

Subject: Crony Capitalism - \$5.2 million to developers

From: Mike Hutchinson <mph_04@verizon.net>

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To: mmoran@scgov.net

CC: Eileen Fitzgerald <emf@verizon.net>

Dear Commissioner Moran,

When Eileen and I came to visit you we talked about Utilities moving funds to support development. You asked about it in your email. Here are the details.

On June 5, 2019 the Board of County Commissioners voted on the 3 items related to item #4 on the agenda, PUBLIC UTILITIES. See Item 4 in the minutes (<https://berncreek.net/files/BCC-2019-06-05.htm>) of that meeting. There was no staff presentation, no discussion, no questions by any of the Commissioners. Yet the vote was 5 – 0!

The Lakepark Estates hamlet was approved by the Commission in a public meeting (Dec. 10, 2014) where Lakepark agreed to pay to run the water and sewer lines to their development.

Now 5 years later in a non-public meeting, you have agreed to pay the up front utility costs for Lakepark Estates and for the North Fruitville Hamlet Utility Group. This is a \$5.2 million gift to developers. This was done based on a memo (https://berncreek.net/files/memo_to_BCC_6-5-19.pdf) from Michael J. Mylett, Interim Director, Public Utilities dated June 5, 2019. This memo has a number of issues:

1. The memo states on page 2 that a 5 acre tract with "high service pumps and a ground storage tank" will be located west of the development. First, this is in the open space required for the hamlet. A pump station is not an allowed use of open space. Second, property owners bordering this area were not informed of the proposed change. As the President of Bern Creek HOA which borders this area to the north I was not informed. Third, if this 5 acres is removed from the open space to become County owned property this reduces Lakepark acreage by 5 acres. Lakepark was approved as 400 homes on 1000 acres to meet 2050. It now no longer meets 2050.
2. Again on page 2 the memo states "Assuming the properties are rezoned in accordance with 2050, staff is aware that approximately 1,600 residential units might be developed on the 4,000 acres...." This is incorrect. Staff knows that CPA-2018-C is in process (will go to the Planning Commission Sept. 17) and it requests to triple the density (https://berncreek.net/files/Status-07-17_CPA_2018-C.pdf).
3. Page 2 states "...in order to meet the requirement of fiscal neutrality as set forth in 2050, Utilities intends to recover 100% of the \$5.2 million cost...." The plan provided in the memo does not show how 100% of the cost will be recovered. See the next 3 paragraphs.
4. Page 2 clearly states future residents of Lakepark Estates will pay back \$3 million, just under 60% of the cost.
5. Page 3 states "...staff will bring back to the Board in the near future a request to approve a new line extension fee in the Utilities rate resolution to be paid by those residential units in the Fruitville area...."

This implies existing residents will pay the \$2.2 million balance. That is not true. Utilities has stated that low density areas along Fruitville (current and future) will not be hooked up to County Utilities. It appears that these residential units are those proposed in CPA-2018-C which has not been approved. In fact Planning has found major problems with CPA-2018-C. Long Range Planning says the "Application is

insufficient as submitted." ([https://berncreek.net/files/Status-07-17 CPA 2018-C.pdf](https://berncreek.net/files/Status-07-17_CPA_2018-C.pdf)). Also there is no plan on how to reimburse the \$2.2 million Lakepark is not covering.

6. The County is spending \$5.2 million and is being reimbursed over an unknown number of years and is not receiving any interest on the money loaned to the developers.
7. There is not a bond to guarantee the County will be paid by Lakepark or by North Fruitville Hamlet Utility Group (CPA-2018-C). If either of these developments fails, the County tax payer will be out millions of dollars.
8. Page 4 states that the funding will come from the "...Utility System Operation and Maintenance Fund Balance...." Basically funds are being diverted to subsidize developers that should be used for current maintenance that might help with the constant spills that are polluting our waterways and beaches.

This vote is an embarrassment to the Republican Party of Sarasota that I believe will cost ALL Republicans running in the upcoming election. Some Republican voters will vote against this "crony capitalism" and others will be turned off and stay home.

When Eileen and I recently talked to you and Commissioner Zeigler about this vote, you both seemed unaware of the details behind this agreement. If it is true that you were unaware of the facts in this case, you need to do something to rectify it immediately!

Most Sincerely,

Mike Hutchinson & Eileen Fitzgerald

Committeeman & Committeewoman Precinct 106