HOUSE OF REPRESENTATIVES FINAL BILL ANALYSIS

BILL #: CS/CS/HB 1361 FINAL HOUSE FLOOR ACTION:

SPONSOR(S): Economic Affairs Committee; 113 Y's

Local Government Affairs

Subcommittee; La Rosa

COMPANION

BILLS:

CS/CS/SB 1190

GOVERNOR'S ACTION: Approved

0 **N**'s

SUMMARY ANALYSIS

CS/CS/HB 1361 passed the House on March 3, 2016. The bill was amended by the Senate on March 7, 2016, and subsequently passed the House on March 9, 2016. The bill seeks to alter various provisions of state law related to growth management as follows:

- provides that recommended orders submitted to the Department of Economic Opportunity (DEO) by an administrative law judge regarding a challenged comprehensive plan amendment become final within certain time periods without agency action or an agreement to extend the time;
- authorizes developments of regional impact (DRIs) to reduce height, density, or intensity without losing vested rights;
- specifies that a proposed development that would otherwise require DRI review must follow the state coordinated review process if the development necessitates an amendment to the comprehensive plan;
- allows a developer, DEO, and local government, to amend their agreement that a development is "essentially built-out" without a notification of proposed change necessary for a substantial deviation;
- provides that a development may be determined to be "essentially built out" irrespective of whether required annual or biennial reports have been submitted;
- provides that certain unbuilt land uses specified in an agreement establishing that a development is "essentially built out," may be substituted for another land use;
- provides that phase date extensions are not substantial deviations under certain circumstances;
- provides that previously developed lands acquired for development as part of an existing DRI are not subject to aggregation under certain circumstances;
- authorizes DRIs to rescind their DRI development order;
- decreases the minimum required acreage of sector plans from 15,000 acres to 5,000 acres;
- authorizes enclaves up to 110 acres in size to be annexed on an expedited basis:
- provides that comprehensive plan amendments and modifications to land development regulations within Apalachicola Bay do not require approval from the Administration Commission;
- authorizes the governing body of a county to hold joint meetings with the governing body or bodies of one or more adjacent counties or municipalities to discuss matters of mutual interest; and
- provides that a representative of a military installation is not required to file a statement of financial interest solely due to his or her service on a local land planning or zoning board.

See FISCAL COMMENTS.

The bill was approved by the Governor on March 25, 2016, ch. 2016-148, L.O.F., and will become effective on July 1, 2016.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives. STORAGE NAME: h1361z1.EDTS

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Present Situation

Administrative Challenges to Comprehensive Plan Amendments

Comprehensive Plan Background and the Comprehensive Plan Amendment Process

In 1985, the Florida Legislature passed the landmark Growth Management Act, which required every city and county to create and implement a comprehensive plan to guide future development. A local government's comprehensive plan lays out the locations for future public facilities, including roads, water and sewer facilities, neighborhoods, parks, schools, and commercial and industrial developments. A development that does not conform to the comprehensive plan may not be approved by a local government unless the local government first amends its comprehensive plan.

State law requires a proposed comprehensive plan amendment to receive three public hearings, the first of which is held by the local planning board.³ The local commission (city or county) must then hold an "initial" public hearing regarding the proposed amendment and subsequently transmit it to several statutorily identified reviewing agencies,⁴ including the Department of Economic Opportunity (DEO), the appropriate Regional Planning Council (RPC), and adjacent local governments that request to participate.

Upon receipt of the proposed plan amendment, state agencies review the proposed amendment for impacts related to their statutory purview. The RPC reviews the amendment specifically for "extra-jurisdictional impacts that would be inconsistent with the comprehensive plan of any affected local government within the region" as well as adverse effects on regional resources or facilities. The affected state agencies and the RPC then issue a report of their review to the local government, which then holds a second public hearing at which the governing body votes to approve the amendment or not. If the amendment receives a favorable vote it is transmitted to DEO for final review. DEO then has either 31 days or 45 days (depending on the review process to which the amendment is subject) to determine whether the proposed comprehensive plan amendment is in compliance with all relevant agency rules and laws.

The Expedited State Review Process vs. the State Coordinated Review Process

In 2011, the Florida Legislature bifurcated the process for approving comprehensive plan amendments. Most plan amendments are placed into the Expedited State Review Process, while plan amendments relating to large-scale developments are placed into the State Coordinated Review Process. The two processes operate in much the same way; however, the State Coordinated Review Process provides a longer review period and requires all agency comments to be coordinated by DEO, rather than communicated directly to the permitting local government by each individual reviewing agency. The state Coordinated by DEO, rather than communicated directly to the permitting local government by each individual reviewing agency.

Chapter 85-55, Laws of Fla.

² See s. 163.3163, F.S.

³ Sections 163.3184 and 163. 3181, F.S.

⁴ Section 163.3184, F.S.

⁵ Section 163.3184(3), (4), F.S.

⁶ *Id*.

⁷ *Id*.

⁸ *Id*.

⁹ Ch. 2011-139, s. 17, Laws of Fla.

 $^{^{10}}$ Id

¹¹ Section 163.3184(3), (4), F.S.

Administrative Challenges to Plan Amendments

Any "affected person" as defined in s. 163.3184(1)(a), F.S., may file a petition with the Division of Administrative Hearings (Division), to request a formal hearing to challenge whether a plan amendment is "in compliance" with law. ¹² The petition must be filed with the Division within 30 days after the local government adopts the amendment. ¹³

The state land planning agency (DEO) may also file a petition with the Division to request a formal hearing to challenge whether the plan amendment is in compliance.¹⁴ Under the expedited state review process, this petition must be filed with the Division within 30 days after the DEO notifies the local government that the plan amendment package is complete. Under the state coordinated review process, this petition must be filed with the division within 45 days after DEO notifies the local government that the plan amendment package is complete.¹⁵

Once filed, an administrative law judge (ALJ) must hold a hearing on the petition in the affected local jurisdiction to determine whether to make a recommendation that the challenged plan amendment is in compliance or not in compliance.¹⁶ In challenges filed by an affected person, the ALJ must determine a plan amendment to be in compliance if the local government's determination of compliance is "fairly debatable."¹⁷ Conversely, in challenges filed by DEO, a plan amendment is presumed to be in compliance and will only be found not in compliance by a preponderance of the evidence.¹⁸ Absent a showing of extraordinary circumstances, the ALJ must issue the recommended order within 30 days after filing of the transcript, unless the parties agree in writing to a longer time.¹⁹

If the ALJ recommends that the amendment be found *not* in compliance, the ALJ must submit the recommended order to the Administration Commission for final agency action.²⁰ Upon submittal of the recommended order, the Administration Commission must enter a final order within 90 days.²¹ Conversely, if the ALJ recommends that the amendment be found *in* compliance, the ALJ must submit its recommended order to DEO.²²

If DEO determines that the plan amendment should be found in compliance, it must enter its final order within 90 days.²³ If DEO determines that the plan amendment should be found not in compliance, it must submit its recommended order to the Administration Commission for final action within 90 days.²⁴

If the Administration Commission finds that the plan amendment is not in compliance with law, the Commission must specify remedial actions that would bring the plan amendment into compliance. The Commission may also specify certain sanctions to which the local government will be subject if it elects to make the amendment effective notwithstanding the Commission's determination of noncompliance. Because of the commission of

¹² Section 163.3184(5)(a), F.S. See definition of "in compliance" in s. 163.3184(1)(b), F.S.

¹³ Section 163.3184(5)(a), F.S. At any time after the filing of a challenge, the state land planning agency and the local government may voluntarily enter into a compliance agreement to resolve one or more of the issues raised in the proceedings. Section 163.3184(6), F.S.

¹⁴ Section 163.3184(5)(b), F.S.

¹⁵ Id.

¹⁶ Section 163.3184(5)(c), F.S.

¹⁷ *Id*.

¹⁸ *Id*.

¹⁹ Section 163.3184(7)(c), F.S.

²⁰ Section 163.3184(5)(d), F.S. The Administration Commission consists of the Governor and Cabinet. S. 14.202, F.S.

²¹ *Id.*; s. 120.569(2)(1), F.S.

²² Section 163.3184(5)(e), F.S.

²³ *Id*.

²⁴ *Id*.

²⁵ Section 163.3184(8)(a), F.S.

²⁶ Section 163.3184(8)(b), F.S.

Mediation and Expedited Challenges

Challenges to comprehensive plans may also go through mediation or an expedited process.²⁷ At any time after the matter has been forwarded to the Division, the local government proposing the amendment may demand formal mediation.²⁸ Additionally, any time after the matter has been forwarded to the Division, the local government proposing the amendment or an affected person who is a party to the proceeding may demand informal mediation or expeditious resolution of the proceedings.²⁹ In either case, the party demanding mediation or expedited review must serve written notice on all other parties to the proceeding and the ALJ.

Upon receipt of the notice, the ALJ must set the matter for final hearing within 30 days.³⁰ Once a final hearing has been set, no continuance in the hearing, and no additional time for post-hearing submittals, may be granted without the written agreement of the parties absent a finding by the administrative law judge of extraordinary circumstances.³¹

Absent a showing of extraordinary circumstances, the ALJ must issue a recommended order within 30 days after filing of the transcript, unless the parties agree in writing to a longer time.³² Absent a showing of extraordinary circumstances, the Administration Commission, upon receiving a recommended order of not in compliance (from the ALJ or DEO), must issue a final order within 45 days unless the parties agree in writing to a longer time.³³

Developments of Regional Impact

Developments of Regional Impact Background

Section 380.06, F.S., defines a Development of Regional Impact (DRI) as "any development which, because of its character, magnitude, or location, would have a substantial effect upon the health, safety, or welfare of citizens of more than one county." Given their size, DRIs are subject to a special review process and often require an amendment to a comprehensive plan.

The Legislature initially created the DRI program in 1972 as an interim program intended to be replaced by comprehensive planning and permitting programs.³⁴ However, the DRI program remained until 2015. In 2015,³⁵ the Legislature determined that *new* developments that would otherwise require DRI review must adhere to the state coordinated review process.³⁶ Accordingly, although there would be no additional DRIs, existing DRIs would remain intact and must adhere to existing DRI laws and review requirements.

DRI Review

Florida law requires all developments (prior to the abovementioned 2015 change in law) that meet the DRI thresholds and standards provided by statute and rules adopted by the Administration Commission to undergo DRI review, unless an exemption applies.³⁷ The developments that are exempt from DRI review include the following:

²⁷ Section 163.3184(7)(a), F.S.

²⁸ *Id*.

²⁹ *Id*.

³⁰ Section 163.3184(7)(b), F.S.

³¹ *Id*.

³² Section 163.3184(7)(c), F.S.

³³ Section 163.3184(7)(d), F.S.

³⁴ The Florida Senate, Committee on Community Affairs, Interim Report 2012-114, September 2011, citing: Thomas G. Pelham, *A Historical Perspective for Evaluating Florida's Evolving Growth Management Process*, in Growth Management in Florida: Planning for Paradise, 8 (Timothy S. Chapin, Charles E. Connerly, and Harrison T.Higgins eds. 2005).

³⁵ Chapter 2015-30, Laws of Fla.

³⁶ Section 380.06(30), F.S.

³⁷ Section 380.06(24), (28), (29), F.S.

- particular types of developments for which the Legislature has provided an exemption (e.g., hospitals are exempt from DRI review);
- developments that are located within a "dense urban land area" (DULA)38; and
- developments that are located in a planning area receiving a legislative exemption such as a sector plan or a rural land stewardship area.³⁹

The types of developments required to undergo DRI review may include attraction and recreation facilities, office developments, retail and service developments, mixed-use developments, residential developments, schools, or recreational vehicle developments. Over the years, the Legislature has enacted new exemptions and increased the thresholds that projects must surpass in order to trigger DRI review.⁴⁰

The review process is a joint effort between Florida's 10 Regional Planning Councils (RPCs), the Department of Economic Opportunity (DEO or department), other state agencies, and local governments.⁴¹

A DRI review begins by a developer contacting the appropriate RPC to arrange a pre-application conference. The developer or the RPC may request that other affected state and regional agencies participate in the conference to identify issues raised by the proposed project and the level of information that the agency will require in the application to assess those issues. At the pre-application conference, the RPC provides the developer with information about the DRI process and uses the pre-application conference to identify issues and to coordinate the appropriate state and local agency requirements.

The RPC and developer may reach an agreement regarding assumptions and methodology to be used in the application for development approval.⁴⁵ If an agreement is reached, the reviewing agencies may not later object to the agreed upon assumptions and methodologies unless the project changes or subsequent information makes the assumptions or methodologies no longer relevant.⁴⁶

Upon completion of the pre-application conference with all parties, the developer files an application for development approval with the local government, the RPC, and the state land planning agency.⁴⁷ The RPC reviews the application for sufficiency and may request additional information (no more than twice) if the application is deemed insufficient.⁴⁸

Once the RPC determines the application is sufficient or the developer declines to provide additional information, the local government must hold a public hearing on the application for development within 90 days. ⁴⁹ Within 50 days after receiving notice of the public hearing, the RPC is required to prepare and submit to the local government a report and recommendations on the regional impact of the proposed development. ⁵⁰ The RPC is required to identify regional issues specifically examining the following:

³⁸ Dense urban land areas are characterized by certain population densities. Section 380.06(29), F.S.

³⁹ Id.

⁴⁰ The Florida Senate, Committee on Community Affairs, Interim Report 2012-114, at 2. September 2011.

⁴¹ See s. 380.06, F.S.

⁴² Section 380.06(6)-(9), F.S.

⁴³ Section 380.06(7)-(8), F.S.

⁴⁴ Section 380.06(7), F.S.

⁴⁵ Section 380.06(8), F.S.

⁴⁶ *Id*.

⁴⁷ Section 380.06(7)-(10), F.S.

⁴⁸ Section 380.06(10), F.S.

⁴⁹ Section 380.06(11), F.S.

⁵⁰ Section 380.06(12), F.S.

- whether the development will have a favorable or unfavorable impact on state or regional resources or facilities identified in the applicable state (state comprehensive plan) or regional (strategic regional policy plan) plans;
- whether the development will significantly impact adjacent jurisdictions; and
- in reviewing the first two issues, whether the development will favorably or adversely affect the ability of people to find adequate housing reasonably accessible to their places of employment.⁵¹

If the proposed project will have impacts within the purview of other state agencies, those agencies will also prepare reports and recommendations on the issues raised by the project and within their statutorily-prescribed jurisdiction.⁵² These reports become part of the RPC's report, but the RPC may attach dissenting views.⁵³ When water management district and Department of Environmental Protection permits have been issued pursuant to Ch. 373, F.S., or Ch. 403, F.S., the RPC may comment on the regional implications of the permits but may not offer conflicting recommendations.⁵⁴ Finally, the state land planning agency (DEO) also reviews DRIs for compliance with state laws to identify regional and state impacts and to make recommendations to local governments for approving, not approving, or suggesting mitigation conditions.⁵⁵

At the local public hearing on the proposed DRI, concurrent comprehensive plan amendments associated with the proposed DRI must be heard as well. ⁵⁶ When considering whether the development is approved, denied, or approved subject to conditions, restrictions, or limitations, the local government considers the following:

- whether the development is consistent with its comprehensive plan and land development regulations;
- whether the development is consistent with the report and recommendations of the RPC; and
- whether the development is consistent with the state comprehensive plan.⁵⁷

Within 30 days of the public hearing on the application for development approval, the local government must decide whether to issue a development order or not.⁵⁸ Within 45 days after a development order is or is not rendered, the owner or developer of the property or the state land planning agency may appeal the order to the Governor and Cabinet, sitting as the Florida Land and Water Adjudicatory Commission. An "aggrieved or adversely affected party" may appeal and challenge the consistency of a development order with the local comprehensive plan.⁵⁹

DRI review requires significant time and expense. Moreover, because DRIs (like all developments) must maintain consistency with the local government's comprehensive plan, changes to the DRI development order may meet further delay and expense if a change to the DRI triggers the need for a plan amendment. ⁶⁰

Local Government Development Order: Buildout Date and "Essentially Built Out"

Local government development orders, at a minimum, must include the following:

⁵¹ *Id*.

⁵² Section 380.06(9),(12), F.S.

⁵³ *Id*.

⁵⁴ *Id*.

⁵⁵ *Id*.

⁵⁶ Section 380.06(10)-(11), F.S.

⁵⁷ *Id*.

⁵⁸ Section 380.06(15), F.S.

⁵⁹ Ic

⁶⁰ Bay Point Club, Inc. v. Bay County, 820 So. 2d 256 (Fla. 1st DCA 2004).

- the monitoring procedures and the local official responsible for assuring compliance with the development order;
- compliance dates for the development order, including a deadline for commencing physical development and for compliance with conditions of approval or phasing requirements, and a buildout date that reasonably reflects the time anticipated to complete the development;
- a date until which the local government agrees that the approved DRI is not subject to
 downzoning, unit density reduction, or intensity reduction, unless the local government can
 demonstrate that substantial changes in the conditions underlying the approval of the
 development order have occurred or the development order was based on substantially
 inaccurate information provided by the developer or that the change is clearly established by
 local government to be essential to the public health, safety, or welfare; and
- a legal description of the property.⁶¹

A local government may only issue permits for development subsequent to the buildout date under certain circumstances. One of those circumstances includes when a project has been determined to be an "essentially built out" DRI through an agreement executed by the developer, DEO, and the local government. An "essentially built-out" development of regional impact means the developers are in compliance with all applicable terms and conditions of the development order except the buildout date and either:

- the amount of development that remains to be built is less than the substantial deviation
 threshold for each individual land use category, or, for a multiuse development, the sum total of
 all unbuilt land uses as a percentage of the applicable substantial deviation threshold is equal to
 or less than 100 percent; or
- DEO and the local government have agreed in writing that the amount of development to be built does not create the likelihood of any additional regional impact not previously reviewed.⁶⁴

If the project is determined to be essentially built out, development may proceed after the termination or expiration date contained in the development order without further DRI review subject to the local government comprehensive plan and land development regulations or subject to a modified development-of-regional-impact analysis.⁶⁵

Substantial Deviation

Any proposed change to a previously approved DRI development order that creates a reasonable likelihood of additional regional impact, or any type of regional impact created by the change not previously reviewed by the regional planning agency, constitutes a "substantial deviation" and requires such proposed change to be subject to further DRI review. ⁶⁶ To determine whether a proposed change requires further DRI review, Florida law establishes the following:

- certain threshold criteria beyond which a change constitutes a substantial deviation;⁶⁷
- certain changes in development that do not amount to a substantial deviation;⁶⁸
- scenarios in which a substantial deviation is presumed; 69 and

⁶¹ Section 380.06(15)(c), F.S.

⁶² Section 380.06(15)(g), F.S.

⁶³ *Id*.

⁶⁴ *Id*.

⁶⁵ *Id*.

⁶⁶ Section 380.06(19)(a), F.S.

⁶⁷ Section 380.06(19)(b), F.S.

⁶⁸ Section 380.06(19)(e), F.S.

⁶⁹ Section 380.06(19)(c), F.S.

scenarios in which a change is presumed not to create a substantial deviation.

In addition, Florida law directs DEO to establish by rule standard forms for submittal of proposed changes to a previously approved DRI development order.⁷¹ At a minimum, the form must require the developer to provide the precise language that the developer proposes to delete or add as an amendment to the development order.⁷² The developer must submit the form to the local government, the regional planning agency, and DEO.⁷³

After the developer submits the form, the appropriate regional planning agency or DEO must review the proposed change and, no later than 45 days after submittal of the proposed change, must advise the local government in writing whether it objects to the proposed change, specifying the reasons for its objection, and must provide a copy to the developer.⁷⁴

In addition, the local government must give 15 days' notice and schedule a public hearing to consider the change. This public hearing must be held within 60 days after submittal of the proposed changes, unless the developer wishes to extend the time. To

At the public hearing, the local government must determine whether the proposed change requires further DRI review based on the thresholds and standards set out in law.⁷⁷ The local government may also deny the proposed change based on matters relating to local issues, such as if the land on which the change is sought is plat restricted in a way that would be incompatible with the proposed change, and the local government does not wish to change the plat restriction as part of the proposed change.⁷⁸

If the local government determines that the proposed change does not require further DRI review and is otherwise approved, the local government must issue an amendment to the development order incorporating the approved change and conditions of approval relating to the change.⁷⁹ If, however, the local government determines that proposed change does require further DRI review, the local government must determine whether to approve, approve with conditions, or deny the proposed change as it relates to the entire development.⁸⁰

Aggregation of Developments

Section 380.0651, F.S., directs the Administration Commission to adopt statewide guidelines and standards for developments to undergo DRI review. As part of such guidelines and standards, the law provides for when two or more developments must be "aggregated" and treated as a single development.⁸¹

Specifically, two or more developments must be aggregated when they are determined to be part of a unified plan of development and are physically proximate to one other.⁸² Three of the following four criteria must be met to determine that a "unified plan of development" exists:

• the same person has retained or shared control of the developments, the same person has ownership or a significant legal interest in the developments, or the developments share

⁷⁰ Section 380.06(19)(d), F.S.

⁷¹ Section 380.06(19)(f), F.S.

⁷² *Id*.

⁷³ *Id*.

⁷⁴ *Id*.

⁷⁵ *Id*.

⁷⁶ *Id*.

⁷⁷ *Id*.

⁷⁸ *Id*.

⁷⁹ *Id*.

⁸⁰ Section 380.06(19)(g), F.S.

⁸¹ Section 380.0651(4), F.S.

⁸² *Id*.

common management controlling the form of physical development or disposition of parcels of the development;

- there is a reasonable proximity in time between the completion of 80 percent or less of one development and the submission to a governmental agency of plans or drawings for the other development which is indicative of a common development effort:
- plans or drawings exist covering the developments sought to be aggregated which have been submitted to certain government bodies; and
- there is a common advertising scheme or promotional plan in effect for the developments.⁸³

However, despite the finding of physical proximity and the existence of a unified plan, Florida law provides for the following circumstances in which aggregation is not applicable:

- developments which are otherwise subject to aggregation with a DRI, which has received approval through the issuance of a final development order may not be aggregated with the approved DRI:
- two or more developments, each of which is independently a DRI that has or will obtain a development order:
- completion of any development that has been vested;
- the developments sought to be aggregated were authorized to commence development prior to September 1, 1988, and could not have been required to be aggregated under the law existing prior to that date; and
- any development that qualifies for an exemption as a DULA.84

Rescission

Certain developments or portions of developments that have received a DRI development order may not have to undergo subsequent DRI-impact review. This may occur on account of a change in statutory guidelines and standards, because the DRI has reduced its size below certain legal thresholds, or because a development becomes exempt from DRI review, for example in the case of a DULA.85

If one of these scenarios ensues, the development must continue to be governed by the DRI development order and may be completed pursuant to the development order unless the developer or landowner has followed the procedures for rescission. 86 Upon request by the developer or landowner, the DRI development order must be rescinded by the local government having jurisdiction "upon a showing that all required mitigation related to the amount of development that existed on the date of rescission has been completed or will be completed" under an existing permit or some other equivalent authorization.87

Sector Plans

Background and History

Sector planning is a tool for large-area planning through which one or more local governments engage in long-term planning for areas of at least 15,000 acres. 88 Sector plans are intended to promote and encourage long-term planning for conservation, development, and agriculture on a landscape scale, to further support innovative and flexible planning and development strategies, to facilitate and emphasize

Section 380.0615(4)(a), F.S.

Section 380.0615(4)(c), F.S.

⁸⁵ Section 380.115(1), F.S.

⁸⁶ Section 380.115(1)(a), F.S.

⁸⁷ Section 380.115(1)(b), F.S.

⁸⁸ Section 163.3245(1), F.S.

protection of regionally significant resources, and to avoid duplication of effort in terms of the level of data and analysis required for a DRI.⁸⁹

Prior to the creation of sector planning, such large scale plans were primarily left to DRIs and traditional comprehensive plans. However, once Florida's population, and thus development began to dramatically increase in the 1990s, planners and lawmakers sought new approaches for a more long term and flexible approach to planning that maintained a principled focus on conservation. This brought about the advent of sector plans in 1998.

Sector Plan Process

The sector planning process encompasses two levels: adoption in the local government's comprehensive plan of a long-term master plan and subsequent adoption by local development order of two or more detailed specific area plans (DSAP) that implement the master plan. Both levels require review and approval by affected local governments, and appropriate regional and state authorities.

In addition to other requirements, a long-term master plan must include maps, illustrations, data, and analysis to address the following:

- a framework map that, at a minimum, generally depicts conservation land use, identifies allowed
 uses in the planning area, specifies maximum and minimum densities and intensities of use,
 and provides the general framework for the development pattern;
- a general identification of the water supplies needed and available sources of water, including
 water resource development and water supply development projects, and water conservation
 measures needed to meet the projected demand of the future land uses in the long-term master
 plan;
- a general identification of the transportation facilities to serve the future land uses in the longterm master plan;
- a general identification of other regionally significant public facilities necessary to support the future land uses:
- a general identification of regionally significant natural resources within the planning area and
 policies setting forth the procedures for protection or conservation of specific resources
 consistent with the overall conservation and development strategy for the planning area;
- general principles and guidelines addressing, among other things, future land uses, the use of lands identified for permanent preservation through recordation of conservation easements, achieving a healthy environment, limiting urban sprawl, enhancing the prospects for the creation of jobs, and providing housing types; and
- identification of general procedures and policies to facilitate intergovernmental coordination to address extra-jurisdictional impacts from the future land uses. 95

Additionally, a long-term master plan may be based upon a planning period longer than the generally applicable planning period of the local comprehensive plan, and may include a phasing or staging schedule that allocates a portion of the local government's future growth to the planning area through

⁸⁹ Id

⁹⁰ David L. Powell, Gary K. Hunter, Jr., & Robert M. Rhodes, *Sector Plans*, Florida Environmental and Land Use Law, The Florida Bar, June 2014. Page 33.1-1 to 33.1-2. Article on file with House Economic Development & Tourism Subcommittee staff.
⁹¹ Id.

⁹² Section 163.3245, F.S.

⁹³ Section 163.3245(3), F.S.

⁹⁴ Section 163.3245, F.S.

⁹⁵ Section 163.3245(3)(a), F.S.

the planning period. 96 A long-term master plan must specify the projected population within the planning area during the chosen planning period but is not required to demonstrate need based upon projected population growth or on any other basis.97

The DSAPs must be consistent with the long-term master plan and generally must include conditions and commitments that provide for the following:

- development or conservation of an area of at least 1,000 acres;
- detailed identification and analysis of the maximum and minimum densities and intensities of use and the distribution, extent, and location of future land uses;
- detailed identification of plans to address water needs of development in the DSAP;
- detailed identification of the transportation facilities to serve the future land uses in the DSAP;
- detailed identification of other regionally significant public facilities;
- detailed identification of public facilities necessary to serve development in the DSAP;
- detailed analysis and identification of specific measures to ensure the protection, restoration and management of lands within the boundary of the DSAP identified for permanent preservation through recordation of conservation easements:
- detailed principles and guidelines addressing, among other things, the future land uses, achieving a healthy environment, limiting urban sprawl, providing a range of housing types, protecting wildlife and natural areas, and advancing the efficient use of resources; and
- identification of specific procedures to facilitate intergovernmental coordination to address extrajurisdictional impacts from the DSAP.98

A landowner, developer, or the state land planning agency may appeal a local government development order implementing a DSAP to the Florida Land and Water Adjudicatory Commission. 99 In addition, any owner of property within the planning area of a proposed long-term master plan may withdraw his or her consent to the master plan at any time prior to local government adoption, and the local government must exclude such parcels from the adopted master plan. 100 Thereafter, the long-term master plan and any DSAP do not apply to the subject parcels. After adoption of a long-term master plan, an owner may withdraw his or her property from the master plan only with the approval of the local government by plan amendment. 101

As of July 1, 2014 there were seven approved sector plans in Florida:

- the Bay County (West Bay Area Vision) Sector Plan;
- the Orange County (Horizon West) Sector Plan;
- the City of Bartow (Clear Springs) Sector Plan;
- the Escambia County Sector Plan;
- the Nassau County (East Nassau County) Sector Plan;
- the Hendry County (Rodina) Sector Plan; and

⁹⁶ *Id.* 97 *Id.*

⁹⁸ Section 163.3245(3)(b), F.S. Like a long-term master plan, a DSAP may be based upon a planning period longer than the generally applicable planning period of the local comprehensive plan. Again, like a long term master plan, a DSAP must specify the projected population within the specific planning area during the chosen planning period but is not required to demonstrate need based upon projected population growth or on any other basis.

Section 163.3245(3)(e), F.S.

¹⁰⁰ Section 163.3245(8), F.S.

¹⁰¹ *Id*.

the Osceola County (Northeast District) Sector Plan. 102

Annexation of Enclaves

Annexation Background

Florida law defines annexation as the adding of real property to the boundaries of an incorporated municipality. 103 The purpose of annexation varies. Historically, annexation was typically used to provide rural communities with access to municipal services—a proposition grounded in the notion that only cities could effectively deliver essential services such as police, fire, and water and sewer. 104 Presently, in addition to seeking out appropriate levels of service, annexation is often used either by developers to find the most favorable laws and regulations for a development, or by a municipality to increase its tax base. 105

There are three threshold requirements to annex land: the annexed land must be unincorporated, "contiguous", and "compact." 106 Under Florida law, "contiguous" means that "a substantial part of a boundary of the territory sought to be annexed by a municipality is coterminous with a part of the boundary of the municipality." "Compactness" means "concentration of a piece of property in a single area and precludes any action which would create enclaves (discussed below), pockets, or finger areas in serpentine patterns."108

Assuming the land to be annexed is contiguous and compact, there are two primary methods of annexation procedures—involuntary and voluntary—and one exceptional method—expedited annexation of certain enclaves. 109 All three methods are discussed below; however, it is important to note that Florida law may allow certain special acts to supersede general laws related to annexation, and charter counties may have special annexation procedures. 110

Involuntary Annexation

Involuntary annexation originates from a municipality wishing to annex unincorporated territory. The process begins with the municipality adopting an ordinance proposing to annex an area of contiguous, compact, and unincorporated territory. 111 Once the governing body of the municipality adopts the ordinance, a majority of the electors in the area to be annexed must vote in favor of the annexation in a referendum. 112

The referendum must be conducted and paid for by the municipality seeking annexation and may not take place sooner than 30 days following the final adoption of the annexation ordinance. 113 Further, the governing body of the annexing municipality must publish notice of the referendum at least once each week for two consecutive weeks immediately preceding the date of the referendum in a newspaper of general circulation in the area in which the referendum is to be held. 114 The notice must contain several

¹⁰² Department of Economic Opportunity, Sector Planning Program, available at http://www.floridajobs.org/community-planning- and-development/programs/community-planning-table-of-contents/sector-planning-program (last visited January 21, 2016).

¹⁰³ Section 171.031(1), F.S.

¹⁰⁴ Alison Yurko, A Practical Perspective About Annexation in Florida, 25 Stetson L. Rev. 669 (1996).

¹⁰⁶ Section 171.043, F.S. Florida law also lays out many "prerequisites to annexation" in s. 171.042, F.S.

¹⁰⁷ Section 171.031(11), F.S.

¹⁰⁸ Section 171.031(12), F.S.

¹⁰⁹ Section 171.046, F.S.

¹¹⁰ Sections 171.0413(4) and s. 171.044(4), F.S.

¹¹¹ Section 171.0413(1), F.S.

Section 171.0413(2), F.S. If there are no electors in the area, there is no need for a referendum, but owners of more than 50 percent of the parcels of land in the area proposed to be annexed must consent to annexation. Section 171.0413(6), F.S.

¹¹³ Section 171.0413(2), F.S.

¹¹⁴ *Id*.

details including the ordinance number, the time and places for the referendum, and a general description of the area proposed to be annexed with an illustrating map. 115

If more than 70 percent of the land to be annexed is owned by individuals, corporations, or legal entities which are not registered electors of such area, such area shall not be annexed unless the owners of more than 50 percent of the land consent to the annexation. Otherwise, the annexation will become effective upon a simple majority vote in the referendum.

Voluntary Annexation

Voluntary annexation, in contrast to involuntary annexation, is born out of petition by the owner or owners of real property.¹¹⁷ That is, the owner or owners of real property in an unincorporated area of a county which is contiguous to a municipality and reasonably compact may petition the governing body of said municipality that said property be annexed to the municipality.¹¹⁸

Typically, upon determination by the governing body of the municipality that the petition bears the signatures of all owners of property in the area proposed to be annexed, the governing body may, at any regular meeting, adopt a nonemergency ordinance to annex said property and redefine the boundary lines of the municipality to include said property.¹¹⁹

However, the process for voluntary annexation may differ as the laws relating to voluntary annexation in the Florida statutes are supplemental to any other procedure provided in general or special law. ¹²⁰ Moreover, charter counties may provide (in their charter) for an exclusive method of municipal annexation. ¹²¹

Annexation of Enclaves

The other method of annexation provided for in the Florida statutes deals with the annexation of "enclaves." Florida law defines "enclave" as follows:

- any unincorporated improved or developed area that is enclosed within and bounded on all sides by a single municipality; or
- any unincorporated improved or developed area that is enclosed within and bounded by a single municipality and a natural or manmade obstacle that allows the passage of vehicular traffic to that unincorporated area only through the municipality.

The Legislature expressly recognizes in s. 171.046, F.S., that, "enclaves can create significant problems in planning, growth management, and service delivery, and therefore declare that it is the policy of the state to eliminate enclaves." Accordingly, the Legislature authorizes two expedited methods of annexing enclaves of less than 10 acres into the municipality in which they exist:

 a municipality may annex such an enclave by interlocal agreement with the county having jurisdiction over the enclave; or

¹¹⁵ *Id*.

¹¹⁶ Section 171.0413(5), F.S.

¹¹⁷ Section 171.044(1), F.S.

¹¹⁸ *Id*.

¹¹⁹ Section 171.044(2), F.S.

¹²⁰ Section 171.044(4), F.S.

 $^{^{121}}$ Id

¹²² Section 171.046, F.S.

¹²³ Section 171.031(13), F.S.

¹²⁴ Section 171.046(1), F.S.

a municipality may annex such an enclave with fewer than 25 registered voters by municipal ordinance when the annexation is approved in a referendum by at least 60 percent of the registered voters who reside in the enclave. 125

Areas of Critical State Concern

Background

State law provides that the state land planning agency (DEO) may from time to time recommend to the Administration Commission specific areas of critical state concern. ¹²⁶ In its recommendation, DEO must include the following:

- recommendations with respect to the purchase of lands situated within the boundaries of the proposed area as environmentally endangered lands and outdoor recreation lands under the Land Conservation Act of 1972;
- any report or recommendation of a resource planning and management committee appointed pursuant to s. 380.054, F.S.;
- the dangers that would result from uncontrolled or inadequate development of the area and the advantages that would be achieved from the development of the area in a coordinated manner:
- a detailed boundary description of the proposed area;
- specific principles for guiding development within the area;
- an inventory of lands owned by the state, federal, county, and municipal governments within the proposed area;
- a list of the state agencies with programs that affect the purpose of the designation; and
- actions which the local government and state and regional agencies must accomplish in order to implement the principles for guiding development. 127

An area of critical state concern may only be designated for the following types of areas:

- an area containing, or having a significant impact upon, environmental or natural resources of regional or statewide importance:
- an area containing, or having a significant impact upon, historical or archaeological resources, sites, or statutorily defined historical or archaeological districts, the private or public development of which would cause substantial deterioration or complete loss of such resources. sites, or districts; or
- an area having a significant impact upon, or being significantly impacted by, an existing or proposed major public facility or other area of major public investment. 128

There are currently four areas of critical state concern: the Big Cypress Area; the Green Swamp Area; the Florida Keys Area; and the Apalachicola Bay Area. 129

State Land Development Regulations and Comprehensive Plan Amendments

Local governments within each area of critical state concern must abide by certain requirements when adopting land development regulations and amending their comprehensive plans. However, such requirements vary for each area.

¹²⁵ See id.

¹²⁶ Section 380.05(1), F.S.

¹²⁷ *Id*.

¹²⁸ Section 380.05(2), F.S.

¹²⁹ Sections 380.055, 380.0551, 380.0552, and 380.0555, F.S.

Big Cypress Area

In relation to the other areas, local governments within the Big Cypress Area have the least amount of state oversight when it comes to adopting land development regulations and amending comprehensive plans. With few exceptions, such local governments, including Miami-Dade, Collier, and Monroe counties, follow the same planning laws as governing bodies that are not located within an area of critical state concern.

Two instances, in particular, in which the Administration Commission and DEO are involved in planning decisions as it relates to the Big Cypress Area, include boundary modifications and natural resource protection. First, no boundary may be modified without a specific finding by the commission that such changes are consistent with necessary resource protection. Second, if DEO determines that the administration of the local land development regulations or local comprehensive plans within the area is inadequate to protect the state or regional interest, it may institute appropriate judicial proceedings to compel proper enforcement of the land development regulations or plans.

Green Swamp Area

With respect to the Green Swamp Area, local governments must submit comprehensive plan amendments and land development regulations to DEO for approval. DEO then determines whether the land development regulations or plan amendments are consistent with the principles for guiding the development of the area specified under the rule designating the area. In doing so DEO issues and publishes a final order to approve or reject the local government's proposed action; no proposed land development regulation within the area becomes effective until DEO issues its final order or, if the final order is challenged, until the challenge to the order is resolved pursuant to chapter 120, F.S.

In addition, just as with the Big Cypress Area, no boundary may be modified without a specific finding by the Administration Commission that such changes are consistent with necessary resource protection, ¹³⁵ and DEO may institute appropriate judicial proceedings to compel proper enforcement of the land development regulations or plans. ¹³⁶

Florida Keys Area

The land planning requirements for the Florida Keys Area are the same as described for the Green Swamp Area, but include several additional provisions, two of which are as follows.

- Amendments to local comprehensive plans in the Florida Keys Area must be reviewed for compliance with the following:
 - construction schedules and detailed capital financing plans for wastewater management improvements in the annually adopted capital improvements element, and standards for the construction of wastewater treatment and disposal facilities or collection systems that meet or exceed certain criteria; and
 - goals, objectives, and policies to protect public safety and welfare in the event of a natural disaster by maintaining a hurricane evacuation clearance time for permanent residents of no more than 24 hours.¹³⁷

¹³⁰ Section 380.055(4), F.S.

¹³¹ Section 380.05(12), F.S.

¹³² Section 380.05(15), F.S.

¹³³ Section 380.05(6), F.S.

¹³⁴ *Id*.

¹³⁵ Section 380.05(12), F.S.

¹³⁶ Section 380.05(15), F.S.

¹³⁷ Section 380.0552(9), F.S.

 DEO, after consulting with the appropriate local government, may, no more than once per year, recommend to the Administration Commission the enactment, amendment, or rescission of a land development regulation or element of a local comprehensive plan.¹³⁸

Apalachicola Area

The land planning requirements for the Apalachicola Area differ most from the other three areas; namely, the Apalachicola Area is the only area in which the Administration Commission must approve its land development regulations.

Specifically, any land development regulation or element of a local comprehensive plan in the Apalachicola Bay Area may be enacted, amended, or rescinded by a local government, but the enactment, amendment, or rescission becomes effective only upon the approval thereof by the Administration Commission. ¹³⁹

Also, DEO, after consulting with the appropriate local government, may, from time to time, recommend the enactment, amendment, or rescission of a land development regulation or element of a comprehensive plan. Within 45 days following the receipt of such recommendation by DEO or enactment, amendment, or rescission by a local government, the Administration Commission must reject the recommendation, enactment, amendment, or rescission or accept it with or without modification and adopt, by rule, any changes. Any such local land development regulation or comprehensive plan or part of such regulation or plan may be adopted by the Administration Commission if it finds that it is in compliance with the principles for guiding development.

Joint Meetings

Florida law provides that upon the giving of due public notice, regular and special meetings of the governing body of a county "may be held at any appropriate public place in the county." Accordingly, counties' governing bodies may not hold regular and special meetings outside of the county, even to meet with the governing body of an adjacent county or municipality to discuss matters of mutual concern or regional significance. 144

Military Personnel Statement of Financial Interest

Section 112.3145, F.S., requires local officers to file an annual financial disclosure with the Florida Commission on Ethics. 145 The definition of "local officer" includes an appointed member of the following:

- a planning or zoning board, board of adjustment, board of appeals, or other board having power over modifying land planning or zoning within the political subdivision, not including citizen advisory committees, technical coordinating committees, and "such other groups who only have the power to make recommendations to planning or zoning boards":¹⁴⁶ and
- any other local government board if required to file the statement of financial interests by the appointing authority or the enabling legislation, ordinance, or resolution creating the board.

¹³⁸ *Id*.

¹³⁹ Section 380.0555(9), F.S.

¹⁴⁰ *Id*.

¹⁴¹ *Id*.

 $^{^{142}}$ *Id*.

¹⁴³ Section 125.001, F.S.

¹⁴⁴ See id.

¹⁴⁵ Section 112.3145(2)(b), F.S. Within 30 days of appointment, local officers must file a financial disclosure, and this filing is deemed to satisfy the annual disclosure requirement. Subsequently, they must file no later than July 1 of each year, and within 60 days after leaving their public position.

¹⁴⁶ Section 112.3145(1)(a)2.d., F.S.

¹⁴⁷ Section 112.3145(1)(a)2.f., F.S.

Similar to state officers and specified state employees, a local officer whom fails to file the financial disclosure is automatically fined \$25 per day. Although there was 99 percent overall compliance with the annual reporting requirement in 2014, 149 288 individuals were assessed fines, 43 of whom served on a local planning, zoning or adjustment board. Iso

A maximum cap of \$1500 exists for failure to file financial disclosure statements.¹⁵¹ Of the 288 individuals assessed fines for the most recent available reporting timeframe, 82 had reached the maximum fine amount of \$1,500.¹⁵² If an individual reaches the maximum fine, the Commission must initiate an investigation and conduct a public hearing to determine whether a person has willfully failed to file the financial disclosure, even if the fine has been paid.¹⁵³ The Commission must then enter an order recommending the officer or employee be removed from office or employment if it determines the failure to file was willful.¹⁵⁴

The Legislature established s. 163.3175, F.S., to encourage compatible land use between local governments and military installations, help prevent incompatible encroachment, and facilitate the continued presence of military installations in this state. In an effort to encourage cooperation between local governments and the military and facilitate the exchange of information, local governments are required "to include" a representative of a military installation within its jurisdiction as an *ex officio*, nonvoting member of the affected local government's land planning or zoning board. Recently, the Commission on Ethics heard a "Financial Disclosure Appeal" in which an ex officio, non voting member of the Okaloosa County Planning Commission, who also serves as a Community Planner on Eglin Air Force Base, appealed the \$1,500 fine she received for not timely filing her statement of financial interest. Appellant's primary argument in her appeal was that she is not a "local officer" and therefore should not be subject to the financial disclosure requirements of s. 163.3175(7), F.S. The Commission on Ethics ruled that Appellant is a local officer and upheld the \$1,500 fine.

Effect of the Bill

The bill seeks to alter various provisions of state law related to growth management as described below.

Administrative Challenges to Comprehensive Plan Amendments

- The bill provides that a recommended order to DEO by an administrative law judge that a challenged comprehensive plan amendment be found in compliance with law becomes a final order within 90 days after issuance unless:
 - o DEO finds the plan amendment to be in compliance and issues its final order;
 - DEO finds the plan amendment not in compliance and it refers the recommended order to the Administration Commission for final action; or
 - o all parties consent in writing to an extension of the 90 day period.

¹⁴⁸ Section 112.3145(7)(f), F.S. The Commission on Ethics is required to treat an amended financial disclosure as the original filing if the amendment is filed by September 1. Section 112.3145(7)(c), F.S.

¹⁴⁹ State of Florida Commission on Ethics, Annual Report to the Florida Legislature for Calendar Year 2014, at 17.

¹⁵⁰ Florida Commission on Ethics, Search for Financial Disclosure Filers, *available at* http://public.ethics.state.fl.us/search.cfm Section 112.3145(7)(f), F.S.

¹⁵² Florida Commission on Ethics, Search for Financial Disclosure Filers, available at http://public.ethics.state.fl.us/search.cfm

¹⁵³ Section 112.324(1), F.S. Prior to 2014, the Commission on Ethics could not initiate an investigation into alleged violations of the financial disclosure laws without having first received a written complaint.

¹⁵⁵ Section 163.3175(8), F.S.

¹⁵⁶ *In re MARION COOK*, Florida Commission on Ethics, Financial Disclosure Appeal No. FD 13-110, *available at* http://www.ethics.state.fl.us/Documents/Ethics/MeetingAgendas/April15%20Materials/FD13-110%20In%20re%20COOK.pdf.

• The bill also specifies that a recommended order issued under expedited proceedings that recommends a plan amendment to be in compliance, becomes a final order 45 days after issuance unless all parties agree in writing to extend the 45 day period.

Developments of Regional Impact

- The bill specifies that a person does not lose his or her right to proceed with a development authorized as a DRI if a change is made to the development that has the effect only of reducing the height, density, or intensity of the originally approved development.
- The bill specifies that a proposed development or amendments thereto that would otherwise require DRI review must follow the state coordinated review process if the development or amendment to the development requires an amendment to the comprehensive plan.
- The bill allows a developer, DEO, and local government, to amend their agreement that a
 development is essentially built-out without the submission, review, or approval of a notification
 of proposed change necessary for a substantial deviation.
- The bill clarifies that a development may be determined to be "essentially built out" irrespective of whether required annual or biennial reports have been submitted.
- The bill provides that unbuilt land uses specified in an agreement establishing that a development is essentially built out, may be developed in a manner by which one approved land use is substituted for another approved land use at a ratio that ensures there will be no increase in impacts on public facilities and will meet all applicable requirements of the comprehensive plan and land development code. At the time of building permit issuance, the developer must demonstrate to the local government that the exchange ratio will not result in an increase in net impact on public facilities and will meet all applicable requirements of the comprehensive plan and land development code. The local government is required to consult with the Department of Transportation on any development previously determined to impact strategic intermodal facilities.
- The bill provides that the following is not a substantial deviation: a phase date extension, if DEO, in consultation with the appropriate regional planning council and subject to the written concurrence of the Department of Transportation, agrees that the traffic impact is not significant and adverse under applicable state agency rules.
- The bill provides that previously developed lands acquired for development as part of an
 existing DRI are not subject to aggregation if the newly acquired lands comprise an area that is
 equal to or less than 10 percent of the total acreage subject to the existing DRI development
 order.
- The bill authorizes DRIs to rescind their DRI development order. Such rescission would be subject to local government oversight as to what form of substituted entitlement replaces the DRI development order.

Sector Plans

The bill decreases the minimum required acreage of sector plans from 15,000 acres to 5,000 acres.

Annexation of Enclaves

The bill increases the size of enclaves which can be annexed on an expedited basis from 10 acres to 110 acres.

Apalachicola Bay Area of Critical State Concern

 The bill revises the method by which the City of Apalachicola, an area of critical state concern, amends its comprehensive plan and adopts land development regulations. Specifically, the bill

provides that such amendments and regulations must only be approved by the state land planning agency (DEO), not the Administration Commission.

Joint Meetings

The bill authorizes the governing body of a county to hold joint meetings with the governing body or bodies of one or more adjacent counties or municipalities to discuss matters regarding land development, economic development, or any other matters of mutual interest at any appropriate public place within the jurisdiction of any participating county or municipality. Such joint meetings are subject to the following requirements and limitations:

- To engage in such joint meetings, the bill requires the governing body of the county or municipality to first adopt a resolution authorizing participation in joint meetings.
- For each joint meeting, the governing board of each participating county or municipality must provide due public notice within its jurisdiction.
- No official vote may be taken at a joint meeting and a joint meeting may not take the place of any public hearing required by law.

Military Personnel Statement of Financial Interest

The bill provides that a representative of a military installation is not required to file a statement of financial interest solely due to his or her service on a local land planning or zoning board.

The bill was approved by the Governor on March 25, 2016, ch. 2016-148, L.O.F., and will become effective on July 1, 2016.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

	2.	Expenditures:
		See FISCAL COMMENTS.
В.	FIS	SCAL IMPACT ON LOCAL GOVERNMENTS:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues: None.

1. Revenues: None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

In its analysis of the bill, DEO stated that "[t]he bill should have a minimal impact to expenditures due to a reduction in the number and types of situations that result in DRI amendments or extensive review of amendments." ¹⁵⁷

¹⁵⁷ Department of Economic Opportunity, 2016 Agency Legislative Bill Analysis, page 7. January 14, 2016. Analysis on file with House Economic Development & Tourism Subcommittee staff.