

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Community Affairs Committee

BILL: SB 602

INTRODUCER: Senator Storms

SUBJECT: Environmental Permits

DATE: December 19, 2011 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Uchino</u>	<u>Yeatman</u>	<u>EP</u>	Favorable
2.	<u>Uchino</u>	<u>Yeatman</u>	<u>CA</u>	Pre-meeting
3.	_____	_____	<u>TR</u>	_____
4.	_____	_____	<u>BC</u>	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The bill expands eligibility for entities created by special act, local ordinance, or interlocal agreement of counties or municipalities that are entitled to a permit processing fee waiver or reduction. It directs the Department of Environmental Protection (DEP) to initiate rulemaking to adopt a general permit for stormwater management systems serving airside activities at airports. Finally, the bill requires water management districts (WMDs) and the DEP to establish an urban redevelopment conceptual permitting program and specifies that urban redevelopment projects that satisfy the permit qualify for a general permit.

This bill substantially amends sections 218.075 and 373.118 and creates section 373.4131 of the Florida Statutes.

II. Present Situation:

Waiver or Reduction of Permit Fees

DEP and the WMDs shall reduce or waive permit processing fees for certain specified small counties and municipalities with a population of 25,000 or less, or any county or municipality not included within a metropolitan statistical area.¹ Fee reductions or waivers are approved on the basis of fiscal hardship or environmental need for a particular project or activity. The governing body must certify that the cost of the permit processing fee is a fiscal hardship due to one of the following factors:

¹ See U.S. Census Bureau, *Metropolitan and Micropolitan*, <http://www.census.gov/population/www/metroareas/metrodef.html> (last visited November 30, 2011).

- Per capita taxable value is less than the statewide average for the current fiscal year;
- Percentage of assessed property value that is exempt from ad valorem taxation is higher than the statewide average for the current fiscal year;
- Any condition specified in s. 218.503(1), F.S., which results in the county or municipality being in a state of financial emergency;
- Ad valorem operating millage rate for the current fiscal year is greater than 8 mills; or
- A financial condition that is documented in annual financial statements at the end of the current fiscal year and indicates an inability to pay the permit processing fee during that fiscal year.

The permit applicant must be the governing body of a county or municipality or a third party under contract with a county or municipality and the project for which the fee reduction or waiver is sought must serve a public purpose. If a permit processing fee is reduced, the total fee shall not exceed \$100.

Airside Stormwater Management

The Federal Aviation Authority (FAA) provides grants to the Florida Department of Transportation (DOT) Aviation Office for airport airside improvements. The grants have 18-month time frames making it difficult to permit and complete a stormwater project within the required time to take advantage of the grant. A solution to the abbreviated time frame would be for the DEP to create a general environmental resource permit for stormwater systems serving airside activities at Florida's airports.

In 1977, the FAA set limitations on stormwater designs on airports to limit wildlife strikes in an advisory circular.² The FAA found that stormwater management systems known as "wet ponds" attracted birds and posed a threat to airline safety. In 1998, the DOT, the DEP and three WMDs outlined a study to evaluate airport runway, taxiway and apron stormwater quality. Another joint study by the DEP and the FAA has evaluated chemical loading characteristics of airside runoff and how best management practices can help airports meet federal and state water quality standards.

A secondary phase of the study will be funded by the FAA once a general permit for these stormwater systems is developed and adopted. This phase will convert the wet pond at Orlando International Airport into a wet detention system that complies with the 1997 advisory circular. The system will be monitored for pollutant loading and remediation, including nutrients. About 30 percent of Florida's airports have soil and water table considerations that prevent the use of wet detention systems.³

² U.S. Dep't of Transportation Federal Aviation Administration, Advisory Circular 150/5200-33, *Hazardous Wildlife Attractants On or Near Airports* (May 1997), available at [http://rgl.faa.gov/Regulatory_and_Guidance_Library/rgAdvisoryCircular.nsf/0/53bdf1c5aa1083986256c690074ebab/\\$FILE/150-5200-33.pdf](http://rgl.faa.gov/Regulatory_and_Guidance_Library/rgAdvisoryCircular.nsf/0/53bdf1c5aa1083986256c690074ebab/$FILE/150-5200-33.pdf) (last visited Nov. 11, 2011).

³ See generally, Email from Eric H. Livingston, Program Administrator, NPDES Stormwater Section, Dep't of Environmental Protection, to analyst (Mar. 21, 2011) (on file with the Senate Committee on Environmental Preservation and Conservation).

The Community Redevelopment Act of 1969⁴

The Community Redevelopment Act of 1969 was developed to revitalize economically distressed areas in order to improve public welfare and increase the local tax base. The act provides a funding mechanism by which counties and municipalities may undertake community redevelopment.⁵ It allows counties or municipalities to retain tax increment revenues from certain community taxing districts to fund redevelopment within a designated Community Redevelopment Area (CRA). To obtain this revenue, a local government must create a community redevelopment agency, designate an area or areas to be a CRA, create a community redevelopment plan, and establish a trust fund to receive the tax increment revenues.⁶

The Growth Policy Act of 1999

The Growth Policy Act authorizes local governments to designate urban infill and redevelopment areas for the purpose of stimulating investment in distressed urban areas and strengthening urban centers.⁷ The Act defines “urban infill and redevelopment area” as an area or areas where:

- Public services such as water and wastewater, transportation, schools, and recreation are already available or are scheduled to be provided within five years.
- The area, or one or more neighborhoods within the area, suffers from pervasive poverty, unemployment, and general distress.
- The proportion of properties that are substandard, overcrowded, dilapidated, vacant or abandoned, or functionally obsolete is higher than the average for the local government.
- More than 50 percent of the area is within a quarter of a mile of a transit stop, or a sufficient number of such transit stops will be made available concurrent with the designation.
- The area includes or is adjacent to community redevelopment areas, brownfields, enterprise zones, or Main Street programs, or has been designated by the state or federal government as an urban redevelopment area or similar designation.⁸

Pursuant to s. 163.2517, F.S., local governments that want to designate urban infill and redevelopment areas must develop plans describing redevelopment objectives and strategies, or to amend existing plans. Local governments must also adopt urban infill and redevelopment plans by ordinance and amend their comprehensive plans to delineate urban infill and redevelopment area boundaries.

Urban Stormwater Management

Unmanaged urban stormwater creates a wide variety of effects on Florida’s surface and ground waters. Urbanization leads to:

- Compaction of soil,
- Addition of impervious surfaces such as roads and parking lots,
- Alteration of natural landscape features such as natural depressional areas that hold water, floodplains and wetlands,

⁴ See ch. 163, Part III, F.S.

⁵ Section 163.353, F.S.

⁶ See *supra* note 4.

⁷ See ss. 163.2511 through 163.2523, F.S.

⁸ Section 163.2514(2), F.S.

- Construction of highly efficient drainage systems that alter the ability of the land to assimilate precipitation, and
- Pollutant loading of receiving water bodies from stormwater discharge.⁹

Urbanization within a watershed decreases the amount of rainwater that seeps into the soil. Rainwater is critical for recharging aquifers, maintaining water levels in lakes and wetlands, and maintaining spring and stream flows. The increased volume, speed, and pollutant loading in stormwater discharged from developed areas leads to flooding, water quality problems and loss of habitat.¹⁰

In 1982, to manage urban stormwater and minimize impacts to our natural systems, Florida adopted a technology-based rule requiring the treatment of stormwater to a specified level of pollutant load reduction for all new development. The rule included a performance standard for the minimum level of treatment and design criteria for best management practices (BMPs) that will achieve the performance standard. It also included a rebuttable presumption that discharges from a stormwater management system designed in accordance with the BMP design criteria would meet water quality standards.¹¹ The performance standard was to reduce postdevelopment stormwater pollutant loading of Total Suspended Solids (TSS)¹² by 80 percent, or by 95 percent for Outstanding Florida Waters (OFWs).¹³

In 1990, the DEP developed and implemented the State Water Resource Implementation Rule (originally known as the State Water Policy rule).¹⁴ This rule sets forth the broad guidelines for the implementation of Florida's stormwater program and describes the roles of the DEP, the WMDs and local governments. One of the primary goals of the program is to maintain the predevelopment stormwater characteristics of a site. The rule sets a minimum performance standard for stormwater treatment systems to remove 80 percent of the postdevelopment stormwater pollutant loading of pollutants "that cause or contribute to violations of water quality standards."¹⁵

The DEP and the WMDs jointly administer the environmental resource permit (ERP) program for activities that alter surface water flows.¹⁶ Alteration or construction of new stormwater management systems in urban redevelopment areas is regulated by the ERP program pursuant to s. 373.413, F.S., and must comply with all other relevant sections of ch. 373, Part IV, F.S.

⁹ Florida Dep't of Environmental Protection, *State Stormwater Treatment Rule Development Background*, <http://www.dep.state.fl.us/water/wetlands/erp/rules/stormwater/background.htm> (last visited Nov. 30, 2011).

¹⁰ *Id.*

¹¹ *Id.*

¹² Total Suspended Solid (TSS) is listed as a conventional pollutant under s. 304(a)(4) of the federal Clean Water Act. A conventional pollutant is a water pollutant that is amenable to treatment by a municipal sewage treatment plant.

¹³ Rule 62-302.700, F.A.C., provides that an OFW is a water body designated worthy of special protection because of its natural attributes. This special designation is applied to certain water bodies, and is intended to protect and preserve their existing states.

¹⁴ See *supra* note 9. See also ch. 62-40, F.A.C.

¹⁵ See *supra* note 9.

¹⁶ See ch. 373, Part IV, F.S. See also Florida Dep't of Environmental Protection, *Environmental Resource Permitting (ERP) Program*, <http://www.dep.state.fl.us/water/wetlands/erp/index.htm> (last visited Nov. 30, 2011).

Water Quality Standards in Florida

The total maximum daily load (TMDL) program is administered by the DEP under a delegated authority by the U.S. Environmental Protection Agency contained in the federal Clean Water Act (CWA).¹⁷ A TMDL is the maximum allowable pollutant a water body can absorb and still maintain its intended purpose, e.g., fishable/swimmable. Under the CWA, TMDLs must be developed for all water bodies that are not meeting their classification standards and are deemed to be impaired. There can be multiple TMDLs for one water body if there are multiple pollutants contributing water quality standards violations.¹⁸

Once a TMDL is established for an impaired water body, the DEP creates a basin management action plan (BMAP) in cooperation with local stakeholders.¹⁹ BMAPs are the blueprints used to create restoration and recovery strategies for the impaired water body. Activities, permitted and otherwise, contributing to pollutant loading of an impaired water body are assessed in order to develop strategies to reduce loading. These strategies may include reducing permit limits, developing best management practices and creating or revising conservation programs. Local stakeholder input and commitment to the BMAP are crucial to ensure recovery of the impaired water body.²⁰

III. Effect of Proposed Changes:

Section 1 amends s. 218.075, F.S., to allow an entity created by special act, local ordinance or interlocal agreement of counties or municipalities that are entitled to a permit processing fee waiver or reduction to also receive a waiver or reduction.

Section 2 amends s. 373.118, F.S., directing the DEP to initiate rulemaking to adopt a general permit for stormwater management systems serving airports. The permit applies statewide and may be administered by any WMD or delegated local government. The bill specifies that no additional rulemaking is required and the rules are not subject to any special rulemaking requirements related to small business.

Section 3 creates s. 373.4131, F.S., to address conceptual permits for urban redevelopment projects. The bill allows counties and municipalities creating urban redevelopment areas or urban infill and redevelopment areas to adopt stormwater management plans, to the extent feasible, that address stormwater quality and quantity discharging from those areas. A local government that adopts a plan is entitled to obtain a conceptual permit from a WMD or the DEP on the basis of its stormwater management plan. This will require the WMD or DEP to issue a 20-year conceptual permit for an urban redevelopment project based on a stormwater management plan the agency had no part in developing or adopting.

¹⁷ 33 U.S.C. s. 1342. *See also* s. 303(d) of the federal Clean Water Act.

¹⁸ Florida Dep't of Environmental Protection, *The Total Maximum Daily Load Program – Overview* (Jan. 20, 2003), available at http://www.dep.state.fl.us/water/tmdl/docs/TMDL_Program_Overview.pdf (last visited Dec. 1, 2011).

¹⁹ Florida Dep't of Environmental Protection, *Total Maximum Daily Loads*, <http://www.dep.state.fl.us/water/tmdl/> (last visited Dec. 1, 2011).

²⁰ Florida Dep't of Environmental Protection, *Watershed Management*, <http://www.dep.state.fl.us/water/watersheds/bmap.htm> (last visited Dec. 1, 2011).

The bill clarifies “stormwater management plan” to mean a master drainage plan that:

- Improves the quality of runoff discharged from the project area,
- Controls the rate and volume of stormwater discharge to minimize offsite impacts, and
- Is designed based on a feasibility assessment of stormwater best management practices for the project area.

The bill directs the DEP and the WMD to establish the conceptual permit. The conceptual permit:

- Allows discharges from an urban redevelopment area created under ch. 163, F.S., or an urban infill and redevelopment area designated under s. 163.2517, F.S., to continue up to the maximum rate and volume in that area as of the date a stormwater management plan was adopted.
- Presumes that stormwater discharges from an urban redevelopment area that result in a new improvement of discharge quality as compared to discharges that existed at the time the stormwater management plan was adopted do not cause or contribute to violations of water quality criteria.
- Cannot contain additional or more stringent limitations on stormwater discharges than those in this section of the bill.
- Is renewable and issued for at least 20 years unless an applicant requests a shorter time duration.

By establishing the conceptual permit for a minimum of 20 years, unless the applicant requests a shorter duration, the applicant is securing today’s water quality and quantity standards for the length of the conceptual permit. If a water body becomes impaired, the DEP must develop a TMDL and BMAP for the area. This bill may allow stormwater discharges from an urban redevelopment project covered by a conceptual permit to continue unabated in spite of the TMDL and BMAP processes. As such, other dischargers impacting the water resources will be responsible for a greater share of pollution reduction to comply with the TMDL and BMAP.

Finally, the bill directs that urban development projects that meet all requirements qualify for a general permit for construction and operation of the permitted system.

Section 4 provides an effective date of July 1, 2012.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Costs may increase on entities for pollution control measures if they are in an area covered by a TMDL and BMAP and where one of the contributors of pollution is stormwater discharge from an urban redevelopment project with a conceptual permit.

C. Government Sector Impact:

An entity created by special act, local ordinance or interlocal agreement of a county or municipality may receive a reduction or waiver of permit processing fees. DEP's fee revenues from such permits may be reduced; however, the impact is indeterminate.

The DOT may more fully take advantage of the FAA's grants to address stormwater management systems for airside activities. Since rulemaking has not yet taken place, the impact is indeterminate.

The DEP and WMDs will be required to expend funds to create and implement the permitting program required by this bill. It is expected that the DEP and WMDs can absorb these costs with existing staff and resources. Additionally, local governments may have to expend funds to modify plans for stormwater management plans in urban redevelopment areas. It is also expected that local governments can absorb these costs with existing staff and resources.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
