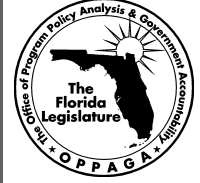




Office of Program Policy Analysis And Government Accountability



John W. Turcotte, Director

March 1998

Review of Privatization Potential of Select Special Districts

Abstract

- Some special districts, such as those providing water, sewer, and solid waste services, generate income and offer potential for complete privatization. This determination would need to be made on a case-by-case basis.
- Some functions within special districts offer potential for privatization. These determinations would also need to be made on a case-by-case basis.
- The 1997 Legislature established a special district oversight review process which may facilitate privatization decisions.
- Complete privatization of most of the special districts we examined, however, is not feasible either because they do not generate sufficient income or they exist to issue tax-exempt bonds.

Purpose

The Joint Legislative Auditing Committee requested that the Office of Program Policy Analysis and Government Accountability (OPPAGA) review special districts that either met the statutory criteria for being in a state of financial emergency or were out of compliance with financial reporting requirements. The purpose of this review was to determine the potential for privatizing or eliminating some of these special districts. In addition, we reviewed the districts' compliance with financial reporting requirements and current financial status.

As of March 31, 1997, 100 special districts (74 dependent and 26 independent districts) met the

selection criteria established by the Joint Legislative Auditing Committee.¹ (See Appendix A for a list of special districts in our study.) These districts were responsible for services including housing, community development, health care financing, transportation, cultural, fire, solid waste, and water and sewer (see Exhibit 1). Our review was limited to these districts.

Exhibit 1
Types of Districts in Our Study

District Type	Dependent District	Independent Districts
Housing and Housing Finance	34	8
Local Development ¹	24	10
Health Care Finance	13	0
Transportation and Navigation	1	4
Cultural and Recreational	1	0
Fire	0	1
Solid Waste	0	1
Water and Sewer	1	2
Total	74	26

¹These districts include community and county development, educational, industrial development, neighborhood development, and other related community development districts.

Source: Department of Community Affairs

Background

¹ A dependent special district is basically an extension of the general-purpose local government (municipality or county), where the governing board of local government has certain control over the district. While independent special districts should cooperate and coordinate with the general-purpose local government, they are independent and are not controlled by the local government. Also, independent districts may provide services within more than one local government's jurisdiction.

Special districts are local special purpose governments that are authorized by state law to manage, own, operate, construct, and finance capital infrastructure, facilities, and services. Special districts generally finance service costs through ad valorem taxes, special assessments, or fees. Individuals who reside or own property within the districts' service boundaries and who benefit from the districts' services pay these costs. In Fiscal Year 1996-97, Florida had 986 special districts, including 501 dependent districts and 485 independent special districts.

Over the last 30 years, the Legislature has increased oversight mechanisms for special districts. In the 1960s and 1970s, the Legislature passed several laws increasing the state's and general-purpose local governments' ability to oversee finances of special districts. The Legislature passed the Uniform Special District Accountability Act of 1989, which contained requirements intended to make special districts more accountable to the people they serve and improve their coordination and communication with general purpose local governments. In 1997, the Legislature further strengthened these accountability measures by enacting Ch. 97-255, Laws of Florida, which established a process by which local governments may review special districts.

Findings

Complete Privatization of Most Special Districts Is Impractical; However, Districts Can Privatize Some of Their Functions.

With the exception of a few districts that have income-generating potential, special districts provide services that are not feasible for complete privatization. Of the 100 special districts in our study, 96 had characteristics that limited their potential to be completely privatized. However, special districts can privatize some functions, and some districts may realize cost savings from such privatization. The potential for complete or partial privatization of special district activities varies and must be assessed on a case-by-case basis.

Complete Privatization

Special districts are generally created due to the need for services usually provided by government. Their local special-purpose governmental status provides an alternative mechanism for meeting these types of service needs. The statutory criteria for creating special districts requires that interested parties provide an explanation as to why the special district is the best alternative for providing services. Privatization is

more likely for services that have the potential to generate income. (See Appendix B for privatization potential of the districts in our study.) Complete privatization is not feasible for districts that:

- have limited income generating potential; or
- issue tax-exempt bonds.

Limited Income Generating Potential. Many of the special districts in our study had limited income-generating potential. For example, 38 of these districts were public housing authorities that operate low-income housing facilities. These housing authorities have been established to help limited income persons or families obtain housing by subsidizing their rental payments.² The subsidies are financed primarily through grants provided by the federal government's Department of Housing and Urban Development (HUD). Typically, a private housing provider, who is not eligible for federal housing grants, could not generate sufficient operating income from these low-income residents to cover its costs. In addition, HUD places long-term conditions on the authorities' rental rates, tenant composition, and sale of structures that limit their ability to generate profits.

Other special districts with limited income potential include those providing community development, community redevelopment, and neighborhood improvement services. These districts renovate or revitalize blighted communities and typically do not generate income. These districts also exercise various special-purpose governmental powers, such as the power of eminent domain, and the ability to assess ad valorem taxes that could not be granted to a private concern.

Other special districts with limited income-generating ability or special-purpose governmental powers included districts providing regional transportation and navigation services and cultural and recreational services.

Tax-Exempt Bond Issuers. Twenty-eight of the special districts in our review had the sole purpose of issuing tax-exempt bonds. These bonds must be issued for a public purpose by or under the control of a state or local government. Special districts often issue these bonds and cannot be dissolved without retiring the district's indebtedness. This makes privatization of these districts impractical.

Districts With Potential for Complete Privatization

² Limited income generally means an income of 0% to 30% of an area's median income.

Although complete privatization of most special districts in our study was impractical, two types of districts had income-generating potential that could enable them to be completely privatized: water and sewer and solid waste management services. Private sector companies in a number of communities are providing these services on a fee-for-service basis. In Florida, approximately 272 private companies provide water and wastewater services in 39 counties. Four of the special districts in our study and 27 districts statewide provide water and solid waste services. These districts offer some potential for considering privatization.

Partial Privatization

While limited opportunities exist for eliminating and completely privatizing special districts, districts are privatizing some of their functions. Of the 100 special districts in our study, 66 responded to an OPPAGA survey. Twenty-three of these special districts indicated that they are currently contracting for the provision of various district functions ranging from administrative, legal, and management functions to custodial and maintenance functions.

For example, a director of a housing authority indicated that her special district has contracted with a private company for all management services such as administrative services, facilities maintenance, collection of rents, etc. In this example, partial privatization is operating well; the district estimated that it reduced its expenses by approximately \$5,000 a month by privatizing management services. The district director indicated that the contractor was very knowledgeable about federal housing regulations and had experience with low-income housing.

Case-By-Case Determination Needed

Even though some special districts may be candidates for complete or partial privatization, the potential for successful privatization varies according to local factors. For example, some special districts with income-generating potential may not be attractive to private companies because their service areas are too small to generate sufficient income to pay for their infrastructure needs. In addition, the potential for special districts to privatize some of their functions depends on the availability of private companies in their areas. Consequently, the determination of whether a special district could benefit from privatization needs to be made on a case-by-case basis.

Local Governments Are Generally Satisfied with the Performance of Special Districts, and Mechanisms Exist for Dissolving Special Districts That Do Not Meet Expectations.

Given the variability in local conditions, determinations concerning the potential for privatization would need to be made on a case-by-case basis. Statutory mechanisms are in place that allow for district dissolution or for local government review of special district performance. We contacted representatives of general purpose local governments to better determine their general satisfaction level with special districts.

Local governments generally appear to be satisfied with the performance of special districts. According to a representative of the Association of Counties, general purpose local governments generally support special districts. In addition, representatives of five general purpose local governments we interviewed expressed satisfaction with the ten special districts in our study that were operating within their areas.

However, representatives of the Florida League of Cities expressed concern over independent special districts. Although these representatives expressed general satisfaction with dependent special districts, they believed independent special districts could be providing services that duplicate or compete with the services provided by municipalities. When this occurs, local governments must obtain legislative action to dissolve the independent special district.

Both dependent and independent districts can be dissolved by the entity that created them, which would be either a general purpose local government or the Legislature. As shown in Exhibit 2, during the last five fiscal years over 250 special districts have been dissolved. However, the total number of districts has increased because more special districts were created than dissolved during that period.

**Exhibit 2
Many Special Districts Have Been
Dissolved Since Fiscal Year 1992-93**

Fiscal Year	Number of Special Districts Dissolved	Total Districts
1992-93	42	952
1993-94	54	973
1994-95	68	977
1995-96	85	983
1996-97	6	986
Total	255	

Source: Department of Community Affairs

Chapter 189, F.S., provides a process by which local general purpose governments may review the need for and performance of both the dependent and independent special districts in their area. During these reviews local governments assess the extent to which special districts are needed by and contribute to the well-being of the community. In addition, local governments determine whether the special districts'

services could be delivered in a less costly manner or by an entity other than a special district. They also assess the districts' compliance with financial reporting requirements. As a result of these reviews, general purpose local governments can dissolve dependent special districts or recommend that the Legislature dissolve independent special districts.

Improvements Could Be Made in Financial Reporting Process and Financial Emergency Criteria.

The Legislature has established a number of reporting requirements for special districts intended to increase accountability. Two of the financial reporting requirements relate to financial reports and financial audits.³ Many of the special districts in our study have not met financial reporting requirements. However, recent changes should improve compliance with these requirements.

Financial Reporting Requirements

As of March 31, 1997, 86 of the 100 special districts in our study had not submitted financial reports to the Comptroller and 9 had not submitted financial audits to the Auditor General for Fiscal Year 1994-95. As of January 1998, 65 special districts still had not submitted their financial reports to the Comptroller and 9 had not provided financial audits to the Auditor General for Fiscal Year 1994-95.

Special districts gave various reasons as to why they had not met financial reporting requirements. Their major reasons included not being notified of requirements, their belief that they had complied with the requirements, and their lack of financial activities. Some determinations of noncompliance resulted from miscommunication between the special districts and the Comptroller's Office. The financial reports of some dependent special districts were included in the parent local government's financial report but did not include the appropriate notification to the Comptroller's Office, and the Notes to the Financial Statements of the parent local government did not provide adequate disclosure regarding whether the dependent districts were included or not. If the parent government fails to complete the notification form or completes it incorrectly, the determination of compliance in reporting can be distorted.

³ For the 1994-95 Fiscal Year, s. 218.32(1)(b), F.S., required all special districts to submit financial reports to the Comptroller, and s. 11.45(3)(a)5., F.S., required special districts with revenues or expenditures exceeding \$25,000 or that had outstanding bonds in excess of \$500,000 to submit financial audit reports to the Auditor General. Six districts in our study met both of these criteria, but had not complied with either.

Recent changes should improve special district compliance with financial reporting requirements. The Department of Community Affairs, which is responsible for maintaining information about special districts, has summarized and sent information concerning reporting requirements to all special districts and local governments in December 1997. This was an attempt to increase compliance. In addition, the Legislature amended Ch. 189, F.S., to authorize the Department of Community Affairs to levy fines against districts that fail to comply with reporting requirements. As a result of this change, the Department intends to begin implementing new procedures for Fiscal Year 1997-98 to notify special districts when they do not comply with reporting requirements and to fine them if they fail to come into compliance.

Further enhancements to the Special District Information Program information system should aid the Department of Community Affairs in tracking special district compliance with reporting requirements. In 1995, OPPAGA recommended that the Department improve its Special District Information Program.⁴ DCA staff have since made revisions and improvements to the information system to make information more readily available and easily manipulated. The Department has also implemented changes to improve the accuracy and completeness of its special district information system.

Financial Emergencies

For the districts that have submitted their required financial audit reports, few of the districts previously identified as having financial emergencies continue to be in a financial emergency. Eleven special districts in our study met the criteria for financial emergency for Fiscal Year 1994-95. According to their Fiscal Year 1995-96 audit reports, only five of these districts remained in a financial emergency as defined by statute. However, only two districts appear to be facing a true financial crisis in terms of their ability to meet current obligations. These two districts, Lanark Village Water and Sewer and Reserve Community Development districts, are the only ones the Governor's Office considers to be in a true financial crisis. The Governor's Office is currently working with these districts to help resolve their problems.

Many of the special districts reported to be in a financial emergency may not be experiencing true financial crises. This occurs because one of the statutory criteria for a financial emergency does not necessarily indicate a special district's solvency or

⁴ OPPAGA Report No. 95-22, December 1995.

ability to pay its current obligations. The problem lies with the criteria regarding an unreserved fund balance/retained earnings deficit for two successive years (s. 218.503(1)(d), F.S.). Unlike the other statutory criteria that are met by conditions that indicate immediate financial crises, this criteria could be met by conditions attributable to accounting practices.⁵ Thus, special districts deemed to be in a state of financial emergency because they meet this criteria could actually be in a sound financial position. Most financial emergency situations reported for special districts or local governments are triggered by this criteria and do not indicate true financial crises.

This criteria can be needlessly damaging to districts that are not facing true financial crises and is not needed to identify special districts with financial emergencies. Special districts that are falsely labeled as being in financial emergencies can suffer adverse publicity and may lose the ability to borrow money at favorable interest rates. CPA firms that conduct district financial audits are responsible for assessing special districts' financial conditions and can identify those truly in financial crises. In addition, pursuant to s. 11.45(3)(a)11., F.S., the Joint Legislative Auditing Committee and the Governor's Office are notified of financial emergencies disclosed by the Auditor General's review of special district audit reports prepared by the CPA firms.

Conclusions and Recommendations

Some special districts, such as those providing water, sewer, and solid waste services, generate income and offer potential for complete privatization. Some functions within special districts also offer potential for privatization. These determinations would need to be made on a case-by-case basis. Complete privatization of most of the special districts we examined, however, is not feasible because either they do not generate sufficient income or they exist to issue tax-exempt bonds.

There is now a process by which local governments can review special districts in their locale to determine if the special districts are still needed. In 1997, the Legislature enacted provisions allowing general purpose local governments to conduct oversight reviews of the independent and dependent special districts operating in their areas. These reviews should be used to guide decisions about the performance and continuation of special districts.

⁵ The types of accounting practices relate to depreciation and bond refunding.

Special district compliance with financial reporting requirements needs to improve. The Department of Community Affairs should continue to improve its oversight process of financial reporting requirements for special districts.

The financial emergency criteria prescribed by s. 218.503(1)(d), F.S., is not necessarily indicative of a true financial crisis, can misrepresent the financial condition of some districts, and is not needed. We recommend that the Legislature eliminate s. 218.503(1)(d), F.S., regarding unreserved fund balance/retained earnings deficits.

Agency Response From the Department of Community Affairs

March 3, 1998

Mr. John W. Turcotte, Director
Office of Program Policy Analysis
and Government Accountability
Post Office Box 1735
Tallahassee, Florida 32302

RE: Preliminary and Tentative Audit Findings,
Privatization Potential of Select Special Districts

Dear Mr. Turcotte:

We have reviewed the preliminary and tentative audit findings and recommendations included with your letter dated February 16, 1998. As required by Section 11.45(7)(d), Florida Statutes, our response is attached.

We appreciate the recommendations, constructive comments, and technical assistance provided by your staff. If further information is needed, please contact Mr. Charles Anderson, our Inspector General, at 487-4658.

Sincerely,

/s/ James F. Murley
Secretary

JFM/cas

Enclosure

**Department of Community Affairs Response to
Report No. 97-
Review of Privatization Potential of Select
Special Districts
Authored by the Office Program Policy Analysis and
Government Accountability
John W. Turcotte, Director**

FINDINGS

1. Complete Privatization of Most Special Districts Is Impractical; However, Districts Can Privatize Some of Their Functions.

Agency Response: This has no impact on the Department's Special District Information Program (SDIP) or its responsibilities.

2. Local Governments Are Generally Satisfied with the Performance of Special Districts, and Mechanisms Exist for Dissolving Special Districts That Do Not Meet Expectations.

Agency Response: The Department is concerned about its ability to dissolve special districts that do not meet expectations. Section 189.4044, *Florida Statutes*, authorizes the Department to declare inactive any special district by filing a report showing that the special district is no longer active. The Department must file this report with the Speaker of the House of Representatives and the President of the Senate. The inactive status of the special district must be based upon one of the following:

- 1) The special district has taken no action for two calendar years;
- 2) The special district has not had a governing board or a sufficient number of governing board members to constitute a quorum for 18 or more months;
- 3) The special district has failed to file or make a good faith effort to file any of the reports listed in Section 189.419, *Florida Statutes*; or,
- 4) The special district has failed, for two consecutive years, to pay SDIP assessed fees.

In addition, Section 189.4044(1)(a)4(b), *Florida Statutes*, requires the publishing of the proposed declaration of inactivity. This notice must be published once a week for four weeks in a newspaper within the special district's county or municipality. The ad must state specific information. Once a special district has been declared inactive, it must be dissolved by repeal of its enabling laws.

No formal methods exist to notify the Department that (1) and (2) are applicable to a certain special district. Based on telephone calls from citizens and others, along with returned/refused mail and disconnected telephones, the Department is aware that many independent special districts exist in which (1) and (2) are applicable. However, no party has been willing to certify this information to us. Furthermore, because the special districts are "unofficially inactive" no staff or funds exist within the special district to take care of the newspaper notices. The Department will be tracking (3) and (4). However, the statutes do not indicate who pays for the newspaper notices, which can be very expensive. The SDIP does not have the funds or staff capacity to handle the publication of the newspaper notices.

The oversight review process does not impact the SDIP or its responsibilities.

3. Improvements Could Be Made in Financial Reporting Process and Financial Emergency Criteria.

Agency Response: The Department agrees that improvements could be made in the financial reporting process. The reporting requirements information sent by the Department in December 1997 resulted in numerous telephone calls to the SDIP for technical assistance. Many of the callers indicated that they had previously been unaware of certain reporting requirements but would begin complying with the requirements. Furthermore, the SDIP has heard from several state agencies that verified the reporting requirements information resulted in many telephone calls for technical assistance calls and an immediate increase in compliance.

The Department is committed to improving financial reporting compliance. Last year, the Department amended its rule to provide a process to fine special districts that do not comply with such requirements and will begin doing so this year. Planned database enhancements this year, in addition to those last year, will assist the Department in this process. Furthermore, the Department asked the following professional organizations and government agency, which publish newsletters, to remind special districts and local governments of their reporting responsibilities.

- Florida Government Finance Officers Association
- Florida Association of Counties
- Florida League of Cities, Inc.
- Florida Department of Banking and Finance

The Department's reporting requirements mailout also reminded local governing authorities that they have the responsibility of reporting noncompliance with reporting requirements. The Department will continue to improve its oversight process of special district financial reporting compliance and will appreciate any suggestions concerning this effort.

The financial emergency issue does not impact the SDIP or its responsibilities.

CONCLUSIONS AND RECOMMENDATIONS

Agency response is included in responses to findings above.

Appendix A
Special Districts in Our Study
(Status as of March 31, 1997)

District Name	Did Not File Fiscal Year 1994-95 Audit Report	Did Not File Fiscal Year 1994-95 Financial Report	In A State of Financial Emergency Fiscal Year 1994-95
Alachua County Health Facilities Authority	✓	✓	
Alachua County Housing Finance Authority		✓	
Apalachicola Community Redevelopment Agency (Franklin Co.)		✓	
Arcadia Housing Authority (DeSoto Co.)		✓	
Aucilla Area Solid Waste Administration (Jefferson Co.)			✓
Bartow Housing Authority (Polk Co.)		✓	
Bay County Law Library		✓	
Belle Glade Housing Authority (Palm Beach Co.)		✓	
Bradén River Fire Control and Rescue District (Manatee Co.)			✓
Bradford County Development Authority		✓	
Bradford County Health Facilities Authority		✓	
Brevard County Educational Facilities Authority	✓	✓	
Brevard County Health Facilities Authority	✓	✓	
Brevard County Housing Authority		✓	
Broward County Education, Research and Training Authority		✓	
Charlotte County Housing Finance Authority		✓	
Chipley Housing Authority (Washington Co.)		✓	
City of Cape Coral Health Facilities Authority (Lee Co.)	✓	✓	
Delray Beach Housing Authority (Palm Beach Co.)		✓	
Dunedin Housing Authority (Pinellas Co.)		✓	
Dunes Community Development District (Flagler Co.)			✓
Enterprise Zone Neighborhood Improvement District (Alachua Co.)		✓	
Eustis Health Facilities Authority (Lake Co.)		✓	
Falls Chase Special Taxing District (Leon Co.)		✓	
Fernandina Beach Housing Authority (Nassau Co.)		✓	
Flagler County Housing Authority		✓	
Fort Myers Housing Authority (Lee Co.)		✓	
Fort Pierce Housing Authority (St. Lucie Co.)		✓	
Franklin County Industrial Development Authority		✓	
Gilchrist County Housing Authority		✓	
Gretna Housing Authority (Gadsden Co.)		✓	
Hamilton County Development Authority		✓	
Hialeah Housing Authority (Dade Co.)		✓	
Hillsborough County Industrial Development Authority	✓		
Hollywood Housing Authority (Broward Co.)		✓	
Homestead Housing Authority (Dade Co.)		✓	
Housing Authority of the City of Orlando (Orange Co.)		✓	
Jacksonville Housing Authority (Duval Co.)		✓	

Appendix A (Continued)

District Name	Did Not File Fiscal Year 1994-95 Audit Report	Did Not File Fiscal Year 1994-95 Financial Report	In A State of Financial Emergency Fiscal Year 1994-95
Lafayette County Recreation District		✓	
Lake Wales Housing Authority (Polk Co.)		✓	
Lake Worth Community Redevelopment Agency (Palm Beach Co.)		✓	
Lakeland Housing Authority (Polk Co.)		✓	
Lanark Village Water and Sewer District (Franklin Co.)			✓
Leon County Educational Facilities Authority	✓	✓	
Levy County Housing Authority		✓	
Live Oak Housing Authority (Suwannee Co.)		✓	
Madison Community Redevelopment Agency (Madison Co.)		✓	
Manatee County Housing Authority		✓	
Marianna Housing Authority (Jackson Co.)		✓	
Marion County Industrial Development Authority		✓	
Martin County Industrial Development Authority		✓	
Miami Beach Housing Authority (Dade Co.)		✓	
Miami Beach Neighborhood Improvement District #1 (Dade Co.)		✓	
Miami Beach Neighborhood Improvement District #2 (Dade Co.)		✓	
Miami Beach Neighborhood Improvement District #3 (Dade Co.)		✓	
Monroe County Housing Authority		✓	
Mount Dora Health Facilities Authority (Lake Co.)		✓	
Mulberry Housing Authority (Polk Co.)		✓	
North Miami Health Facilities Authority (Dade Co.)		✓	
Ocala Housing Authority (Marion Co.)		✓	
Ocean Highway & Port Authority of Nassau County			✓
Orange County Research and Development Authority			✓
Orlando-Orange County Expressway Authority			✓
Osceola County Health Facilities Authority	✓	✓	
Osceola County Housing Finance Authority		✓	
Osceola County Industrial Development Authority		✓	
Pace Property Finance Authority (Santa Rosa Co.)		✓	
Palm Beach County Educational Facilities Authority		✓	
Palm Beach County Health Facilities Authority		✓	
Pasco County Housing Authority		✓	
Pensacola Health Facilities Authority (Escambia Co.)	✓		
Pinellas County Educational Facilities Authority		✓	
Pinellas Suncoast Transit Authority (Pinellas Co.)			✓
Polk Commerce Centre Community Redevelopment Agency (Polk Co.)	✓		
Polk County Health Facilities Authority		✓	
Polk County Industrial Development Authority		✓	
Punta Gorda Health Facilities Authority (Charlotte Co.)		✓	
Punta Gorda Housing Authority (Charlotte Co.)		✓	
Reserve Community Development District (St. Lucie Co.)			✓
Ridge Water Community Development District (Polk Co.)		✓	

Appendix A (Continued)

District Name	Did Not File Fiscal Year 1994-95 Audit Report	Did Not File Fiscal Year 1994-95 Financial Report	In A State of Financial Emergency Fiscal Year 1994-95
Sanford Housing Authority (Seminole Co.)		✓	
Santa Rosa County Health Facilities Authority		✓	
Santa Rosa County Housing Finance Authority		✓	
Sebring Airport Authority (Highlands Co.)		✓	
Seminole County Industrial Development Authority		✓	
Springfield Housing Authority (Bay Co.)		✓	
St. George Island Water and Sewer District (Franklin Co.)		✓	
St. Lucie West Services District (St. Lucie Co.)			✓
Steeplechase Neighborhood Improvement District (Palm Beach Co.)		✓	
Stuart Housing Authority (Martin Co.)		✓	
Sunrise Intracoastal Neighborhood Security District (Broward Co.)		✓	
Sunshine Villas Neighborhood Improvement District (Broward Co.)		✓	
Tallahassee Housing Authority (Leon Co.)		✓	
Tampa Community Redevelopment Authority (Hillsborough Co.)		✓	
Tri-County Airport Authority (Holmes, Jackson, Washington Co.)	✓		
Union County Housing Authority		✓	
Village Center Community Development District (Lake Co.)			✓
West Palm Beach Housing Authority (Palm Beach Co.)		✓	
Winter Haven Housing Authority (Polk Co.)		✓	
Winter Park Housing Authority (Orange Co.)		✓	

Source: Joint Legislative Auditing Committee list of special districts

Appendix B

Privatization Potential of Special Districts in Our Study

District Type	Factors Complicating Privatization		Factors Suggesting Privatization	
	Limited Income Potential	Exists to Issue Tax-Exempt Bonds	Income-Generating Potential	Private-Sector Participation
<i>Housing and Housing Finance</i>				
Alachua County Housing Finance Authority	X	X		
Arcadia Housing Authority (DeSoto Co.)	X			
Bartow Housing Authority (Polk Co.)	X			
Belle Glade Housing Authority (Palm Beach Co.)	X			
Brevard County Housing Authority	X			
Charlotte County Housing Finance Authority	X	X		
Chipley Housing Authority (Washington Co.)	X			
Delray Beach Housing Authority (Palm Beach Co.)	X			
Dunedin Housing Authority (Pinellas Co.)	X			
Fernandina Beach Housing Authority (Nassau Co.)	X			
Flagler County Housing Authority	X			
Fort Myers Housing Authority (Lee Co.)	X			
Fort Pierce Housing Authority (St. Lucie Co.)	X			
Gilchrist County Housing Authority	X			
Gretna Housing Authority (Gadsden Co.)	X			
Hialeah Housing Authority (Dade Co.)	X			
Hollywood Housing Authority (Broward Co.)	X			
Homestead Housing Authority (Dade Co.)	X			
Housing Authority of the City of Orlando (Orange Co.)	X			
Jacksonville Housing Authority (Duval Co.)	X			
Lake Wales Housing Authority (Polk Co.)	X			
Lakeland Housing Authority (Polk Co.)	X			
Levy County Housing Authority	X			
Live Oak Housing Authority (Suwannee Co.)	X			
Manatee County Housing Authority	X			
Marianna Housing Authority (Jackson Co.)	X			
Miami Beach Housing Authority (Dade Co.)	X			
Monroe County Housing Authority	X			
Mulberry Housing Authority (Polk Co.)	X			
Ocala Housing Authority (Marion Co.)	X			
Osceola County Housing Finance Authority	X	X		
Pasco County Housing Authority	X			
Punta Gorda Housing Authority (Charlotte Co.)	X			
Sanford Housing Authority (Seminole Co.)	X			
Santa Rosa County Housing Finance Authority	X	X		
Springfield Housing Authority (Bay Co.)	X			
Stuart Housing Authority (Martin Co.)	X			
Tallahassee Housing Authority (Leon Co.)	X			
Union County Housing Authority	X			
West Palm Beach Housing Authority (Palm Beach Co.)	X			
Winter Haven Housing Authority (Polk Co.)	X			
Winter Park Housing Authority (Orange Co.)	X			

District Type	Factors Complicating Privatization		Factors Suggesting Privatization	
	Limited Income Potential	Exists to Issue Tax-Exempt Bonds	Income-Generating Potential	Private-Sector Participation
<i>Community Development</i>				
Apalachicola Community Redevelopment Agency (Franklin Co.)	X			
Bay County Law Library	X			
Bradford County Development Authority	X			
Brevard County Educational Facilities Authority	X	X		
Broward County Education, Research & Training Authority	X			
Dunes Community Development District (Flagler Co.)	X			
Enterprise Zone Neighborhood Improvement District (Alachua Co.)	X			
Falls Chase Special Taxing District (Leon Co.)	X			
Franklin County Industrial Development Authority	X	X		
Hamilton County Development Authority	X			
Hillsborough County Industrial Development Authority	X	X		
Lake Worth Community Redevelopment Agency (Palm Beach Co.)	X			
Leon County Educational Facilities Authority	X	X		
Madison Community Redevelopment Agency (Madison Co.)	X			
Marion County Industrial Development Authority	X	X		
Martin County Industrial Development Authority	X	X		
Miami Beach Neighborhood Improvement District #1 (Dade Co.)	X			
Miami Beach Neighborhood Improvement District #2 (Dade Co.)	X			
Miami Beach Neighborhood Improvement District #3 (Dade Co.)	X			
Orange County Research and Development Authority	X			
Osceola County Industrial Development Authority	X	X		
Palm Beach County Educational Facilities Authority	X	X		
Pinellas County Educational Facilities Authority	X	X		
Polk Commerce Centre Community Redevelopment Agency (Polk Co.)	X			
Polk County Industrial Development Authority	X	X		
Reserve Community Development District (St. Lucie Co.)	X			
Ridge Water Community Development District (Polk Co.)	X			
Seminole County Industrial Development Authority	X	X		
St. Lucie West Services District (St. Lucie Co.)	X			
Steeplechase Neighborhood Improvement District (Palm Beach Co.)	X			
Sunrise Intracoastal Neighborhood Security District (Broward Co.)	X			
Sunshine Villas Neighborhood Improvement District (Broward Co.)	X			
Tampa Community Redevelopment Authority (Hillsborough Co.)	X			
Village Center Community Development District (Lake Co.)	X			

District Type	Factors Complicating Privatization		Factors Suggesting Privatization	
	Limited Income Potential	Exists to Issue Tax-Exempt Bonds	Income-Generating Potential	Private-Sector Participation
Health Care Finance				
Alachua County Health Facilities Authority	X	X		
Bradford County Health Facilities Authority	X	X		
Brevard County Health Facilities Authority	X	X		
City of Cape Coral Health Facilities Authority (Lee Co.)	X	X		
Eustis Health Facilities Authority (Lake Co.)	X	X		
Mount Dora Health Facilities Authority (Lake Co.)	X	X		
North Miami Health Facilities Authority (Dade Co.)	X	X		
Osceola County Health Facilities Authority	X	X		
Palm Beach County Health Facilities Authority	X	X		
Pensacola Health Facilities Authority (Escambia Co.)	X	X		
Polk County Health Facilities Authority	X	X		
Punta Gorda Health Facilities Authority (Charlotte Co.)	X	X		
Santa Rosa County Health Facilities Authority	X	X		
Transportation and Navigation				
Ocean Highway & Port Authority of Nassau County	X			
Orlando-Orange County Expressway Authority	X			
Pinellas Suncoast Transit Authority (Pinellas Co.)	X			
Sebring Airport Authority (Highlands Co.)	X			
Tri-County Airport Authority (Holmes, Jackson, Washington Co.)	X			
Cultural and Recreational				
Lafayette County Recreation District	X			
Fire				
Braden River Fire Control and Rescue District (Manatee Co.)	X			
Solid Waste				
Aucilla Area Solid Waste Administration (Jefferson Co.)			✓	✓
Water and Sewer				
Lanark Village Water and Sewer District (Franklin Co.)			✓	✓
Pace Property Finance Authority (Santa Rosa Co.)			✓	✓
St. George Island Water and Sewer District (Franklin Co.)			✓	✓

Source: OPPAGA analysis

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