SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Date: March 23, 1998 Revised: _____ _____ _____ _____

Subject: Coastal Redevelopment

| | Analyst | Staff Director | Reference | Action |
|---|---|---|---|---|
| 1. | Gee | Voigt | NR | Fav/l amendment |
| 2. | Schmith | Yeatman | CA | Favorable/CS |
| 3. | | | | |
| 4. | | | | |
| 5. | | | | |

## I. Summary:

Committee Substitute for SB 1458 expands the scope of the Community Redevelopment Act to include redevelopment of coastal resort or tourist areas which meet specified guidelines; provides the scope of activities included in community redevelopment of coastal resort and tourist areas and redefines terms associated with those activities. The CS authorizes the Department of Environmental Protection (DEP) to administer, and provides criteria for establishing, a coastal resort area redevelopment pilot project in a specified geographic area.

This CS amends sections 163.335 and 163.340, and creates section 163.336, Florida Statutes.

## II. Present Situation:

### Coastal Zone Construction

The DEP regulates construction, development, and other physical activities along the state's sand beaches pursuant to part I of ch. 161, F.S. The cornerstone of the regulatory program is the coastal construction control line (CCCL) which is established by the DEP, by rule, in each county having sand beaches. Pursuant to s. 161.053(1), F.S., the line is intended to define that portion of the beach-dune system which is subject to severe fluctuations due to a 100-year storm surge, storm waves, or other predictable weather conditions. Physical activities conducted seaward of the CCCL generally require a permit from the DEP. Any significant construction activity relating to structures must meet the department's design and siting requirements in order to be permitted.

Part III of ch. 161, F.S., provides standards for construction in the coastal zone. Pursuant to s. 161.54(1), F.S., the coastal building zone is the land area from the seasonal high-water line landward to a line 1,500 feet landward from the CCCL along sand beach areas, and in other

coastal areas, the land area seaward of the most landward velocity zone line as established by the Federal Emergency Management Agency and shown on flood insurance rate maps.

**Community Redevelopment Agencies**

Part III of ch. 163, F.S., the "Community Redevelopment Act of 1969," grants local governments with the authority to establish community redevelopment agencies (CRAs). CRAs are used to assist local governments in the elimination of slum and blight and to restore the declining tax base of these areas. CRAs are required to develop a community redevelopment plan for the rehabilitation and redevelopment of designated slum and blighted areas. CRAs are permitted to establish a redevelopment trust fund utilizing revenues derived from tax increment financing.

Section 163.355, F.S., requires the adoption of a resolution finding that:

1. One or more slum or blighted areas, or one or more areas in which there is a shortage of housing affordable to residents of low or moderate income, including the elderly, exist within the county or municipality; and

2. The rehabilitation, conservation, or redevelopment of these areas is necessary in the interest of the public health, safety, morals, or welfare of the residents of the county or municipality.

The act also encourages participation by private entities. Section 163.345, F.S., directs a county or municipality, to the greatest extent feasible, to afford maximum opportunity to the rehabilitation or redevelopment of the community redevelopment area by private enterprise. Section 163.350, F.S., permits a county or municipality to establish a workable program for using appropriate private and public resources to eliminate and prevent the redevelopment or spread of slums and urban blight.

The CRA is created upon a local governing body adopting a resolution declaring a need for the agency to implement the community redevelopment act. At this point the local governing body has an option as to how the powers of the agency will be exercised and how business will be conducted. The CRA may be governed by a separate board of commissioners appointed by the governing body *or* the governing body may adopt a resolution declaring itself to be the CRA. A local governing body with five members may appoint two additional members. The law also permits the local governing body to confer the redevelopment powers on another body already in existence on July 1, 1977, such as a downtown development authority or board whose purpose is redevelopment.

In tax increment financing, property values in a certain defined community redevelopment area are frozen by local ordinance at the assessed value for a particular base year. As redevelopment proceeds within the redevelopment area, the actual assessed value of property within the redevelopment area should increase. Taxing authorities located within the community

redevelopment area are required to deposit the incremental revenue received as a result of this increase in property value in a redevelopment trust fund established by the CRA.

A CRA may dispose of community redevelopment property or other interest in that property, in accordance with the community redevelopment plan, as it deems necessary or desirable. Community development plans, or subsequent changes to such plans, must be approved by the governing body of the CRA - a county or municipal government. Public notice must be given, pursuant to s. 163.380(3), F.S., prior to disposing of such property, and the CRA must invite proposals from private redevelopers or other persons interested in undertaking redevelopment of the property. After evaluating the submitted proposals, the CRA may select the proposal that it deems to be in the public interest.

**Senate J.O.B.S. Initiative**

When the Natural Resources Committee met on October 8, 1997, to consider strategies leading to the creation of jobs, representatives of business interests in the Daytona Beach area made presentations to the committee. These presentations included concerns that the Daytona Beach area, an older resort community characterized by seawalls, small lots, and inadequate parking facilities, faces difficulties in modernizing to be competitive in the resort environment. They indicated that strict adherence to the DEP's design and siting requirements would not permit effective redevelopment.

## III. Effect of Proposed Changes:

**Section 1** amends s. 161.335, F.S., to provide a finding that coastal resort and tourist areas or portions thereof which are deteriorating and economically underutilized due to building density patterns, inadequate transportation and parking facilities, faulty lot layout, or inadequate street layout, could, through the means provided in part III of ch. 163, F.S., be revitalized and redeveloped in a manner that will vastly improve the economic and social conditions of the community.

**Section 2** amends s. 163.340, F.S., to revise the following definitions:

- "Blighted area" is redefined to include economic underutilization as a consequence of the presence of slum, deteriorated, or deteriorating structures and conditions as well as to include inadequate and outdated building density patterns and inadequate transportation and parking facilities as factors leading to blight.

- "Community redevelopment" or "redevelopment" is redefined to include rehabilitation and revitalization of coastal resort and tourist areas that are deteriorating and economically underutilized as appropriate subjects of redevelopment.

- "Community redevelopment area" is redefined to include a coastal and tourist area that is deteriorating and economically underutilized due to outdated building density patterns, inadequate transportation and parking facilities, faulty lot layout, or inadequate street layout.

**Section 3** amends s. 163.336, F.S., to provide a finding that some coastal resort and tourist areas are deteriorating and declining as recreation and tourist centers, that it is appropriate to undertake a pilot project to determine the feasibility of encouraging redevelopment of economically underutilized coastal properties to allow full utilization of existing urban infrastructure such as roads and utility lines, and that such activities can have a beneficial impact on local and state economies and provide job opportunities and revitalization of urban areas.

The DEP is directed to administer a pilot project for redevelopment of economically distressed coastal resort and tourist areas. The pilot project is to be administered in the coastal areas of Florida's Atlantic Coast between the St. Johns River entrance and Ponce de Leon Inlet. In order to participate in the project, all or a portion of the area must be in the coastal building zone defined in s. 161.54, F.S., and must be designated a community redevelopment area, enterprise zone, brownfield area, empowerment zone, or other economically deprived area by the county or municipality having jurisdiction over the area.

This section encourages local governments to use the full range of economic and tax incentives available to facilitate and promote redevelopment and revitalization within the pilot project areas.

The Office of the Governor, DEP, and the Department of Community Affairs (DCA) must provide technical assistance to expedite permitting for redevelopment projects and construction activities within the pilot project areas. Where appropriate, the provisions of s. 403.973, F.S., should be followed to expedite the process.

The DEP is directed to exempt construction activities within the pilot project area in locations seaward of a CCCL and landward of existing armoring from certain siting and design criteria pursuant to s. 161.053, F.S. However, such an exemption may not exempt property within the pilot project area from applicable local land development regulations, including but not limited to, set back, side lot line, and lot coverage requirements. The exemption will also apply to construction and redevelopment of structures involving the coverage, excavation, and impervious surface criteria of s. 161.053, F.S., and related adopted rules, as follows:

- The DEP's review of applications for permits for coastal construction within the pilot project area must apply to construction and redevelopment of structures subject to the coverage, excavation, and impervious surface criteria of s. 161.053, F.S., and related adopted rules. Intent is provided that the pilot project area be enabled to redevelop in a manner which meets the economic needs of the area while preserving public safety and existing resources, including natural resources.

- The criteria for review under s. 161.053, F.S., is applicable within the pilot project area, except that the structures are allowed to exceed 60 percent shore parallel coverage and

50 percent impervious surface. Structures are also not bound by the restrictions on excavation unless the construction will adversely affect the integrity of the existing seawall or rigid coastal armoring structure or stability of the existing beach and dune system. It is specifically contemplated that underground structures, including garages, will be permitted. All beach-compatible material excavated under this authority must be maintained on site, seaward of the coastal construction control line.

- The review criteria set out above will apply to all construction within the pilot project area lying seaward of the coastal construction control line and landward of an existing viable seawall or rigid coastal armoring structure, if the construction is fronted by a seawall or rigid coastal armoring structure extending at least 1,000 feet without any interruptions other than beach access points. For these purposes, a viable seawall or rigid coastal armoring structure is a structure that has not deteriorated, become dilapidated, or been damaged to such a degree that it no longer provides adequate protection to the upland property when considering the following criteria, including, but not limited to:

    - The top must be at or above the still-water level, including setup, for the design storm of 30-year return storm plus the breaking wave calculated at its highest achievable level based on the maximum eroded beach profile and highest surge level combination, and must be high enough to preclude runup overtopping;

    - The armoring must be stable under the design storm of 30-year return storm including maximum localized scour, with adequate penetration; and

    - The armoring must have sufficient continuity or return walls to prevent flooding under the design storm of 30-year return storm from impacting the proposed construction.

This section provides that where a continuous line of rigid coastal armoring structure exists on either side of unarmored property, not exceeding 100 feet, and the adjacent lines of rigid coastal armoring structures are having an adverse effect on or threaten the unarmored property, the department may grant the necessary permits under s. 161.085, F.S., to close the gap. This section further requires the department to grant the necessary permits to replace gaps of non-viable coastal armoring where there exists a continuous line of viable rigid coastal armoring on either side of the gap.

The authorization for the pilot project and the provisions of s. 163.336, F.S., expire December 31, 2002. The Legislature will review these requirements before their scheduled expiration.

This act shall take effect upon becoming a law.

## IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

## V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

If enactment of this CS results in redevelopment that enhances economic conditions and opportunities in the pilot project area, businesses and others could benefit from increased tourism and resort expenditures.

C. Government Sector Impact:

The DEP reports that the CS will require no direct expenditures by the department, and the requirement that the DEP, DCA, and Governor's Office provide technical assistance to expedite permitting are not expected to impose significant workload requirements.

## VI. Technical Deficiencies:

None.

## VII. Related Issues:

None.

## VIII. Amendments:

None.