November 17, 2011

Mr. Adam Mengel, AICP
Planning and Zoning Director
Flagler County Planning Department
1769 E. Moody Blvd., Building 2-Suite 105
Bunnell, FL 32110

RE: Response for Comments- Hammock Dunes DRI Build Out Agreement

Dear Mr. Mengel:

Summary:
Flagler County is in receipt of a request to determine the Hammock Dunes DRI is “essentially built out” and that all conditions of approval have been satisfied. The County notified the City of Palm Coast of this request because the DRI Development Order contains off site infrastructure requirements that, if unfulfilled, may affect the City. The infrastructure improvements are secured in a Guarantee Agreement executed November 24, 1999, between ITT Community Development Corporation (ITTCDC) and the Board of Commissioners of Flagler County. When the County Commissioners met on November 19, 1999 to determine if the form of the guarantee provided to the County was acceptable, the cost of the outstanding obligations were estimated to be $26,878,000.00. It appears that ITT CDC guaranteed the obligations with two instruments, a Corporate Guarantee in the amount of $25,000,000.00 and a bond in the amount of $10,000,000.00, which may still have an escalator clause.

The County initially requested the City’s response with respect to two DRI D.O. requirements, listed below:

Resolution 84-7 – Condition 4.1 - Required applicant to construct 2 additional lanes on the Intracoastal Waterway (ICWW) Bridge when FDOT and the County determine the bridge traffic is at Level of Service (LOS) “C”. Design and application for construction permits is to commence three years before LOS “C” operation is predicted to occur.

Resolution 84-7 – Condition 4.7 – Required applicant to 4-lane road segments and bridges on Palm Harbor Parkway (between Clubhouse Drive and Florida Park Drive) when traffic count exceeds 10,000 Average Daily Trips (ADT) on any road segment. Requires design and preconstruction activities when 8,000 ADT is reached.

The County also amended its request to note that there are other Conditions of Approval that impact Palm Coast. The status is shown in italics.

Resolution 84-7 – Condition 4.5 – Required applicant to improve ICWW Bridge Interchange if carbon monoxide levels exceed certain EPA standards, within one year of exceedance. *Air quality standard has not been exceeded, according to DRI Development*
Order; unsure of who is monitoring – Hammock Dunes CDD, or where monitoring is (at toll bridge?)

Resolution 84-7 – Condition 4.6 – Required applicant to escrow its proportionate share of the cost of certain intersection improvements to St. Joe Grade/Palm Coast Parkway when the County determines they are needed based on traffic counts. Palm Coast Parkway was four laned based upon an Agreement with ITT Community Development Corporation, the Board of County Commissioners and the Florida Department of Transportation (ORB 231, Pgs. 533-534). ITT CDC was to escrow with Flagler County, upon its determination, improvements for the following intersections: St. Joe Grade/Palm Coast Parkway at Belle Terre Boulevard; October, 2011 Status Chart indicates “not yet due”.

Resolution 84-7 – Condition 12.4 – Required the applicant to procure public safety equipment for the Hammock Dunes Fire Station. Instead, the applicant paid $325,000 to the County for a ladder truck. The City of Palm Coast backs up the Hammock Dunes Fire Station. City Fire Department staff determined there are no additional equipment needs for the Hammock Dunes Fire Station to supplement the City’s response.

Resolution 84-7 – Condition 16.2 – Required the applicant to construct or provide for the construction of 120 moderately priced housing units. Other builders on applicant developed lots, using Rural Development 502 Housing Program Sept. 1992 to present = 90 units. Balance of units cited are in Palm Coast – Kings Colony, Fox Ridge, Woodhaven (25%) Lake Forest (50%) and “recent single family construction”.

There are other conditions regarding water quality monitoring in the ICWW, endangered species relocation, and beach access which were not evaluated as part of this exercise by City staff.

Approval History:

The two road improvement conditions were in the created in the Development Order and have remained essentially unchanged, although land use densities decreased over time. Multifamily units made up the majority of the original DRI density. In 1995, the concept had shifted to a resort complex and single family residential uses.

<table>
<thead>
<tr>
<th>Resolution No.:</th>
<th>Date:</th>
<th>Acres/Dwelling Units</th>
<th>Notes:</th>
</tr>
</thead>
<tbody>
<tr>
<td>84-7</td>
<td>3/30/84</td>
<td>2,258 ac. 6,670 DUs</td>
<td>Original DRI; Breakout of uses not in Resolution</td>
</tr>
<tr>
<td>95-50 (NOPC)</td>
<td>7/17/95</td>
<td>2,244 ac. 4,400 DUs</td>
<td>1st amendment; reduced DUs; created resort core</td>
</tr>
<tr>
<td>98-10 (NOPC)</td>
<td>3/6/98</td>
<td>2,244 ac. 4,400 DUs</td>
<td>2nd amendment – swapped park areas; reconfigured master plan</td>
</tr>
<tr>
<td>2001-135</td>
<td></td>
<td>2,244 ac. 4,400 DUs</td>
<td>REPEALED due to technicalities</td>
</tr>
<tr>
<td>2002-107</td>
<td>10/27/02</td>
<td>2,244 ac. 4,400 DUs</td>
<td>3rd amendment - repealed 2001-135 entirely; payments in lieu of construction for fire station; expanded area and time frame for Flagler County to expend Developer park contributions</td>
</tr>
<tr>
<td>2003-21</td>
<td>2/17/03</td>
<td>2,244 ac. 4,400 DUs</td>
<td>4th amendment – Extended Build out date to Feb. 28, 2009.</td>
</tr>
<tr>
<td>2010-22</td>
<td>4/5/2010</td>
<td>2,244 ac. 3,800 DUs</td>
<td>5th amendment - deleted 600 DUs, extended build out date to Feb. 28, 2012.</td>
</tr>
</tbody>
</table>
Current Traffic Counts and Changed Conditions:

1. Current AADT (2011) on ICWW Bridge is 11,000 trips per day based on the 2011 City wide trip counts. The ICWW Bridge is currently operating at LOS C based on FDOT Generalized Level of Service Tables.
   a) Palm Coast Parkway and by extension the ICWW bridge is considered a Class 1 Major City/County Roadway.

2. Current AADT (2011) on Palm Harbor Parkway is:
   a) 5,100 trips per day  Forest Grove Drive to Florida Park Drive
   b) 4,600 trips per day  Florida Park Drive to Club House Drive
   c) 4,900 trips per day  Club house Drive to Palm Coast Parkway

3. The expected growth rates for background traffic are 4.1%, 7.2%, & 1.0 % respectively, based on a regression analysis of historical counts which indicates that traffic will continue to increase in the future.

4. The construction of the Matanzas Woods Parkway/I-95 interchange and the extension of Palm Harbor Parkway from Forest Grove Drive to Matanzas Woods Parkway would affect these growth rates.

5. The completion of the two projects in #5 above will definitely impact traffic volumes on Palm Harbor Parkway in the event of any evacuation (hurricane or fire).

Provided Traffic Analysis:
The applicant retained Kimley Horn and Associates to prepare a traffic report in support of its request to be relieved of agreed upon obligations (Guarantee Agreement, November 24, 1999) to widen the Hammock Dunes Bridge and Palm Harbor Parkway.

The traffic report simply looks at existing traffic and projected growth rates (which based upon the years used are negative) to conclude that additional improvements are not warranted and the applicant should be relieved of its obligations. This traffic study does not address the impacts of the DRI at project build out.

In addition, the Level of Service (LOS) determined by the time-delay study appears questionable as the length of the segment studied, about ¾ of a mile, is less than the distance from the toll booth to the first intersection on the east side of the bridge. This would lead to the incorrect conclusion that the segment is an Uninterrupted Flow Highway.

Recommendation:

1. Condition of Approval 4.1 to widen the ICWW Bridge may have already been triggered as the AADT is 11,000 trips per day, which is LOS C. Therefore, the County should retain the Guarantee for those improvements.

2. Condition of Approval 4.7 to widen Palm Harbor Parkway from Clubhouse Drive to Florida Park Drive is to occur when the traffic volumes reach 10,000 ADT. Even though the DRI is essentially built out, the developer is not relieved of the improvement. The costs of the improvement should remain in escrow and be transferred to the City.
3. Condition of Approval 4.6 should be readdressed to ensure that improvements to Palm Coast Parkway at Belle Terre Boulevard either have been made by the County and Developer or will be made by transferring the escrowed funds to the City.

Thank you for the opportunity to review this request. If you have any questions, please call me at 986-3745.

Regards,

Ray Tyner
Planning Manager

C: Jim Landon – City Manager
Nestor Abreu – Community Development Director
Sara Lockhart – Senior Planner, AICP
Robert Boggs – Senior Transportation Planner