioner Nelson advised he previously had those conversations with Mel Scott, Assistant County Manager; there are some impact fees that to him do not jive; Dunkin Donuts was mentioned, and he has used them as an example, and if it is truly a destination that generates trips or does it capture trips on the highway that were already there; and he would want to see the math on how the County got to where it is to see if that is really the case. He went on to say, his concern is that for him as a County Commissioner, in effect, the Board has now blocked him out for the remainder of his term, in terms of the ability to get funding for his community; at the TPO meeting, \$34 million was allocated to the MICCO Parkway exchange, \$14 million to the Ellis/I-95 Interchange on the north end of that road; he hears about how bad Babcock is; and yet the Board continues to get rid of the revenue sources that would take care of those problems. He advised he will be very reluctant to support those kinds of projects when there is a Commissioner who has lowered her MSTU, done away with all the revenue sources, and then wants to know why that road is not repaired.

Chairman Anderson clarified for the audience that those were State Work Program funding.

Commissioner Fisher stated if the committee finds a solution to the problem, he thinks the Board could then figure out what it could change over the next year and one-half.

Chairman Anderson stated he thinks there is a solution; a big solution that is never going to be able to be fixed is a big share of the gas revenue is going to the State Transportation Trust Fund; the State legislature raids the fund to fund their projects in other places; it is a user fee, that should stay in the fund; and doing so would help release the burden on all the local governments tremendously.

Commissioner Nelson inquired if the committee is going to consider funding sources as well. Chairman Anderson responded affirmatively.

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Commissioner Fisher stated the committee will be considering funding sources, especially if there are not going to be any impact fees; and it will need to find revenue to help solve the \$500 million, plus problem. He stated they may come out of the workshop and their recommendation could be changing how impact fees are calculated; but coming out of the workshop with no revenue source for this problem, is not an option.

Chairman Anderson stated most emails he has received say they are willing to have impact fees reinstated; and they just want a little more time.

Commissioner Nelson stated he had inquired through staff what the increase of millage would need to be to fund needs; and inquired if Stockton Whitten, Deputy County Manager, would provide the Board with the increased millage amount. Mr. Whitten responded it was about a 1.6 mill.

Commissioner Fisher inquired if the 1.6 mill increase is on the \$500 million. Commissioner Nelson responded affirmatively. He advised just to deal with the problems the County has today, it is over 1.5 mills. Mr. Whitten advised that is only the capacity portion.

Commissioner Bolin Lewis stated The Viera Company has been paying through the nose as far as impact fees; there was approximately \$4 million in just commercial; and with residential it is another \$2 million; and inquired how much longer they can keep that up. She advised that is why she is hesitant with the time element; when it is pushed that far back, the urgency is gone; and she thinks the time should be moved up a little sooner.

Chairman Anderson reiterated impact fees can be revisited at any time; he stated The Viera Company would be one of the stakeholders at the table during the discussions.

Commissioner Fisher stated the workshop will be in the next 90 days; a lot of direction will come out of what direction the Board wants the committee to go and what recommendations are going to come out of it; and if the recommendation is the Board does not need to address it, the Board can have the impact fee conversation again before December 31st.

Chairman Anderson stated what Commissioner Fisher talked about regarding other revenue sources and other areas of money, the Board will still be beat up by Farmton and The Viera Company; but he is sure they are not losing money.

Chairman Anderson called for a vote on the motion.

The Board approved extending the Transportation Impact Fee Moratorium to December 31, 2014; approved the formation of a committee to address County transportation infrastructure needs and funding sources, with the structure of the committee to be discussed at the March 19, 2013, Board meeting; and approved having a follow-up Transportation Workshop tentatively within 90 days, with the date for the workshop to be decided at the March 19, 2013, Board meeting.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Trudie Infantini, Commissioner District 3
SECONDER:	Robin Fisher, Commissioner District 1
AYES:	Fisher, Nelson, Infantini, Bolin Lewis, Anderson

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ADJOURNED

By consensus of the Board, the meeting adjourned at 3:30 p.m.

ATTEST:

SCOTT ELLIS, CLERK

ANDY ANDERSON, CHAIRMAN
BOARD OF COUNTY COMMISSIONERS
BREVARD COUNTY, FLORIDA