Martin County Conservation Alliance, Nov 16, 2011
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WHO PAYS FOR COSTLY SPRAWL?

It always amazes me that local public officials who claim they will take “a businesslike approach to government” are so utterly unbusinesslike.

And how can those who claim to be conservative be opposed to conserving our natural resources and the things our community cares about?

And when politicians claim that they believe in our constitutional form of government, how can they throw away the rule of law and decide things on “a case by case basis”?

Comprehensive planning is a way of managing local growth in a businesslike way that conserves what we care about and does so with predictable policies under the rule of law. Planning is good for business. It’s an efficient way of minimizing the demand for taxpayers’ money. Business people pay property taxes. Planning is the best way to conserve what we care about. It substitutes laws and policies for the deal making that creates corruption, unfairness and unpredictability.

The Florida Planning Act of 1975 made local governments plan. The Planning Act of 1985 made them face the consequences of what they planned.

For as long as I’ve been here, Martin County has been fiercely divided on its attitude toward growth. The vast majority of residents are not at all divided on why they love Martin County. It’s green and beautiful and low density.

Though we have continuously been assailed as selfish no-growthers, ~~n~~o candidate ever bragged that he would destroy our environment or our Comprehensive Plan. They did get elected by claiming they loved the Plan and the Environment, but they could provide Jobs and a Better Economy.

So when someone from the real estate industry says we did the right thing, it provides a very satisfying “I told you so.”

In May of this year the Stuart News had a story which said:
“*Unlike other parts of the Treasure Coast, real estate experts say Florida's 2010 Census housing numbers show Martin County's lukewarm attitude toward growth and development led to a softer landing after the housing boom and bust of the past decade*
Given the present housing situation, Martin County was wise to limit growth," said Jim Weix, broker and owner of The Real Estate Co. Treasure Coast Inc. in Palm City. "St. Lucie County, where growth was not regulated, went from a leading nationally rated boom to a leading national bust."

We have had a softer landing from the economic crash. In 2009 26.6 percent of residential mortgages were severely delinquent in St. Lucie County. Indian River County’s mortgage delinquency rate was 16.6 percent. In Martin County, the rate was 11.8 percent.

In the past I've given you a whole slew of statistics which show that Martin County works better economically because of our comprehensive plan. We have less foreclosures, less unemployment, less crime, better schools, lower taxes, higher tax base per capita and lots of other good things because we have been serious about planning.

In spite of that, we're told that the only way to cure our national depression is to throw away our local Comp Plan. In return we are promised a building boom, clean light industry and high tech jobs for all the kids coming out of high school.

We know those are pie in the sky promises, We have to realize that while Martin County is lots better off than the fast growth counties it doesn't alter the fact that things are tough. Promises to make things better are always tempting.

BUT WHO PAYS?
There is no free lunch. Someone has to pay for growth. I am waiting for someone to show me a fast-growth, no-rules county in Florida that has used taxpayer subsidies to increase growth and is better off that we are

We have seen a huge PR campaign at both the local and state level to leverage the misery of the Great Recession into glamorizing and encouraging growth for growth's sake. You even help pay for it. The Business Development Board takes your money to advocate giving away your money and to advocate loosening growth management rules for business.

The BDB efforts, using $634,000/yr of your money, dovetail with the development communities' opportunistic sales pitches about how each of their new cities in the boondocks will bring major corporations, a major university and 10,000 new high paying high tech jobs.

Jobs sound good in the Great Recession.
Does weakening growth management protections benefit the county, the economy and the taxpayers?

I've heard the story dozens of times. I can remember Peter Cummings telling us how Martin Downs was going to become a major manufacturing center for clean light industry that would improve the tax base and bring high tech jobs. It didn't. They built a Turnpike hotel instead.

The big job promises now are coming from those applying for independent new cities out on agricultural land. They promise that their development will cost you nothing and give you whatever you want. It's a great idea from the landowners' standpoint. They get a land use change that is permanent, even if they break all their promises. They can then sell their development approvals or at some future time, when the economy has recovered, they can come back and reap the profits.

There are two myths about development approvals and Comp Plan changes that need to be stomped on:

Number 1 is that deal-making is a businesslike approach to governing. Commissioners love the feeling that they are Donald Trump. They love to brag about how they extorted a ballpark or a fire engine from a developer. Deal making in land use decisions is NOT businesslike. The public never wins. There is never the kind of hard nosed business analysis of costs and benefits that a real businessman would require. It basically leaves the community without ANY planning laws or policies – everything is subject to what three commissioners feel is a “good deal.” Because it is unpredictable it makes cost effective planning for community services impossible. Because there are no rules it invites corruption and unfairness. You never can tell whether your commissioner is a crook or just a fool.

Number 2 is that giving up the Comp Plan protections is okay because they’ll agree to a Planned Unit Development zoning contract that will guarantee good things. That is flat out wrong for a number of reasons:

- Even if the zoning contract is breached and development approvals are revoked, the Comp Plan changes and the land use changes that accompanied the PUD zoning are there. The developer or a subsequent owner can bring in a new development plan at 40 times the density the original farmland had. The County will have to approve it if it meets minimum standards. Requiring the old promises to be kept is both impossible and illegal.
- It’s hard to amend the Comp Plan. It is easy to amend a zoning agreement.
- Hundreds of PUDs have failed to keep all their written contractual promises. Only one I know of has ever been voided. They just get amended with the promises forgiven and left out.

But even when some of the promises might be kept, someone has to pay the price of bad planning.

That brings us to the inevitable costs of sprawl.

Planning to move all your future development out into cow pastures with no existing urban infrastructure is bad planning. Abandoning all of the infrastructure that you built for infill development is bad planning. Telling developers that paid the price for land inside the urban boundary that they cannot develop, is bad planning.

To understand how much bad planning costs you – in taxes and utility costs and inadequate services – you need to understand what the Fla. Planning Acts did. Florida usually seems to be 47th in the country except in terms of sunshine and growth and shark bites. For a brief time we had the best state growth management law in the country. The 1975 Planning Act required local governments to adopt a comprehensive plan that could be changed only once a year, instead of making zoning changes every Tuesday afternoon. All the Comp Plan changes got made together so you could see the cumulative impact

The 1985 Planning Act made officials face the consequences of their planning decisions. It made local government show how they would pay for growth.

We called it Truth in Planning.

Here’s how it worked.

First you decide WHERE you are going to grow within the boundaries of one or more Urban Service Districts. Inside those boundaries you have schools and water and sewer service and fire stations and libraries. Outside the boundaries you have countryside. Inside the boundaries you have urban development. You have the kind of residential and commercial development that expects and requires urban services. Outside the urban boundary you have Agricultural land use.

The where is terribly important.If you don't have some idea of where you need the facilities that development requires, you can't provide them in a timely and cost effective manner

Then you look at HOW MUCH you are going to grow and at WHAT RATE. That interacts with the size of the urban service districts. The state said you couldn't make up numbers. The ten year census trends and the yearly state population estimates were the baseline for expected growth. The urban boundary was expected to be big enough to accommodate 15 years of growth. That limitation allowed the counties to concentrate facilities where they could be efficiently used. Two little sewer plants cost much more to build and operate than one big one. Two big ones operating at half capacity are even more expensive. For counties that insisted on spreading everything out all over, it was very expensive to build and maintain government services. You really need to know how fast you're going to grow to provide adequate services. Limiting the USD makes it cheaper for the taxpayer, but limiting it too much can be bad too.

Do we have enough land inside our current USDs to handle that growth at the rate it is going to happen? Staff does a lot of creative calculations and says "no" The development community has always insisted communities would grow faster and grow forever. Two years ago Tom Kenny insisted we would grow at over 2000 units a year forever. The current prediction from county staff , with a little pro-development fudging, says we will grow by about 12,000 units over the next 15 years and we will build less than 1000 units a year for the next thirty years.

But - Look at the numbers. We need actually need only 11000 units in the next 15 years to meet the official population forecast. We have developable vacant land within the USDs that will provide for more than 11,000 additional residential units. We have 5000 units already approved for development inside the urban service districts. In addition, the census found we had 4100 units that were empty and for sale or rent and needed to be absorbed. They didn't count the large number of occupied homes that are for sale or on their way to foreclosure. We have thousands of acres of vacant land inside the USDs that can be developed as commercial or industrial. Any way you slice it, we have enough land for development for more than 20 years.

When you know where you are going to grow and how fast, you decide what LEVEL OF SERVICE you want in your urban areas. How crowded could a road get before you widened it or stopped approving new development that would make it more crowded? We looked at roads, drainage, libraries, schools and other things you need and expect in urban living. Communities that wanted more and faster growth opted for a lower level of service, but still had to face the consequences. When people started yelling because of traffic jams, they found that their commissioners had approved a level of service that allowed those jam ups to happen.

Then you have to show how you are going to PAY FOR IT. It's hard to believe that up until Comp Plans were required by the state, most local governments did not have a five year capital improvement plan. Which facility got built in which year was entirely about politics. There was no predictability. If you were a businessman trying to make a prudent decision, you had no idea when the county might pave a road or build a sewer line. More important, the Planning Act required the county to show REAL MONEY. You could no longer put an asterix and say "grants will be sought". If taxes had to go up to make the 5 yr plan work, Commission budgets had to show that. If Commissioners didn't have the money, they couldn't pretend they were going to build the facility. If Commissioners couldn't build the facility and meet the Comp Plan level of service, the County Commission could not approve developments that made the problem worse.

That was the CONCURRENCY part. Services had to be available concurrent with development. If Commissioners hadn't planned and budgeted to provide the services for the development expected, then they couldn't vote to allow the development to proceed.

Truth in planning and the realities of looking at actually meeting service needs in a timely manner helped create the push for impact fees. It became clear that growth would not pay for itself, no matter what kinds of deals and extractions Commissioners got from developers. The basic problem is that counties need to build the sewer plant before the houses are built and lived in and there isn't any property tax money coming in to do that – unless commissioners make the current residents pay. Current residents hate subsidizing growth. Martin County was one of the earliest counties in the region to adopt impact fees for roads, schools, parks and libraries. At best, impact fees can legally collect only 90% of what the new development will cost the county over and above what the development pays. And there is another kink in impact fees that pro-development deal makers fail to realize. If the developer gives Commissioners a park or a school or a fire engine, then that is credited against his impact fees. Gifts are not "in addition to" what the county would get. They are "instead of."

Impact fees make a difference. In ten years Martin County collected $15 million for schools and $49 million for roads. When development doesn't pay, you do. In the last few years a pro-development commission has backed out of our leadership position on impact fees. Commissioners used the tax windfall of the housing bubble to subsidize growth. In 2009 47% of Indian River County's facility budget came from impact fees. In Martin County it was only 9%.

The 1985 Planning Act was a really neat scheme. It made politicians look at consequences when they made land use decisions. It made them deal with consequences before the development could be approved.

The Florida Legislature and our present governor have abandoned the 1985 Planning Act. They killed DCA. They did away with provisions that said a development must be financially feasible. They are on their way to abolishing impact fees.

Now that Big Brother isn't watching, what happens if commissioners don't follow the rules of Truth in Planning?

As far as the state is concerned, nothing happens. The state agencies are not our friend.

But glaciers keep right on melting even when people don't believe it.Truth in planning will continue to tell us the consequences. If we ignore the consequences we will pay for it.

Let's look at what's being proposed for us, what it will do to us and who will pay for it.

We have two owners of agricultural land west of the Turnpike who want to build new cities. Currently they are allowed cows and all kinds of agricultural use and development of no more than 1 unit per 20 acres. They want 2 units per acre of residential and lots of commercial and industrial land use. Hobe Groves wants to build 4300 homes in the headwaters of the Loxahatchee River, Florida's only Wild and Scenic River. Harmony wants to build 4000 homes just west of South Fork High School. To add insult to injury, the land Harmony wants to develop is targeted for purchase as part of the IRL Plan to restore the St. Lucie River. If they never develop a single thing, the Comp Plan changes they are asking for will make the land 5 to 10 times as valuable. On 2000 acres that's a profit that could run $100 million dollars more than current value. That's a profit that taxpayers will pay for – sooner or later.

What does our planning paradigm say about it?

Call it urban sprawl or call it leap frog development, it will have consequences. I love the visuals. Urbana Sprawl is a voluptuous stripper with a python act in a Carl Hiassen novel. Leap frog development is leaping over agricultural/open space away from the urban area.

The important thing is that, no matter what you call it, this kind of development destroys the Urban Service Districts.

So what?
So you will pay the price. You will pay for it in taxes. You will pay for it in quality of life. The developer will not.

The Commissioners do not have to approve even one more residential unit because we have vacant houses and approved projects that will supply 9,100 9100 units. We have enough vacant land inside the Urban Service Districts for more than 11,000 units. We only need 11,000 units over the next 15years.

So what happens in the real world instead of the Alice in Wonderland world where opposite inconsistent things can happen at the same time?
There's only a market for 11,000 units. You have 4100 vacant houses for sale or rent, 5000 new homes approved and unbuilt, and 8300 more approved and unbuilt. That's 17,400. You've got landowners in the USDs who thought they had the right to get approvals on 11,000 more units.

If Harmony and Hobe Groves build 8300 of the 11000 needed, there's 1900 left.
The 4100 vacant homes won't get sold?
The 5000 approved development units won't get built?

Or the already vacant built units and approved units will get built and Harmony will build 900 units and HG 1000 over 15 years.

Someone will go bankrupt.

Who cares? You do.

You, as taxpayers will pick up the pieces. You will have built the fire stations and the roads and the schools and you will have to keep operating them while only a little bit of their capacity will be used.

Confused? Think how confused the folks will be who are trying to design a capital improvement plan.

Approving 8300 more units outside our urban service districts when we already have excess residential capacity means a lot of different things:

- units won't get built somewhere – either inside or outside the urban boundary - or if they do get built, they won't get sold.

- We don't know which approved units won't get built. Will it be 5000 units inside the USD that have already been approved but won't get built because they can't compete with the cheap ag land in the new cities? Or will the new cities keep deferring their building plans until "the economy improves"? If they wait until the economy improves, how will they keep their promises to improve the present economy?
- We will have to provide supporting facilities in both areas – schools, fire stations, libraries, roads. We'll have to provide for the growth we have approved inside the USDs. We will have to provide for facilities in the new cities in the boondocks. We'll have to pay to operate all those facilities. We won't need them all.
- What if they give us a fire station? Even if the developer "gives you" the fire stations, you're not getting ahead. You just lost all the fire impact fees from that development. And even if he gives you the fire station you have to buy fire engines and equipment and you still have to staff the fire station 24 hrs a day. At the huge, full-of-promises, Lake Nona project in Orlando, the county built two fire stations at 4.5 million dollars apiece to meet the needs of the project. But Orlando found that the project couldn't move ahead as planned until "the economy improved." They still had to continue to support $2.9 million in staffing costs every year at the two fire stations. The Nona fire stations got a hundred calls a month. The urban fire stations got 2000 calls a month. How many fire calls are you going to get at Harmony in the first ten years?
- Commissioners could refuse to approve development on the vacant lands within the Urban Service Districts With a need for 11,000 units in 15 years and 17,400 units already approved, there would be no market and no need for any more development. Those landowners inside the USDs who had proper land use and a proper Comp Plan designation to develop their property couldn't develop it. They paid the price for developable land. They paid taxes on developable land. Now we have given their development rights to the new guys that had ag land in cow pastures and paid taxes on property valued for ag purposes at $300/acre.
- Banks and businesses within the USDs that expected approved developments to be built and sold, will have to reassess their business plans. If HG and Harmony really happen as planned, the projects inside the USDs that have been approved will not happen.
- The new cities will be a closed shop to existing local business. If the projects go forward, two developers will control all building related business in Martin County from real estate sales and contractors to lawn services.
- If you're trying to sell your house in Martin County, it will be harder. If our aim is to reduce the foreclosure glut, we will fail.
- Can it all be solved by giving government powers to the new cities? Then they could tax their citizens for whatever they wanted or needed. Giving government powers to private individuals causes a number of problems. You really don't want them to have taxing power. First, developers' taxing districts around Florida have been going bankrupt. – even in the Villages in Central Florida where they are still building and selling new units. Government picks up the pieces. Second, residents in such taxing districts will claim discrimination and vote as a block to get their taxes spread countywide. County taxpayers will pick up the tab. Third, since they already have government powers, they will ask the legislature to make them a city. Then you have your own Port St. Lucie sprawling across the cow pastures with no county control.

Finally, Rich Campbell said it best. It's a really asinine thing to do.

Right now, and for the past 20 years, we've been planning to build facilities inside the USDs for the growth we expect to happen there. We've got a Capital Improvement Plan for the USD. We've collected impact fees, drawn up facility plans, and set aside tax money to build the infrastructure we need

We can choose to keep the Comp Plan and keep the USDs and keep the Capital Improvement Plans that will fund the necessary improvements. That will allow us to keep a decent level of service. It will allow land owners inside the USD and businesses within the USD to know where growth is going to happen.

Or we can change direction and do what every other Florida county we don't want to live in has done.
Why would we?

For promises that can't be kept.

Way back in 2009 when the crash became apparent the Stuart News editorialized on Florida's growth cycle:

"We've never taken the time to decide what we want to be when we grow up. For almost our entire state history we've swung wildly between boom and bust with nothing in between. Our present growth hiatus offers an opportunity to create that vision, to get it right for once. We certainly shouldn't be working feverishly to demolish the few feeble checks and balances we have left — especially for the short-term gain of a few fat cats."

This might be a real good time to stop. The building economy has. It is not going to come roaring back anytime soon. Ask any honest economist.

We've got over 4000 vacant homes that need owners.

We've got over 5000 new residential units already approved for building inside the USDs .

It would be a real good time to decide what we want to be when we grow up. It would be a great time to strengthen our Comp Plan so we can control our destiny without the state's help. It would be an ideal time to look at the mistakes the pro-development commissioners made that put the county budget in the mess it's in today.

It is a terrible time to give away the store for promises that won't get kept. It's a terrible time to saddle existing residents with thirty years of debt to developments that won't pay their way.

It's a great time for truth in planning.