

CHAPTER 8

CAPITAL IMPROVEMENTS ELEMENT

SUMMARY

The Capital Improvements Element (CIE) is a statement of budgetary policy and a planning tool for capital expenditures and improvements for public use. It is the precursor to the Capital Improvements Plan for the City. It is one of the best ways to implement the goals, objectives, and policies established in the Comprehensive Plan Elements. The CIE summarizes the capital improvements identified in each Plan Element and establishes a coordinated linkage between these improvements. The CIE recommends the projected funding sources and projects that are identified in the Comprehensive Plan.

The City as required by Chapter 163, Florida Statutes, has adopted two planning timeframes. The first timeframe is ten (10) years from the date of adoption of the Plan and shall be updated annually in accordance with Section 163.3177(3), F.S. The second timeframe is longer and covers, at a minimum, a 20-year time frame, this plan will go through the year 2050, the Plan's horizon year. The Capital Improvements Program (CIP) approved as reviewed and approved annually by the City Council through its budgeting process serves as the implementation of the Capital Improvements Element.

Plan Monitoring and Evaluation

City Staff will prepare an implementation schedule showing the Goals, Objectives, and Policies (GOPs), implementation timeframe, agency or department responsible for implementation, and method of funding or funding resource. This matrix will be used to evaluate and monitor Plan implementation. City Staff and the Local Planning Agency (LPA), also known as the Planning and Land Development Regulation Board, will monitor and review the status of the implementation of the Goals, Objectives and Policies annually to ensure that they are being accomplished as scheduled. Except for the Capital Improvements Program and Capital Improvements Element, a more complete evaluation will be done when the City is scheduled to prepare, adopt and transmit its Evaluation and Appraisal Report (EAR) to the Florida Department of Commerce.





The City's annual budget shall include in its capital appropriations all projects in the Schedule of Capital Improvements that are planned for expenditure during the next fiscal year. The annual Capital Improvements Program (CIP) shall be prepared in conjunction with the annual budget process and the review and update of the Capital Improvements Element (CIE). The CIP shall contain all of the projects listed in the Schedule of Capital Improvements in the updated version of the CIE. The City Staff shall initiate preparation of the CIP and the revision of the CIE, as applicable. As each new fiscal year begins, the capital improvements scheduled for the next year will roll over into the 5-year CIP.

GOAL 8.1: CAPITAL PLANNING PROGRAM

Implement a capital planning program that provides and maintains in a timely, efficient, and fiscally prudent manner public facilities and services which protect the public health, safety and welfare; adequately serve existing and new development; is consistent with the City of Palm Coast's future land use plan; achieve and maintain adopted facility levels of service; maintain the existing infrastructure; and minimize public costs.

FINDING: The various elements of the Comprehensive Plan identify capital project and expenditures that are needed to meet existing deficiencies and accommodate future growth. Development trends demonstrate that the population is growing at a faster rate than the Bureau of Economic and Business Research indicates in its annual population estimates. Thus, the capital projects identified in Exhibit 8.2 of the Capital Improvements Element must be accomplished to ensure basic public facilities and services adequately address the needs identified in the Data and Analysis.

Objective 8.1.1 - Adoption and Update of Capital Improvements Element

Use the Capital Improvements Element (CIE) to guide the programming and implementation of public facility improvements to correct existing deficiencies, repair and replace worn out or obsolete facilities and to accommodate previously approved and new growth in an efficient, cost effective, and timely manner.    

Policy 8.1.1.1 - The Capital Improvements Element shall include an annual schedule of the capital improvements for which the City has fiscal responsibility to maintain the level of service standard, adopted in the public facility elements of the Comprehensive Plan. (See **Exhibit 8.1**).

Policy 8.1.1.2 - The Capital Improvements Element shall concentrate on the first five (5) years of capital needs, and shall be reviewed and updated annually by October 1. (See 5-year Capital Improvements Program for the schedules of improvements for each facility element in **Exhibit 8.2, and Exhibit 8.3**).

Policy 8.1.1.3 - The Capital Improvements Element includes, by reference, the Flagler County School District Work Plan as adopted on an annual basis by the Flagler County School Board.

Policy 8.1.1.4 - The schedule of capital improvements shall be based upon the Future Land Use Element and the public facility elements of the Plan and shall be consistent with all other Plan Elements.

Policy 8.1.1.5 - Adoption of annual budgets shall include a specific capital budget, which shall implement adequate funding sources and be consistent with the Capital Improvements Element.

Policy 8.1.1.6 - Capital projects shall be evaluated for possible addition to the Capital Improvement Program schedule of projects. The following (including a LOS priority of funding) will be used to prioritize the City's schedule of public capital improvements/expenditures:

- A. The elimination of public health and safety hazards;
- B. Replacement or rehabilitation of facilities and the elimination of existing capacity deficiencies necessary to maintain level of service standards;
- C. Necessity for compliance with statutory or regulatory requirements;
- D. Provision of capacity for redevelopment and new development, based upon projected growth patterns;
- E. Coordination of improvement programs with State agencies, such as the St. Johns River Water Management District, providing facilities within the City;
- F. Provision of capacity within the service areas and urban centers established in the facility elements of this Plan;
- G. Compliance with and support of locational policies established in the Future Land Use, public facilities, and other elements of this Plan;
- H. Improved efficiency/cost-effectiveness of City operations;
- I. Cost impacts to annual operating budgets; and
- J. Possible availability of private funds such as, developer contributions in the context of public/private partnerships.
- K. Necessary supporting infrastructure for existing and proposed school facilities in coordination with the Flagler County School Board and the *Interlocal Agreement for Public School Facility Planning*.

Policy 8.1.1.7 The City shall review and evaluate available and potential funding sources to ensure a financial strategy exists to adequately fund the 5-year Capital Improvements Plan. If alternative funding sources are not successfully adopted and implemented on the schedule identified, the City may:

- A. Increase the rates of current revenue sources or implement other available sources such that the schedule of capital improvements is adequately funded in each budget year; **or**
- B. Amend the Future Land Use Element, Capital Improvements Element, and public facility elements including level of service (LOS) standards and the schedule of capital improvements, as appropriate and necessary, such that internal consistency of the Plan is maintained.

Objective 8.1.2 - Capital Improvements Program

The City shall use the Capital Improvements Program (CIP) process for the update and refinement of multi-year projections of fiscal resources such that a financially feasible schedule of capital improvements is maintained. 💰

Policy 8.1.2.1 - The Capital Improvements Program shall establish the schedule and process for regular, periodic evaluation and updating of multi-year financial projections and of fiscal policies, practices, and strategies for all City programs, services and facilities.

Policy 8.1.2.2 - This CIE shall be addressed and updated on an annual basis by the City upon adoption of each fiscal year's budget and the CIE and the CIP shall be harmonized and consistent with one another and shall guide the capital improvements program of the City.

Policy 8.1.2.3 – The CIP shall be updated annually, by October 1, to reflect the adopted budget and include those capital improvement projects identified in the first five years. The Water

Supply Facilities Work Plan shall be updated and adopted by June 12, 2025. Any water supply capital improvement projects needed in the first five (5) years through 2030 shall be included in the City's Five Year CIP.

Policy 8.1.2.4 – The Capital Improvements Program shall embody and be consistent with the following:

- A. Maintenance of existing infrastructure, including renewal/replacement of worn-out facilities and rehabilitation/reuse of existing facilities, shall be specifically projected and the projected funding identified;
- B. Debt obligations shall be specifically identified and projected to ensure compliance with debt covenants, including coverage requirements;
- C. A debt management strategy and set of criteria, which shall be based upon the debt management principles set forth in subsequent Policy 8.1.2.6;
- D. Maintenance of levels of undesignated reserves adequate to serve sound public fiscal management purposes; and
- E. Equity of the uses of a revenue source relative to the populace generating the revenue.

Policy 8.1.2.5 – Concurrent with the inclusion of a capital improvement in the Capital Improvements Program and the CIE, associated impacts to annual operating budgets shall be projected and proposed funding strategies identified.

Policy 8.1.2.6 – The City shall manage debt issuance and obligations according to sound public fiscal management principles, including the following:

- A. Debt issuance will be included in the City's long-term capital plan.
- B. The City will only issue debt to fund capital expenditures that have an expected life greater than five (5) years.
- C. Debt may not be issued for a period of more than thirty (30) years or the expected useful life of the asset being funded, whichever is less.
- D. Total City debt will not exceed fifteen percent (15%) of the taxable value of property located within the City, provided, however, that this policy shall not apply to the fiscal operations of the City's utility systems.
- E. Credit enhancement will be utilized when necessary to lower total borrowing costs.

City bond issues are separated into three categories:

- A. General Obligation Debt- Bonds secured by the ad valorem tax paying power of the City. Bonds may be limited as detailed in the voter referendum required prior to issuance of all general obligation bonds.
- B. Special Obligation Debt- Bonds secured by a pledge of special revenue such as Sales Tax or Local Option Gas Tax are not backed by the ad valorem taxing power of the City.
- C. Enterprise Fund Debt- Bonds secured by a pledge of revenue in enterprise fund such as a "Water and Sewer" enterprise fund.

Objective 8.1.3 - Level of Service (LOS) and Development Approvals

By adoption and implementation of the Palm Coast Comprehensive Plan, land use decisions shall require maintenance and achievement of adopted level of service (LOS) standards and shall be

coordinated with the Capital Improvements Element and public facility elements including the adopted schedule of capital improvements.

Policy 8.1.3.1 - Exhibit 8.1 shall identify the adopted LOS standards for each public facility. **Exhibit 8.2, Exhibit 8.3, and Exhibit 8.4** shall detail the annually adopted 5-year capital expenditure program supporting the goals, objectives and policies in the Plan Elements.


Policy 8.1.3.2 – For the purposes of approving new development subsequent to adoption of this Plan, all adopted public facility LOS standards and schedules of capital improvements shall be applied and evaluated in any new development reviews and approvals consistent with policies of the Infrastructure Element and the *Interlocal Agreement for Public School Facility Planning*. A final Development Order shall be issued only if this evaluation finds that the needed public facilities that meet the adopted LOS standards are available or are assured to be available concurrent with the impacts of the development. Preliminary development orders shall only be issued with the condition that no rights to obtain final development orders or development permits, nor any other rights to develop the subject property are granted or implied by the City's approval of the preliminary development order.

Policy 8.1.3.3 - To guide provision of adequate public facilities concurrent with the impacts of development, the schedule of capital improvements for each public facility type shall be accompanied by a summary evaluation of capacity needs and availability for at least the 5-year period.

Policy 8.1.3.4 – The City shall adopt a monitoring system that enables the City to determine whether it is adhering to the adopted LOS standards and the schedule of capital improvements. Findings and determinations from the monitoring system shall be used in each review and update of this Capital Improvements Element.

Policy 8.1.3.5 - The City of Palm Coast Utility Department shall collaborate with landowners of any lands annexed to prepare a Potable Water, Wastewater and Reclaimed Master Plan that identifies the most efficient manner to serve the annexed lands while protecting natural resources. Any applicable Potable Water, Wastewater and Reclaimed Master Plan may consider additional lands owned by the landowner and its affiliates that are intended for future annexation. Prior to the commencement of any vertical development on applicable annexed lands, the landowners and the City of Palm Coast will enter into a Utility Service Agreement through which the City of Palm Coast will commit to serve the annexed lands (and any additional lands that may be annexed in the future) consistent with the terms of the Utility Service Agreement. Any necessary water and/or wastewater facilities needed to serve any annexed lands or future annexed lands shall be added to the City's Five-Year Schedule of Capital Improvements at such time as the facilities contemplated in the Utility Service Agreement fall within the fifth year of the schedule.

Objective 8.1.4 - User Pays Principle

Development shall bear a proportionate cost of needed facility improvements consistent with Chapter 163., Part II, Florida Statutes. 

Policy 8.1.4.1 – Consistent with state law, development will bear a proportionate share of the cost of providing new or expanded public facilities required to maintain and achieve adopted levels of service through mechanisms such as impact fees, capacity fees, developer dedications,

developer contributions pursuant to land development regulations and special benefit assessment/taxing districts. Under no circumstance shall a developer be required to mitigate development impacts in excess of its impacts as determined by the level of service standards in the Plan and consistent with State law.

Policy 8.1.4.2 - The City shall regularly evaluate the following:

- A. Whether present fee levies are adequate to address impacts of inflation;
- B. Whether the City needs to appropriate new impact fees; and
- C. Whether capacity fees, user charges, special benefit assessment/taxing districts and other mechanisms are adequately and fairly meeting the fiscal demands placed on the City by new development.

Exhibit 8.1 – Levels of Service (LOS) Standards

Streets: Street network peak hour/peak direction LOS standards shall be as set forth below:

Street Type	LOS
Arterials	D
Collectors	D
Highways*	D

*The City adopts a LOS consistent with Florida Department of Transportation requirements for the Strategic Intermodal System (SIS) and the State Highway System (SHS) for the following facilities:

SIS: SR9/I-95
SR 100/Moody Blvd (US-1 to I-95)

SHS: SR 5/US-1
SR 100/Moody Blvd (East of I-95)

Public Recreation and Open Space: Recreation and Park LOS standards shall be eight (8) acres per 1,000 population of which park acreage shall consist of three (3) acres of resource-based and five (5) acres of activity-based parkland; 25% of the total park site shall be dedicated to resource-based facilities, open space or natural areas; and activity-based recreation and park facilities shall be planned and developed to ensure the availability of active facilities within 3 miles of most residents.

Potable Water: 95 gallons per capita per day based on an equivalent residential unit (ERU) of 2.5 persons per capita/day; minimum pressure shall be held at 20 pounds per square inch; and storage capacity shall be 25% of the maximum-day water demand.

Wastewater: 82 gallons per capita per day based on an equivalent residential unit (ERU) of 2.5 persons per capita/day and a maximum daily flow of 93 gallons per capita per day.

Stormwater: LOS standards for stormwater quantity and quality, at a minimum, shall be the requirement established by the SJRWMD and other applicable regulatory requirements.

Solid Waste: 8.6 pounds per capita per day, with one (1) year operational capacity in the Volusia County landfills and a minimum planned capacity of five (5) years per the adopted interlocal agreement.

Public School Facilities:

- **Elementary*:** one hundred percent (100%) of permanent Florida Inventory of School Houses (FISH) capacity with State Requirements for Educational Facilities (SREF) utilization factor;
- **Middle*:** one hundred percent (100%) of permanent FISH capacity with SREF utilization factor;
- **K-8*:** one hundred percent (100%) of permanent FISH capacity with SREF utilization factor;

- **High***: one hundred percent (100%) of permanent FISH capacity with SREF utilization factor; and
- **Special Purpose***: one hundred percent (100%) of permanent FISH capacity with SREF utilization factor.

*The City, in coordination with the School District, shall allow relocatables to be utilized to maintain the LOS standards on a temporary basis when construction to increase capacity is planned and in process. The temporary capacity provided by relocatables shall not exceed twenty percent (20%) of the permanent FISH capacity and shall be used for a period not to exceed five (5) years. Relocatables may also be used to accommodate capacity utilized for any specific education/development programs as required by law and/or adopted by the School Board.