



Alachua County Environmental Protection Department

RECEIVED Chris Bird, Director
ALACHUA COUNTY
ENVIRONMENTAL

JAN 12 2006

MEMORANDUM

Date: September 28, 2005

To: Alachua County Board of County Commissioners

Via: Randall H. Reid, County Manager *RHR, 1/10/06 Misplaced in transit. Response to Commissioners. RHR*

Via: Chris Bird, Director, Environmental Protection Department *CB*

From: Ramesh P. Buch, Program Manager, Alachua County Forever *RPB*

Subject: Request for information regarding savings to the General Fund by County staff negotiating management partnerships.

Purpose.

The purpose of this memorandum is to provide operational information requested by the Board of County Commissioners. Specifically staff offered to provide information regarding operations and maintenance (O&M) costs of Alachua County Forever-acquired properties and staff's efforts to leverage partnerships to reduce the Programs' dependency on the General Fund in response to Commissioners' concerns.

Background.

For the purpose of this memorandum, staff is addressing the concern by framing it as two questions:

- (1) Was the public aware that purchased property would require O&M and that it would not be fully funded by the Bonds?
- (2) How is the O&M to be funded?

The staff responses are detailed in the Discussion section below.

Discussion.

- (1) The fact that Alachua County Forever bond revenues could not be used to fund recurring land management costs was publicly explained on several occasions, beginning with the staff presentation at the July 25, 2000 public hearing in which in the Board of County Commissioners (BoCC) voted unanimously to place the bond referendum on the November 7, 2000 General Election ballot. The video of the July 25, 2000 public hearing was replayed on Channel 12 numerous times leading up to the referendum vote. Other examples of the public discussion are:

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- (a) Since the program was staffed, it has been foremost in the public discourse because it is a priority principle of the staff. An annual program budget authorization requests have included an allocation from the General Fund for property management.
 - (b) The Land Conservation Advisory Committee (LCAC) was established by the County to report on the design, funding and implementation of a conservation program. Over a series of 15 public meetings between November 1999 and September 2000, the LCAC developed the criteria that would become the Land Conservation Matrix and the referendum language. Notable are these two points: In developing the site evaluation matrix, they discussed a criterion that addresses the cost to the County for managing the proposed property. Second, the proposed referendum language that was ultimately adopted and used states that the Program is to "...improve, and manage environmentally significant lands..."
 - (c) Many public officials and private individuals who campaigned on behalf of Alachua County Forever said it was discussed with the public in response to questions.
 - (d) The campaign literature stated "[u]p to 10 percent of the bonds may be used for initial management, including public access." While there is no reference to ongoing maintenance, early discussions about legal restrictions on use of bond proceeds clearly showed that they could not be used for recurring O&M.
 - (e) The current Matrix contains a criterion which requires that the O&M cost be part of the evaluation and it is addressed at every Land Conservation Board meeting, and it is a part of every site evaluation included in BoCC agenda items.
 - (f) County staff is very aware of their responsibility for full disclosure and information regarding property management has been provided to the County Commission with every request for approval of Acquisition List projects or purchase contracts.
- (2) It is clear that the Program is to purchase property to protect conservation values and to provide resource-based recreation. These values will be lost if the property is not managed. It is analogous to any other public asset such as a vehicle, a Courthouse or road network: without care and maintenance, the asset falls out of its useful condition and the acquisition funds are wasted. In the case of Alachua County Forever, it may mean a violation of the bond covenants if the conservation values purchased with those Bond Proceeds were lost through neglect. Similarly, to maintain the public use purpose, the asset needs to be operated. Operations and Maintenance requires funding.

Having established that the Bonds cannot be used to pay for O&M but O&M is necessary, the issue returns to how to fund the O&M. Alternatives include:

- (a) Grants. It is staff's experience that there are limited external funding for site management. Those that exist will be pursued more vigorously as the Program matures and the priorities shift from acquisition to stewardship.
- (b) Partnerships. Alachua County has negotiated a stewardship partnership for 3 of the 4 acquisitions to date: Cofrin Nature Park (City of Gainesville); Lochloosa Flatwoods Reserve (St. John's River Water Management District); and Newnans Lake Addition (St. John's River Water Management District). The savings to the General Fund are approximately \$53,000 for line item costs (exotic control, trail maintenance etc.). These estimates provided by the St. John's River Water Management District and the City of Gainesville. The District's estimates do not include the salary costs of their fulltime crews. A four-person County crew doing

the equivalent work would cost about \$150,000 per year not including their equipment. So at a minimum, we are saving \$200,000 per year with these partnerships.

- (c) Ad valorem tax. The voters approved a 20-year, 0.25 mill ad-valorem tax to fund the Alachua County Forever Bond series. The amount needed to pay the principle and interest is static each year. The County's increasing tax base means more revenue is being generated by the levy creating a "surplus" which is used to pay off the Bond principle early. Any of the levy not directed toward the principle and used for funding O&M would count against the County's 10-mill statutory cap. ACF staff has explored with the County Finance Team the option of re-dedicating a small portion of the levy (0.01 mill) towards O&M. The approximately \$70,000 thereby raised each year would take this obligation from the General Fund and put it back on the approved millage. The Finance Team opposed the idea as it would bring Alachua County closer to the statutory cap. The County Attorney has suggested that there may also be legal restrictions on the use of these funds. Brevard County has used its "surplus" levy in this manner.
- (d) Mitigation Banks. A new and interesting option being explored by land management agencies is the use of these public lands as "banks" from which development credit could be issued to promote development in specific geographic areas. Conceptually, a developer would file an application to develop raw land. As a part of the development review, the impact on the site's natural resources in terms of quantity and quality would be calculated. Based on a pre-determined rate calculation, these impacts can be translated into a dollar value. The existing restoration and O&M costs of preservation lands owned by the County are also known, and a virtual land bank of development credits can be established in each property depending on its stewardship need. Using the value of the mitigation impacts calculated earlier, an equal amount of stewardship obligation can be underwritten by the developer until each bank is fully allocated. The developer benefits by having a simple financial impact that is a one-time cost which is predictable. The County benefits by having its public lands managed and accessible.
- (e) General Fund. Each year, the County is asked to choose between worthy community needs for funding from the General Fund. Staff expects to weather lean years and enjoy flush years where the property can truly reach its full conservation, education and recreation potential. Currently staff requests O&M funds from the General Fund. Current allocation is \$30,537. This amount may be expected to grow as additional sites are purchased. Note that while the Internal Revenue Code prohibits using Bond Proceeds for ongoing or recurring expenses, initial capital improvements may be funded from the 10% set-aside from the Bond Proceeds.

ACF staff is committed to making the land stewardship sustainable. We have been working on an overarching Stewardship Strategy that will guide the County's care of these lands. A major section of this Strategy is funding development. It will explore additional options not presented in this memo. Staff is looking forward to finalizing this Strategy and beginning to implement its principles and practices.

I am encouraged that the Commission is discussing this important issue and am ready to provide any assistance needed. Please contact me at rpbuch@alachua.fl.us or at 264-6804 if you should require any additional information or clarification.