

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

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Prepared By: Transportation and Economic Development Appropriations Committee

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BILL: CS/SB 1572

SPONSOR: Commerce and Consumer Services Committee and Senators Bennett and Atwate

SUBJECT: Scripps Funding Corporation

DATE: April 19, 2005

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Barrett</u>	<u>Cooper</u>	<u>CM</u>	<u>Fav/CS</u>
2.	<u>Herrin</u>	<u>Yeatman</u>	<u>CA</u>	<u>Favorable</u>
3.	<u>Martin</u>	<u>Martin</u>	<u>TA</u>	<u>Favorable</u>
4.	_____	_____	<u>RC</u>	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

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## I. Summary:

This committee substitute (CS) prohibits Palm Beach County from acquiring, by eminent domain, any government property in order to provide water and wastewater service to the Scripps biomedical research facility.

This CS amends section 4 of chapter 2003-420, Laws of Florida.

## II. Present Situation:

### **The Scripps Research Institute<sup>1</sup>**

The Scripps Research Institute (TSRI) is one of the world's largest private, non-profit biomedical research organizations in the world. It is located in La Jolla, California, a suburb of San Diego. Its existing facilities include 14 laboratory buildings with more than 1 million square feet of space. TSRI's staff includes more than 270 professors, 800 postdoctoral fellows, 1,500 laboratory technicians, administrative and support personnel, and 126 Ph.D. students.

Researchers at TSRI focus primarily on the following seven fields of study: cell biology, chemistry, immunology, molecular biology, molecular and experimental medicine, neurobiology, and neuropharmacology. According to TSRI, its researchers are actively investigating biological and chemical aspects of more than 40 diseases, including AIDS, alcoholism, Alzheimer's disease, cancer, dementia, depression, diabetes, genetic diseases, Sjogren's syndrome, sleep disorders, and diseases involving neural and muscular degeneration.

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<sup>1</sup> The information in this section of the staff analysis is a compilation of information from promotional materials and the website of The Scripps Research Institute. See <http://www.scripps.edu>.

TSRI also maintains several education outreach programs including the High School Student Research Education Program; the Middle/High School Science Teacher Summer Research Program; and the Undergraduate Summer Research Internship Program.

The majority of TSRI's operating budget comes from grants from the National Institutes of Health and other federal agencies, through collaborative partnerships with pharmaceutical companies, and through philanthropic support from foundations, health-related associations, and individuals. In addition, funding is derived from licensing technology to private industry.

### **The Scripps Florida Funding Corporation**

Chapter 420, L.O.F., provided for the creation of the Scripps Florida Funding Corporation, which entered into a contract with The Scripps Research Institute (TSRI), to establish a state-of-the-art biomedical research institute and campus in Palm Beach County. The funding for the contract is provided by \$310 million of the \$543.5 million in federal funds provided to Florida under the Jobs and Growth Tax Reconciliation Act of 2003. The Scripps Research Institute is required to reinvest \$155 to \$200 million to the Biomedical Research Trust Fund from a portion of its revenues generated from royalties and naming rights.

Palm Beach County has also invested or committed over \$309 million to provide TSRI with satisfactory land, temporary facilities, and permanent laboratory facilities for new operations in the county.<sup>2</sup>

### **Utilities**

Section 4 of ch. 2003-420, L.O.F., grants Palm Beach County the exclusive right to provide water and wastewater services to the Scripps campus. This section also allows the county to construct or extend facilities in order to provide such services.

### **Power of Eminent Domain**

The Florida Legislature is vested with the power of eminent domain and constitutional limitations on that power. Section 6 of Article X of the Florida Constitution provides:

- (a) No private property shall be taken except for a public purpose and with full compensation therefor paid to each owner or secured by deposit in the registry of the court and available to the owner.
- (b) Provision may be made by law for the taking of easements, by like proceedings, for the drainage of the land of one person over or through the land of another.

The Legislature can delegate that authority to agencies of government through legislative enactments.<sup>3</sup> Under chapter 361, F.S., various public utilities have the statutory right of eminent domain.

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<sup>2</sup> Palm Beach County representatives report that the county has spent \$60 million to buy property and has committed \$140 million for the first stage of building infrastructure. In addition, the county has committed \$90 million for the first phase of infrastructure, spent \$3 million for permitting, \$15 million in design costs, and an estimated \$600,000 in legal fees. March 27, 2005.

<sup>3</sup> See *Spafford v. Brevard County*, 92 Fla. 617, 110 So. 451 (1926).

**Statutory Eminent Domain Procedures**

The statutory eminent domain procedures in chapter 73, F.S., include presuit negotiations between the entity exercising its rights and the fee owner, offers of judgment, jury trials, compensation, severance and business damages, and costs and attorneys' fees related to the proceeding. Procedures under eminent domain require a trial by a jury of 12 in the local venue. Eminent domain procedures take precedence over all other civil matters. Supplementary procedures for eminent domain actions in chapter 74, F.S., are commonly referred to as "quick-take" provisions. Under the quick-take provisions, certain entities, including municipalities and public utilities, may take possession and title to land subject to an eminent domain proceeding in advance of the entry of final judgment. Eminent domain procedures, especially quick-take, offer certain advantages. For the property owner, the only issue in dispute is the amount of compensation for the property taken. Under quick-take, an entity is required to provide appraisals of the property and deposit (with the court) twice the estimated value of the property until a financial determination is made.

**III. Effect of Proposed Changes:**

**Section 1** amends section 4 of ch. 2003-420, L.O.F., to prohibit Palm Beach County from acquiring by eminent domain property of any governmental entity in order to provide water and wastewater service to the Scripps biomedical research facility.

**Section 2** provides that 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:**

None.

**C. Government Sector Impact:**

This bill prohibits Palm Beach County from acquiring by eminent domain property of any governmental entity in order to provide water and wastewater service to the Scripps biomedical research facility. To the extent that this restriction interferes with the efficient provision of services, it may increase the local government cost associated either with the acquisition of property or with provision of infrastructure to reach the service area.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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## **VIII. Summary of Amendments:**

None.

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