

# City of Palm Coast, Florida Agenda Item

Agenda Date : 01/29/2019

<b>Department</b>	CITY CLERK	<b>Amount</b>
<b>Item Key</b>	5922	<b>Account #</b>
<b>Subject</b> PRESENTATION - OPTIONS FOR UNFUNDED PRIORITIES: PAVEMENT MANAGEMENT PROGRAM AND PUBLIC WORKS FACILITY		
<p><b>Background :</b>  <b><u>Update from the October 9, 2018 Workshop and October 16, 2018 Business Meeting:</u></b>            This item and relating implementing Ordinances were heard by City Council on October 9, 2018 and at the October 16 business meeting. City Council tabled the item and requested city staff investigate phasing the public works facility project and look into alternative funding sources. In December, City Council requested an update on the public works facility options and requested staff investigate any temporary measures to improve working conditions for Public Works employees. Staff will present an update on the unfunded priorities and possible options for phasing the public works facility and possible funding sources.</p> <p><b><u>Original background from the October 9, 2018 Workshop and October 16, 2018 Business Meeting.</u></b></p> <p><u>Public Works Facility</u></p> <p>The existing Public Works Facility was turned over to the City, by Flagler County, in 1999. During the past 18 years, the City has operated in this facility making minor improvements to address immediate needs and deficiencies. Currently, this facility lacks sufficient storage and maintenance capabilities that need addressing, in a safe and efficient manner, to meet the growing needs of the City of Palm Coast. Some of the current deficiencies include: inadequate parking and material storage areas, aging buildings with structural deficiencies, and inadequate fleet mechanics' bays that do not provide adequate space for the servicing of much of the City's larger work trucks, heavy equipment, and fire apparatus.</p> <p>The existing Public Works facility does not meet current operational needs and is deficient in safety, technology, capacity, traffic flow, and workflow. In order to continue providing a high level of service to our residents and address current and future needs of the community, a new Public Works facility is needed. The work performed by our Public Works crews impacts every resident, visitor, and employee of the City. An appropriate facility is the core need for staff to be able to function with maximum productivity. City Council conducted a site visit to the current Public Works facility in 2016. Council determined that the current facility underserves the needs of Public Works, and approved a "needs analysis" to be conducted.</p> <p>Public Works mainly operates from the approximate 10 acre parcel along US-1. In an effort to continue providing services in a safe and efficient manner to the residents of Palm Coast, the City had a Master Plan Study completed. The Facilities Master Plan included an analysis of current and projected needs based on the anticipated future demands of a growing community. Anticipating and addressing future, as well as current, community demands is part of the strategy to ensure that the expected levels of service necessary to properly maintain the City</p>		

facility and public assets such as parks, community centers, rights-of-way, City fleet and equipment, and to respond to emergency/disaster situations will continue to be met in the future and occur without additional risk to employees. The Facilities Master Plan helps ensure that such improvements can be implemented in a fiscally responsible manner. The “needs analysis” was prepared and presented to Council in FY16.

The Master Plan Study was presented to City Council in FY17. During the completion of the Public Works Facilities Master Plan, various alternatives were developed for the expansion of the facility. The alternative to expand the facility on contiguous lands on the southern boundary provided the most flexibility for future expansion and the option recommended and selected by City Council. After discussion with the adjacent property owner, Palm Coast Land, LLC, a land exchange agreement was crafted 50 exchange 5 acres of City-owned property for approximately 6 acres of property owned by Palm Coast Land, LLC. City Council approved of this property exchange and the closing of this land swap has recently occurred.

Pavement Management Program

On August 28, 2018, City staff and the City’s consultant presented the Pavement Management Program and plan to address the City’s ongoing maintenance needs of approximately 1186 lane miles of streets. This Program is fully funded in Fiscal Year 2019, but requires additional funding in future years to ensure the maintenance program continues.

Funding Source

City Council requested that staff provide a funding mechanism for the construction of a new Public Works facility. City staff presented to City Council on August 28, 2018, the 5-Year Capital Improvement Plan that identified the funding need to design and construct the Public Works Facility. In addition, during this presentation, City staff presented the funding need to continue the Pavement Management Program in future years.

City staff will present an overview of the Public Works Master Plan with proposed funding options (Electric Franchise Fee and Public Service Utility Tax) to design and construct the proposed improvements for Council’s direction. In addition, the funding options would provide available funding for Pavement Management Program in future years. Attached to this agenda item are draft ordinance templates to implement the proposed funding options should City Council desire to move forward in addressing these needs.

**Recommended Action :**  
For presentation and Council direction.

# CITY COUNCIL UNFUNDED PRIORITIES

Pavement Management Program

---

Public Works Facility

*Public Works Department  
Finance Department  
Community Development: CM&E Division*



# Pavement Management Program



# Summary – Pavement Management Program

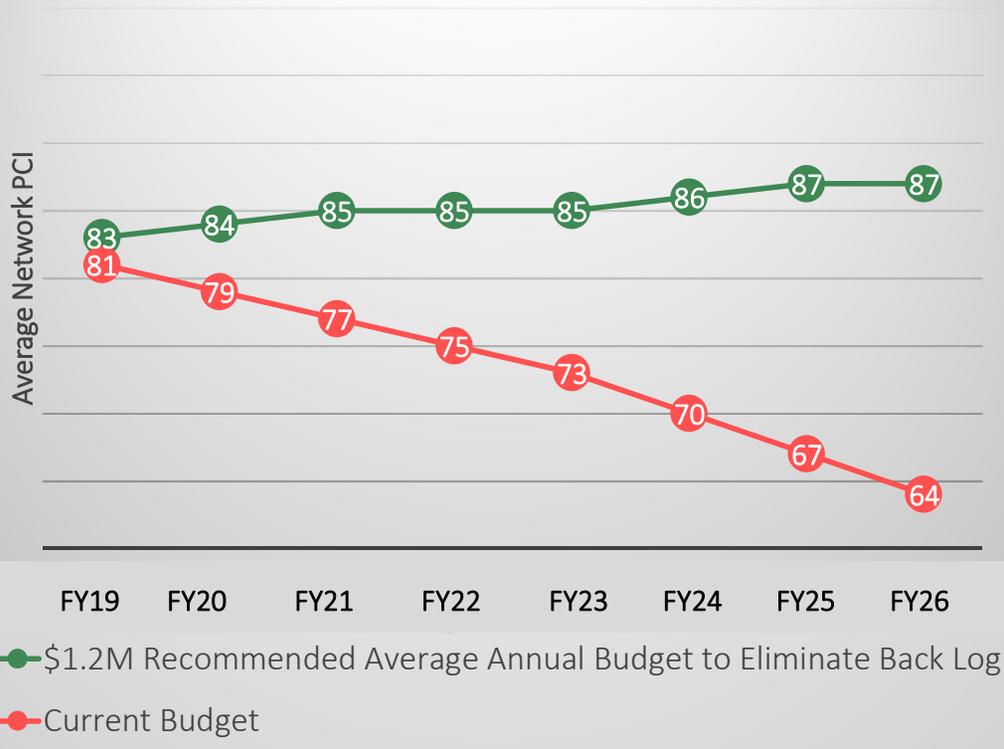
- ☑ FY18: Completed Existing Pavement Analysis of City Roadways
- ☑ 8/28/2018: Presented Findings and Recommendations to Council
- ☑ 10/9/2018: Presented Funding Options to City Council



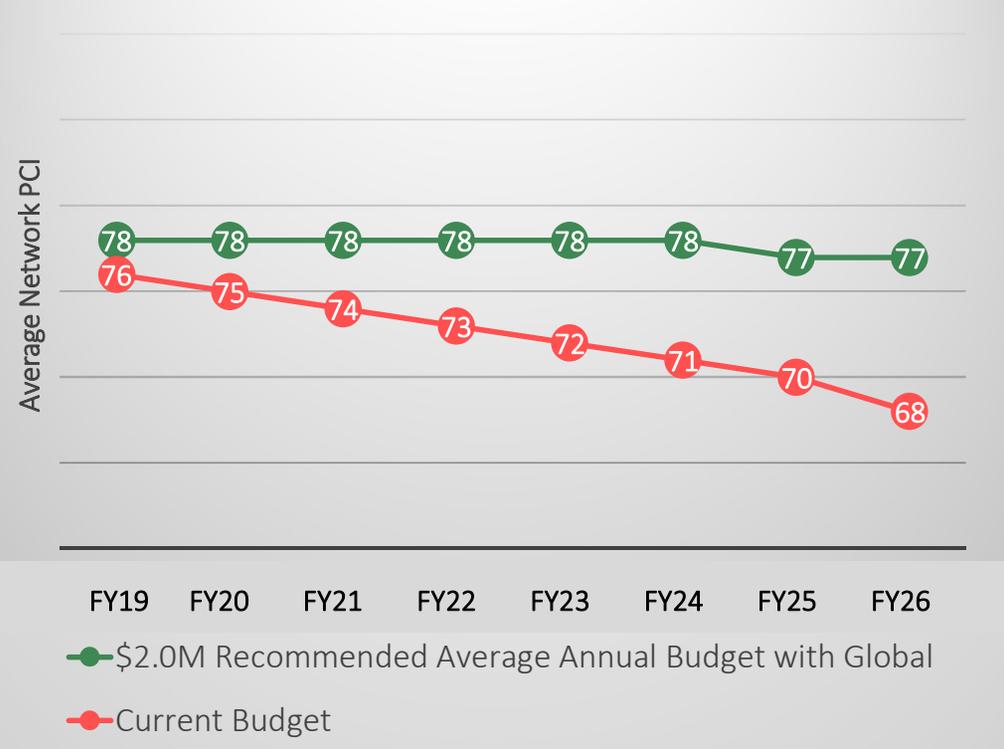
*Find Your Florida*

# Approved Plan– Pavement Management Program

## Arterial & Collector Roads



## Local Roads



*Find Your Florida*

# Funding Need – Pavement Management Program



City of Palm Coast  
5 Year Capital Improvement Plan

## STREETS IMPROVEMENT FUND

CURRENT BUDGET & 5-YEAR PLAN PER AVAILABLE FUNDING	FY 19	FY 20	FY 21	FY 22	FY 23
Street resurfacing and renewal	2,500,000	2,100,000	1,500,000	1,600,000	1,700,000

## STREETS IMPROVEMENT FUND

RECOMMENDED 5-YEAR PLAN PER PAVEMENT ANALYSIS STUDY	FY 19	FY 20	FY 21	FY 22	FY 23
Street resurfacing and renewal	2,500,000	3,100,000	3,400,000	3,500,000	3,900,000

<b>FUNDING NEED</b>	<b>-</b>	<b>1,000,000</b>	<b>1,900,000</b>	<b>1,900,000</b>	<b>2,200,000</b>
---------------------	----------	------------------	------------------	------------------	------------------



*Find Your Florida*

# Funding Need – Pavement Management Program

- Address Shortfall During FY20 Budget Process
  - Adjust Millage Rate
  - Adjust Budgeted Expenses
- Address Shortfall with New Funding Source for Public Works
  - Funding Source to be Determined



*Find Your Florida*

# Public Works Facility



# Summary – Public Works Facility



- ☑ FY17: Completed Master Plan Study (Space Needs and Cost Analysis)
  - Approved Budget for Needs Assessment & Master Plan (FY16, 12/6/2016)
  - Approved Master Plan - Option 2 (7/25/2017)
- ☑ FY18: Completed Land Swap
- ☑ 10/9/2018: Presented Funding Options for Design & Construction
  - Existing Facility
    - Buildings are aged and in poor condition and do not meet needs for a Critical Facility
    - Existing site and buildings are not adequate for supporting safe & efficient operations as well as current staffing & equipment needs
    - Storage & inventory is limited
    - Employee vehicles currently utilize private property for parking needs
    - Bathrooms and shower facilities for staff are inadequate
    - No site drainage causes problems on site and to some structures after rain events
    - Inadequate building & safety security
- ☐ 10/9/2018: City Council Requested Information
  - Determine if Project can be Phased and Identify Cost Implications
  - Provide an Overview of All Available Funding Options



*Find Your Florida*

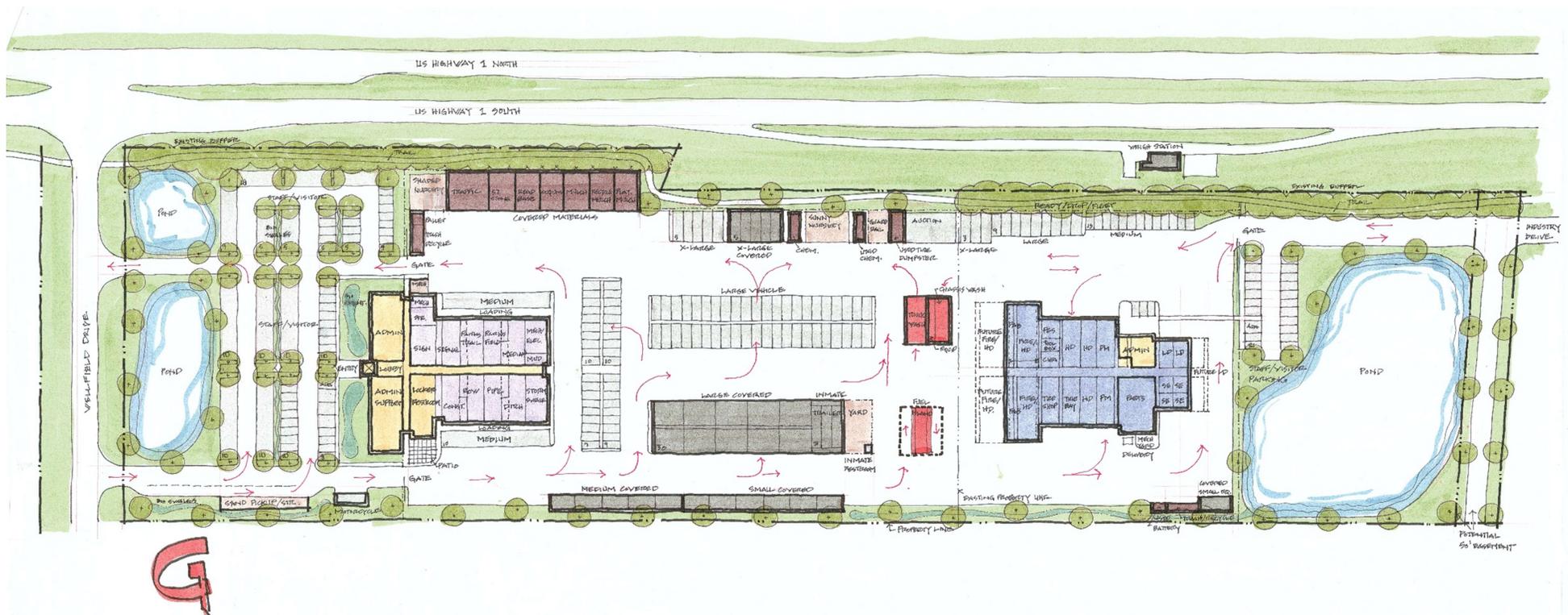
# Phasing Options – Public Works Facility

- Option A – Single Project – Debt Funded
  - Requires New Funding Source
- Option B – Two Phase Project – Debt Funded & PayGo
  - Requires New Funding Source
  - Requires Temporary Facility Upgrades (\$250,000)+/-
- Option C – Two Phase Project – PayGo
  - Requires Temporary Facility Upgrades (\$1,100,000)+/-



*Find Your Florida*

# Option A – Public Works Facility (Single Phase – Debt Funded)



*Find Your Florida*

# Option A – Public Works Facility (Single Phase – Debt Funded)

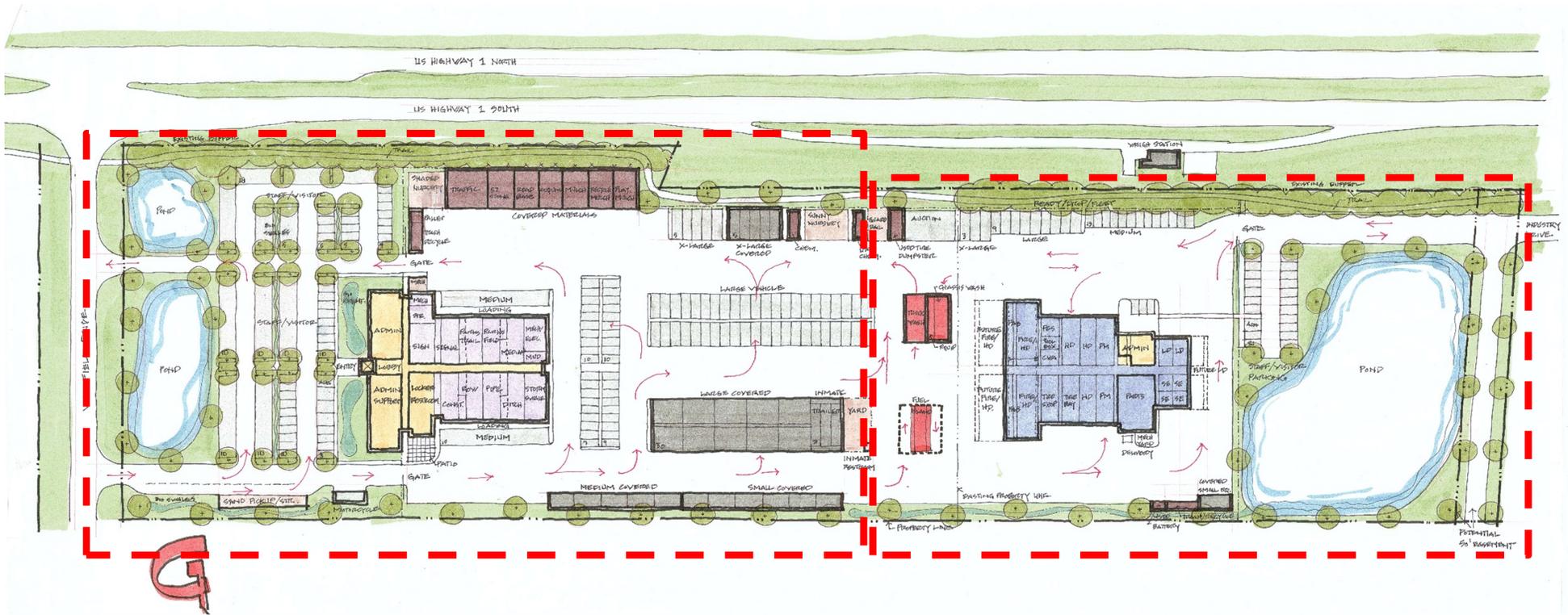


CAPITAL PROJECTS FUND	FY 19	FY 20	FY 21	FY 22	FY 23
<b>Path &amp; Trail Projects:</b>	965,000	450,000	500,000	1,000,000	975,000
<b>Park Projects:</b>	3,550,000	3,475,000	130,000	1,100,000	-
<b>Park Projects - Rehab &amp; Renewal:</b>	925,000	860,000	415,000	2,355,000	1,250,000
<b>IT Capital Projects:</b>	880,000	-	910,000	-	-
<b>Other Projects:</b>	50,000	350,000	350,000	-	-
<b>City Facility Projects:</b>	1,915,000	10,875,000	10,325,000	75,000	75,000
<b>Public Works Facility</b>	750,000	10,750,000	10,250,000	-	-
- Design & Construction Administration	750,000	750,000	450,000	-	-
- Construction	-	10,000,000	9,800,000	-	-
<b>Available Funds End of Year</b>	189,803	(11,450,197)	(8,181,697)	374,228	2,856,950
<b>FUNDING NEED</b>	-	11,500,000	8,500,000	-	-



*Find Your Florida*

# Option B – Public Works Facility (Phase One - Debt Funded & Phase Two - PayGo)



Phase Two – Operations

Phase One – Fleet Facility

*Find Your Florida*

# Option B – Public Works Facility

## (Phase One - Debt Funded & Phase Two - PayGo)

- Phase One – Fleet Facility & Temporary Improvements:
  - Fleet Facility – Ready For Use in 2+ Years
    - Development of Site & Infrastructure for Fleet Operations
    - New Building, Equipment and Wash Down Station
  - Temporary Improvements
    - Replacement of Modular Building Rental with a Larger Unit
    - Renovation of Former Fleet Space For Operations Staff
    - Renovation of Existing Structure to Add Restrooms and Showers
- Phase Two – Remaining Site Development & Buildings



*Find Your Florida*

# Option B – Public Works Facility

(Phase One - Debt Funded & Phase Two - PayGo)

- Construction of Project in 2 Phases:
  - Added Project Cost of 15%+/-
  - Subcontractor Costs will most likely be higher for 2 smaller projects as opposed to a single larger project.
  - Cost of Construction Increases Over Time  
(Typical 3% annual increase; last 2 years were higher at 5%+ each.)



*Find Your Florida*

# Option B– Public Works Facility (Phase One - Debt Funded & Phase Two - PayGo)

CAPITAL PROJECTS FUND	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
<b>Path &amp; Trail Projects:</b>	665,000	450,000	200,000	150,000	475,000	475,000	-
- Northeast Corridor Trailhead & Trails*	-	-	—300,000	—500,000	—500,000	-	-
- Graham Swamp Trail Extension (OKR Trailhead to Lehigh Trail)*	-	-	-	—350,000	-	-	-
<b>Park Projects:</b>	3,350,000	425,000	-	-	-	-	-
- Long Creek Nature Preserve*	—200,000	—3,050,000	-	-	-	-	-
- Matanzas Woods/ Indian Trails Neighborhood Park*	-	-	—30,000	-	-	-	-
- Quail Hollow Neighborhood Park*	-	-	—100,000	—1,100,000	-	-	-
<b>Park Projects - Rehab &amp; Renewal:</b>	925,000	860,000	735,000	2,035,000	1,250,000	550,000	550,000
<b>IT Capital Projects:</b>	880,000	-	910,000	-	-	450,000	450,000
<b>Other Projects:</b>	50,000	350,000	350,000	-	-	-	-
<b>City Facility Projects:</b>	1,000,000	-	-	-	-	-	-
<b>Public Works Facility</b>	1,025,000	6,800,000	6,775,000	-	-	5,700,000	5,300,000
- Temporary Office Trailer & Operations Bldg. Modifications	250,000	-	-	-	-	-	-
- Design & Construction Administration	775,000	425,000	425,000	-	-	400,000	325,000
- Construction	-	6,375,000	6,350,000	-	-	5,300,000	4,975,000
<b>Available Funds End of Year</b>	114,803	(4,875,197)	(4,721,697)	2,404,228	5,186,950	2,276,307	457,632
<b>FUNDING NEED</b>	-	5,000,000	5,000,000	-	-	-	-

\*Shift & Delay Trail and Park Projects to Recreation Impact Fee Fund

# Option C – Public Works Facility (Two Phases – PayGo)



- Temporary Improvements – Ready for Use in FY20
  - Replacement of Modular Building Rental with a Larger Unit
  - Renovation of Existing Structure to Add Restrooms and Showers
  - Replace Existing Wooden Fleet Structure with a Temporary Metal Building
- Phase One Fleet Facility – Ready For Use in 7 Years
  - Development of Site & Infrastructure for Fleet Operations
  - New Building, Equipment and Wash Down Station
- Phase Two – Remaining Site Development & Buildings



*Find Your Florida*

# Option C – Public Works Facility (Two Phases – PayGo)



- Construction of Project in 2 Phases:
  - Added Project Cost of 15%+/-
  - Subcontractor Costs will most likely be higher for 2 smaller projects as opposed to a single larger project.
  - Cost of Construction Increases Over Time  
(Typically 3% annual increase; last 2 years were higher at 5% each.)



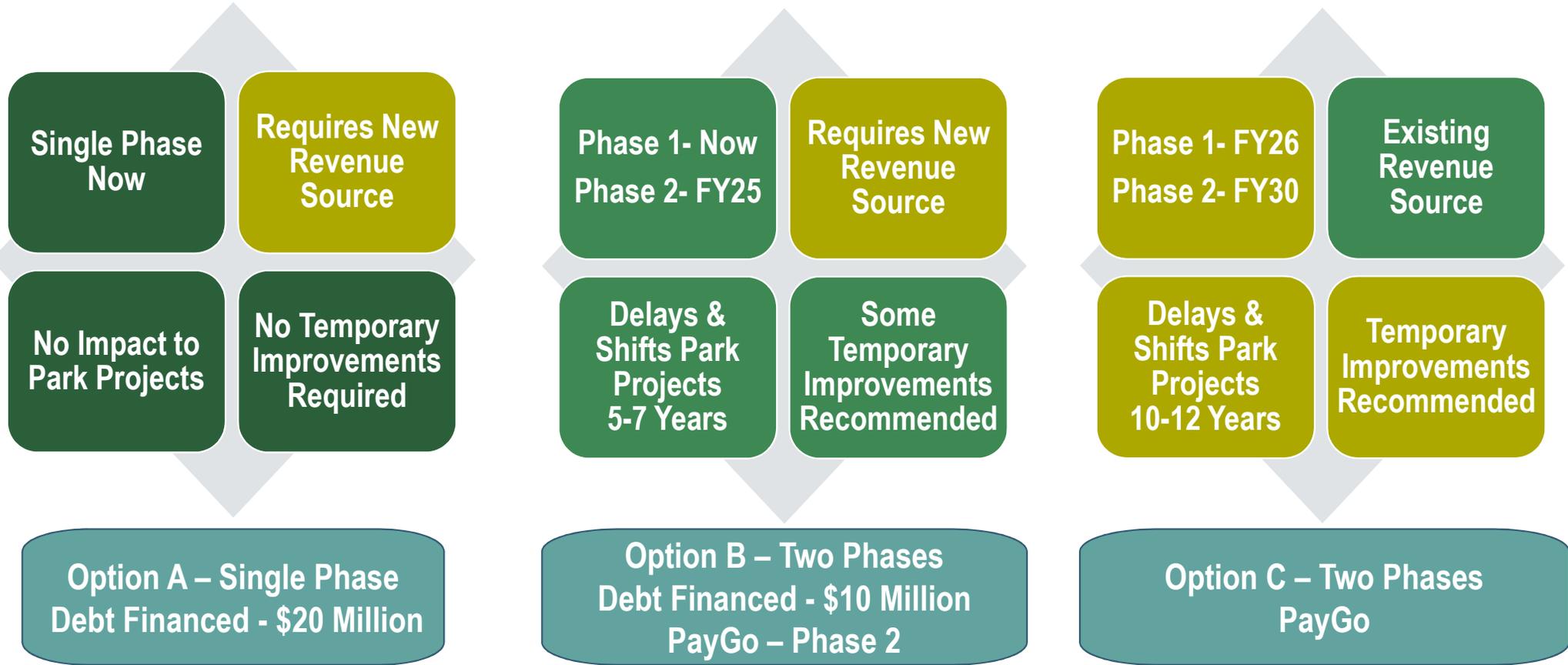
*Find Your Florida*

# Option C – Public Works Facility (Two Phases – PayGo)

CAPITAL PROJECTS FUND	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
<b>Path &amp; Trail Projects:</b>	665,000	450,000	200,000	150,000	475,000	425,000	200,000	450,000	450,000	150,000	150,000	150,000
- Northeast Corridor Trailhead & Trails*	-	-	<del>300,000</del>	<del>500,000</del>	<del>500,000</del>	-	-	-	-	-	-	-
- Graham Swamp Trail Ext. (OKR Trailhead to Lehigh Trail)*	-	-	-	<del>350,000</del>	-	-	-	-	-	-	-	-
<b>Park Projects:</b>	3,350,000	425,000	-	-	-	-	-	-	-	-	-	-
- Long Creek Nature Preserve*	<del>200,000</del>	<del>3,050,000</del>	-	-	-	-	-	-	-	-	-	-
- Matanzas Woods/ Indian Trails Neighborhood Park*	-	-	<del>30,000</del>	-	-	-	-	-	-	-	-	-
- Quail Hollow Neighborhood Park*	-	-	<del>100,000</del>	<del>1,100,000</del>	-	-	-	-	-	-	-	-
<b>Park Projects - Rehab &amp; Renewal:</b>	925,000	860,000	735,000	2,035,000	1,250,000	550,000	550,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>IT Capital Projects:</b>	880,000	-	910,000	-	-	450,000	450,000	400,000	450,000	450,000	450,000	450,000
<b>Other Projects:</b>	50,000	350,000	350,000	-	-	-	-	-	-	-	-	-
<b>City Facility Projects:</b>	1,000,000	-	-	-	-	-	-	-	-	-	-	-
<b>Public Works Facility</b>	600,000	500,000	-	-	-	1,200,000	13,950,000	3,200,000	-	-	6,600,000	6,350,000
- Temporary Office Trailer & Operations Bldg. Modifications	600,000	500,000	-	-	-	-	-	-	-	-	-	-
- Design & Construction Administration	-	-	-	-	-	1,200,000	450,000	200,000	-	-	600,000	525,000
- Construction	-	-	-	-	-	-	13,500,000	3,000,000	-	-	6,000,000	5,825,000
<b>Available Funds End of Year</b>	539,803	2,449,803	4,378,303	6,504,228	9,286,950	11,001,307	407,632	141,773	3,265,122	6,939,638	4,277,880	2,143,033

\*Shift & Delay Trail and Park Projects to Recreation Impact Fee Fund

# Public Works Campus Facility - Options Summary



*Find Your Florida*

# Revenue Options



# Recommended Revenue Source



## Electric Public Service Tax

### Pros:

- Diversifies Revenue as Recommended by Auditors
- Lowest Cost Impact to Typical Single Family Home
- Allows Exemptions
- Can be Terminated with Council Action
- Ability to be Used to Leverage Debt

### Cons:

- Cannot be Applied to Vacant Lands

**\$ 3.12 Monthly Cost\***

**Option A – Single Phase  
Debt Finance**

**\$ 1.87 Monthly Cost\***

**Option B – Two Phases  
Debt Finance Phase 1**

\*Does Not include Exemption; Awaiting Response from FPL  
in Order to Calculate Revised Cost

*Find Your Florida*



# Other Revenue Sources – Not Recommended

## Electric Franchise Fee

- Cannot be Applied to Vacant Lands
- Does Not Allow Exemptions
- Requires Long Term Contract with FPL

## Fire Service Assessment Fee

- Cannot Fund Projects Directly; Revenue funds Fire Dept. Services (releases ad valorem taxes)
- Does Not Allow Exemptions
- Cannot be used to Leverage Debt
- Higher Impact to Residential Taxpayers

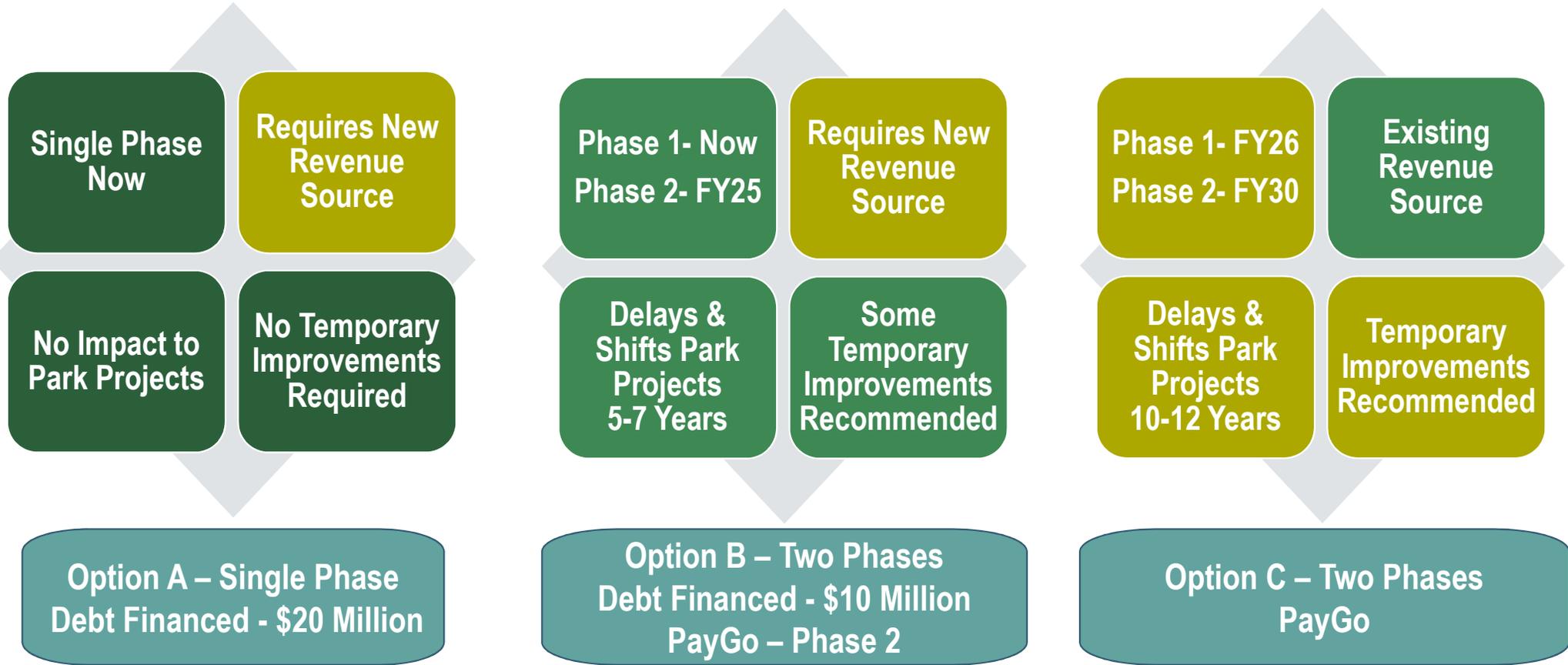
## Dedicated Property Tax Millage Rate Increase

- Does Not Diversify Revenue as Recommended by Auditors
- Does Not Allow Exemptions
- Cannot be used to Leverage Debt unless approved by Referendum

# Next Steps



# Public Works Campus Facility - Options Summary



*Find Your Florida*

# Council Direction – Public Works Facility

- Project Phasing
  - Option A, B, C or Other
- New Revenue Source
  - Only Applies if Option A or B is selected

