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Memo

To: Carol Westmoreland

From: William J. Peebles and John Wayne Smith

Date: April 21, 2016

Re: 2016 End-of-Session Report

Dear Carol,

After two years of relatively benign neglect of community redevelopment agencies by the Florida Legislature, the 2016 Session produced a flurry of proposed significant legislative changes related to CRA's, none favorable. Below is a summary of the most important issues we were engaged on for the Florida Redevelopment Association. We are very happy to report successful outcomes on these issues, and especially appreciate the many FRA members who offered expertise, counsel, and outreach to legislators this year.

Public Hospital TIF

HB 569 by Spano
SB 194 by Hukill

For the third year in a row, public hospitals proposed that their ad valorem revenues not be required to be deposited in CRA TIF trust funds. However, unlike previous years, the legislation would only affect CRA's created after the enactment of the bill. With this very significant shift in approach, and after communicating with many members of both the FRA and the Florida League of Cities, FRA determined to not oppose this year's legislation. The bill passed with no amendments and was signed by the Governor. (See Attachment 1)

Transportation Reinvestment Zones

HB 1377 by Nunez
SB 1372 by Flores

This legislation provided for the creation of CRA-like entities, called TRZ's, with the authority to use TIF financing for the provision of mass transit related infrastructure improvements. The authority provided was quite broad, permitting construction of improvements outside the

jurisdiction of the new TRZ without the approval of the impacted local government. It also did not involve existing CRA's in the creation process, and made no provision for how the new TIF would impact any existing CRA. The bill was proposed by Miami-Dade County. After a substantial amount of productive negotiation on this bill, the County finally decided to suspend its effort to pass the bill. It may well be back next year. (See Attachment 2)

Mandatory 5% set aside for youth centers

HB 7099 by Gaetz

HB 7099 was the House Finance and Taxation Committee tax package for 2016. As it passed the House, it included language that required certain CRA's with high poverty levels to set aside no less than 5% of their annual expenditures for the construction and operation of youth centers. (See Attachment 3) The Senate, led by Senator Hukill, the sponsor of the hospital TIF bill, absolutely refused to include this language in its version of the tax package.

As a result, a scaled back version of the language, which only affected one CRA in Miami-Dade County, was offered as an amendment to no less than 4 other bills during the last week of session. Each time, we discovered the amendment and defeated it. I've attached a Miami Herald article on the issue for further background. (See Attachment 4)

Non-traditional CRA Investments

HB 7099 by Gaetz

This language never found its way into a bill, but was proposed by the House Finance and Taxation Committee Chairman, Rep. Matt Gaetz. He expressed his intention to include this, as well as the language relating to youth centers, in HB 7099, the tax package. The language appeared to provide guidance to CRA's to invest in public private partnerships with developers and lenders, and also was the first place we saw the 5% youth center set aside discussed above. 1We expressed strong reservations about this language, but because the sponsor never pursued the idea we never had any direct discussions about the real goal of the language. (See Attachment 5)

County CRA Creation

HB 1361 by LaRosa

SB 1190 by Diaz de la Portilla

This amendment provided very broad authority for counties to create tax increment financing districts. As with the transportation reinvestment zone bill, no consideration was given to existing CRA's or to municipalities. (See Attachment 6)

We amended the amendment to require city and CRA approval. This language was included in a growth management package but was eliminated just before the bill passed. (See Attachment 7)