

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: CS/HB 1203 Lakewood Ranch Stewardship District, Manatee and Sarasota Counties
SPONSOR(S): Local, Federal & Veterans Affairs Subcommittee, Gregory
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local, Federal & Veterans Affairs Subcommittee	13 Y, 0 N, As CS	Darden	Miller
2) Ways & Means Committee	16 Y, 0 N	Curry	Langston
3) State Affairs Committee			

SUMMARY ANALYSIS

Lakewood Ranch Stewardship District is an independent special district created in 2005 by special act. It covers land in Manatee and Sarasota counties and provides community development systems, facilities, services, projects, improvements, and infrastructure to the area. The District is governed by a five member board of supervisors who are elected on a one vote per acre basis. The District is authorized to impose ad valorem taxes and may levy user charges and fees, non-ad valorem maintenance taxes as authorized by general law, maintenance special assessments, and benefit special assessments.

The District was expanded in 2009 by approximately 200 additional acres and given additional power to pursue sustainable or green infrastructure improvements, facilities, and services within its boundaries with the exception that the District could not provide electric service to retail customers or otherwise impair electric utility franchise agreements.

The bill adds an additional 2,305 acres to the District's jurisdictional boundaries and removes 2 acres. The boundary expansion is subject to approval by a majority vote of the landowners within the district, including those in the areas to be added, who are present at a landowner's meeting (or their proxy) to be held within 90 days of the effective date of the act.

Infrastructure in the additional acreage acres will be funded through the issuance of bonds, payable by the new homeowners residing in the additional acreage through annual assessments.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Special Districts

A "special district" is a unit of local government created for a particular purpose, with jurisdiction to operate within a limited geographic boundary.¹ A special district may be created by general law, special act, local ordinance, or by rule of the Governor and Cabinet.² A special district has only those powers expressly provided by, or reasonably implied from, the authority provided in the district's charter.³ Special districts provide specific municipal services in addition to, or in place of, those provided by a municipality or county.⁴

A "dependent special district" is a special district in which the membership of the governing body is identical to the governing body of a single county or municipality, all members of the governing body are appointed by the governing body of a single county or municipality, members of the district's governing body are removable at will by the governing body of a single county or municipality, or the district's budget is subject to the approval of governing body of a single county or municipality.⁵ An "independent special district" is any district that is not a dependent special district or one that includes more than one county unless the district lies wholly within a single municipality.⁶

Lakewood Ranch Stewardship District

Lakewood Ranch Stewardship District (District) is an independent special district created in 2005 by special act.⁷ The District covers land in Manatee and Sarasota counties and its purpose is to provide sound planning, provision, acquisition, development, operation, maintenance, and related financing for public systems, facilities, services, improvements, projects, and infrastructure works as authorized by its charter.⁸ The District is authorized to provide these services extraterritorially upon execution of an interlocal agreement.⁹ The District is governed by a five-member board of supervisors elected to serve four-year terms either by the landowners or qualified electors residing in the District.¹⁰

¹ S. 189.012(6), F.S. The Legislature adopted ch. 189, F.S., in 1989, to provide uniform statutes for the definition, creation, and operation of special districts. *See* s. 189.011(1), F.S.

² S. 189.012(6), F.S.

³ *See* ss. 189.02(4)-(5) and 189.031(3), F.S. Counties and municipalities have "home rule" powers allowing them to enact ordinances not inconsistent with general or special law for governmental, corporate, or proprietary purposes. Special districts do not possess home rule powers and are permitted to impose only those taxes, assessments, or fees authorized by special or general law. *See* art. VIII, ss. 1(f) and (g), 2(b), s. 6(e), Fla. Const. and ss. 166.021 and 125.01, F.S. *See also* 2018 – 2020 *Local Gov't Formation Manual*, p. 70, at <https://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&CommitteeId=3025&Session=2019&DocumentType=General%20Publications&FileName=2018-2020%20Local%20Government%20Formation%20Manual%20Final.pdf> (last visited Mar. 18, 2019) (hereinafter *Local Government Manual*).

⁴ *Local Government Manual* at 64.

⁵ S. 189.012(2), F.S.

⁶ S. 189.012(3), F.S. Independent special districts are created by the Legislature unless otherwise authorized by general law. The charter of a newly-created district must meet minimum statutory requirements which includes a statement that it is an independent special district.

⁷ Ch. 2005-338, Laws of Fla.

⁸ Ch. 2005-338, s. 3(4), as amended by ch. 2009-263, Laws of Fla.

⁹ *Id.*

¹⁰ Ch. 2005-338, s. 5, Laws of Fla. As qualified electors move into the District, more members are chosen in an election of the qualified electorate rather than a landowners' meeting. Once 45,000 qualified electors reside within the District all five members will be elected by the qualified electorate. Ch. 2005-338, s.5(3)(a)2.a.(V), Laws of Fla.

The District is authorized to impose ad valorem taxes and may levy user charges and fees, non-ad valorem maintenance taxes as authorized by general law, maintenance special assessments, and benefit special assessments.¹¹ In 2009, the District was also authorized to provide sustainable or green infrastructure improvements, facilities, and services, including recycling of natural resources, reduction of energy demands, development and generation of alternative or renewable energy sources and technologies, and entering into joint ventures or other agreements necessary to accomplish sustainable or green goals.¹² The District expressly was not granted the authority to provide electric service to retail customers or otherwise take action to impair electric utility franchise agreements.¹³ In the same act, the District was expanded by approximately 200 acres to a total acreage of approximately 23,255 acres.¹⁴ The District was expanded by an additional 47 acres in 2018, bringing the total acreage to approximately 23,302 acres.¹⁵

Effect of Proposed Changes

The bill amends the boundaries of the district to annex two areas, of approximately 2,264 and 41 acres, into the District, and to remove an area of approximately 2 acres.¹⁶ The bill increases the total acreage from 23,302 acres to 25,605 acres.

The addition of lands to the District is subject to a referendum of landowners, including those in the areas to be annexed. For the purposes of the referendum, each assessable acre, or fraction thereof, shall be counted as one vote, pursuant to the terms of the District's charter. The bill states that the landowners meeting to vote on the annexation should be held within 90 days of the effective date of the act. Landowners otherwise eligible to vote at the meeting may assign a proxy to vote in their place.

According to the Economic Impact Statement Form, infrastructure in the additional acreage will cost \$11 million and will be funded through the issuance of bonds, payable by the new homeowners residing in the additional acreage acres through annual assessments. The annual assessments are estimated to generate \$1 million in revenue per year.¹⁷

B. SECTION DIRECTORY:

Section 1: Amends s. 4 of ch. 2005-338, Laws of Fla., as amended by ch. 2018-178, Laws of Fla., revising the boundaries of the Lakewood Ranch Stewardship District

Section 2: Provides that each assessable acre or fraction of an acre present in person or by proxy at the landowners meeting shall be counted as one vote.

Section 3: Provides an effective date of becoming a law and provides a separate effective date for boundary expansion upon approval by majority of the voters at a landowner's meeting.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? December 24, 2018 and January 22, 2019

¹¹ Ch. 2005-338, s.6(6), Laws of Fla. The District currently does not levy ad valorem taxes. The District may only levy ad valorem taxes subject to approval at a referendum held after the complete transition of the District's board to election by the qualified electors of the District. Ch. 2005-338, s. 8, Laws of Fla.

¹² Ch. 2005-338, s.6(6), as amended by ch. 2009-263, s.2, Laws of Fla.

¹³ *Id.*

¹⁴ Ch. 2005-338, as amended by ch. 2009-263, s.1, Laws of Fla.

¹⁵ Ch. 2018-178, Laws of Fla.

¹⁶ See Appendix A.

¹⁷ See Economic Impact Statement for HB 1203 (2019).

WHERE? The *Bradenton Herald*, a daily newspaper of general circulation published in Manatee County, Florida and the *Sarasota Herald-Tribune*, a daily newspaper of general circulation published in Sarasota County, Florida, respectively.

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN? A landowners referendum held within 90 days after the effective date of the bill.

C. LOCAL BILL CERTIFICATION FILED? Yes, attached No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached No

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

The bill does not provide rulemaking authority or require executive branch rulemaking.

C. DRAFTING ISSUES OR OTHER COMMENTS:

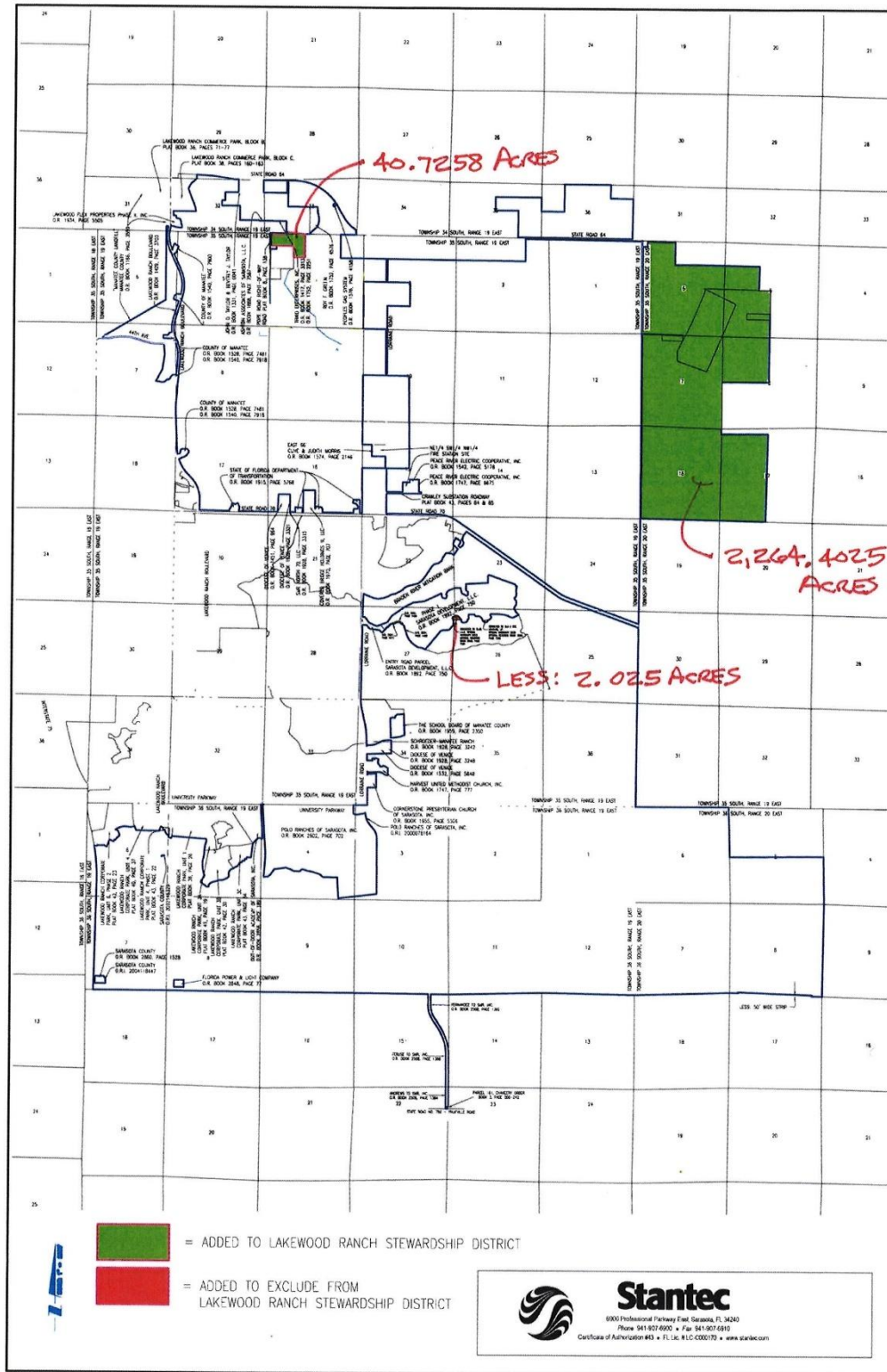
None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On March 26, 2019, the Local, Federal & Veterans Affairs Subcommittee adopted one amendment and reported the bill favorably as a committee substitute. The amendment corrects a scrivener's error in the bill concerning the current acreage of the District and the acreage of the District if the bill is approved by the landowners.

This analysis is drafted to the committee substitute as approved by the Local, Federal & Veterans Affairs Subcommittee.

APPENDIX A BOUNDARY MAP OF LAKEWOOD RANCH STEWARDSHIP DISTRICT



215614156

HOUSE OF REPRESENTATIVES
2019 - 2020 LOCAL BILL CERTIFICATION FORM

BILL #: _____
SPONSOR(S): Representative Tommy Gregory
RELATING TO: Lakewood Ranch Stewardship District, Manatee and Sarasota Counties
[Indicate Area Affected (City, County, or Special District) and Subject]
NAME OF DELEGATION: Manatee County Legislative Delegation
CONTACT PERSON: David Ballard
PHONE NO.: 850-717-5073 **E-Mail:** David.Ballard@myfloridahouse.gov

- I. *House local bill policy requires the following steps must occur before a committee or subcommittee of the House considers a local bill:*
- (1) *The members of the local legislative delegation must certify that the purpose of the bill cannot be accomplished at the local level;*
 - (2) *The legislative delegation must hold a public hearing in the area affected for the purpose of considering the local bill issue(s);*
 - (3) *The bill must be approved by a majority of the legislative delegation, or a higher threshold if so required by the rules of the delegation, at the public hearing or at a subsequent delegation meeting; and*
 - (4) *An Economic Impact Statement for local bills must be prepared at the local level and filed with the Clerk of the House. Under House policy, a local bill will not be considered by a committee or subcommittee without an Economic Impact Statement.*

(1) Does the delegation certify the purpose of the bill cannot be accomplished by ordinance of a local governing body without the legal need for a referendum?
YES NO

Brief Explanation as to why the purpose of the bill cannot be accomplished at the local level:

The Legislature has retained authority to decide the local issue by special act.

(2) Did the delegation conduct a public hearing on the subject of the bill?
YES NO

Date hearing held: 12/19/2018
Location: Manatee County Commission Chambers, located at 1112 Manatee Avenue West, Bradenton, FL

(3) Was this bill formally approved by a majority of the delegation members?
YES NO UNANIMOUSLY APPROVED

(4) Was an Economic Impact Statement prepared at the local level and filed with the Clerk of the House?
YES NO

- II. *Article III, Section 10 of the State Constitution prohibits passage of any special act unless notice of intention to seek enactment of the bill has been published as provided by general law (s. 11.02, F. S.) or*

the act is conditioned to take effect only upon approval by referendum vote of the electors in the area affected.

Has this constitutional notice requirement been met?

Notice published: YES NO DATE 12/24/2018

Where? Bradenton Herald County Manatee

Referendum in lieu of publication: YES NO

Date of Referendum

III. Article VII, section 9(b) of the State Constitution prohibits passage of any bill creating a special taxing district, or changing the authorized millage rate for an existing special taxing district, unless the bill subjects the taxing provision to approval by referendum vote of the electors in the area affected.

(1) Does the bill create a special district and authorize the district to impose an ad valorem tax?

YES NO


(2) Does this bill change the authorized ad valorem millage rate for an existing special district?

YES NO

If the answer to question (1) or (2) is YES, does the bill require voter approval of the ad valorem tax provision(s)?

YES NO

Please file this completed, original form with the Clerk of the House.


Delegation Chair (Original Signature)

2/12/19
Date

William C. Robinson, Jr.
Printed Name of Delegation Chair

HOUSE OF REPRESENTATIVES
2019 - 2020 LOCAL BILL CERTIFICATION FORM

BILL #: _____
SPONSOR(S): Representative Tommy Gregory
RELATING TO: Lakewood Ranch Stewardship District, Manatee and Sarasota Counties
[Indicate Area Affected (City, County, or Special District) and Subject]
NAME OF DELEGATION: Sarasota County Legislative Delegation
CONTACT PERSON: David Ballard
PHONE NO.: 850-717-5073 **E-Mail:** David.Ballard@myfloridahouse.gov

- I. House local bill policy requires the following steps must occur before a committee or subcommittee of the House considers a local bill:**
- (1) The members of the local legislative delegation must certify that the purpose of the bill cannot be accomplished at the local level;
 - (2) The legislative delegation must hold a public hearing in the area affected for the purpose of considering the local bill issue(s);
 - (3) The bill must be approved by a majority of the legislative delegation, or a higher threshold if so required by the rules of the delegation, at the public hearing or at a subsequent delegation meeting; and
 - (4) An Economic Impact Statement for local bills must be prepared at the local level and filed with the Clerk of the House. Under House policy, a local bill will not be considered by a committee or subcommittee without an Economic Impact Statement.

(1) Does the delegation certify the purpose of the bill cannot be accomplished by ordinance of a local governing body without the legal need for a referendum?

YES NO

Brief Explanation as to why the purpose of the bill cannot be accomplished at the local level:

The Legislature has retained authority to decide the local issue by special act.

(2) Did the delegation conduct a public hearing on the subject of the bill?

YES NO

Date hearing held: 1/28/2019

Location: Sarasota County Commission Chambers, 1600 Ringling Blvd., Sarasota, FL.

(3) Was this bill formally approved by a majority of the delegation members?

YES NO UNANIMOUSLY APPROVED

(4) Was an Economic Impact Statement prepared at the local level and filed with the Clerk of the House?

YES NO

- II. Article III, Section 10 of the State Constitution prohibits passage of any special act unless notice of intention to seek enactment of the bill has been published as provided by general law (s. 11.02, F. S.) or**

the act is conditioned to take effect only upon approval by referendum vote of the electors in the area affected.

Has this constitutional notice requirement been met?

Notice published: YES NO DATE 1/22/2019

Where? Herald Tribune County Sarasota County

Referendum in lieu of publication: YES NO

Date of Referendum

III. Article VII, section 9(b) of the State Constitution prohibits passage of any bill creating a special taxing district, or changing the authorized millage rate for an existing special taxing district, unless the bill subjects the taxing provision to approval by referendum vote of the electors in the area affected.

(1) Does the bill create a special district and authorize the district to impose an ad valorem tax?

YES NO

(2) Does this bill change the authorized ad valorem millage rate for an existing special district?

YES NO

If the answer to question (1) or (2) is YES, does the bill require voter approval of the ad valorem tax provision(s)?

YES NO

Please file this completed, original form with the Clerk of the House.


Delegation Chair (Original Signature)

2/12/19
Date


Printed Name of Delegation Chair

**HOUSE OF REPRESENTATIVES
2019 ECONOMIC IMPACT STATEMENT FORM**

Read all instructions carefully.

House local bill policy requires that no local bill will be considered by a committee or a subcommittee without an Economic Impact Statement. This form must be prepared by an individual who is qualified to establish fiscal data and impacts and has personal knowledge of the information given (for example, a chief financial officer of a particular local government). Please file this completed, original form with the Clerk of the House as soon as possible after a bill is filed. Additional pages may be attached as necessary.

BILL #:

SPONSOR(S):

RELATING TO:

Expansion of the Lakewood Ranch Stewardship District

[Indicate Area Affected (City, County or Special District) and Subject]

Check if this is a revised Economic Impact Statement

I. REVENUES:

These figures are new revenues that would not exist but for the passage of the bill. The term "revenue" contemplates, but is not limited to, taxes, fees and special assessments. For example, license plate fees may be a revenue source. If the bill will add or remove property or individuals from the tax base, include this information as well.

	FY 19-20	FY 20-21
Revenue decrease due to bill:	\$ 0	\$ 0
Revenue increase due to bill:	\$ 0	\$ 1 Million

II. COST:

Include all costs, both direct and indirect, including start-up costs. If the bill repeals the existence of a certain entity, state the related costs, such as satisfying liabilities and distributing assets.

Expenditures for Implementation, Administration and Enforcement:

	FY 19-20	FY 20-21
	\$ 1 Million	\$ 10 Million

Please include explanations and calculations regarding how each dollar figure was determined in reaching total cost.

The District plans a net expansion of its boundaries by +/- 2,303 acres. The property will be developed similarly to Lakewood Ranch. This will require installation of infrastructure. The District issues bonds to fund the infrastructure supported by special assessments imposed exclusively on the benefiting properties. The estimated costs are based on data from the District's experience.

III. FUNDING SOURCE(S):

State the specific sources from which funding will be received, for example, license plate fees, state funds, borrowed funds, or special assessments.

If certain funding changes are anticipated to occur beyond the following two fiscal years, explain the change and at what rate taxes, fees or assessments will be collected in those years.

	<u>FY 19-20</u>	<u>FY 20-21</u>
Local:	\$ 0	\$ \$1 Million
State:	\$ 0	\$ 0
Federal:	\$ 0	\$ 0

IV. ECONOMIC IMPACT:

Potential Advantages:

Include all possible outcomes linked to the bill, such as increased efficiencies, and positive or negative changes to tax revenue. If an act is being repealed or an entity dissolved, include the increased or decreased efficiencies caused thereby.

Include specific figures for anticipated job growth.

1. Advantages to Individuals:

Opportunity to live and work in Lakewood Ranch. Transparency of costs. Increased employment and housing options.

2. Advantages to Businesses:

Opportunity to bid on infrastructure work from District. Opportunity to serve new demand from development in the expansion area.

3. Advantages to Government:

District is self-governing and self-funding. District installs public infrastructure at no cost to other units of local government.

Potential Disadvantages:

Include all possible outcomes linked to the bill, such as inefficiencies, shortages, or market changes anticipated.

Include reduced business opportunities, such as reduced access to capital or training.

State any decreases in tax revenue as a result of the bill.

- 1. Disadvantages to Individuals: None. If an individual chooses to purchase property or locate in the expansion area of Lakewood Ranch, they do so because they view it as in their best interest. See attached Statement of Estimated Regulatory Cost for more details.
- 2. Disadvantages to Businesses: None. See attached Statement of Estimated Regulatory Cost for more details.
- 3. Disadvantages to Government: None. See attached Statement of Estimated Regulatory Cost for more details.

V. DESCRIBE THE POTENTIAL IMPACT OF THE BILL ON PRESENT GOVERNMENTAL SERVICES:

None. See attached Statement of Estimated Regulatory Cost for more details.

VI. SPECIFIC DATA USED IN REACHING ESTIMATES:

Include the type(s) and source(s) of data used, percentages, dollar figures, all assumptions made, history of the industry/issue affected by the bill, and any audits.

See Statement of Estimated Regulatory Cost.
The analysis is based on the experience of the Lakewood Ranch Stewardship District over the last decade.

VII. CERTIFICATION BY PREPARER

I hereby certify I am qualified to establish fiscal data and impacts and have personal knowledge of the information given. I have reviewed all available financial information applicable to the substance of the above-stated local bill and confirm the foregoing Economic Impact Statement is a true and accurate estimate of the economic impact of the bill.

PREPARED BY: Henry H. Fishkind, Ph.D. Digitally signed by Henry H. Fishkind, Ph.D.
Date: 2019.02.18 14:08:35 -05'00'
[Must be signed by Preparer]

Print preparer's name: Henry H. Fishkind, Ph.D.

2/18/2019
Date

TITLE (such as Executive Director, Actuary, Chief Accountant, or Budget Director):
District Manager, Lakewood Ranch Stewardship District

REPRESENTING: Lakewood Ranch Stewardship District

PHONE: 407-382-3256

E-MAIL ADDRESS: hankf@fishkind.com

STATEMENT OF ESTIMATED REGULATORY COSTS
Lakewood Ranch Stewardship District
Expansion of the District's Boundaries

1.0 Introduction

1.1 Purpose and Scope

The Lakewood Ranch Stewardship District ("District") is a local unit of special-purpose government of the State of Florida created pursuant to the Lakewood Ranch Stewardship District Act, Chapter 2005-338, Laws of Florida as amended (the "Act"). The District consists of approximately 23,255 acres located within both Manatee and Sarasota Counties. The District is petitioning to expand its boundary to include approximately 2,303 additional acres of land in Manatee County ("Expansion Parcel"). The Expansion Parcel is expected to be planned for the development of master-planned, mixed-use development consistent with the development pattern in Lakewood Ranch. This statement of estimated regulatory costs ("SERC") analyzes the cost impacts of the District's petition to expand its boundaries.

1.2 Requirements for Statement of Estimated Regulatory Costs

Section 120.541(2), F.S. (2017), defines the elements a statement of estimated regulatory costs must contain:

"(a) An economic analysis showing whether the rule directly or indirectly:

1. Is likely to have an adverse impact on economic growth, private sector job creation or employment, or private sector investment in excess of \$1 million in the aggregate within 5 years after the implementation of the rule;
2. Is likely to have an adverse impact on business competitiveness, including the ability of persons doing business in the state to compete with persons doing business in other states or domestic markets, productivity, or innovation in excess of \$1 million in the aggregate within 5 years after the implementation of the rule; or
3. Is likely to increase regulatory costs, including any transactional costs, in excess of \$1 million in the aggregate within 5 years after the implementation of the rule.

(b) A good faith estimate of the number of individuals and entities likely to be required to comply with the rule, together with a general description of the types of individuals likely to be affected by the rule.

(c) A good faith estimate of the cost to the agency, and to any other state and local government entities, of implementing and enforcing the proposed rule, and any anticipated effect on state or local revenues.

(d) A good faith estimate of the transactional costs likely to be incurred by individuals and entities, including local government entities, required to comply with the requirements of the rule. As used in this section, "transactional costs" are direct costs that are readily ascertainable based upon standard business practices, and include filing fees, the cost of obtaining a license, the cost of equipment required to be installed or used or procedures required to be employed in complying with the rule, additional operating costs incurred, the cost of monitoring and reporting, and any other costs necessary to comply with the rule.

(e) An analysis of the impact on small businesses as defined by s. 288.703, and an analysis of the impact on small counties and small cities as defined in s. 120.52. The impact analysis for small businesses must include the basis for the agency's decision not to implement alternatives that would reduce adverse impacts on small businesses.

(f) Any additional information that the agency determines may be useful.

(g) In the statement or revised statement, whichever applies, a description of any regulatory alternatives submitted under paragraph (1)(a) and a statement adopting the alternative or a statement of the reasons for rejecting the alternative in favor of the proposed rule.

2.0 Economic Analysis of the Proposed Act

2.1 Is the proposed Act likely to have an adverse impact on economic growth, private sector job creation or employment, or private sector investment in excess of \$1 million in the aggregate within 5 years after the implementation of the Act?

No. The proposal to expand the District's boundaries will not have any adverse impacts on economic growth, employment or investment. To the contrary, the expansion will require an investment of about \$115 million in infrastructure to support the development of the +/- 2,303 acre Expansion Parcel. The infrastructure investment alone will create construction jobs and incomes. Development of the Expansion Parcel accommodate more than 5,000 new homes along with supporting non-residential development, and their residents and employees will increase the demand for goods and services supporting additional permanent economic benefits.

- 2.3 Is the proposed Act likely to have an adverse impact on business competitiveness, including the ability of persons doing business in the state to compete with persons doing business in other states or domestic markets, productivity, or innovation in excess of \$1 million in the aggregate within 5 years after the implementation of the Act?

No. As discussed above, the expansion will stimulate economic growth. Concerning competitive impacts, the District must comply with all of Florida's regulations concerning competitive bidding of the infrastructure work along with all other District expenditures. There will be no adverse impact on the competitive position of Floridians nor will there be any adverse impact on productivity or innovation.

- 2.4 Is the proposed Act likely to increase regulatory costs, including any transactional costs, in excess of \$1 million in the aggregate within 5 years after the implementation of the Act.

Yes. If the boundary expansion is approved, the District would install the infrastructure needed for the development the Expansion Parcel at a cost of about \$115 million. The District finances its capital improvements by issuing bonds, and when financing costs are included the total cost will be about \$140 million. The District imposes special assessments to fund the debt service for its capital improvements on the properties that specially benefit from the improvements. Since the District uses special assessments to fund its debt service obligations, the District will have to prove that the increase in regulatory costs of \$140 million is more than offset by the special benefits (measured in terms of increased market value) of the capital improvements. There should be no problem meeting this test.

3.0 Analysis of the Regulatory Cost of the Proposed Act

3.1 Overview

The proposed Act would only change the boundaries of the District. It will have no impact on regulatory costs. Therefore, there will be no added regulatory costs if the proposed Act is adopted.

- 3.2 A good faith estimate of the number of individuals and entities likely to be required to comply with the Act, together with a general description of the types of individuals likely to be affected by the Act.

The expansion of the District's boundaries will directly affect the ultimate owners of the Expansion Parcel. Prior to the development and sale of the land, the landowner will be obligated for the assessments.

- 3.3 A good faith estimate of the cost to the agency, and to any other state and local government entities, of implementing and enforcing the proposed Act, and any anticipated effect on state or local revenues.

The only governmental agency affected by the proposed expansion of the District's boundaries is the District. There will be no impact on state or local revenues.

- 3.4 A good faith estimate of the transactional costs likely to be incurred by individuals and entities, including local government entities, required to comply with the requirements of the Act. As used in this section, "transactional costs" are direct costs that are readily ascertainable based upon standard business practices, and include filing fees, the cost of obtaining a license, the cost of equipment required to be installed or used or procedures required to be employed in complying with the Act, additional operating costs incurred, the cost of monitoring and reporting, and any other costs necessary to comply with the Act.

The proposed expansion of the District will result in increased transactional costs for the ultimate landowners in the Expansion Area. As noted above, these landowners will be subject to special assessments that the District will impose to fund the costs for the installation of the infrastructure necessary to support development in the Expansion Parcel. However, before imposing the special assessments the District must prove that the special benefits created in the Expansion Parcel from the infrastructure will exceed the special assessments imposed to pay for the improvements.

- 3.5 An analysis of the impact on small businesses as defined by s. 288.703, and an analysis of the impact on small counties and small cities as defined in s. 120.52. The impact analysis for small businesses must include the basis for the agency's decision not to implement alternatives that would reduce adverse impacts on small businesses.

The proposed Act will benefit small businesses, because the District, as a unit of local government, must comply with all public bidding requirements of the State of Florida. As compared to the private development of the land in the Expansion Area, the District's sponsorship of the capital improvement plan provides new opportunities for small businesses to bid and to participate in the program. Manatee County is not a small county. There are no alternatives to the proposed Act that would reduce adverse impacts on small businesses, because there are none.

- 3.6 Any additional information that the agency determines may be useful.

None.

- 3.7 In the statement or revised statement, whichever applies, a description of any regulatory alternatives submitted under paragraph (1)(a) and a statement adopting the alternative or a statement of the reasons for rejecting the alternative in favor of the proposed Act.

None.

Henry H. Fishkind, Digitally signed by Henry H.
Ph.D. Fishkind, Ph.D.
Date: 2019.02.18 14:09:41 -05'00'