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Memo

To: Carol Westmoreland

From: William J. Peebles and Karen M. Peterson

Date: May 16, 2011

Re: End-of-Session Report

We are pleased to report the following outcomes on legislative matters we worked on for the Florida Redevelopment Association during the 2011 Legislative Session.

- **Hospital District Taxes/CRA Funding**

The Senate adopted an amendment in committee to its comprehensive Medicaid reform legislation that proposed to exempt all hospital districts and hospitals with taxing authority from the requirement to contribute to a local redevelopment trust fund, thereby jeopardizing existing long term debt obligations and a significant CRA funding source. We were successful in working with the leadership of the House to ensure that this language was not picked up as part of the final agreement on Medicaid reform that was negotiated between the two chambers and ultimately enacted into law.

- **CRA Operating Authority**

The Miami-Dade County Commission voted early in the year to pursue changes to Chapter 163 that would allow local governments (counties) to abolish municipally-created CRAs and impose other limitations on CRA operating authority. We met with the House sponsor of the proposal, the Miami-Dade Commissioner who was most vocal in her criticism of CRAs, and other lobbyists representing Dade County and its CRAs to express our opposition and remained vigilant throughout session for amendments that would implement the directive. Ultimately, no amendment was offered, perhaps because the growth management bill, which was the most likely vehicle, was passed as a conference report, which meant that last minute changes could not be made.

- **Water Management Permitting**

Legislators representing Plant City, which has embarked on a very ambitious plan to improve portions of its downtown, sought to enact changes to the laws governing the state's surface water improvement and management program to establish reasonable standards for stormwater permitting requirements applicable within a designated CRA. Although filed for the right reasons, the original bills (HB 389/SB 934) inadvertently created onerous standards that would have made the existing standards worse. We were successful in working with the bill sponsors and the other stakeholders to amend the bills to achieve their intended purpose, thereby allowing CRA redevelopment to occur according to a phased plan of implementation and subject to reasonable improvements in water quality and water quantity discharges. HB 389 was passed by the full House, but died together with its companion when the Senate failed to act on it during the final days of session.

- **Revenue Limitations**

We began the year very concerned that Senate President Mike Haridopolos would prevail on the Legislature to enact a strict revenue cap on both state and local government. He surprised many by announcing just before the session began that he would not seek to include local government under his "Smart Cap" proposal, and the House followed suit. At the end of the day the Legislature proposed a constitutional amendment which, if adopted by the voters in 2012, would limit only state revenue growth. However, The Legislature also put on the 2012 ballot a Save Our Homes-style 5% cap on growth rates for all non-homestead property. There may be an effort in the intervening legislative session to modify this cap, as many senators expressed misgivings about this proposal.

- **Business Improvement District Assessments/Referendum Approval**

Late in the session we were asked to seek an amendment to chapter 170 clarifying that approval of a BID property assessment is by a majority vote of property owners voting in an election versus a majority of property within the district. The current law has made the assessment authority functionally useless, since few, if any, elections of any kind turn out more than 50% of eligible voters. We were successful in working with Senator Garrett Richter (R-Naples) during the final week of session to add the change to a Senate bill that was passed by the full Senate and sent to the House. We worked with the senator to file the amendment to a second bill pending in the Senate. Unfortunately, time ran out before the legislature took final action on either bill.

- **Brownfields**

Building on the relationship we developed during the 2010 Session, we again participated as part of the coalition of stakeholders supporting efforts to expand the state's brownfield redevelopment activity. This year, the cap on tax credits for rehabilitation of dry cleaning solvent-contaminated sites and brownfield sites was increased from \$2 million to \$5 million. Legislation to increase notification requirements when contamination is discovered on a site, which passed the full Senate in 2010, stalled in both chambers in committee this year.

- **Growth Management**

The much anticipated legislation to reform Florida's growth management laws, which was a key element of deregulation proposed by Governor Scott during the campaign and a top priority of Florida's business community, passed, thereby restoring local control of the majority of

comprehensive planning and land development activities. Among its many provisions, the legislation eliminates transportation, school and parks concurrency as a statewide requirement; eliminates the requirement for financial feasibility; establishes the alternative state review process, with some changes, as the standard review process; eliminates the Dense Urban Land Area (DULA) designation; and expands and relaxes the definition of urban service area.

- **Energy**

As we anticipated, neither cost recovery for renewable energy, nor any form of an energy bill, passed. However, we did learn this session that there is a strong sentiment among legislators of both parties to add renewable energy to the Florida energy mix, with one approach to involve third-party providers, as long as they are cost-competitive with conventional energy. Thus, we expect we may see some type of renewable energy proposal in the next legislative session. Time ran out on a late session effort to pass an amendment that would create authority for local governments to use Florida's allocation of Qualified Energy Conservation Bonds (QECB). QECBs are federally-supported tax-credit bonds issued by local or state governments for projects related to energy conservation. There are \$190 million in QECBs allocated for the state of Florida overall.

Thank you for the opportunity to represent you again during the 2011 Session. Please do not hesitate to contact us if you have any questions.