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# Appropriations Committee

Thursday, January 9, 2014  
12:00 PM – 2:00 PM  
212 Knott Building

Meeting Packet

**Will Weatherford**  
Speaker

**Seth McKeel**  
Chair





# The Florida House of Representatives

## Appropriations Committee

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Speaker

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### **AGENDA**

Thursday, January 9, 2014

212 Knott Building

12:00 PM – 2:00 PM

- I. Call to Order/Roll Call
- II. Opening Remarks by Chair McKeel
- III. Presentation on University Concurrency by Emily Sikes, Chief Legislative Analyst, Office of Program Policy Analysis and Government Accountability (OPPAGA)
- IV. Closing Remarks and Adjournment



# State University Concurrency

**House Appropriations Committee**

**January 9, 2014**

**Emily Sikes**

**Chief Legislative Analyst**

**OPPAGA**

# Background

## Local Government Concurrency

### Concurrency

- The idea of concurrency is that public facilities and services should be available at the same time as the development is completed
- These facilities and services include wastewater, solid waste, drainage, and potable water
- Parks and recreation and transportation are optional

### Comprehensive Plans

- Local governments are required to:
- Adopt a comprehensive plan
  - Implement regulations that require developers to provide adequate basic services and facilities before or concurrent with any new development

### 2011 Legislative Changes (Ch. 2011-139, *Laws of Florida*)\*

- Transportation concurrency is now optional and local governments can decide whether to keep or eliminate concurrency in their comprehensive plans
- Local governments are in a transition period of implementing these changes and can address their transportation deficiencies through mobility fees or pay-as-you go proportionate share contributions
- Local governments can no longer hold developers responsible for reducing deficit transportation facilities and are encouraged to exempt or discount the impacts of locally desired development

\*Universities have not been affected by these changes, but could be in the future.

# Background

## State University Concurrency

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- Section 1013.30, *Florida Statutes*, requires universities to execute Campus Development Agreements with their host governments
- These agreements must identify any deficiencies in public facilities and services that proposed campus development will create over the term of the agreement (between 5 to 10 years)
- The agreement identifies the university's fair share of the cost of all improvements that are necessary to eliminate these deficiencies
- Funds provided by universities in accordance with campus development agreements are subject to appropriation by the Legislature
- This section supersedes the requirements of growth management laws (Part II of Chapter 163)

# Research Questions

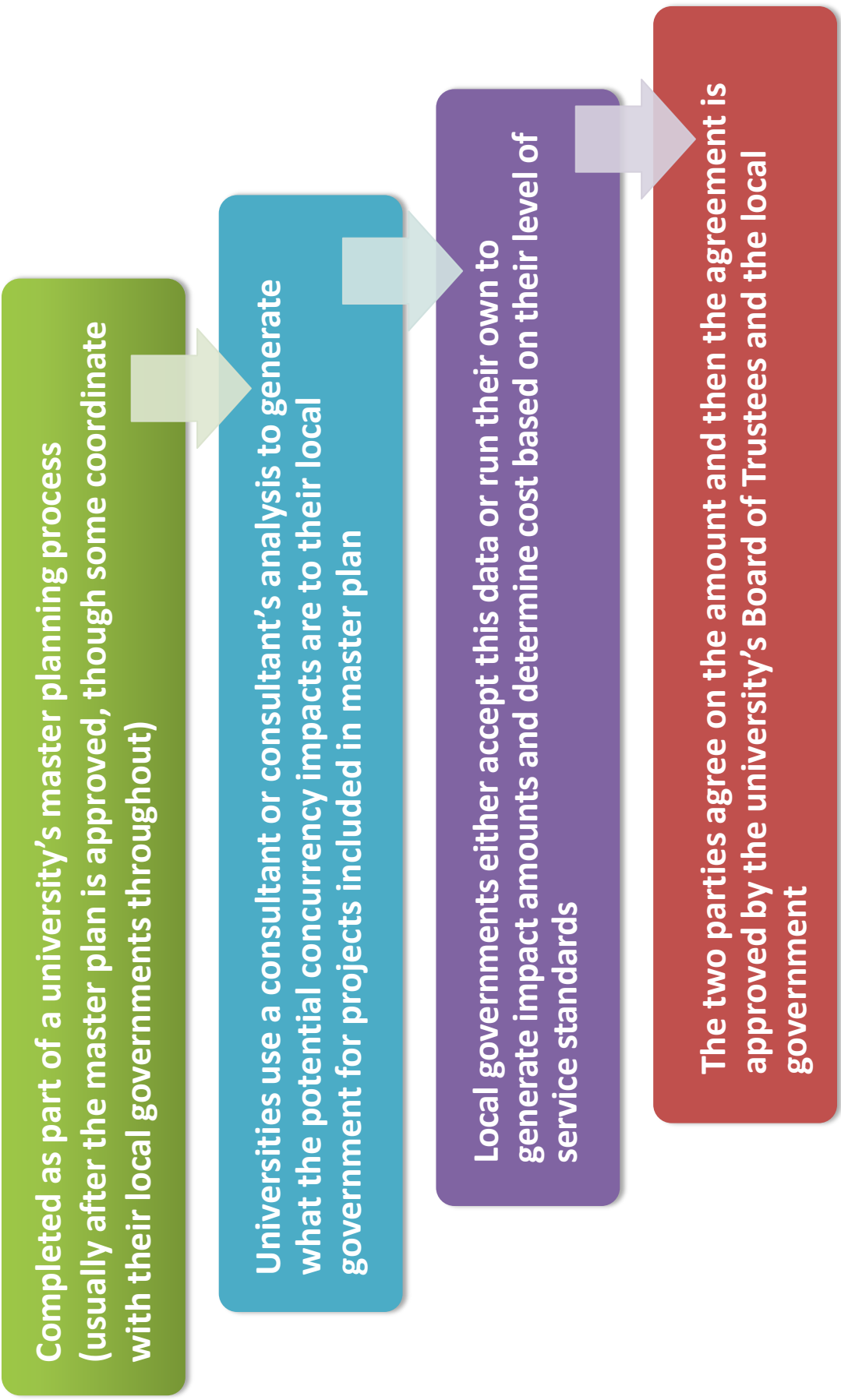
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- How do universities develop campus development agreements (CDA's)?
- How do local governments determine levels of service and pricing for universities?
- How are the agreements structured, what is their status, and what types of projects are included?
- Are local governments spending the funds on the projects identified?
- Do local governments have programs that waive concurrency and/or reduce fees for businesses?
- How could the campus development agreement process be improved?



# How Do Universities Create and Execute Campus Development Agreements (CDAs)?

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# How Do Local Governments Determine Levels of Service and Pricing for Universities?

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- Local governments generally follow the same process for determining the costs for universities as they would for a private developer/business
- Local governments look at student growth when determining impacts on local facilities and services

# How are the campus development agreements structured?

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## Similarities

- In general, universities are using similar templates, but the specifics included in the agreements have changed over time

## Differences

- **How universities describe their list of projects in “Exhibit A”**
  - ❖ USF describes the total square footage it plans to build
  - ❖ UCF lists the specific projects it plans to build
- **Flexibility of the agreement**
  - ❖ Most universities have flexibility to swap projects
  - ❖ Most universities can receive credit for projects not built

# What is the status of the current agreements?

## All Agreements are Paid in Full until 2015

- All agreements are paid in full, with the exception of FAU, which negotiated to defer payment (\$2,583,602) of sewer and water impacts until the projects were built
- Many universities **have not completed** projects in their current agreements
  - ❖ Some have negotiated no-cost extensions because they did not build the projects paid for under their original agreements

## The Costs of Agreements Vary

- FIU and NCF have no costs in their agreements
  - ❖ FIU's improvements did not exceed local service standards
  - ❖ NCF has vested credit in its agreement and does not have plans to build or increase the number of students
- UF (\$21.1 million), FAU (\$10.2 million), and FGCU (\$9.7 million) have all paid the most under their agreements

# What is the Status of the Current Agreements?



University	Host Local Community (Main Campus)	Duration	University Paid
FAMU	City of Tallahassee	<u>2007-2015</u>	\$3,246,250
FAU <sup>1</sup>	City of Boca Raton	<u>2009-2015</u>	7,955,918
FGCU <sup>2</sup>	Lee County Board of Commissioners	<u>2005-2015</u>	9,705,893
FIU	Miami-Dade	2007-2017	0
FPU	City of Lakeland	<u>2007-2015</u>	5,096,906
FSU	City of Tallahassee	2008-2018	6,278,791
NCF	Sarasota	2013-2018	0
UCF	Orange County	<u>2006-2015</u>	3,817,690
UF	City of Gainesville and Alachua County	<u>2006-2015</u>	21,125,380
UNF	City of Jacksonville	<u>2006-2015</u>	3,050,940
USF <sup>3</sup>	City of Tampa	<u>2007-2015</u>	5,273,205
<b>UWF</b>	Escambia County	2008-2018	1,479,734

<sup>1</sup> The BOG also made a payment for the FAU-Davie campus for \$2,196,311 to the City of Davie. The total payments made on behalf of FAU for the most recent CDAs were \$10,152,229.

<sup>2</sup> FGCU is in the process of extending its agreement at no cost until 2020.

<sup>3</sup> USF St. Petersburg is finalizing a no cost agreement that will run until 2016 and USF Sarasota-Manatee is also in the process of renegotiating its agreement.

# What types of impacts do universities typically pay for?

## Most Universities Pay for Transportation Concurrency

- Most universities (10 of 12) pay for transportation costs (including transit, road improvements, traffic lights, traffic monitoring systems)
- FAU and FGCU pay for sewer, FAMU pays stormwater, FAU, FGCU, and UF pay for fire/rescue
- Remodeling/repurposing does not create an impact

## Type of Concurrency Impact Depends on Local Infrastructure Capacity and Type of Construction by University

- UWF is building on undeveloped land so they are having to run sewer, utilities, etc.
- FSU and UF are adding to existing infrastructure, so their needs are primarily traffic

## A University's Stage of Development Drives which Projects Cause the Most Impact

- Some universities with growing student populations or athletic programs cited housing and stadiums as projects with the highest impacts (FAU, UNF, UWF)
- Universities with established athletics and limited growth in students cited offices and classrooms as projects with the highest impacts (FSU and UF)

# Proportion of Costs Paid by Universities

University	Host Local Community (Main Campus)	University Paid	Total Project Cost <sup>1</sup>
FAMU	City of Tallahassee	\$3,246,250	\$4,406,728
FAU	City of Boca Raton	7,955,918	7,955,918
FGCU	Lee County Board of Commissioners	9,705,893	11,222,613 <sup>2</sup>
FIU	Miami-Dade	0	0
FPU	City of Lakeland	5,096,906	62,355,256
FSU	City of Tallahassee	6,278,791	36,602,273
NCF	Sarasota	0	0
UCF	Orange County	3,817,690	4,817,690
UF	City of Gainesville and Alachua County	21,125,380	58,600,000
UNF	City of Jacksonville	3,050,940	28,397,600
USF	City of Tampa	5,273,205	29,887,934
UWF	Escambia County	1,479,734	1,626,136

Source: State universities and local governments.

<sup>1</sup> This represents the total cost of the improvements and includes both the university and local government shares of the project.

<sup>2</sup> FGCU paid concurrency costs for transit, water, sewer, and fire rescue. The university and the county were only able to confirm the total costs of transit (FGCU paid \$1,516,720 while the full cost of transit was \$3,033,440). The county was unable to confirm the full costs of the other costs paid by the university for water (\$3,757,498), sewer (\$4,181,675), and fire (\$250,000); thus, for the purposes of this analysis we assumed the university paid the full cost of these services.

# What are the state universities' annual direct expenditures?

- Direct spending by SUS institutions in Florida is an estimated \$10.9 billion annually
- This includes:
  - (1) student spending for off-campus room and board
  - (2) university spending on payroll
  - (3) operations (includes in-state university spending on utilities, equipment, repairs and maintenance, supplies, insurance, professional services, training, printing, and entertainment and travel)

State University Annual Direct Expenditures (in Millions)				
Institution	Student Off Campus Room and Board (1)	Employee Payroll (2)	Operations (3)	Total Direct Spending by State University
FAMU	\$91	\$161	\$120	\$372
FAU	332	228	265	825
FGCU	76	78	51	205
FIU	438	351	271	1,060
FPU	TBD	TBD	TBD	TBD
FSU	369	506	419	1,294
NCF	3	17	12	32
UCF	542	427	551	1,520
UF	420	841	1,975	3,236
UNF	145	112	88	345
USF	496	639	665	1,800
UWF	68	80	94	242
<b>Total</b>	<b>\$2,980</b>	<b>\$3,440</b>	<b>\$4,511</b>	<b>\$10,931</b>



# Are Local Governments Spending the Funds on the Projects Identified in the Agreements?

## Track Funding

- 3 local governments track how funds are spent and report it back to the SUS (FAMU, FPU, FSU, UF)
- The City of Gainesville provides annual reports to the university on what is spent on the various projects
- The City of Tallahassee keeps a spreadsheet of all university concurrency funds spent and it lets the universities know when the money is spent

## Separate Accounts

- 3 local governments reported putting funds in separate accounts for specific projects (FAMU, FSU, UCF, UF)

## Do Not Track Funding

- 5 local governments do not track this information and do not report it to the universities (FAU, FGCU, UNF, USF, UWF)

## Do Local Governments Have Programs that Waive Concurrency and/or Reduce Fees for Businesses?

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- 8 local governments reported having some form of a local economic incentive program for businesses; the details of these programs vary:
  - ❖ 5 reduced or waived concurrency
  - ❖ 4 reduced or waived impact fees
  - ❖ Others encouraged economic redevelopment in certain areas
- In general, local governments reported that these programs would not apply to universities

# Advantages and Disadvantages of the Current CDA Process

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- Almost all universities reported positive relationships with their local governments regarding the campus development agreement process
- Universities and local governments are concerned about the lack of funding to support the agreements in the future

## Advantages

- long-range planning
- package approval for several projects at today's prices
- vest capacity

## Disadvantages

- time-consuming process

# How Could the CDA Process Be Improved?

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- Universities reported three main areas for improvement in the CDA process: funding, accountability, and a revised template

## Funding

- Provide more funding
- Waive concurrency costs
- Consider economic value to community

## Accountability

- Credits for projects not built
- Require city/county to provide expenditure reports

## Revised CDA Template

- Updated standard template that outlines what universities are required to pay
- Uniform types of standards for universities to pay for construction projects

## Other

- State coordination of process
- Statutory changes to allow for flexibility

## Potential Options for Changing the CDA Process

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- Fund concurrency on a project-by-project basis, similar to that of a private developer
- Universities and locals adopt a campus development agreement, but pay concurrency fees as projects are built
- Eliminate concurrency for universities

# Contact Information

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## **Emily Sikes**

Chief Legislative Analyst  
(850) 717-0531

[sikes.emily@oppaga.fl.gov](mailto:sikes.emily@oppaga.fl.gov)

## **David Summers**

Staff Director  
OPPAGA Education Policy Area  
(850) 717-0555

[summers.david@oppaga.fl.gov](mailto:summers.david@oppaga.fl.gov)

# Appendix

# Details on Economic Incentive Programs

University	Host Local Community (Main Campus)	Description of Economic Incentive Program
FGCU	Lee County	Currently, there is a 75% reduction in impact fees due to moratorium for two years to spur economic development. This does not affect FGCU because the university is paying proportionate share – not impact fees.
FPU	City of Lakeland	The City of Lakeland has an Economic Impact Mitigation Program. The more jobs a business creates, the higher the mitigation waiver offered, up to 90% of impact fees. This program did not exist at the time the first CDA with FPU was being negotiated. The mitigation program may attract research businesses. Universities are already exempt from impact fees.
UCF	Orange County	The county offers different stimulus packages to encourage economic development. For example, businesses can reduce their concurrency costs by 25% or pay less money to keep their traffic trips reserved. They have alternative mobility zones that are exempt from fees/concurrency.
UF	City of Gainesville and Alachua County	The city, UF Foundation, and business community have formed the Innovation Square District. Any business/project locating/relocating to the district pays no concurrency mitigation fees. The impacts are funded by the city.
UNF	City of Jacksonville	Concurrency requirements were waived for one year to spur business development after implementation of the 2011 Mobility Ordinance. UNF did not qualify for the waiver of concurrency fees because the CDA agreement was already in place. In April 2013, the city implemented a partial waiver of concurrency for businesses – 75% waiver the first 9 months; 50% at 6 months, and 25% at 3 months.
USF	City of Tampa	The city participates in the Qualified Targeted Industry Tax Refund Program (QTI). Other quick closing economic development incentives may include waiving fees to encourage development. The city has streamlined the permitting process to move construction projects through the approval process faster. It does not have any incentives that waive taxes/impact fees.
UWF	Escambia County	The county has offered some of these benefits (waiving concurrency or impact fees) to attract or help businesses. No specific details were provided.
NCF	City of Sarasota	Two years ago, the city suspended water and sewer fees for a 10-year period for all development. The county reduced transportation concurrency fees by 50%.