

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: CS/HB 1255 Acme Improvement District and Lake Worth Drainage District, Palm Beach County
SPONSOR(S): Economic Affairs Committee; Abruzzo
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Community & Military Affairs Subcommittee	14 Y, 0 N	Read	Hoagland
2) Economic Affairs Committee	17 Y, 0 N, As CS	Read	Tinker

SUMMARY ANALYSIS

The Acme Improvement District (Acme) was created in 1953 as an independent special district with the responsibility of building and maintaining the drainage infrastructure within the district's boundaries. In 1995, the Florida Legislature incorporated the Village of Wellington and Acme was subsequently designated as a dependent special district of the village. Acme currently has the authority to provide for roads, parks, and utilities, among other things, in addition to providing and maintaining the district's drainage infrastructure.

The Lake Worth Drainage District (Drainage District) is an independent special district created by judicial decree in 1915. The Drainage District is tasked with building and maintaining the drainage infrastructure within its boundaries. It is currently funded by a special assessment levied on a per-acre basis.

The Wellington Medical Arts District (Medical Arts District) is a proposed dependent special district of the Village of Wellington. The Medical Arts District property consists of nine major properties totaling approximately 212 acres. The goal of the Medical Arts District is to create an integrated campus that will provide sustainable professional and technical employment opportunities for citizens of Wellington and Palm Beach County. The entire property is currently within the boundaries of the Drainage District, but is bordered to the south and west by Acme. In addition, the current municipal boundary for the Village of Wellington encompasses only two-thirds of the proposed Medical Arts District. The Village of Wellington is proposing to annex the remaining acreage of Medical Arts District that is currently outside of the municipal boundary (approximately 70 acres).

The bill removes the proposed Medical Arts District from the Drainage District and places it into Acme. This will allow the Village of Wellington and Acme to provide the needed infrastructure for the Medical Arts District. Because Acme has more general powers than Drainage District, placing the Medical Arts District into Acme will allow revenue bonds to be issued for improvements such as roads, utilities, and parks. This will facilitate the immediate development of the Medical Arts District. The drainage services for the Medical Arts District, however, will continue to be provided by the Drainage District through a service agreement with Acme.

According to the Economic Impact Statement, the bill is believed to result in no net new expenditures or revenues. The proposal is to transfer parcels from the Drainage District to Acme while maintaining drainage services that are provided by the Drainage District. Acme will be required to reimburse the Drainage District for the drainage services through the assessments Acme collects.

The bill has an effective date of upon becoming law.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation:

The northwest corner of State Road 7/U.S. 441 and Forest Hills Blvd. in Palm Beach County is the current home to the Wellington Regional Medical Center. In an effort to promote economic development and job creation in the area, the Village of Wellington is planning to create a dependant special district that will serve as “a premier wellness and healthcare treatment, medical education and research destination.”¹ This dependent special district will be known as the Wellington Medical Arts District (Medical Arts District) and will be approximately 212 acres, including the Wellington Regional Medical Center.

Acme Improvement District

The Acme Improvement District (Acme) was created in 1953 as an independent special district with the responsibility of building and maintaining the drainage infrastructure within the district’s boundaries.² In 1995, the Florida Legislature incorporated the Village of Wellington.³ Acme was subsequently designated as a dependent special district of the village. Acme currently has the authority to provide for roads, parks, and utilities, among other things, in addition to providing and maintaining the district’s drainage infrastructure.⁴ At present, Acme borders the proposed Medical Arts District to the south and west.⁵

Lake Worth Drainage District

The Lake Worth Drainage District (Drainage District) is an independent special district created by judicial decree in 1915. The Drainage District is tasked with building and maintaining the drainage infrastructure within its boundaries. It is currently funded by a special assessment made on a per-acre basis. At present, the Drainage District has all of the Medical Arts District property within its jurisdiction. As such, Drainage District provides and maintains the drainage infrastructure for the area.

Proposed Changes:

The bill would remove the 212 acres that is proposed to be the Medical Arts District from the Drainage District and place the property within the jurisdiction of Acme. This will allow the Village of Wellington to develop the properties within the Medical Arts District using the powers that have been granted to Acme. Because Acme has broader powers than the Drainage District, it will be able to provide infrastructure that the Drainage District is unable to provide. These additional powers include water, sewer, roads, and parks. The ability for the Acme to provide infrastructure for the Medical Arts District property is “anticipated to expedite and eliminate barriers to the private sector’s development of the [Medical Arts District]’s potential.”⁶ It is expected that the Drainage District will continue to provide the drainage services to the Medical Arts District via a service agreement with Acme.⁷ Acme will pay the Drainage District the assessments the Drainage District currently receives to provide those services. The transfer of the land within the Medical Arts District has been approved by all of the property owners within the proposed district.⁸

¹ Letter to Representative Joseph Abruzzo from Jeff S. Kurtz, Attorney for Acme Improvement District (Sept. 29, 2011) (on file with Community & Military Affairs Subcommittee).

² Chapter 28557 (1953), L.O.F.

³ Chapter 95-496, L.O.F.

⁴ Chapter 2003-330, L.O.F.

⁵ See Map of Acme Improvement District, <http://www.wellingtonfl.gov/images/stories/eServices/docs/AcmeDistrict.pdf>.

⁶ Letter to Representative Joseph Abruzzo from Jeff S. Kurtz, Attorney for Acme Improvement District (Sept. 29, 2011) (on file with Community & Military Affairs Subcommittee).

⁷ Letter from Rosemary Rayman, Director of Information Services, Lake Worth Drainage District (December 13, 2011) (on file with Community & Military Affairs Subcommittee).

⁸ Approval letters are on file with the Community & Military Affairs Subcommittee.

B. SECTION DIRECTORY:

Section 1: Provides for the extension of the Acme Improvement District to include the Wellington Medical Arts District and removes this land from the Lake Worth Drainage District.

Section 2: Provides an effective date of upon becoming law.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? December 6, 2011 and January 20, 2012.

WHERE? The Palm Beach Post

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached No

The bill is expected to have no fiscal impact on either the Drainage District or Acme. This is due to a proposed service agreement to be entered into between the Drainage District and Acme that will allow the Drainage District to continue providing drainage services to the Medical Arts District even though it is within Acme's jurisdiction. In exchange, Acme will provide the Drainage District with all of the assessments that the Drainage District currently receives from these properties.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On February 22, 2012, the Economic Affairs Committee adopted one amendment and reported the bill favorably as a committee substitute. The amendment removed the transfer of the Strazzulla Property from the bill. The result of the amendment is that the Strazzulla Property remains in the jurisdiction of the Acme Improvement District. The staff analysis was updated to reflect the committee substitute.