MEMORANDUM

TO: Arlene Smith, Volusia County
    Rick Karl, Volusia County

FROM: R. Dean Cannon
       Robert F. Stuart, Jr.

DATE: December 21, 2017

SUBJECT: Regional Legislative Strategy Considerations in Response to Request for Information by Volusia’s Beachside Redevelopment Committee

It is our pleasure to provide to you this memorandum and supporting documentation (attached) in response to your request a few weeks ago. In an effort to both correctly understand and accurately respond to your request for guidance on recent project funding by the Florida House and Senate related to redevelopment throughout the state, we have essentially responded below in two different ways.

The first, for your reference and review, is an excel document with multiple “tabs” that will outline all House and Senate projects included in the final budget as “local funding requests.” This includes final action on the projects and whether or not they were vetoed by the Governor. This will give you and the committee a sense of the Legislature’s spending priorities (as it relates to so-called “member projects”) as well as the Governor’s priorities following the vetoes. As a reminder, when reviewing the vetoes, keep in mind that in the lead up to Special Session earlier this year, a large amount of money had to be freed up within the budget (through vetoes) to pay for the increased public school spending, increased spending on Visit Florida, and the creation of the Florida Job Growth Grant Fund (created in law during special session). So the total amount of vetoes was higher than had been expected after initial passage of the budget.

Following your review of these spreadsheets, we are available to answer any questions and/or provide further context.
Second, and based in part on my follow-up conversation with Mr. Grippa about the conversation at the recent Beachside Redevelopment Committee meeting, we are including an overview of some regional projects from around the state in the last few years which may provide ideas for a “roadmap” for Volusia to consider creating in the years ahead.

Mr. Grippa and I discussed looking ahead toward future leadership in the Florida House and Senate, and for the County to encourage the region to ‘think big’ about a project or series of projects that might transform the downtown/beachside core of Daytona Beach through investment in infrastructure and/or economic development. While there is no perfectly reliable strategy for securing funding from the State for major local/regional projects (in a process where the fiscal outlook and funding priorities of legislative and executive leadership in Tallahassee changes regularly), one recurring theme in recent history does seem to be regional recognition of the importance of project(s) and a ‘setting aside’ of individual/parochial projects or needs in deference to the broader objective. Additionally, a clear and unambiguous project (or set of projects) with a verifiable state interest and significant local support (public and private sectors) that cannot be completed if not for involvement by the legislature is, we believe, in many ways a prerequisite for success on a major regional scale. Of course, all of this must be timed with the right legislative and executive leadership that aligns with the community’s priorities and is positioned to get the job done.

Below is a brief overview of some of those recent major projects/efforts and, from our perspective, the politics and community-wide effort that played a role in their success in Tallahassee. These will hopefully be useful as case studies as the committee continues their work of outlining a proposed vision for the future of Volusia/Daytona’s beachside economic engine.

Establishment of SunRail in Central Florida

Roughly a decade ago, the effort began to establish a commuter rail line for Central Florida connecting (ultimately) Deland to Poinciana utilizing existing CSX-owned track and a combination of local, state, and federal dollars. The project required both substantive state legislation, largely related to the sale of the tracks and the liability provisions associated therewith, as well as legislative and executive appropriations items related to expansion of the line (construction of the double-tracking), operational funds for first seven years after construction, and other related items. Eventually, a special session had to be called in order to pass the necessary legislation to make SunRail a reality and it was in no small part thanks to the resounding “one voice” that the region spoke with in pushing the project forward over the course of those years. Unanimous votes of approval for the project were made by the “funding partners” (Volusia, Orange, Seminole and Osceola Counties along with the City of Orlando) and with most of the local governments along the route. Countless meetings with the Central Florida Legislative Delegation (both individual and corporately) were held to ensure the understanding of and
support by the members of the House and Senate and, to their credit, the delegation largely stood strong and resilient in the face of challenges to bring the project in for a landing.

While the project remains ongoing and challenges remain prior to the local takeover of the operations from FDOT in the next few years, it was the unanimous regional support that was a major key to the initial success for this project.

**Florida Keys Wastewater Infrastructure Investment**

While Speaker of the House, I had the privilege of working alongside the leadership of Monroe County and the Florida Keys to secure $50 million for a much needed improvements to sewer infrastructure projects. For years the county and cities in the Keys (designated in statute as an area of critical state concern) had worked hard locally to make “fixes” to their wastewater system that, taken on the whole, was in serious need of regional investment and repair. The community came together and, through a multi-year effort of educating and lobbying the legislature convinced me and my colleagues on both sides of the Capitol to fund a major investment in the repairs. We did so despite the ongoing recession and one of the worst budget times in recent Tallahassee memory. A priority for the region became a priority for the state thanks to those efforts.

**UCF Downtown Campus**

Following an economic development mission to Phoenix a few years ago, UCF and the Central Florida region settled on the “big picture” priority of following the success of Arizona State University and the City of Phoenix through the creation of a major downtown campus to be the anchor tenant of the City of Orlando’s planned Creative Village. Through the leadership of UCF, the City of Orlando, and the Central Florida Partnership, the legislative delegation rallied around the priority and, over the course of three legislative sessions, including one where $20 million in funding for the project was vetoed by Governor Scott, more than $30 million was appropriated and the project is now well-underway. The University, which annually has a series of requests (as do all the major universities of the state), made it clear during this time that the downtown campus was their top priority and the City of Orlando and Orange County did the same. Regionally, it was clear to the House and Senate leaders that this priority was of critical concern to Central Florida’s broader economic development efforts.

**Jacksonville Regional Success**

In the 2000 Regular Legislative Session, with then-Speaker John Thrasher presiding over the Florida House and roughly 80 years of combined legislative experience in the Jacksonville-area delegation, the region saw perhaps its most successful legislative session in history. Thrasher,
along with Senators Jim King and Jim Horne, and Representatives (who would eventually serve in the Senate) Steve Wise, Tony Hill and others were able to secure millions in projects. This included purchase of environmentally sensitive lands ($25 million), St. Johns River clean up ($10.5 million), road improvements ($15 million), and supplemental state college funding ($7 million). The following year, thanks to term limits (passed by the voters in 1992) being fully implemented, 62 legislators were forced out which included 51 in the House and most of the Jacksonville-area delegation. Therefore, replicating this type of success would prove extraordinarily difficult in future years and it was critical that the region capitalize when it did with the leaders in place at the time. Eventually, the region rebounded (legislatively speaking) when Thrasher and his former House colleagues were elected to and rose in leadership of the Senate, but the well-timed success of that 2000 Session made a significant difference for the region and it is safe to say it did not happen without proper planning and community support for a shared vision.

Triumph Gulf Coast

On April 20, 2010, the Deepwater Horizon oil rig, under the operation of BP, sustained a massive explosion, killing eleven crew members and causing approximately 4.9 million barrels of crude oil to spill into the open waters of the Gulf of Mexico. The spill dominated domestic and international news cycles until the oil well was finally capped on July 15, 2010. The BP Oil Spill, as the event is commonly known, was a source of tremendous economic loss and environmental degradation to the U.S. gulf states, including Florida. The broad economic damages sustained by the State of Florida included costs in responding to the spill and lost sales tax revenue from suppressed economic activity and tourism in the Summer of 2010 and beyond. Under the direction of the state Attorney General, the State of Florida sued BP, among other defendants, for these economic damages, ultimately entering into a $2 billion settlement agreement with BP.

Eight Northwest Florida counties were identified as “disproportionately affected counties” due to their proximity to the spill and the severity of economic damages they sustained. These counties are Escambia, Santa Rosa, Okaloosa, Walton, Bay, Gulf, Franklin and Wakulla. In an example of a broad community (the entire western half of the Panhandle) showing solidarity and commitment to a singular cause, since the BP Oil Spill in 2010, the top legislative priority for these counties and their delegations has been recovery from the spill and protection of their share of the economic damages paid by BP through its settlement with the State. During the 2011 legislative session, the Florida Legislature passed HB 2156, creating s. 377.43, F.S., to begin to address the economic and environmental damages caused by the BP Oil Spill and to ensure that 75% of the BP settlement funds would be directed to the eight disproportionately affected counties. The legislation designated the Department of Economic Opportunity as the lead agency for expending these funds. By subsequent acts, the Florida Legislature created Triumph Gulf
Coast, Inc. (2013’s HB 7007 “Gulf Coast Economic Corridor Act”) to receive and administer the settlement funds for the eight disproportionately affected counties and transferred the first installment of settlement funds for disbursement (2017’s HB 7077 and HB 7079). The eight disproportionately affected counties must remain vigilant as any future Legislature may seek to undo the current authorization for Triumph Gulf Coast and the disbursement of 75% of the State’s damages settlement to Northwest Florida. Thus, the eight counties remain in lockstep with one another on the protection of Triumph Gulf Coast and their collective entitlement to the majority of the settlement funds.

Closing Thoughts

We hope this memorandum provides useful food for thought as the Beachside Redevelopment Committee and the County think long term about projects and/or priorities that might benefit from state involvement in the coming years. While there is no hard-and-fast secret to success in the legislative process given the ever-changing political and human dynamics of a fluid process – a recurring theme of large successful efforts has been that of a community rallying around a shared vision, commitment to that vision even if over multiple years, and timing the “ask” in a way that matches-up with the priorities of legislative leadership and/or the Governor at that time.

If, after reviewing this information, we can provide any follow-up information or assist in any way, please let us know. We are proud of our relationship with Volusia County and are honored to carry your priorities to the State Capitol. Thank you for the confidence you’ve continually placed in our firm and for the chance to share our thoughts on this important topic.