FLORIDA HOUSE OF REPRESENTATIVES BILL ANALYSIS

This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.					
BILL #: <u>CS/HB 1345</u>		COMPANION BILL: <u>CS/SB 1580</u> (Rodriguez)			
TITLE: Infrastructure and Resiliency		LINKED BILLS: None			
SPONSOR(S): LaMarca		RELATED BILLS: None			
Committee References					
Natural Resources &	Government Operations		<u>Budget</u>		State Affairs
<u>Disasters</u>		>			
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SUMMARY

Effect of the Bill:

The bill specifies that the Department of Environmental Protection (DEP) has the exclusive authority to execute coastal resiliency projects through public-private partnerships. Such projects include any projects in the Statewide Flooding and Sea Level Rise Resilience Plan, public infrastructure repairs and upgrades to seawalls and stormwater and drainage, and other resiliency measures. The bill specifies that coastal resiliency projects are considered qualifying projects for purposes of public-private partnerships. The bill authorizes DEP to engage in certain activities to encourage private sector investments in coastal resiliency projects.

Additionally, the bill requires DEP to publish biennial progress reports for each coastal resiliency project on its website and to create and maintain an online dashboard with real-time updates on project execution.

Fiscal or Economic Impact:

The bill may have a negative fiscal impact on DEP associated with publishing biennial reports and creating and maintaining an online dashboard as required by the bill.

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ANALYSIS

EFFECT OF THE BILL:

Public-private Partnerships

The bill specifies that the Department of Environmental Protection (DEP) has the exclusive authority to execute coastal resiliency projects through public-private partnerships. Coastal resiliency projects are defined to mean:

- The planning, contracting, and execution of a project to address flooding and sea level rise in a coastal or inland community in the state as part of the <u>Statewide Flooding and Sea Level Rise Resilience Plan</u>;
- Public infrastructure repair and upgrades to seawalls and stormwater drainage; and
- Resiliency measures designed to withstand extreme weather, mitigate flooding, and prevent coastal erosion, including;
 - o Acquisition of at-risk coastal and flood-prone properties;
 - Acquisition of properties in areas at high risk of flooding;
 - o Infrastructure hardening and development of natural barriers;
 - Construction of large-scale seawalls, levees, and elevated flood barriers; or
 - Expansion or restoration of natural protective systems. (Section 2)

Additionally, the bill defines public-private partnership to mean a coastal resiliency project entered into by DEP pursuant to statutory procedures and requirements applicable to public-private partnerships.¹ (Section <u>2</u>)

The bill specifies that a coastal resiliency project is considered a qualifying project for the purposes of public-private partnerships. (Section $\underline{1}$)

The bill authorizes DEP to encourage investment from the private sector in coastal resiliency projects by doing the following:

- Entering into long-term revenue-sharing agreements.
- Providing expedited permitting for construction.
- Seeking comments from local governments and the public during project planning and execution and incorporating actions responsive to such comments into the project.
- Engaging in-state vocational schools and apprenticeship programs to train workers in specialized resiliency construction. (Section <u>2</u>)

The bill requires DEP to publish biennial progress reports for each coastal resiliency project funded through a public-private partnership, including project milestones, expenditures, and public benefits, on DEP's website. DEP is also required to create and maintain an online dashboard for real-time updates on project execution on its website. (Section <u>2</u>)

Effective Date

The effective date of the bill is upon becoming a law. (Section $\underline{3}$)

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The bill may have an insignificant negative fiscal impact on DEP associated with publishing biennial progress reports for coastal resiliency projects and creating and maintaining an online dashboard as required by the bill.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Public-private Partnerships

Public-private partnerships (P3s) are contractual arrangements between public entities and private sector entities² that facilitate increased private sector involvement in the funding and execution of public building and infrastructure projects.³ These agreements enable the collaboration of skills and assets from both public and private sectors to provide services or facilities for the benefit of the general public. Several statutes promote and offer direction for P3 projects, including those for services and facilities related to transportation,⁴ housing,⁵ and education.⁶

Responsible public entities (RPEs)⁷ may engage in P3 projects aimed at developing an extensive array of public-use facilities or projects that fulfill a public purpose. Examples of qualifying projects⁸ include those for mass transit,

² "Private entity" means any natural person, corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, nonprofit entity, or other private business entity. Section <u>255.065(1)(g), F.S.</u>

³ Section <u>255.065(2)(b), F.S.</u>

⁴ See section <u>334.30, F.S.</u>, relating to public-private transportation facilities.

⁵ See section <u>420.0003(2)(b). F.S.</u>, relating to state housing strategy.

⁶ See section <u>1013.35, F.S.</u>, relating to school district educational facilities plans.

⁷ "Responsible public entity" means a county, municipality, school district, special district, or any other political subdivision of the state; a public body corporate and politic; or a regional entity that serves a public purpose and is authorized to develop or operate a qualifying project. Section <u>255.065(1)(j)</u>, F.S. "Develop" means to plan, design, finance, lease, acquire, install, construct, or expand. Section <u>255.065(1)(b)</u>, F.S. "Operate" means to finance, maintain, improve, equip, modify, or repair. Section <u>255.065(1)(f)</u>, F.S.

⁸ "Qualifying project" means a facility or project that serves a public purpose; an improvement, including equipment, of a building that will be principally used by a public entity or the public at large or that supports a service delivery system in the public sector; a water, wastewater, or surface water management facility or other related infrastructure; or projects that involve a facility owned or operated by the governing board of a county, district, or municipal hospital or health care system,

vehicle parking, airports or seaports, educational facilities, and public sector buildings or complexes such as courthouses or city halls. RPEs must adhere to specific requirements, including protocols for reviewing and approving proposals.⁹

Procurement Procedures

RPEs may receive unsolicited proposals or may solicit proposals for a qualifying P3 project and thereafter enter into a comprehensive agreement for the building, upgrading, operating, ownership, or financing of facilities.¹⁰ An unsolicited proposal from a private entity for approval of a qualifying project must be accompanied by the following materials and information, unless waived by the RPE:

- A description of the project and the method proposed by the private entity to secure the necessary property interests required for the project.
- A description of the private entity's general plans for financing the project.
- The name and address of a designated contact person who can provide additional information about the proposal.
- The proposed user fees,¹¹ lease payments,¹² or other service payments throughout the term of the comprehensive agreement, along with the methodology for and circumstances allowing adjustments to these payments over time.
- Any additional material or information requested by the RPE.¹³

If the RPE intends to execute a comprehensive agreement for a project arising from an unsolicited proposal, the RPE must publish notice in the Florida Administrative Register and a newspaper of general circulation and mail a copy of the notice to each local government in the affected area.¹⁴ The notice must be published at least once a week for two weeks stating the RPE has received a proposal and will accept other proposals for the same project.¹⁵

The RPE may proceed with an unsolicited proposal for a qualifying project without engaging in a public bidding process if the RPE holds a duly noticed public meeting at which the proposal is presented and affected public entities and members of the public are able to provide comment and, at a second duly noticed public meeting, determines that the proposal is in the public's interest.¹⁶ If the RPE decides to proceed with an unsolicited proposal without engaging in a public bidding process, the RPE must publish a report in the Florida Administrative Register for at least seven days that includes:

- The public interest determination;
- The factors considered in making such public interest determination; and
- The RPE's findings based on each considered factor.¹⁷

¹⁵ Section <u>255.065(3)(b)1., F.S.</u>

or projects that involve a facility owned or operated by a municipal electric utility, only those projects that the governing board designates as qualifying projects. Section <u>255.065(1)(i), F.S.</u>

⁹ "Proposal" means a plan for a qualifying project with detail beyond a conceptual level for which terms such as fixing costs, payment schedules, financing, deliverables, and project schedule are defined. Section <u>255.065(1)(h)</u>, F.S. ¹⁰ Section <u>255.065(3)</u>, F.S.

¹¹ "Fees" means charges imposed by the private entity of a qualifying project for use of all or a portion of such qualifying project pursuant to a comprehensive agreement. Section <u>255.065(1)(c)</u>, F.S.

¹² "Lease payment" means any form of payment, including a land lease, by a public entity to the private entity of a qualifying project for the use of the project. Section <u>255.065(1)(d)</u>, F.S.

¹³ Section <u>255.065(4)</u>, F.S. Any pricing or financial terms included in an unsolicited proposal must be specific as to when the pricing or terms expire.

¹⁴ Section <u>255.065(3)(b), F.S.</u> "Affected local jurisdiction" means a county, municipality, or special district in which all or a portion of a qualifying project is located. Section <u>255.065(1)(a), F.S.</u>

¹⁶ Section <u>255.065(3)(c), F.S.</u>

¹⁷ Section <u>255.065(3)(d), F.S.</u>

Project Qualification and Approval

After the public notification period has expired for an unsolicited proposal that is submitted and noticed for public hearing, the RPE ranks the proposals received in order of preference.¹⁸ The RPE may then begin negotiations for a comprehensive agreement with the highest-ranked firm.¹⁹

The RPE and the private entity must enter into a comprehensive agreement before developing or operating a qualifying project.²⁰ The comprehensive agreement must provide for:

- Delivery of performance and payment bonds, letters of credit, or other security related to the project's development or operation.
- Review of the project design by the RPE. This does not require the private entity to complete the project's design before executing the comprehensive agreement.
- Inspection of the project by the RPE.
- Maintenance of a public liability insurance policy, a copy of which together with proofs of coverage are filed with the RPE, or satisfactory proof of self-insurance.
- Monitoring the maintenance practices of the private entity by the RPE to ensure proper upkeep of the project.
- Periodic filing of financial statements pertaining to the project by the private entity.
- Procedures governing the rights and responsibilities of both parties in the event of a termination of the comprehensive agreement or a material default by the private entity.
- User fees, lease payments, or service payments that do not discourage use of the project, as may be established in the agreement.
- Duties of the private entity, including the terms and conditions that the RPE determines serve the public purpose of the project.²¹

Before approving a comprehensive agreement, the RPE must determine that the proposed project:

- Is in the public's best interest.
- Is for a facility owned by the RPE or for which ownership will be conveyed to the RPE.
- Has adequate safeguards to prevent additional costs or service disruptions for the public in case of material default²² or cancellation of the comprehensive agreement by the RPE.
- Includes measures to allow the RPE or the private entity to add capacity to the proposed project or other facilities serving similar predominantly public purposes.
- Will be owned by the RPE upon completion, expiration, or termination of the comprehensive agreement and upon payment of the financed amounts.²³

Statewide Flooding and Sea Level Rise Resilience Plan

By December 1st of each year, the Department of Environmental Protection (DEP) must develop a Statewide Flooding and Sea Level Rise Resilience Plan with a three-year planning horizon and submit it to the Governor and Legislature.²⁴ The plan must consist of ranked projects that address flooding and sea level rise risks for coastal and inland communities.²⁵ All eligible projects submitted must be ranked and included in the plan.²⁶ DEP ranks the projects using a four-tiered scoring system.²⁷ Examples of projects include construction of living shorelines, seawalls, and pump stations; elevation projects; and infrastructure hardening.²⁸

SUMMARY

¹⁸ Section 255.065(5)(c), F.S.
¹⁹ *Id.*²⁰ Section 255.065(7)(a), F.S.
²¹ *Id.*²² "Material default" means a nonperformance of its duties by the private entity of a qualifying project which jeopardizes adequate service to the public from the project. Section 255.065(1)(e), F.S.
²³ Section 255.065(3)(f), F.S.
²⁴ Section 380.093(5)(a), F.S.
²⁵ *Id.*²⁶ *Id.*²⁷ Section 380.093(5)(g), F.S.
²⁸ See DEP, Statewide Resilience Plan: Fiscal Year 2024-25, 8-12 (2023), available at https://floridadep.gov/sites/default/files/2024-2025%20Statewide%20Resilience%20Plan-FINAL 0.pdf. (last visited Mar. 27, 2025).

Each plan must include, among other things, a detailed description of the methodology used by DEP to rank projects, details on the submitted project applications, and total funding requested, including for ineligible projects.²⁹ In addition, each plan must include the following information for each recommended project:

- A description of the project;
- The location of the project;
- An estimate of how long the project will take to complete;
- An estimate of the cost of the project;
- The cost-share percentage available for the project;
- A summary of the priority score assigned to the project; and
- The project sponsor.³⁰

Counties, municipalities, special districts, and regional resilience entities may submit a list of proposed projects that address risks identified in statewide or local vulnerability assessments.³¹ Water management districts, drainage districts, erosion control districts, flood control districts, and regional water supply authorities may also submit projects that mitigate flooding and sea level rise impacts on water supplies or water resources.³²

Each project must have a 50 percent cost share unless the project assists or is within a community eligible for a reduced cost share.³³ The annual funding for the plan must be at least \$100 million.³⁴ Multiyear projects must continue receiving funding until completion if contractual obligations are met and funds remain available.³⁵

²⁹ Section <u>380.093(5)(g), F.S.</u>

³⁰ Section <u>380.093(5)(c), F.S.</u>

³¹ Section <u>380.093(5)(d)1., F.S.</u>

³² Section <u>380.093(5)(d)2., F.S.</u>

³³ Section <u>380.093(5)(e)</u>, F.S.; "Community eligible for reduced cost share" means a municipality that has a population of 10,000 or fewer and a per capita annual income that is less than the state's per capita annual income; a county that has a population of 50,000 or fewer and a per capita annual income that is less than the state's per capita annual; or a municipality or county that has a per capita annual income that is equal to or less than 75 percent of the state's per capita annual income. Populations are determined by the most recent April 1 population estimates posed on the Office of Economic and Demographic Research's website. The state's per capita income is based on the most recent release from the Bureau of the Census of the U.S. Department of Commerce. *Id.*

³⁴ Section <u>380.093(5)(h), F.S.</u> ³⁵ *Id*

BILL HISTORY							
COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY			
<u>Natural Resources & Disasters</u> <u>Subcommittee</u>	16 Y, 0 N, As CS	4/1/2025	Moore	Gawin			
THE CHANGES ADOPTED BY THE COMMITTEE:	 Removed language establishing a public-private partnership authority and program to oversee certain public-private partnership projects; Established DEP as the exclusive authority that oversees public-private partnerships for coastal resiliency projects; Specified that coastal resiliency projects are considered qualifying projects for the purposes of public-private partnerships; Authorized DEP to engage in certain activities to encourage private sector investment in coastal resiliency projects; and Required DEP to publish certain information on its website. 						
<u>Government Operations</u> <u>Subcommittee</u>							
Budget Committee							
State Affairs Committee							

THIS BILL ANALYSIS HAS BEEN UPDATED TO INCORPORATE ALL OF THE CHANGES DESCRIBED ABOVE.
