

**Official Minutes of
MARION COUNTY
BOARD OF COUNTY COMMISSIONERS**

August 11, 2023

CALL TO ORDER:

The Marion County Board of County Commissioners (BCC) met in a workshop session at 9:11 a.m. on Friday, August 11, 2023 at the College of Central Florida (CF) Webber Center located in Ocala, Florida.

INTRODUCTION OF WORKSHOP BY CHAIRMAN CRAIG CURRY

Chairman Curry advised that the joint workshop is scheduled this morning with the Marion County School Board (MCSB).

PLEDGE OF ALLEGIANCE

The meeting opened with the Pledge of Allegiance to the Flag of our Country.

ROLL CALL

Upon roll call the following members were present: Chairman Craig Curry, District 1; Vice-Chairman Michelle Stone, District 5; Commissioner Kathy Bryant, District 2; and Commissioner Carl Zalak, III, District 4. (The District 3 Commissioner seat was vacated effective June 6, 2023.) Also present were County Attorney Matthew G. Minter; County Administrator Mounir Bouyounes; Assistant County Administrator (ACA) Angel Roussel; ACA Tracy Straub; and Executive Director of Internal Services Mike McCain.

The following members of the MCSB were present: Chairman Allison Campbell, District 1; Vice-Chairman Nancy Thrower, District 4; Board Member Lori Conrad, District 2; Board Member Eric Cummings, District 3; and Board Member Sarah James, District 5. Also present were Superintendent of Marion County Schools Dr. Diane Gullett and School Board Attorney Jeremy Powers.

It was noted for the record that the Deputy Clerk was in receipt of a 32 page Walk-on Agenda packet containing supplemental materials for Agenda Items 4.1. (updated School District staff facility recommendations), 5.1. (MCSB proposed Impact Fee recommendations, and 6.1. (updated Educational System Impact Fee Ordinance); as well as a 221 page Agenda packet to follow along with the PowerPoint presentations.

1. OPENING REMARKS - CRAIG CURRY, CHAIRMAN

Chairman Curry noted that public comment will be allowed at the end of the workshop. He commented on the need for a spirit of cooperation to work on a community issue, which has reached a critical point (adequate schools and the best funding source). Chairman Curry advised that everyone in attendance understands the need for the building of additional schools and to determine the best way to pay for them. He opined that the toughest elected position in Marion County is being a School Board member, dealing not only with citizens taxes, but dealing with their children. Chairman Curry stated the answers to those concerns are within this room and opined that a solution will be found. He advised that the solutions also entail legal obstacles and potentially conflicting opinions, noting both Boards must keep their eyes on the objective of finding the best and most efficient ways to build more schools in a responsible timeframe. Chairman Curry

August 11, 2023

stated the system has brought 2 elected bodies together for collaborative purposes and to use the best ideas possible to produce the best solutions. He advised that a super majority vote by the BCC is ultimately required to pass impact fees, noting there is still a lot of work to be done (updating the 2006 Educational Impact Fee Ordinance, updating the Interlocal Agreements (ILAs), updating the Collections Agreements with municipalities, etc.). Chairman Curry noted he is looking forward to the opportunity to work with everyone to solve this issue.

Chairman Allison Campbell, MCSB, advised that she and the rest of the MCSB members understand that this is a collaboration that needs to happen between the 2 elected Boards, noting prior to 2021 it had been more than a decade since these 2 bodies had met and communicated to address this issue.

Commissioner Stone, as liaison to the MCSB, expressed her appreciation to all in attendance. She commented on the current Interlocal Agreement, noting that agreement does not address impact fees due to the fact that the Impact Fee Study was not completed at that time. Commissioner Stone advised that there is a Technical Working Group that has been identified in the current ILA that includes BCC members from all the municipalities, as well as a representative of the MCSB and the BCC.

Chairman Curry advised that there are currently 3 funding sources under consideration: 1) impact fees; 2) sales tax funding; and 3) bonding.

2. LONG RANGE SCHOOL PLANNING STUDY

2.1. Long Range School Planning Study - Nilgün Kamp, Benesch Consultant for Marion County Public Schools

Nilgün Kamp, Benesch Consultant for Marion County Public Schools, addressed both Boards relating to the MCSB Long Range Plan. She stated Marion County is ranked 19th (out of 67 Counties) in the State for population; 21st in projected population growth rate; 12th in residential permitting; 45th in student generation rate; and 44th in taxable value per capita. Ms. Kamp advised that the MCSB had some concerns related to recent growth levels and tasked the consulting firm to perform a study to address growth management issues including, future growth levels; timing and location; student generation rates; ability to accommodate new students; identify and prioritize future expansion sites; update impact fee calculations; and prepare a business plan.

Ms. Kamp referred to the graph on page 8 of the PowerPoint presentation, which reflects the annual population growth rate from 1980 through 2038 (projected), noting the green line reflects Marion County and the yellow line reflects the State of Florida average. Page 9 reflects a chart of Marion County residential permitting trends from 1990 through 2021, including municipalities. She stated page 10 reflects proposed housing unit projections for Marion County for 2023 through 2038, noting the annual average is estimated at 3,500 units. Ms. Kamp referred to the map on page 11, which reflects developable lands available in Marion County, noting due to environmental lands located on the eastern side and the creation of the Farmland Preservation Area (FPA) (in 2005) in the northwest section, new development is likely to occur in the southern portion of the County. She clarified out of the 1,600 square miles in Marion County, approximately 760 square miles is where most of the future development will occur. The charts on page 12 reflect year-built single family home construction from the 1950s through the 2020s and the locations of where those homes were built. Ms. Kamp referred to the chart and map on page 13, which reflect residential vacant land available for development, noting 63 percent (%) of residential vacant lands are on parcels greater than half an acre. The map on page 14

reflects where projected residential developments are likely to occur according to the County's Long Range Transportation Plan (LRTP).

Ms. Kamp addressed the graph on page 15, which addresses the median age trend for Marion County (green line); City of Ocala (red line); and the State of Florida (yellow line), noting Marion County has consistently had an older age median trend than the State average. The graph on page 16 compares the 2021 age distribution for Marion County versus the State percentages. The chart on page 17 compares the age distribution trend for Marion County, City of Ocala, and the State from 2012 through 2021 and reflects that approximately 16% of the population for Marion County is of school age. She addressed pages 18 through 23, which show the methodology utilized to develop student generation rates, which are calculated based on current student addresses and matching them with land uses (single family/townhome, apartments/condos), as well as the students school level (elementary, middle, and high school). Ms. Kamp referred to page 24 and stated another factor that is taken into consideration is Charter School enrollment trends, noting for Marion County that number is less than 2% of total student enrollments. Page 25 reflects the enrollment trends for traditional schools from 2008-09 (40,624 students enrolled) through 2022-23 (43,199 students enrolled). The graph on page 36 reflects the number of new students added per year.

Ms. Kamp commented on pages 27 through 37, which addresses the number of schools needed based on Florida Inventory of School Houses (FISH) established by the Department of Education and utilized by all school districts. Other assumptions taken into consideration when determining the number of traditional schools needed included the Long Range Transportation Plan (LRTP) distribution, geographic concentration of proposed residential developments, types of residential units (single versus multi-family, etc.). She advised that based on 3,500 new residential units per year the "low" scenario shows a need for 7 new schools and the "high" scenario shows the need for 10 new schools over a 15 year period. Ms. Kamp stated a comparison was also done based on 2,800 new residential units per year, noting the "low" scenario shows a need for 6 new schools and the "high" scenario shows the need for 9 new schools over a 15 year period. Ms. Kamp provided a brief overview of school conditions and available capacity for existing elementary, middle, and high schools. She advised that there are currently 29 elementary schools in Marion County with 848 students in portables, noting there are currently 604 students in Middle School portables and 1,028 students in high school portables.

Ms. Kamp commented on the cost estimates and funding options for school infrastructure, noting investment in school capacity is very expensive (pages 38 through 44). She stated the estimated cost is \$43,618,000.00 for a new elementary school; \$59,630,000.00 for a new middle school; and \$135,650,000.00 for a new high school. Ms. Kamp advised that if all 7 to 10 schools, as previously discussed, were to be built over the next 15 years the total cost is estimated to be \$413,370,000.00 (7 new schools) or \$652,268,000.00 (10 new schools). She stated current funding sources available to School Districts include a Capital millage rate of 1.500 mills and State contributions, which have been declining over time. Ms. Kamp clarified that the available revenues fund a portion of maintenance and/or replacement costs, noting there is an estimated shortfall of \$460,000,000.00 over the next 5 years. She noted that figure does not include costs for new schools/capacity needs. Ms. Kamp advised that additional revenue sources include School Impact Fees, which are currently suspended in Marion County and possibly subject to a rate cap due to House Bill (HB) 337; as well as School Capital Outlay Surtax, which is a local option sales tax

August 11, 2023

up to 0.5%. This funding source requires voter approval in a Countywide referendum (30 Counties (out of 67) are currently levying this surtax. She stated the School Capital Outlay Surtax is estimated to generate approximately \$562,000,000.00 that could go toward both new construction and maintenance needs.

Chairman Curry questioned whether the MCSB has reviewed the possibility of leasing schools as part of this solution.

Ms. Kamp stated there are strict State Code guidelines/standards for school buildings, which makes it difficult to lease a building. She clarified the standards are different for Charter Schools.

General discussion ensued.

(Ed. Note: pages 45 through 119 of the Agenda contains a copy of the Marion County Public Schools (MCPS) Long Range School Planning Study.)

There was a recess at 9:47 a.m.

The meeting was reconvened at 9:51 a.m. with all members present.

3. EDUCATIONAL FACILITIES UPDATE STUDY (IMPACT FEE UPDATE)

3.1. Marion County Public Schools Educational Facilities Update Study (Impact Fee Update) - Nilgün Kamp, Benesch Consultant for Marion County Public Schools

Ms. Kamp provided an overview of the MCPS Facilities Update Study (pages 119 through 146), which was last updated in 2006, noting impact fees were then suspended. The new study was updated to input variables to reflect the most current and localized data and to meet the requirements of burden of proof for public agencies. She advised that impact fees are a one-time capital charge to new development to cover the cost of new capital facility capacity. Ms. Kamp noted that having impact fees helps to free up other funds for maintenance/renovations. The primary purpose of impact fees is to maintain the current level of service (LOS), help calculate the cost of growth, and are most needed when there are high growth levels and limited alternative funding. She advised that a consumption based methodology was utilized in this study, which is a very common methodology utilized throughout the State, noting it charges new growth based on its consumption of capacity of the school infrastructure it is using, and fees are calculated at a rate that cannot correct existing deficiencies. Ms. Kamp provided a brief overview of impact fee legal requirements which include: the use of most recent and localized data, minimum of 90 day notice for any fee increases after adoption, may not collect prior to building permit, rational nexus on the amount of collection and expenditures, may not use for prior debt or projects unless there is a nexus showing use for need due to growth, any action challenging the fee, the government has burden of proof, must have accounting of impact fee collections and expenditures, as well as other requirements under HB 337 and Florida Statute (FS) 163.31801. She provided a brief overview of the requirements under HB 337, which include a limit on impact fee increases, noting the increase can be no more than 12.5% per year, cannot be increased more than 50%, and cannot be increased more than once every four years. Ms. Kamp noted that there are some exceptions, which would require a study within the past 12 months demonstrating extraordinary circumstances, two public workshops to discuss the extraordinary circumstances, and the increase must be approved by 2/3rd of the governing body. She clarified that local governments could reduce the fees for qualified affordable or workforce housing without having to decrease fees for other development.

Ms. Kamp provided an overview of the findings of the Technical Study, noting since 2006 (last update) the cost per student has increased, which would require an increase in impact fees. She commented on the current inventory, noting there are 30 elementary, 9 middle, 2 multi-level and 8 high schools in Marion County (49 total schools), which does not include private or charter schools. Ms. Kamp noted the information in the study relating to facility costs include all costs necessary to build schools including architect/site improvements, construction, furniture, fixtures, equipment, and land purchase. She noted the cost per student station was \$32,111.00 for elementary school, \$33,356.00 for middle school, and \$44,922.00 for high school. Ms. Kamp addressed enrollment to capacity ratios, noting on a Countywide basis there is approximately 8% available capacity in elementary schools, 4% capacity in middle schools and 2% capacity in high schools. She stated other cost components include transportation (buses) and ancillary facilities (maintenance and administrative buildings) costs. Those cost average approximately \$1,145.00 per student for transportation and \$1,285.00 per student for ancillary facility costs.

Ms. Kamp advised that student generation rates relating to school impact fees do not include age restricted housing, noting those housing developments do not have an impact; therefore, they do not have to pay the fee. Student generation rates for single family/mobile home on a lot is 0.288 students per unit; multi-family (apartment/condo) is 0.262 students per unit; and a mobile home park is 0.193 students per unit. The net costs multiplied by these generation rates give the final calculated fee as follows: \$10,693.00 for single family/mobile home on a lot; \$9,728.00 multi-family (apartment/condo); and \$7,166.00 for a mobile home park. She provided a brief overview of the school impact fee rate from Marion County (at time of suspension) versus other Counties throughout the State.

4. SCHOOL DISTRICT STAFF FACILITY RECOMMENDATIONS

4.1. School District Staff Facility Recommendations - Barbara Dobbins, Executive Director, Operations and Emergency Management, Marion County Public Schools

Executive Director Barbara Dobbins, Operations and Emergency Management, MCSB, addressed both Boards relating to school facility recommendations for years 2023 through 2038. She referred to the 32 page Walk-on Agenda packet containing supplemental materials for Agenda Items 4.1. (updated School District staff facility recommendations), noting it contains a copy of the PowerPoint presentation. Ms. Dobbins provided a brief overview of MCPS facilities, noting there are 607 buildings and of those buildings 50 are schools. She noted of those 50 schools, 74% are over 30 years old and 50% were built prior to 1977. Ms. Dobbins stated there are 417 portables located at schools across the District. She clarified that portable capacities are only allowed to be utilized if they are 20 years or less in age, noting once the portable reaches the age of 20 it can no longer count toward the capacity for student stations. In 2 years (2025) all 417 portables will be at the point they will no longer be counted toward school capacity due to age. Ms. Dobbins stated the Maintenance Department maintains 7,169,186 square feet (sf) of building space, 18 water wells, 15 sewer plants, and over 3,800 Heating, Ventilation and Air Conditioning (HVAC) units, completing over 24,000 work orders per year.

Ms. Dobbins referred to slide 2 of the PowerPoint presentation, noting the gold circles represent projected residential units over the next 5 years, the green squares are residential units 6 to 10 years out, and the blue diamonds represent 10+ years out. She

August 11, 2023

noted the dark purple section represents the population change projected out to 2045, which is estimated as high as 44,000 new residents. Ms. Dobbins referred to slide 3 and advised that in preparation for the anticipated growth MCPS did purchase several parcels of land for future school sites that would build 7 new schools, noting all but one of those sites is located in the high density area located in the dark purple section (southwest quadrant of the County). She stated the next several slides represent a combination of the recommended school needs at the elementary, middle, and high school levels as projected/recommended by the Benesch Study and the recommendations of MCPS. Ms. Dobbins provided a brief overview of both recommendations (Benesch and MCPS) and clarified that the low average of units per year represents the use of more portables, and the high scenarios would bring in less portables (slides 4 through 12). She stated the total estimated cost for school facilities between 2023 through 2028 (years 1 through 5), per the recommendations, is \$215,200,000.00 in new construction (slide 13). For the years 2029 through 2033 the total estimated cost for school facilities would be \$42,300,000.00 and for years 2034 through 2038 the total estimated cost would be \$108,700,000.00 (slide 14). Ms. Dobbins referred to slide 15 and commented on current unfunded school projects, noting the total estimated cost for years 2029 through 2038 is estimated at \$100,200,000.00. She stated the overall costs associated with school needs from years 2023 through 2038 is estimated at \$466,400,000.00 in new construction (slide 16).

Ms. Dobbins noted slide 17 provides a summary of the entire facility plan, taking into consideration school needs, as well as a new Technology Data Center. She clarified that a new Technology Data Center is needed due to the current infrastructure of fiber optics and T1 trunk lines that currently run into the former District Office, which is now closed. Ms. Dobbins stated because this will be a District project and is not a school, the funding is required to be expended from the Capital Outlay funding. She advised that the chart on the bottom of the slide reflects the Districtwide 5-Year Facility Work Plan for unfunded maintenance projects, noting it is estimated that there will be almost \$300,000,000.00 worth of unfunded maintenance over the next 5 years. Ms. Dobbins stated overall recommended Future Facility Plan 2023-2038 is estimated to cost \$1,106,299,000.00.

Ms. Dobbins introduced Chief Financial Officer (CFO) Theresa Boston-Ellis, MCPS.

In response to Commissioner Zalak, Ms. Dobbins clarified that State requirements for educational facilities does allow the District to count a portable that is 20 years of age or older as a seat capacity station for students, so the County can continue to use them and lose the capacity or plan to replace them. She noted there are some schools that have 16 portables that are over 20+ years old and the plan has to include replacements.

In response to Chairman Allison Campbell, MCSB, Ms. Dobbins advised that the District is currently leasing 18 portables for this current year at a cost of set up, as well as prepay for the removal of that portable once it is no longer in use. She stated the cost of those portables for this year's start-up is \$1,700,000.00. Ms. Dobbins noted that as far as purchasing a portable the price range starts at \$60,000.00. She stated the cost to move a portable not being utilized from one school to another school, based on distance, costs approximately \$18,000.00.

Commissioner Zalak questioned the life time cost per seat for a portable. Ms. Kamp advised that she is unsure of the exact cost for Marion County; however, when comparing the costs of a portable versus brick and mortar in other Districts, the cost per seat of a portable is more expensive over a 50 year period. She clarified that portables are usually a temporary solution until permanent capacity can be constructed.

Ms. Dobbins advised that a cost analysis was performed, and the breakthrough point for a portable is 4 years, noting the District does not want to lease a portable for more than 4 years. She stated the current portables being leased this year were strategically placed at schools the District knew would be building wings within that 4 year time frame and those portables could be removed after construction.

Teresa Boston-Ellis, CFO, MCPS, provided a brief overview of the history of collection rates for school impact fees and funding sources for capital projects. She advised that on July 18, 2006, the BCC adopted Ordinance 06-23 providing for the imposition of Educational System Impact Fees, noting there were 3 different categories and collection amounts ranging from single family with impact fees in the amount of \$3,516.00; multi-family with impact fees in the amount of \$1,919.00; and mobile homes with impact fees in the amount of \$3,067.00. She stated that according to the Ordinance, the District was allowed to amend those amounts every year according to factors such as the Consumer Price Index (CPI), current costs of construction, etc. Ms. Boston-Ellis stated in 2011, due to hard economic times, the MCSB recommended that the BCC suspend (not terminate) collection of the impact fees, noting that recommendation was accepted by the BCC and those fees were suspended. She referred to slide 19, which reflects the total amount of impact fees collected (\$12,045,864.00) versus the impact fee expenditures (\$12,035,914.00) over that timeframe.

Ms. Boston-Ellis advised that the MCSB financial team members Laura Howell and bond counsel George Smith are present to answer any questions.

In response to Commissioner Zalak, Laura Howell, PFM Financial Advisors, LLC, advised that utilizing the current 1.500 mills, which is the main revenue source for the District, there would be approximately \$306,000,000.00 of bond capacity over a 20 year bond issuance.

General discussion ensued.

Ms. Boston-Ellis commented on current capital outlay for FY 2023-24 in the amount of \$50,000,000.00, which includes obligated funds in the amount of \$25,000,000.00 for current debt payments, property insurance, as well as transfer of a portion of that funding into the General Fund to help pay for maintenance. She stated the District is also paying on the bus lease/purchase agreement from 2019 that included 150 new buses.

Ms. Howell presented a 1 page handout entitled, "Funding School Facilities and Maintenance", which shows a list of new construction projects and associated costs, as well as a list of potential funding options including: 1) capital outlay (1.500 mills); 2) Certificate of Participation (loan); 3) impact fees; and 4) Surtax (a local option sales tax of up to 0.5% upon voter approval in a Countywide referendum).

General discussion resumed.

Ms. Howell noted the estimated deferred/unfunded maintenance cost over the next 5 years is \$297,576,715.00.

In response to Commissioner Zalak, Ms. Howell advised that reimplementing impact fees would offset the deficit significantly, but there would still be a gap.

School Board Member Sarah James referred to the Study contained in the 221 page Agenda packet, noting it contains the information relating to the potential revenue generated with impact fees.

Ms. Kamp stated the estimated revenue from impact fees would be approximately \$560,000,000.00 over the next 15 years if the fees were adopted at 100%.

August 11, 2023

5. SCHOOL BOARD PROPOSED IMPACT FEE RECOMMENDATIONS

5.1. Proposed Impact Fee Recommendation - Dr. Allison Campbell, School Board Chair, Marion County Public Schools

School Board Chairman Allison Campbell, MCPS, referred to page 25 of the 32 page Walk-on Agenda packet, which reflects a complete timeline of Marion County Educational System Impact Fee related actions. She referred to pages 27 through 31, which contain the proposed/updated Ordinance relating to impact fees and expressed her appreciation to County Attorney Matthew Minter and School Board Attorney Jeremy Powers for their collaboration on the proposed draft Ordinance. School Board Chairman Campbell referred to the draft Ordinance and advised that the items highlighted in yellow are where the School District came to a consensus and would like to bring those forward for today's discussion, noting the School Board held 2 public workshops to address concerns. She opined that the District meets the extraordinary circumstances at this juncture, while understanding the Legislature did make some changes to how impact fees can be administered. School Board Chairman Campbell stated MCPS is requesting the impact fees be calculated and received at 40% of the recommended calculation that the consultant (Benesch) has set forth.

In response to Chairman Curry, School Board Member Sarah James advised that the figures previously provided did not exclude 55+ housing, noting the number, utilizing the tiered approach, is closer to \$12,000,000.00 to \$15,000,000.00. She clarified that the amounts generated from the tiered approach versus the 40% calculation are close to the same amount of revenue.

School Board Chairman Campbell noted she had spoken to Property Appraiser Jimmy Cowan who pulled some data that reflected in 2021 approximately 17% of all homes that went on to the property tax rolls were in 55+ communities and in 2022 that number decreased to 16%.

General discussion ensued.

6. EDUCATIONAL SYSTEM IMPACT FEE ORDINANCE

6.1. Proposed Amendment - Jeremy T. Powers, School Board Attorney, Marion County Public Schools

School Board Attorney Jeremy T. Powers, MCPS, advised of discussions he had with County Attorney Minter as it relates to the 3 types of housing that have traditionally been used (single-family, multi-family, and mobile home) regarding impact fees, noting the Benesch Study included some analysis of townhomes as a separate category at a separate rate. He commented on the importance of utilizing student generation rate data when considering impact fee rates.

General discussion resumed.

In response to Mr. Powers, Ms. Kamp clarified that in regard to the Long Range Plan, the firm did include 55+ communities to determine growth patterns for school needs; however, for impact fee purposes those communities were excluded.

General discussion ensued.

School Board Chairman Campbell commented on potential growth and development in the southwest quadrant of the County, noting there may be a future need to redistrict the entire County.

In response to Commissioner Zalak, Ms. Kamp advised of the difference between the proposed fees for a mobile home on an individual lot versus a mobile home in a mobile

home park, noting most mobile home parks are typically occupied by retirees. She clarified that mobile homes on individual lots will be charged the single family rate. General discussion ensued.

Commissioner Stone referred to "Table 9" on page 171 of the 221 page Agenda packet, noting her preference to use that language when defining the differences relating to mobile homes (lot versus park). It was the general consensus of the Board to concur.

There was a recess at 10:52 a.m.

The meeting was reconvened at 11:02 a.m. with all members present.

7. PUBLIC COMMENT

Chairman Curry opened the floor to public comment.

Stan Hanson, SE 12th Circle, commented on the timeline when the Board first suspended impact fees, noting that was the time to review how to run the school system differently, both financially and academically. He opined that the Board needs to review a different operational model by performing a Request for Proposal (RFP) asking not-for-profit Charter Schools to bid on how to run the public school system financially and academically. Mr. Hanson stated there are a lot of exceptions (building requirements, academic exceptions, etc.) that Charter Schools have that are not available to public school systems.

Rob Batsel, SE 36th Avenue, expressed his appreciation to both Boards for their efforts. He noted as a developer's lawyer he and his clients recognize the need for development to pay its proportionate fair share of infrastructure. Mr. Batsel advised that impact fees are a highly detailed process, noting the importance of ensuring the data and code definitions represent a clear, proportionate relationship between the amount paid and the benefit conferred. He expressed concern with the grouping of uses, which could be problematic (i.e., mobile homes). Mr. Batsel addressed townhomes being grouped in with single family residential and opined that use is drastically overpaying under the current structure. He commented on the need for a tiered structure similar to Orange County.

Chairman Curry requested Mr. Batsel electronically mail (email) his concerns and recommendations to Mr. Minter and Mr. Powers for review. Mr. Batsel stated he would. David Tillman, SE 41st Place, noted he is the President of the Marion County Building Industry Association (MCBIA), as well as a Board member of the Marion County Road Builders Association (MCRBI). He stated that he had plenty of clients, as well as members of his organization, that would be happy to pay \$0.00 in impact fees and would argue not to have to pay them. Mr. Tillman addressed the Board regarding the affordable/workforce housing crisis within the community, which includes teachers. He advised that his preference is the tiered approach that would give some equity to the equation for the development of affordable housing, noting his recommendation is that the fee be a specific amount/dollar per square foot be adopted instead of a straight 40%. Mr. Tillman expressed concern with previous discussions regarding affordable housing exemptions, noting he is not aware of that being done anywhere in the State and opined it could result in a greater potential for legal challenges. He commented on the "Live Local Act", which is a Statewide workforce housing strategy designed to increase the availability of affordable housing for Florida's workforce, noting that funding is quite minuscule when divided up to each County throughout the State and will not have much of an impact. Mr. Tillman requested the consultant and attorneys look at the option for a dollar amount per square foot as an option for this type of impact fee.

August 11, 2023

City Manager Peter Lee, City of Ocala, 110 SE Watula Avenue, expressed his appreciation to all who have worked on this matter. He advised that City of Ocala staff will need time to discuss the impact of the options presented relating to impact fees. Mr. Lee requested that the County reconvene the Technical Working Group over a short term to work through the complexities and solidify the legal definitions in the proposed Impact Fee Ordinance.

In response to Chairman Curry, Mr. Lee opined that reconvening the Technical Working Group for 1 meeting would be enough to discuss refinement of the proposed Ordinance. Commissioner Bryant opined that the attorneys for all the governmental organizations could work out the legal definitions rather than reconvening the Technical Working Group. In response to Commissioner Bryant, Mr. Minter stated the County cannot implement the impacts fees without the municipalities being on board per the Interlocal Agreement.

General discussion ensued.

Reggie Bouthillier, East College Avenue, appeared on behalf of the On Top of the World (OTOW) community and Colen Built Development, LLC., and presented an 18 page handout from the law offices of Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A. He expressed his appreciation to both Boards for their hard work on this matter. Mr. Bouthillier provided a brief overview of the handout, noting his client's development entitlements have been in place since the 1970s and 1980s. He clarified that OTOW/Colen Built Development, LLC., is entitled to almost 40,000 development units, of which approximately 32,000 units are retirement units and leaves approximately 8,000 non-retirement units they can develop in the southwest quadrant of the County. Mr. Bouthillier stated his client believes in and strongly supports public schools. He noted he has addressed the Board previously over the past few years relating to the lack of school capacity and opposed projects in the area that would increase density without proper school capacity. Mr. Bouthillier stated his client is in support of bringing back impact fees to help resolve the school capacity crisis. He advised that the School Board has obligations, but not a lot of authority to raise funds to address this issue, noting the process makes it challenging for the School Board. Mr. Bouthillier stated he agreed with Mr. Minter that in order to implement impact fees Countywide, the Board needs to amend the Interlocal Agreement between the County and municipalities in which those municipalities consent to the County collecting the impact fees, otherwise the County cannot collect impact fees within their boundaries. He advised that Florida Statutes requires the local government (County) to hold 2 separate workshops in order to adopt an Impact Fee Ordinance. Mr. Bouthillier opined that the County cannot separately have different percentages for each unit type, noting it needs to be across the board. He stated he and his clients are big proponents of the Half-Cent Sales Tax, as well as the One-Cent Sales Tax in 2024.

Tom Fisher, SW 85th Street, opined that this process should have taken place years ago. He expressed concern that developers want everyone to pay for growth.

Chairman Curry advised that public comment is now closed.

DISCUSSION AND CLOSING COMMENTS

County Attorney Matthew Minter addressed the 32 page Walk-on Agenda packet, as well as the handout by Mr. Bouthillier. He commented on the need to ensure that the Board addresses this emergency in an appropriate manner, noting the consequences of invalidating the current Ordinance. Mr. Minter advised that he sent a copy of the draft Ordinance to the County's Bond Counsel at Nabors Giblin & Nickerson (NGN) who

expressed concern about the initial tiered approach, so a change was made to the draft Ordinance. He expressed concern with some of the ambiguities in the Impact Fee Statute, noting his concern that the School Board should have the public hearings; however, the Statute does say that the local government jurisdiction shall hold the 2 workshops. Mr. Minter commented on the possibility of moving forward on something that may have a built in issue that could be a source of a challenge, when in fact the BCC could hold the 2 hearings and eliminate any issues of a challenge. He advised that in each of the 67 Counties the School District is co-extensive with the County and reiterated that each of the municipalities would have to buy into the Impact Fee Ordinance.

Chairman Curry questioned if today's workshop would count towards the 2 workshops.

Mr. Minter advised that "the local government jurisdiction has held not less than 2 publicly noticed workshops dedicated to the extraordinary circumstances necessitating the need to exceed the phased-in limitations set forth in the Impact Fee Statute".

Mr. Powell opined that the only necessity for the 2 joint public workshops would be to demonstrate extraordinary circumstances if the assessment was to be exceeding the phase-in limitations, noting the current Ordinance is still a valid Ordinance that has been suspended for the past many years. He stated those numbers are roughly the same as the School Board recommended 40%, so then there is no need to exceed the phase-in limitations. Therefore, the phase-in limitations make the point of having 2 additional joint workshops moot. Mr. Powell advised that the MCSB held its 2 workshops due to the ambiguity in the Statute, noting Subsection G identifies "a local government School District or Special District may increase an impact fee rate beyond the phase-in limitations established if it does the following things", which presumes that this school district could increase an impact fee rate although the BCC is the levying authority.

General discussion ensued relating to legal requirements to set School Impact Fees.

In response to School Board Member James, Ms. Kamp advised that there is data already available that would incorporate the 5 categories Ms. James referred to (single-family, multi-family, individual condo, individual townhome, and individual mobile home lot/park) with their assumed generation rates.

Ms. James requested a consensus from both Boards on the 40% of the recommended calculation that the consultant (Benesch) has set forth, noting in the meantime an Interlocal Agreement conversation can take place to ensure the legalities are accurate.

General discussion resumed relating to breakout categories (i.e., condominiums, town homes, etc.).

Commissioner Zalak noted his preference is to have Stearns & Weaver, the City of Ocala, and County staff work together to perform a quick analysis relating to the generation rates for workforce housing (smaller homes) versus a larger residential unit based on square footage. He addressed the County's need for the Sales Tax to fund public safety and law enforcement, as well as Transportation Impact Fees to fund roadways. Commissioner Zalak requested that if the parties move forward and execute a new Interlocal Agreement that the MCSB not run a sales tax at the same time as the County, which could jeopardize the public safety and transportation funding that the County has been working on over the past decade.

Chairman Curry questioned if it would be more judicious and open process to reassemble the Technical Working Group for 1 meeting to address this matter and bring their recommendation to the BCC for consideration.

Commissioner Bryant opined that it is not necessary to reconvene the Working Group.

August 11, 2023

Mr. Powers concurred with Commissioner Bryant with the caveat that this is an area where creativity is punished, noting that inevitably it will require a lot more work to establish student generation rate data for each of the categories. He opined that the original 3 categories are how the impact fees have always been calculated and is infinitely supportable by the Benesch Study at the 40% rate. Mr. Powers noted that it is his opinion that establishing a modification that clearly defines the difference between an individual mobile home lot and a mobile home park would not cause any difficulty. He commented on the need to have something in place that is supportable, fair and takes into account what the Statute allows and what is best for the community.

General discussion ensued.

School Board member Campbell advised that the School Board has painstakingly gone through this process to get to this conversation with the BCC today, with the understanding of what the MCPS needs are, noting impact fees have not been collected in 12 years and no new schools have been built within that timeframe. She reiterated that impact fees are a funding source for schools that have not been taken advantage of in more than 12 years.

Commissioner Bryant opined that the County is at a precipice, noting if something is not done now, the County will never catch up. She advised that geographically, Marion County is the 5th largest County in the State of Florida with approximately 220 people per month moving to Marion County with no signs of slowing down, noting impact fees are one of the funding sources that help growth pay for itself. Commissioner Bryant stated she supports the MCPS request and recommended that the School Board attorney and the County's attorney move this process forward in a timely manner in order to schedule the required workshops, coordinate with municipalities to produce the acceptable final numbers with breaks outs, and any other requirements to move the Ordinance forward to the BCC for a final vote.

School Board Member Nancy Thrower concurred with Commissioner Bryant, noting it was her hope to move forward and get this process accomplished.

School Board Member James expressed her appreciation to the public who shared their thoughts, noting she is grateful for the opportunity to bring this matter forward and to begin generating additional revenue for schools and to be able to provide a top tier product for all students.

Commissioner Zalak advised that he supports MCPS whole heartily and wants to build great schools, noting municipalities, the School Board, and the community will need to be a team to move forward and collect the money. He clarified that it is essential for the County to have the One Cent Infrastructure Surtax on the upcoming ballot, noting the importance of showing courtesy to each other in that regard. Commissioner Zalak expressed concern that if 2 sales taxes are placed on one referendum in the future that both Boards could walk away with a less funded community in the future.

Chairman Curry opined that the County is in good shape to move forward with the 40% calculations.

School Board Chairman Campbell advised that this is a first step, noting the School Board has not yet had conversations relating to a sales tax. She noted she could not speak for what might be done in the future.

School Board Member Thrower advised that she would like to have further conversations relating to a sales tax and how it impacts both Boards and their needs.

General discussion ensued.

August 11, 2023

Chairman Curry expressed his appreciation to all in attendance. He advised that he, City Council President Jim Hilty, City of Ocala, and School Board Chairman Campbell have been meeting in order to keep communications open and will continue to keep dialogues going.

There being no further business to come before the Board, the meeting thereupon adjourned at 12:19 p.m.

Craig Curry, Chairman

Attest:

Gregory C. Harrell, Clerk

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August 11, 2023

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