

**MINUTES OF A JOINT WORKSHOP MEETING OF THE
BOARD OF COUNTY COMMISSIONERS
AND THE ST. JOHNS COUNTY SCHOOL BOARD
ST. JOHNS COUNTY, FLORIDA
JANUARY 25, 2011
(9:00 A.M.)**

Proceedings of a joint meeting of the Board of County Commissioners of St. Johns County, Florida, and St. Johns County School Board held in the auditorium at the County Administration Building, 500 San Sebastian View, St. Augustine, Florida.

Proof of publication of the notice of public meeting on the BCC/School Board Workshop was received, having been published in *The St. Augustine Record* on January 21, 2011.

Present: J. Ken Bryan, District 5, Chair
Mark Miner, District 3, Vice Chair
Cyndi Stevenson, District 1
Ron Sanchez, District 2
Jay Morris, District 4
Michael Wanchick, County Administrator
Patrick McCormack, County Attorney
James Whitehouse, Senior County Attorney
Bill Fehling, District 4 Chair
Beverly Slough, District 1, Vice Chair
Tommy Allen, District 2
Bill Mignon, District 3
Carla Wright, District 5
Dr. Joseph Joyner, School Superintendent
Frank Upchurch, School Board Attorney
Lenora Newsome, Deputy Clerk

(01/25/11 - 1 - 9:02 a.m.)
CALL TO ORDER

Bryan called the meeting to order.

(01/25/11 - 1 - 9:02 a.m.)
Reverend David Alert gave the Invocation and Morris led the Pledge of Allegiance.

(01/25/11 - 1 - 9:05 a.m.)
ROLL CALL

The clerk did roll call and announced that all Board of County Commissioners were present except for Stevenson, who was going to be late, and all School Board members were present.

(01/25/11 - 1 - 9:05 a.m.)
WELCOME BY COMMISSIONER KEN BRYAN

Bryan stated that Stevenson was on her way.

Bryan welcomed everyone; the School Board members, fellow Commissioners, and the public. Bryan spoke on doing a study of impact fees and reviewed how they were going to conduct business that day.

(9:07 a.m.) Darrell Locklear, Assistant County Administrator, stated that that day was a workshop, no final action was expected by either Board, the study would be presented, they would hear from both Boards, and then hear from the public. He said the report presentation was from Dr. James Nicholas. He stated that he would have some follow-up for brief comments from County Administration, and from Tim Forson with the School Board. He said they would be looking at final Board actions in the March to April time frame. He introduced Dr. James Nicholas and gave his credentials.

(9:09 a.m.) Stevenson arrived at the meeting.

(01/25/11 - 2 - 9:09 a.m.)

1. Presentation on the 2010 Updated Impact Fees Report for St. Johns County by Dr. James C. Nicholas, Ph.D.

Dr. Nicholas reviewed the background and basics of impact fees. He stated that the legal description of impact fees was, one time charges on new construction. He mentioned that 37 counties out of 67, in Florida, used impact fees. He stated that St. Johns County adopted impact fees in 1987. The last impact fees were updated in 2005. He mentioned that they needed to adopt the methodologies, so they would be using the most recent data. He addressed the past payment credit and stated that it was not incorporated in the existing school impact fees. He stated that St. Johns County charged impact fees for roads, parks, fire protection and rescue, Sheriff's protection, public buildings and public schools.

- A. Technical Memorandum on Methods of Updating Roads, Public Buildings, Law Enforcement, Fire & Rescue, and Parks & Recreation Impact Fees

(9:17 a.m.) He reviewed St. John's existing impact fees schedule. He compared them to state wide averages. He said growth and development were major concerns at that time. He reviewed the dwelling units built per year.

(9:25 a.m.) He reviewed the update on roads results; 46% increase on road costs in residential, commercial road costs decreased, residential had higher road impact fee, and non residential had lower road impact fee.

(9:30 a.m.) He reviewed the key changes of parks; population using parks increased by 22.8%, increased use of parks, and increased debt. He stated as a result, the cost per capita decreased and therefore park impact fees decreased, except for hotel/motel.

(9:32 a.m.) He reviewed key changes for Fire Rescue; vehicle costs increased, facilities increased, cost per call increased, residential calls increased, hotel/motel decreased, retail commercial increased, industrial decreased, residential fire fee going up 59%, non residential medical office going down, retail commercial going up dramatically, and general office and industrial going up.

(9:36 a.m.) He reviewed public buildings; building square footage increased, and the net value increased. He said they were increasing due to the higher cost of construction, together with incorporating land into the calculation.

(9:37 a.m.) He reviewed law enforcement; training costs adjusted downward, equipment costs increased, and decrease in Sheriff's impact fee for residential and non residential.

(9:39 a.m.) He reviewed the option; to adopt updated figures as new impact fees, the updated fees, and going with the full fee or anything less.

(9:42 a.m.) Stevenson asked about calls for fire services in the commercial category and using one year data. Nicholas replied it was for a full year. Stevenson asked if it was a representative of their general experience or if it was more typical to what they found in other counties. Nicholas replied that the calls were not constant across the board. He said the change was not surprising, but the 132% was surprising. Stevenson spoke on debt level regarding buildings. Nicholas spoke on new development paying for the buildings.

(9:45 a.m.) Wanchick spoke with respect to option B, that the 25% reduction proposal, was something that staff was comfortable with. He stated that reduction would still allow them to meet their debt obligation without taking money out of the General Fund, and it also allowed them to complete the projects they had already planned.

B. Technical Memorandum on Methods of Updating Public Educational Impact Fees

(9:45 a.m.) Nicholas stated that there had been an increase in school enrollment in St. Johns County. He reviewed the changes; the biggest cost increase was in land, State funding was almost gone, decline in property values, commitment of the capital improvement tax for on-going maintenance and certificate of participation, capital improvement tax was non-productive any longer, and the net cost increase had almost doubled.

(9:53 a.m.) Darrell Locklear, Assistant County Administrator, provided background considerations for both the Board of County Commissioners and the School Board, to put some of the findings of the study in prospective with what impact fees, as a revenue generator, meant. He said current impact fees were generating \$4.5 million dollars per year, as growth related projects. He mentioned that they could implement a millage increase of 0.25, which would be necessary to replace the current BCC impact fee funding, and stated that impact fees had become an element to support debt. He stated that they could support the 25% without further dipping into the General Fund. He reviewed the aggressive schedule so that development could proceed with certainty. He mentioned next week to give direction to staff on what they would like to do with the impact fee results, and stated that they anticipated a recommendation from the School Board on February 10th. Miner spoke on the 25% reduction. Locklear spoke on the existing fee reduction.

(9:59 a.m.) Tim Forson, School Board member, spoke on student population growth, revenue reduction from local taxes, very little funds left for new construction, and how much of an impact the impact fees had on the District, on an average, in the last ten years. He reviewed where they were headed; new elementary school, new K-8 schools, expansions at 5 elementary schools, the twenty year plan, keeping pace with growth, looking at it from a capital point, and the school impact fees being used for the purpose of handling growth, both in the long term and short term. He reviewed the next steps from the School Board prospective; to utilize the updated school impact fees that were in the study.

(10:06 a.m.) Miner asked Nicholas if he had found any correlation that existed between impact fees and economic development in other areas of the State, and if so, what was the significance. Nicholas replied that the only correlation that they could find was that all the rapidly growing areas in Florida also employed significant impact fees.

(10:11 a.m.) Bryan asked about the counties who eliminated impact fees, and how many of them had brought impact fees back due to no significant increase in economic development. Nicholas replied that they would reduce the impact fees for a set time frame, and when that time frame ended, they had to reconsider it.

(10:13 a.m.) Stevenson made an observation; that in her development area, in her District, they were very attracted to residential growth. She said that St. Johns County had good schools, water, quaint historic areas, and a beautiful community. Nicholas said that Jacksonville made extensive use of sales taxes in funding infrastructure, bond issues, and had double millage options. Bryan spoke on mandates and reductions. He spoke on everyone coming to St. Johns County. He said that they would be talking about sales taxes. Nicholas mentioned that the first thing that potential home buyers asked about was public schools.

(10:17 a.m.) Tommy Allen, School Board member, stated the problem as it related to the educational piece of the cost, shared by the impact fees, was a direct result of legislative action. He suggested; 1) talking to the local Legislative Delegation, 2) after making contact and not seeing the type of progress they expected, that they prepare to enter into a lawsuit against the Legislature to have them do what they were required to do under the constitution, and 3) adequately provide what was needed in St. Johns County by lowering impact fees, if necessary. Bryan said that he would not object to addressing the Legislature in Tallahassee with a joint letter from them.

(10:25 a.m.) Bill Mignon, School Board member, spoke on the last general election, and class sizes.

(10:26 a.m.) Morris said St. Johns County was really good because of the school system, but the problem was not being competitive from a commercial/industrial basis. He spoke on increases on the cost of new homes.

(10:29 a.m.) Miner stated that the 11% was significant, and spoke on the 25% reduction.

(10:30 a.m.) Stevenson said that she thought that they needed to balance their tax base in St. Johns County, and spoke on waterfront property values.

(01/25/11 - 4 - 10:32 a.m.)

Public Comment on Workshop Items

John Horan, 43 Valencia, realtor for 29 years, stated that the first question asked when one purchased a home was the cost of the home. He spoke on what drove property values down, getting rid of the glut of properties presently in St. Johns County, impact fees being held hostage to debt, having too much debt, dropping the impact fees and increasing property values.

(10:36 a.m.) Ellen Whitmer, 1178 Natures Hammock Road South, spoke in favor of keeping impact fees and not having a problem with some reduction to the impact fees. She mentioned that she supported the School Board and talking to the Legislative Delegation. She said the reason the County was in debt was because the urban sprawl was approved and the County could not pay for it. She stated that it was wrong for Duval County to force the taxpayers in the northern part of St. Johns County to pay directly into the Duval County General Operating Budget through utilities.

(10:39 a.m.) Coleen Wood, 1540 Ansley Place, advocate for public education, said that she had seen a decrease in State funding while the study showed an increase in the enrollment in schools. She stated that state wide they were seeing an increase in public school attendance, she was in favor of impact fees, enrollment was up, and funding was down. She said that she agreed with sending the joint letter to the Legislative Delegation.

(10:43 a.m.) Kirk Wendland, 1 Riberia Street, representative of St. Johns County Chamber of Commerce, commented on needing impact fees.

(10:45 a.m.) Ed Paucek, 970 Irma Way, representing the St. Johns Builders Council, stated that he was opposed to impact fees, not happy about the increase, and asked the Board to temporarily suspend impact fees.

(10:48 a.m.) John Valdez, 273 South Matanzas Blvd., building contractor, stated that he was the one that offered the idea of grandfathering impact fees for infill lots.

(10:51 a.m.) George McClure, 81 King Street, offered suggestions regarding recovering impact fees; tax increment financing being used; and stated that the pattern of growth the County had had was unsustainable, in order to meet the infrastructure requirements.

(10:55 a.m.) Beth Breeding, 10175 Fortune Parkway, Jacksonville, spoke on outstanding impact fee credits to the developers.

(10:58 a.m.) Karen Taylor, 77 Saragossa Street, suggested a reduction in impact fees for a period of time and spoke on a conversion fee.

(10:59 a.m.) Carla Wright, School Board member, left the meeting.

(11:00 a.m.) Wanchick clarified that only private schools paid impact fees, not public schools.

(11:00 a.m.) Ed Paucek suggested that more time should be given to speakers during the workshop, that three minutes was not long enough.

(11:02 a.m.) Bryan said it appeared that a joint letter from both Boards would be in order.

(11:03 a.m.) Sanchez suggested that the School Board take the action and ask the BCC to support it rather than a letter from joint boards.

(11:03 a.m.) Slough commented on Sanchez's statement.

(11:03 a.m.) *It was the consensus that the School Board draft the letter and the BCC endorse it.*

(11:04 a.m.) Stevenson addressed impact fee credit calculations; the backlog with other funding sources; and impact fee credits being held by developers.

(11:07 a.m.) Bryan stated that he wanted to touch on some of the recommendations and reassured the public that their concerns would be addressed. He asked George McClure to submit in writing some of the recommendations that he came up with. He said if the public had any suggestions, to send them to the Board.

(11:11 a.m.) Wanchick spoke on the reduction of impact fees, and that taking the impact fees down 25% would help. He spoke on implementation of impact fees, and waiting for the recommendation from the School Board.

(11:13 a.m.) Bill Fehling, School Board member, stated that they would be meeting on their workshop next Tuesday. He spoke on carrying a lot of debt, not having the ability to delay, and having to build new schools even if they didn't have the money. He said on the impact fees for education, he thought the public was getting the value of the dollar of the impact fee and it was being returned in the education that the children of St. Johns County were receiving. He stated that they needed help from the Legislature to take a look at keeping their hands off of the capital improvement dollar millage, because that was their only source of income, and they kept raiding it.

(11:16 a.m.) Tommy Allen, School Board member, spoke on owning property that sat idle and paying property taxes and impact fees on property that they had owned for a long time versus people just moving in and buying property.

(11:18 a.m.) Bill Mignon mentioned that he was in favor of the joint meeting, and appreciated the public comments.

(11:19 a.m.) Beverly Slough, School Board member, stated that she was glad that they were able to have a thorough discussion, and she knew that they would make the right decisions, going forward, based on the invocation they received that day.

(11:19 a.m.) Miner thanked everyone for getting together, Dr. Nicholas for a great presentation, and that he appreciated the public comments.

(11:10 a.m.) Sanchez thanked everyone for their input and stated that he thought that the joint meetings were good. He said that they would certainly follow through with the letter to the Legislature, and maybe they could all sign that letter.

(11:20 a.m.) Morris said that he appreciated Dr. Nicholas's report and that he thought it was a great idea that McClure and other people had presented there.

(11:21 a.m.) Stevenson stated that those meetings were important to them to understand the challenges that they faced, and also for the business community and the residents to receive a more thorough understanding of the challenges and why they made the decisions that they did. She said that impact fees had been helpful for young counties.

(11:24 a.m.) McCormack mentioned that impact fees were an area of law and explained.

(11:26 a.m.) Dr. Joyner said that they would move forward and he would not share his thoughts until their Board talked. He stated that they couldn't over-emphasize the dire situation that the school system was in, with its Capital Fund. He said that they were at a critical point in regards to their building program. He stated that they were at a key point and a choice needed to be made, as to where they were headed with their schools.

(11:28 a.m.) Bryan thanked everyone for coming.

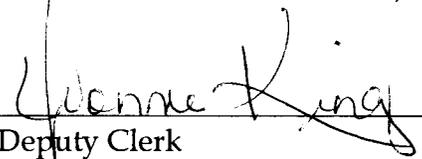
With there being no further business to come before the Board, the meeting adjourned at 11:28 a.m.

Approved February 15, 2011

BOARD OF COUNTY COMMISSIONERS
OF ST. JOHNS COUNTY, FLORIDA

By: 
J. Ken Bryan, Chair

ATTEST: CHERYL STRICKLAND, CLERK

By: 
Deputy Clerk

