



# Chapter 9 Capital Improvement Element

## CHAPTER 9

### CAPITAL IMPROVEMENT ELEMENT

#### Goals, Objectives, and Policies



## **INTRODUCTION**

The purpose of the Capital Improvement Element (CIE) and the Five-Year Schedule of Capital Improvements (Schedule) is to identify the capital improvements needed to implement the Comprehensive Plan and ensure that the adopted Level-of-Service (LOS) Standards are achieved and maintained for concurrency-related facilities. As mandated by Chapter 163, Florida Statutes, it describes the new facilities and financing needed to correct existing deficiencies, accommodate new growth, and maintain existing facilities. It further provides for consideration of the need, location, and efficient use of public facilities in support of the Dynamic Master Plan.



**GOAL ci-1:** The City shall undertake actions necessary to adequately provide needed public facilities to all residents within its jurisdiction in a manner which protects investments in existing facilities, maximizes the use of existing facilities, and promotes orderly compact urban growth.

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**Objective ci1.1:** User charges and impact fees shall be the major revenue source for financing the construction, operation and maintenance of water and sewer systems.

Policy ci1.1.1: The Water and Sewer system will be financed and accounted for in an Enterprise Fund so that the costs of providing these services to the general public shall be recovered primarily through user fees. Stormwater drainage may be totally or partially financed by user charges, impact fees, grants, matching funds and/or developer contributed proportionate fair share and may be accounted for in either enterprise or special funds.

Policy ci1.1.2: Revenues derived from water connection fees and sewer installation fees shall be used to cover the costs of the specific connection or installation.

Policy ci1.1.3: Revenues derived from user fees shall be greater than the costs of collecting the fee.

Policy ci1.1.4: Rates for services provided shall be reevaluated at least once every five-years to insure acceptable revenue levels are being maintained.

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**Objective ci1.2:** Development will bear a proportionate cost of facility improvements necessitated by the development in order to maintain adopted LOS standards.

Policy ci1.2.1: Future development shall bear their fair share of the cost to provide public facilities and services as a result of their development as necessary to achieve and maintain the adopted level of service standards and other measurable objective standards. Impact fees shall be initiated and maintained for as many public facilities and services as deemed appropriate by the City of Deland.



- Policy ci1.2.2: Water and sewer impact fees shall be used exclusively to fund the expansion and improvements of the City's water and sewer system.
- Policy ci1.2.3: Where land is required to extend the public facilities needed to serve proposed development, the developer may provide the property required, or upon approval by the City, may provide equivalent payment in lieu of providing land.
- Policy ci1.2.4: Impact fees shall be used to fund capital improvements resulting from new development and shall not fund existing deficiencies.
- Policy ci1.2.5: Mechanisms for credits and refunds shall be provided in each impact fee ordinance. Impact fee ordinances shall be revised so that credits shall be granted when other additional revenue sources become available, excluding one-time grants from other governmental agencies to support capital facilities.
- Policy ci1.2.6: The City shall adopt an ordinance to control the timing and location of development by conditioning development approval upon a showing that sufficient facilities are present or will be provided in order to maintain LOS standards

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Policy ci1.2.7: The City shall use the following LOS standards in reviewing the impacts of new development and redevelopment upon public facility provision:

| State Facility/<br>Comprehensive Plan<br>Element | Level of Service Standards  |                                  |
|--|---|----------------------------------|
| <b>Roads/Transportation</b>                      | <b>Facility Type:</b>   | <b>Level of Service Standard</b> |
|  | SIS Facilities (Freeway):   | D (C)                            |
|  | Non-SIS Facilities:   | D                                |
|  | SHS Facilities (Urban):   | D                                |
|  | SHS Facilities (Non-Urban):   | C                                |
|  | Arterials:  | E                                |
|  | Collectors:   | E                                |
| <b>Potable Water Facilities</b>                  | 102 Gallons per capita where there are approximately 2.5 occupants/ERU = 255 GPD/ERU  |                                  |
| <b>Sanitary Sewer Facilities</b>                 | 225 GPD/ERU per capita of 90 flow rate  |                                  |
| <b>Solid Waste/Solid Waste</b>                   | Maintain disposal capacity of 8.6 pounds per capita per day   |                                  |
| <b>Drainage Facilities</b>                       | Stormwater Management Systems shall be designed for a 100-year/24-hour storm event.   |                                  |
| <b>Reclaim Water Facilities</b>                  | 500 GPD/ERU (If number of ERU's were known) or 1,000 gal/acre On-site Storage and pumping for all developments greater than 100 ERU |                                  |
| <b>Parks &amp; Recreation</b>                    | 4.6 parkland acres per 1,000 residents  |                                  |



**Objective ci1.3:** The City shall rely on the broadest revenue bases as possible for the funding of capital facilities. The City will correct, and/or identify and resolve deficiencies; and by 2030 shall resolve existing deficiencies and plan for the resolution of emerging deficiencies resulting from growth or deterioration over time.

**Policy ci1.3.1:** If approved by referendum, the City shall use revenues such as the one cent optional sales tax to finance capital improvements that do not have either dedicated revenue sources for capital needs or may have revenue deficiencies to adequately finance capital needs.

**Policy ci1.3.2:** Develop a balanced approach for the use of tax increment district funds for both capital improvement and redevelopment projects identified in the CRA plan that eliminate blighting influences and ensure adequate levels of service; and for promoting the area for community and regional events, as well as “every day” activities to keep the downtown district viable.

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**Objective ci1.4:** Debt shall be managed in a prudent and efficient manner.

**Policy ci1.4.1:** Facilities financed by enterprise funds (water, sewer, stormwater) shall have their debt repaid by revenues derived from providing those services.

**Policy ci1.4.2:** The City shall consider general obligation bonds for major capital facilities and shall not use GO bonds for enterprise fund facilities.

**Policy ci1.4.3:** Facilities for non-enterprise funds may be financed by non-referendum debt such as, but not limited to, bank notes or capital leases if such borrowing is the only financing technique available that will enable the City to provide capacity sufficient to meet standards for level of service concurrent with new development.

**Policy ci1.4.4:** The term of any debt issue shall not exceed the expected life of the capital improvement to be financed.



Policy ci1.4.5: Vehicles and equipment shall not be financed by long term debt issues but from current revenues, grants, lease/purchase or other short-term financing. The term of financing of equipment may not exceed the expected life of the equipment.

Policy ci1.4.6: In accordance with the City's charter borrowing from local institutions for capital expenditures shall not exceed one-half (.05) percent of the assessed value of taxable property in the City according to the last assessment roll preceding the loan.

Policy ci1.4.7: In accordance with the City's charter general obligation bonds may be issued in an amount not to exceed twenty percent of the total nonexempt assessed valuation in the City.

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**Objective ci1.5:** Costs of non-enterprise type services and use of recreation facilities will be recovered annually.

Policy ci1.5.1: Annually a determination will be made on amount of revenue to be derived from direct fees for services.

Policy ci1.5.2: Fees will be reviewed every five-years to insure adequate fees are in place for reimbursement by nonresidents for use of City facilities.

Policy ci1.5.3: A study will be undertaken to determine what services are being performed that do not have an appropriate reimbursement fee such as fire inspection.

Policy ci1.5.4: Revenues derived from user fees shall be greater than the costs of collecting the fee.

Policy ci1.5.5: Rates for services provided shall be reevaluated at least once every two years to insure acceptable revenue levels are being maintained.



**Objective ci1.6:** Capital improvements will be provided to correct existing deficiencies, to accommodate desired future growth, and to replace worn-out or obsolete facilities as revenues are available.

**Policy ci1.6.1:** A five-year Capital Improvement Program shall be prepared each year and adopted by the City Commission. The CIP will be adopted at the same time as the City's annual budgets.

**Policy ci1.6.2:** Proposed capital improvement projects shall be evaluated and ranked in order of priority according to the following guidelines:

- a) Whether the project meets criteria for capital consideration in value and useful life as determined by the City Commission according to a project's urgency;
- b) Whether the project is needed to protect public health and safety, to fulfill the City's legal commitment to provide facilities and services, or to preserve or achieve full use of existing facilities;
- c) Whether the project increases efficiency of use of existing facilities, prevents or reduces future improvement cost, provides service to developed areas lacking full service, or promotes in-fill development, or enhances non-vehicular mobility or connectivity; and
- d) Whether the project represents a logical extension of facilities and services within a designated urban service area.

**Policy ci1.6.3:** A Capital Improvement Program will be adopted for each fiscal year.

**Policy ci1.6.4:** The Capital Improvement Program will be amended during the fiscal year should project priorities and modifications due to revenue shortfalls and/or natural or other disaster dictate.



**Objective ci1.7:** The schedule of capital improvements shall include a list of projects necessary to achieve the pollutant load reductions established in the basin management action plan (BMAP).

Policy ci1.7.1: Future growth within the City’s service area is largely projected to be connected to the sewer system. In cases where septic systems are allowed to be installed, the City will only allow aerobic septic systems for all future onsite sewage and disposal systems (OSTDS) within the Volusia Blue Springs, Lake Harney/Middle St. Johns River, and Lower St. Johns Mainstream BMAP areas within the City limits.

Policy ci1.7.2: The City has a number of septic to sewer conversion projects planned for the next 5 to 20 years. Some projects are within the City limits and within a BMAP such as: The Timbers (50 homes), Westminster Woods (57 homes), and a portion of the Spring Hill area which would equate to the elimination of approximately 310 septic systems within the City Limits and a BMAP. Other projects are outside of the City limits, but within a BMAP such as Daytona Park Estates, DeLand Highlands, Longleaf Plantation, and Country Club Estates. Some projects may be exempted due to lot size. The City will explore funding options to convert these sites from septic to sewer in accordance with State Statues.

Policy cil.7.3: The City will explore funding opportunities for septic to sewer conversion projects.

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**Objective ci1.8:** The City will manage its fiscal resources to ensure funding for the operation of the City is not disrupted.

Policy ci1.8.1: The City will maintain in the General Fund an operating reserve equivalent to two month's operating needs.

Policy ci1.8.2: Enterprise fund surpluses, unless indicated otherwise, shall be used for major capital expenditures, repairs and/or one-time expenditures.



Policy ci1.8.3: A working capital reserve for the Water & Sewer Fund shall be maintained in an amount equal to three month's operating needs.

Policy ci1.8.4: Efforts shall be made to secure grants or private funds whenever available to finance capital improvements.

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**GOAL ci-2:** The City shall maintain clear and understandable policies that define concurrency and a management system that assists the public in ascertaining whether specific development projects meet the concurrency criteria.

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**Objective ci2.1:** The City shall maintain a concurrency management system to ensure that public facilities, supplies and services needed to support development are available concurrent with the impacts of such developments. Specific definitions and criteria shall be established in a Concurrency Management Ordinance, Land Development Regulation (LDR) or other implementing ordinance. Prior to the approval of a building permit or its functional equivalent, the City shall determine whether adequate services to serve new development will be available no later than the issuance by the City of a Certificate of Occupancy or its functional equivalent.

Policy ci2.1.1: The following facilities ("necessary facilities and services") and supplies shall be subject to the concurrency determination:

- \* parks and recreation
- \* roads (in thoroughfare system)
- \* storm drainage
- \* potable water
- \* wastewater treatment /sanitary sewer / reclaimed wastewater reuse
- \* solid waste



Policy ci2.1.2: The City Commission may, at its discretion and subject to public hearings and plan amendments during the planning period, add compliance with the agencies' policies governing the following facilities to the concurrency determination:

\* public school

Policy ci2.1.3: Prior to the approval of an application for a development order or permit which contains a specific plan for development, including the densities and intensities of development, the City shall ensure that the following standards will be met for potable water, sanitary sewer, reclaimed wastewater reuse solid waste, storm drainage:

- (a) The necessary facilities and services are in place at the time a development permit is issued; or
- (b) A development permit is issued subject to the condition that the necessary facilities and service will be in place when the impacts of the development occur; or
- (c) The necessary facilities are under construction at the time a development permit is issued; or
- (d) The necessary facilities and services are guaranteed in an enforceable development agreement or development order to ensure that the necessary facilities and services will be in place when the impacts of the development occur.

Policy ci2.1.4: For parks and recreation and roads, the concurrency requirements can be satisfied by ensuring that the following alternative standards will be met in lieu of those set forth in Policy 2.1.3 above:

- (a) At the time the development permit is issued, the necessary facilities and services are the subject of a binding, executed contract which provides for the commencement of the actual construction of the required facilities or the provision of services within one year of the issuance of the development permit; or



- (b) The necessary facilities and services are guaranteed in an enforceable development agreement or development order which requires the commencement of the actual construction of the facilities or the provision of services within one year of the issuance of the applicable development permit.

Policy ci2.1.5:

For roads included in the Five-year Schedule of Capital Improvements, the concurrency requirement can be satisfied by ensuring that the following alternative standards will be met in lieu of those set forth in Policies 2.1.3 and 2.1.4 above:

- (a) The City shall update the Capital Improvements Element and five-year Schedule of Capital Improvements on an annual basis to ensure that the listed capital improvements are financially feasible. The City may rely upon transportation projects included in the first three years of the applicable adopted Florida Department of Transportation (FDOT) five-year Work Program to determine concurrency.
- (b) The five-year Schedule of Capital Improvements shall include both the necessary facilities to maintain the adopted level of service standards to serve a proposed new development and the necessary facilities required to eliminate existing deficiencies which are a priority to be eliminated during the relevant five-year period.
- (c) The City shall not rely upon any public facilities included in a five-year Schedule of Capital Improvements which are required to serve a proposed new development unless there are sufficient, currently available revenue sources to fund the required public facility.
- (d) The five-year Schedule of Capital Improvements for roads must include the estimated date of commencement of actual construction and the estimated date of project completion.



- (e) The City shall not rely on the five-year Schedule of Capital Improvements unless the actual construction of roads is scheduled to commence in or before the third year of the five-year schedule.
- (f) The City shall not eliminate, defer or delay the construction of any road which is needed to maintain the adopted level of service standard and which is listed in the five-year Schedule of Capital Improvements, except by a plan amendment.
- (g) The City shall maintain Land Development Regulations (LDR) to ensure the necessary public facilities and services will be available to accommodate the impacts of development. (Changes per EAR Amend. 2009)
- (h) The City shall develop, in conjunction with other local governments within Volusia County, a permit tracking system. This system shall require that each jurisdiction provide, on an annual basis, information on development/building activity to ensure adherence to the adopted level of service standards and the schedule of capital improvements.
- (i) The five-year Schedule of Capital Improvements shall clearly identify which public facilities and services will be provided by the City, Volusia County or FDOT and shall identify the source of public funds committed to complete the scheduled improvement.

Policy ci2.1.6:

In determining whether the necessary public facilities and services will be available concurrent with the impacts of development, the City may approve developments in stages or phases. Specific conditions for permitting each phase to proceed shall be included in an enforceable development agreement or development order to ensure that necessary public facilities and services will be in place when the impacts of the development occur in accordance with Policies 2.1.3, 2.1.4 or 2.1.5, as applicable.



- Policy ci2.1.7: The determination that sufficient capacity is available shall be valid concurrent with the development order.
- Policy ci2.1.8: Whenever an applicant's pro rata share of a public facility is less than the full cost of the facility, the City shall do one of the following:
- (a) Contract with the applicant for the full cost of the facility, including terms regarding reimbursement of the applicant for costs in excess of the applicant's pro rata share, or
  - (b) obtain one or more of the following assurances for the applicant's pro rate share:
    - (1) cash escrow,
    - (2) irrevocable letter of credit,
    - (3) prepayment of impact fees, or
    - (4) prepayment of capacity/connection charges or
  - (c) Amend this Comprehensive Plan to modify the adopted level of service standard so as to reduce the required facility to equal the applicant's needs.
- Policy ci2.1.9: Pursuant to Policies 2.1.7 and 2.1.8, no further determination of capacity for the subject property shall be required before the expiration of the applicable vesting period described in Policy 2.1.7 above, except that any change in the density, intensity or land use which requires additional public facilities or capacity shall be subject to review and approval or denial by the City.
- Policy ci2.1.10: An applicant for development may elect to request approval of a preliminary development order, including rezoning, without a determination of capacity provided that any such order is issued subject to requirements in the applicable Land Development Regulations (LDR) or specific conditions in the preliminary development order that:
- (a) Final development orders for the subject property shall be subject to a determination of capacity; and



(b) No rights to obtain final development orders nor any other rights to develop the subject property have been granted or implied by the City's approval of the preliminary development order.

Policy ci2.1.11: The City shall not limit or modify the rights of any person to complete any development that has been authorized as a development of regional impact pursuant to Chapter 380 of the Florida Statutes or who has been issued a final development order before the adoption of an ordinance establishing the City's concurrency management program, so long as development has commenced and is continuing in good faith. For the purpose of this provision, a development shall be deemed vested if the developer has secured building permits for a significant portion of the applicable phase of the development and is continuously undertaking the work.

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**Objective ci2.2:** The City shall adopt criteria as to the timing for the availability of capital improvements by facility type.

Policy ci2.2.1: Potable water, solid waste, wastewater, reclaimed wastewater reuse, transportation, parks and recreational facilities, stormwater capacity, either existing or to be provided, shall be reserved and implemented for a proposed development prior to the issuance of a certificate of occupancy for the applicable phase of development or the recording of a final subdivision plat.

Policy ci2.2.2: A schedule of public facilities and their availability shall be established at the issuance of the building permit for each proposed private development. Land clearing, site preparation and construction for each private development shall be programmed with facilities scheduled to ensure that the concurrency requirements are met. Where public or private facility availability is delayed, the City may impose delay requirements on any permits it has issued so that public facilities and services will be available concurrent with the impacts of new development.



Policy ci2.2.3: For State or County roadways designated by Volusia County as either backlogged or constrained, the City will coordinate with Volusia County when reviewing potential impacts from proposed developments.

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**Objective ci2.3:** The City shall maintain provisions how and when capacity/concurrency determination will take place in the development review process.

Policy ci2.3.1: Detailed capacity/concurrency review and determination shall be made by the City's Technical Review Committee for the following development orders:

- (a) Site plans for residential and non-residential projects,
- (b) Preliminary plats for residential projects,
- (c) Planned Developments, and
- (d) Developments of Regional Impact.

Policy ci2.3.2: No building permits shall be issued to construct, reconstruct or alter any building or structure, including signs, no use of an existing building shall be changed until a site plan for the property has been reviewed and approved for concurrency and other applicable requirements of law including this Comprehensive Plan.

New developments shall identify the adopted Level of Service standard for each public facility. New Development Orders and permits shall be issued only if they meet the approved LOS standards.

Policy ci2.3.3: Any proposed rezoning which would result in an increase in the densities or intensities of development, shall be tested for facility capacity and concurrency at the time of rezoning unless the applicant requests rezoning without a determination of capacity in accordance with Policy 2.1.10.



**Objective ci2.4:** The City shall allocate the necessary resources to manage the policies related to concurrency and achieve Goal II of this Capital Improvements Element.

**Policy ci2.4.1:** The City shall maintain a system to identify the concurrency status of the various classes of vested properties and the public shall have access to such system at a nominal fee.

**Policy ci2.4.2:** The City shall evaluate its organizational structure every five-years in order to determine the most appropriate organizational arrangement to monitor and manage facility capacity, service levels and concurrency.

**Policy ci2.4.3:** The City's Land Development Regulations (LDR) shall contain a section on Concurrency Management which shall include or identify the following:

- (a) How level of service standards established in this element will be measured for development review;
- (b) Definition of a final development order;
- (c) Development orders subject to concurrency;
- (d) Properties to be vested under the definition of a final development order;
- (e) Which City agencies perform the concurrency evaluation; and
- (f) Process of appeals.

**Policy ci2.4.4:** The City shall monitor the cumulative effect of all approved development orders and development permits on the capacity of public facilities as part of its annual monitoring and evaluation requirements. The City shall prepare and present to the City commission and the public a report on the public facilities and level of service inventory for concurrency management. This report shall include the degree of any facility deficiencies and a summary of the impacts the deficiency(s) will have on the approval of future development orders. The City shall then recommend a schedule of improvements necessary to prevent a deferral or moratorium on the issuance of development orders.



Policy ci2.4.5:

The five-year program of scheduled capital improvements shall be reviewed and updated annually by the City. This annual review and update shall be integrated into the City's annual budget process, complete with time table and deadlines for specific tasks, just as in the City's operating budget process.

- (a) Specific projects submitted by City Departments shall be reviewed based on the criteria set forth in Objective 1.6 and its related sub policies;
- (b) Specific projects needed to meet the concurrency and level of service requirements of this element as a result of specific development agreements or orders shall be integrated into this annual update of the five-year program of scheduled capital improvements;
- (c) Capital Improvements necessary for water supply concurrency will be identified and included in the annual update to the Capital Improvement Plan (CIP).
- (d) A companion but subsequent document to the City's annual budget document shall be produced each year containing the five-year program of scheduled capital improvements, including individual projects, summary tables, updated five-year revenue projections, service levels and operating cost impacts.



# **APPENDIX 9A**

## **CAPITAL IMPROVEMENTS ELEMENT**

### **CAPITAL IMPROVEMENT PROGRAM**

*Note: CIP has been adopted and is considered a support document.*