

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: HB 1381 West Palm Beach Downtown Development Authority, Palm Beach County

SPONSOR(S): Clemens

TIED BILLS: **IDEN./SIM. BILLS:**

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR or BUDGET/POLICY CHIEF |
|--|-----------|---------|--|
| 1) Community & Military Affairs Subcommittee | 14 Y, 0 N | Duncan | Hoagland |
| 2) Finance & Tax Committee | 22 Y, 0 N | Flieger | Langston |
| 3) Economic Affairs Committee | | Duncan | Tinker |

SUMMARY ANALYSIS

The West Palm Beach Downtown Development Authority (DDA) was created as an independent special district by ch. 67-2170, L.O.F. Section 3 of the DDA's charter establishes its boundaries within which the DDA is required to carry out activities such as analyzing economic conditions, formulating long-range plans, and making recommendations for implementing downtown plans. Currently, the DDA is funded primarily through an ad valorem tax levied annually (1 mill), on all property within the downtown area as well as trolley advertising, sponsorships, and grants.

The bill modifies the boundaries of the DDA to remove a parcel of land from its boundaries.

According to the economic impact statement, amending the boundaries of the DDA will result in approximately \$105,702 in decreased revenues available for downtown development.

The bill is effective upon becoming a law.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

The West Palm Beach Downtown Development Authority (DDA) was created as an independent special district by ch. 67-2170, L.O.F. Section 3 of the DDA's charter establishes its boundaries within which the DDA is required to perform the following functions:

- Prepare an analysis of the economic conditions and changes occurring in the downtown area, including the effect of factors such as metropolitan growth, traffic congestion, lack of adequate parking and other access facilities, and structural obsolescence and deterioration.
- Formulate long-range plans for improving the attractiveness and accessibility to the public of downtown facilities, promoting efficient use of such facilities, remedying the deterioration of downtown property values, and developing the downtown area.
- Recommend to the mayor and to downtown businesspersons and residents the actions deemed most suitable for implementing the downtown development plans, including removal, razing, repair, renovation, reconstruction, remodeling, and improvement of existing structures, addition of new structures and facilities, relocation of any existing structures and facilities, and changes in patterns of, and facilities for getting to and from the area.
- Participate actively in the implementation and execution of downtown development plans, including the establishment, acquisition, construction, ownership, financing, leasing, licensing, operation, and management of public facilities deemed feasible and beneficial in effecting implementation. The DDA does not have any power or control over any city property unless and until it is assigned to the DDA by the city commission.
- Carry on all projects and undertakings authorized by law and within the limits of the powers granted to it by law, such additional public projects and undertakings related to the downtown area as the mayor may assign to it with its consent.

The DDA is actively involved in planning, marketing, serving, and developing the downtown. Principle services include retail recruitment and retention, community planning, community advocacy and quality of life services, consensus building, marketing, promotions, and events, trolley operations, and capital improvement project planning and implementation.¹

Section 8 of the DDA's charter authorizes the DDA to levy an ad valorem tax of 2 mills on all property in the downtown area for the purpose of financing its operations. Currently, the DDA levies 1 mill. The DDA also generates funds through trolley advertising, sponsorships, and grants.²

As of January 30, 2012, there are six active independent special districts categorized as downtown development/improvement entities authorized to levy an ad valorem tax in Florida.³

Effect of Proposed Changes

The bill modifies the boundaries of the West Palm Beach DDA to remove a parcel of land known as One Watermark Condominium⁴ from the boundaries of the DDA.

¹ West Palm Beach Downtown Development Authority, *DDA Work Plan, Fiscal Years 2010-2014*, August 2009, at 6, available at <http://www.westpalmbeachdda.com/5-year-plan> (last visited January 30, 2012).

² *Id.*

³ Department of Economic Opportunity, Division of Community Development, Special District Information Program, available at <http://dca.deo.myflorida.com/fhcd/sdip/OfficialListdeo/report.cfm> (last visited January 30, 2012).

⁴ Documentation from the Palm Beach County Delegation to Community & Military Affairs Subcommittee staff, *Summary Fact Sheet and City of West Palm Beach Resolution No. 331-11* via email January 19, 2012. On file with subcommittee staff.

B. SECTION DIRECTORY:

Section 1: Amends section 3 of section 3 of ch. 2003-380, L.O.F., relating to the boundaries of the West Palm Beach Downtown Development Authority.

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

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes ☒ No ☐

IF YES, WHEN? December 9, 2011

WHERE? *The Palm Beach Post*, published daily and Sunday, West Palm Beach County, Florida

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 ☐

According to the economic impact statement, amending the boundaries of the DDA will result in approximately \$105,702 in decreased revenues available for downtown development.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

N/A.