

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Community Affairs Committee

**BILL:** CS/SB 362

**INTRODUCER:** Community Affairs Committee and Senator Bennett

**SUBJECT:** Growth Management

**DATE:** April 6, 2009                      **REVISED:** \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Wolfgang	Yeatman	CA	Fav/CS
2.			EP	
3.			TA	
4.			RC	
5.				
6.				

**Please see Section VIII. for Additional Information:**

A. COMMITTEE SUBSTITUTE.....  Statement of Substantial Changes

B. AMENDMENTS.....  Technical amendments were recommended

Amendments were recommended

Significant amendments were recommended

**I. Summary:**

This bill:

- Creates Transportation Concurrency Exception Areas (TCEAs) in a municipality that qualifies as a dense urban land area; a urban service area which has been adopted into a local comprehensive plan and is located in a county that qualifies as a dense urban land area; and a county, including the cities within the county, which has a population of at least 900,000 and qualifies as a dense urban land area but does not have an urban service area designated within the local comprehensive plan.
- Does not create TCEAs for designated transportation concurrency districts within a county that has a population of at least 1.5 million that uses its transportation concurrency system to support alternative modes of transportation and does not levy transportation impact fees.
- Creates a waiver from transportation concurrency requirements on the state’s strategic intermodal system for certain Office of Tourism, Trade, and Economic Development (OTTED) job creation projects.
- Allows for a waiver of the projected 5-year capital outlay for school concurrency when the schools have 2,000 students or less.
- Allows charter schools to serve as mitigation for school concurrency purposes;

- Prohibits local governments from establishing standards for security devices that require a business to expend funds.
- Provides for a mobility fee study.
- Allows a permit extension for certain permits.

This bill substantially amends the following sections of the Florida Statutes: 163.3164, 163.3177, 163.3180, 163.3245, and 171.091.

This bill creates section 163.31802 of the Florida Statutes.

## II. Present Situation:

### *Growth Management*

Adopted by the 1985 Legislature, the Local Government Comprehensive Planning and Land Development Regulation Act<sup>1</sup> - also known as Florida's Growth Management Act - requires all of Florida's 67 counties and 410 municipalities to adopt local government comprehensive plans that guide future growth and development. Comprehensive plans contain chapters or "elements" that address future land use, housing, transportation, infrastructure, coastal management, conservation, recreation and open space, intergovernmental coordination, and capital improvements. A key component of the Act is its "concurrency" provision that requires facilities and services to be available concurrent with the impacts of development. The state land planning agency that administers these provisions is the Department of Community Affairs (DCA).

### *School Concurrency*

In 2005, the Legislature enacted statewide school concurrency requirements. Adequate school facilities must be in place or under actual construction within 3 years after the issuance of final subdivision or site plan approval. Each local government must adopt a public school facilities element and the required update to the interlocal agreement by December 1, 2008. A local government's comprehensive plan must also include proportionate fair-share mitigation options for schools.

Although the majority of jurisdictions did adopt a school facilities element into their comprehensive plans by the December 1, 2008 deadline, a significant number of jurisdictions did not meet the deadline. One of the penalties for failure to comply with the December 1, 2008 deadline is that the local government cannot adopt comprehensive plan amendments that increase residential density.

### *Transportation Concurrency*

The Growth Management Act of 1985 also requires local governments to use a systematic process to ensure new development does not occur unless adequate transportation infrastructure is in place to support the growth. Transportation concurrency is a growth management strategy aimed at ensuring that transportation facilities and services are available "concurrent" with the impacts of development. To carry out concurrency, local governments must define what constitutes an adequate level of service (LOS) for the transportation system and measure whether the service needs of a new development exceed existing capacity and scheduled improvements

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<sup>1</sup> See Chapter 163, Part II, F.S.

for that period. The Florida Department of Transportation (FDOT) is responsible for establishing level-of-service standards on the highway component of the strategic intermodal system (SIS) and for developing guidelines to be used by local governments on other roads. The SIS consists of statewide and interregionally significant transportation facilities and services and plays a critical role in moving people and goods to and from other states and nations, as well as between major economic regions in Florida.

In 1992, Transportation Concurrency Management Areas (TCMA) were authorized, allowing an area-wide LOS standard (rather than facility-specific) to promote urban infill and redevelopment and provide greater mobility in those areas through alternatives such as public transit systems. Subsequently, two additional relaxations of concurrency were authorized: Transportation Concurrency Exception Areas (TCEA) and Long-term Transportation Concurrency Management Systems. Specifically, the TCEA is intended to “reduce the adverse impact transportation concurrency may have on urban infill and redevelopment” by exempting certain areas from the concurrency requirement. Long-term Transportation Concurrency Management Systems are intended to address significant backlogs.

In 2008, the Legislature provided for the creation of Transportation Concurrency Backlog Authorities (TCBA) to adopt and implement plans for the elimination of all identified transportation concurrency backlogs within each authority's jurisdiction. To fund the plan's implementation, a TCBA must collect and earmark, in a trust fund, tax increment funds equal to 25 percent of the difference between the ad valorem taxes collected in a given year and the ad valorem taxes which would have been collected using the same rate in effect when the authority is created. Upon adoption of the transportation concurrency backlog plan, all backlogs within the jurisdiction are deemed financed and fully financially feasible for purposes of calculating transportation concurrency and a landowner may proceed with development (if all other requirements are met) and no proportionate share or impact fees for backlogs may be assessed.

#### ***Broward County's Approach to Transportation Concurrency***

Broward County uses an alternative approach to concurrency called transit-oriented concurrency. This approach has been accepted by DCA and has merit for application by other urbanized areas. Broward County applied two types of concurrency districts—transit-oriented concurrency districts and standard concurrency districts. These districts are defined in the Broward County Code both geographically and conceptually. A Standard Concurrency District is defined as an area where roadway improvements are anticipated to be the dominant form of transportation enhancement. A Transit Oriented Concurrency District is a compact geographic area with an existing network of roads where multiple, viable alternative travel paths or modes are available for common trips (a TCMA, under Florida Statutes).

The distinction is important, because each type of concurrency district carries with it a different set of standards for adequacy determination. The LOS standards for roadways are conventional, whereas, the relevant LOS standards for transit-oriented concurrency districts address transit headways and the establishment of neighborhood transit centers and additional bus route coverage, and are broken down on the individual district level.

The county charges an assessment, the Transit Concurrency Assessment, as a vehicle for meeting concurrency requirements in Transit Oriented Concurrency Districts. The Transit

Concurrency Assessment is calculated as the total peak-hour trip generation of the proposed development, multiplied by a constant annual dollar figure for each District, that represents the cost per trip of all the enhancements in that District listed in the County Transit Program. Revenues from the assessments are used to fund enhancements to the County Transit Program (established by the County Commission) located in the district where the proposed development will occur. The County also uses revenues to fund up to three years of operating costs for these enhancements.

Under certain circumstances, a developer may opt not to pay some or all of the Transit Concurrency Assessment and may instead implement or participate in implementing an alternative transit improvement. This alternative improvement must be intended to enhance transit ridership and cannot focus predominantly on the occupants or users of the applicant's property. The alternative improvement must be determined to be beneficial to the regional transportation system within the relevant district.

#### ***Proportionate Fair-Share Mitigation***

Proportionate fair-share mitigation is a method for mitigating the impacts of development on transportation facilities through the cooperative efforts of the public and private sectors. Proportionate fair-share mitigation can be used by a local government to determine a developer's fair-share of costs to meet concurrency. The developer's fair-share may be combined with public funds to construct future improvements; however, the improvements must be part of a plan or program adopted by the local government or FDOT. If an improvement is not part of the local government's plan or program, the developer may still enter into a binding agreement at the local government's option provided the improvement satisfies part II of ch. 163, F.S., and:

- the proposed improvement satisfies a significant benefit test; or
- the local government plans for additional contributions or payments from developers to fully mitigate transportation impacts in the area within 10 years.

#### ***Proportionate Share Mitigation***

Section 380.06, F.S., governs the DRI program and establishes the basic process for DRI review. The DRI program is a vehicle that provides state and regional review of local land use decisions regarding large developments that, because of their character, magnitude, or location, would have a substantial effect on the health, safety, or welfare of the citizens of more than one county.<sup>2</sup> Multi-use developments contain a mix of land uses and multi-use DRIs meeting certain criteria are eligible to satisfy transportation concurrency requirements under s. 163.3180(12), F.S. The proportionate share option under subsection (12) has been used to allow the mitigation collected from certain multiuse DRIs to be "pipelined" or used to make a single improvement that mitigates the impact of the development because this may be the best option where there are insufficient funds to improve all of the impacted roadways.

#### ***Local Government Home Rule Powers***

Florida Constitution grants local governments broad home rule authority. Specifically, non-charter county governments may exercise those powers of self-government that are provided by general or special law.<sup>3</sup> Those counties operating under a county charter have all powers of self-

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<sup>2</sup> Section 380.06(1), F.S.

<sup>3</sup> FLA. CONST. art VIII, § 1(f).

government not inconsistent with general law, or special law approved by the vote of the electors.<sup>4</sup> Section 125.01, F.S., enumerates the powers and duties of all county governments, unless preempted on a particular subject by general or special law. Those powers include the provision of fire protection, ambulance services, parks and recreation, libraries, museums and other cultural facilities, waste and sewage collection and disposal, and water and alternative water supplies. Section 166.021, F.S., gives municipalities broad home rule powers except: annexation, merger, and exercise of extraterritorial power, and subjects prohibited by the federal, state, or county constitution or law. Some local governments have enacted or proposed security ordinances, such as parking lot security regulations. These ordinances are not currently preempted by state law.

### ***Transportation Mobility Fee***

DCA and FDOT have convened a technical committee and a stake holders group with participants representing government and private interests. Both agencies are conducting studies to develop mobility fee methodology that will apply statewide and replace the existing transportation concurrency management system.

The concept of mobility fees is that a development would mitigate its impacts on the transportation system based on the extent of vehicle miles or person miles traveled that would result from the development. This user fee concept would tend to reward mixed use development which relies on many trips within the development over single use development which requires almost all transportation trips to be outside of the development, thus reversing the current economic dynamic under transportation concurrency and proportionate fair share.<sup>5</sup>

### ***Permits Issued by State and Local Government***

State agencies and the five water management districts have statutory authority to issue permits for a variety of issues including but not limited to: coastal construction, the use of sovereign submerged lands, consumptive use permits relating to groundwater, well construction, management and storage of surface water (dredge and fill permits, environmental resource permits, NPDES permits delegated by the federal government), phosphate mining and land reclamation; limestone mining and reclamation; heavy mineral mining; pollutant discharge and domestic wastewater discharge, drinking water facilities, pollutant discharge permits, total maximum daily loads, and permits issued by the Department of Health related to the public health and safety.

Under home rule authority, counties and cities have the authority to regulate development within their jurisdictional boundaries, including issuing permits and development orders, and imposing impact fees. The “Local Government Comprehensive Planning and Land Development Regulation Act” was created in chapter 163, F.S., to assist local governments in planning for future development and growth through the creation and adoption of the local government comprehensive plan containing required and optional elements, including a capital improvements

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<sup>4</sup> FLA. CONST. art VIII, § 1(g).

<sup>5</sup> Department of Community Affairs, Long-Range Program Plan *available at* <http://www.dca.state.fl.us/publications/LRPP.pdf>.

element, a future land use plan element, a traffic circulation element, and an intergovernmental coordination element.

***Development of Regional Impact Program and Date of Buildout***

Section 380.06, F.S., governs the Development of Regional Impact (DRI) program and establishes the basic process for DRI review. The DRI program is a vehicle that provides state and regional review of local land use decisions regarding large developments that, because of their character, magnitude, or location, would have a substantial effect on the health, safety, or welfare of the citizens of more than one county.<sup>6</sup> For those land uses that are subject to review, numerical thresholds are identified in s. 380.0651, F.S., and Chapter 28-24, Florida Administrative Code. Examples of the land uses for which guidelines are established include: airports; attractions and recreational facilities; industrial plants and industrial parks; office parks; port facilities, including marinas and dry storage; hotel or motel development; retail and service development; recreational vehicle development; multi-use development; residential development; and schools.

Section 380.06(19)(c), F.S, provides in part:

In recognition of the 2007 real estate market conditions, all phase, buildout, and expiration dates for projects that are developments of regional impact and under active construction on July 1, 2007, are extended for 3 years regardless of any prior extension. The 3-year extension is not a substantial deviation, is not subject to further development-of-regional impact review, and may not be considered when determining whether a subsequent extension is a substantial deviation under this subsection.

During the 2008 Regular Session, the Legislature considered a proposal to provide a 3-year extension for all development order, phase, buildout, commencement and expiration dates, and all related local government approvals for DRIs and Florida Quality Development if the development was under active construction on July 1, 2007, or for which a development order was adopted after July 1, 2006.<sup>7</sup>

**III. Effect of Proposed Changes:**

**Section 1** amends s. 163.3164, F.S., to change “existing urban service area” to “urban service area” to redefine the term to include built-up areas where public facilities and services, including, but not limited to, central water and sewer, roads, schools, and recreation areas, are already in place. The definition also grandfathers-in existing urban service areas and urban growth boundaries within counties that qualify as dense urban land areas.

A definition of a “dense urban land area” is created. The definition includes:

- a municipality that has an average population of at least 1,000 people per square mile and at least 5,000 people total;

<sup>6</sup> S. 380.06(1), F.S.

<sup>7</sup> CS/CS/SB 474 by the Transportation Committee, the Community Affairs Committee, and Senator Garcia, relating to Growth Management.

- a county, including the municipalities located therein, which has an average population of at least 1,000 people per square mile; and
- a county, including the municipalities located therein, which has a population of at least 1 million.

Those jurisdictions that qualify as dense urban land areas will be ascertained by the Office of Economic and Demographic Research, and the designation will become effective upon publication on the state land planning agency's website.

**Section 2** amends s. 163.3177, F.S., to allow the state land planning agency to provide a waiver from school concurrency to local governments even when the 5-year projected student growth rate exceeds 10 percent if the projected student enrollment is less than 2,000 students.

**Section 3** amends s. 163.3180, F.S., to designate the following areas as transportation concurrency exception areas (TCEAs):

- a municipality that qualifies as a dense urban land area;
- an urban service area (but not limited urban service areas unless the limited service area is within an agricultural enclave) that has been adopted into the local comprehensive plan and is located within a county that qualifies as a dense urban land area; and
- a county, such as Pinellas and Broward, that has a population of at least 900,000 and qualifies as a dense urban land area, but does not have an urban service area designated in its comprehensive plan.

A municipality that does not qualify as a dense urban land area may designate the following areas in its comprehensive plan as transportation concurrency exception areas:

- urban infill as defined in s. 163.3164(27), F.S.;
- community redevelopment as defined in s. 163.340(10), F.S.;
- downtown revitalization as defined in s. 163.3164(25), F.S.;
- urban infill and redevelopment as defined in s. 163.2517, F.S.; or
- urban service areas as defined in s. 163.3164(29), F.S.

A county that does not qualify as a dense urban land area may designate in its comprehensive plan as transportation concurrency exception areas:

- urban infill as defined in s. 163.3164(27), F.S.;
- urban infill and redevelopment as defined in s. 163.2517, F.S.; or
- urban service areas as defined in s. 163.3164(29), F.S., or urban service areas under s. 163.3177(14), F.S.

Any local government that has a transportation concurrency exception area under one of these provisions must, within 2 years, adopt into its comprehensive plan land use and transportation strategies to support and fund mobility within the exception area, including alternative modes of transportation. If the local government fails to adopt such a plan it may be subject to the sanctions set forth in s. 163.3184(11)(a) and (b), F.S.

If a local government uses 163.3180(5)(b)6., F.S., the existing method of creating TCEAs, it must first consult the state land planning agency and the Department of Transportation regarding

the impact on the adopted level-of-service standards established for regional transportation facilities as well as the Strategic Intermodal System (SIS).

Subsection (10) of s. 163.3180, F.S., is amended to provide an exemption from transportation concurrency on the SIS for projects that the local government and the Office of Tourism, Trade, and Economic Development (OTTED) agree are job creation programs as described in s. 288.0656, F.S., (for REDI projects) or s. 403.973, F.S., (expedited permitting).

The bill clarifies that the designation of a transportation concurrency exception area does not limit a local government's home rule power to adopt ordinances or impose fees. The bill further clarifies that the creation of a TCEA does not affect any contract or agreement entered into or development order rendered before the creation of the transportation concurrency exception area.

The Office of Program Policy Analysis and Government Accountability must study the implementation of TCEAs and corresponding local government mobility plans and report back to the Legislature by February 1, 2015.

Appropriate mitigation options for school concurrency shall include the construction of charter schools if such school is:

- Owned by a nonprofit entity or a local government;
- Constructed to comply with the requirements of Florida State Requirements for Educational Facilities (SREF); and
- Governed by a charter that provides for the reversion of the facility to the district school board if the facility ceases to be used for public educational purposes.

**Section 4** creates s. 163.31802, F.S., to prohibit local government from establishing standards for security devices that require a business to expend funds. This section does not apply to cities of less than 50,000 people that have adopted ordinances or rules as of February 1, 2009.

**Section 5** provides a statement by the Legislature explaining that transportation concurrency needs to be replaced. This section provides for the evaluation of a mobility fee methodology that would be intended to replace transportation concurrency. The Legislature directs the Department of Community Affairs and the Department of Transportation to continue their studies and provide joint reports to the Legislature by December 1, 2009.

**Section 6** amends s. 171.091, F.S., to require municipalities that annex or contract their municipal boundaries to send information regarding the population and land area effect to the Office of Economic and Demographic Research.

**Section 7** creates an undesignated section of law to provide a retroactive 2-year extension and renewal from the date of expiration for any permit issued by the DEP, any permit issued by a WMD under part IV of ch. 373, F.S., any development order issued by the DCA pursuant to s. 380.06, F.S., and any development order, building permit, or other land use approval issued by a local government which expired or will expire on or after September 1, 2008 to September 1, 2011. For development orders and land use approvals, including but not limited to certificates of concurrency and development agreement, the extension applies to phase, commencement, and



buildout dates, including a buildout date extension previously granted under s. 380.016(19)(c), F.S.

The conversion of a permit from the construction phase to the operation phase for combined construction and operation permits is not prohibited. The completion date for any mitigation associated with a phased construction project is extended and renewed so that the mitigation takes place in the appropriate phase as originally permitted. Entities requesting an extension and renewal must notify the authorizing agency in writing by September 30, 2010, and must identify the specific authorization for which the extension will be used.

Exceptions to the extension are provided for certain federal permits, and owners and operators who are determined to be in significant noncompliance with the conditions of a permit eligible for an extension. Permits and other authorizations which are extended and renewed shall be governed by the rules in place at the time the initial permit or authorization was issued. Modifications to such permits and authorizations are also governed by rules in place at the time the permit or authorization was issued, but may not add time to the extension and renewal.

**Section 8** provides a finding that this act fulfills an important state interest.

**Section 9** provides that this act shall take effect upon becoming a law.

**Other Potential Implications:**

The creation of TCEAs in dense urban areas is intended to encourage economic development within these areas and discourage urban sprawl. However, development in areas proximate to the designated areas may become more difficult. TCEAs within dense urban land areas may eventually lead to a shift in the mobility paradigm within those areas from focusing on road building and expansion toward alternative modes of transportation.

**IV. Constitutional Issues:**

**A. Municipality/County Mandates Restrictions:**

Section 18(b), Art. VII of the State Constitution, provides that “except upon approval of each house of the legislature by a two-thirds vote of the membership, the legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenues in the aggregate, as such authority exists on February 1, 1989.”

This bill does limit the authority of municipalities or counties to raise revenue through permit fees. Additionally, to the extent this bill requires cities and counties to expend funds to update the comprehensive plans for the transportation concurrency exception areas, the provisions of Section 18(a) of Article VII of the State Constitution may apply. No exemptions or exceptions apply. Therefore, this bill appears to require a finding of an important state interest and approval by a two-thirds vote of the membership of each house of the Legislature.

**B. Public Records/Open Meetings Issues:**

None.

**C. Trust Funds Restrictions:**

None.

**V. Fiscal Impact Statement:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

Certain areas within jurisdictions designated as dense urban land areas will be TCEAs. For new development the developers will be limited to paying impact fees for their transportation impacts.

Businesses will not be required by local ordinances to pay money to have security devices installed.

The development community should see a substantial benefit from the provisions of this bill as permits, development orders, and other land use approvals which expired as of October 1, 2008 or will expire through October 1, 2011, are automatically extended.

**C. Government Sector Impact:**

Local governments that qualify as dense urban land areas and FDOT will lose the ability to collect proportionate fair share (other transportation concurrency costs)<sup>8</sup> contributions from new development within TCEAs. However, the bill clarifies that the designation of a transportation concurrency exception area does not limit a local government's home rule power to adopt ordinances or impose fees. This clarification suggests that the local government's power to raise revenues is not negatively impacted.

This extension of permits is expected to have a substantial impact on state and local government.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

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<sup>8</sup> Section 163.3180(16), F.S.

**VIII. Additional Information:**

- A. **Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**CS by Community Affairs on April 6, 2009:**

The original bill was a shell bill and the substance of the analysis constitutes the substantial changes.

- B. **Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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