

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: SB 1604

SPONSOR: Senate Committee on Military and Veterans' Affairs, Base Protection, and Spaceports, Senators Fasano, and others

SUBJECT: Military Readiness

DATE: February 8, 2004 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Krasovsky	Krasovsky	MS	Favorable
2.	_____	_____	CP	_____
3.	_____	_____	CM	_____
4.	_____	_____	GO	_____
5.	_____	_____	ATD	_____
6.	_____	_____	AP	_____

I. Summary:

Senate bill 1604 reflects the recommendations made in the committee's interim report, No. 2004-154, entitled "Protecting Florida's Contribution to the Nation's Military Readiness." The interim report addresses issues relating to the Department of Defense's initiation of another round of base realignments and closures, commonly referred to as "BRAC."

Responding to the BRAC process requires a multifaceted approach. First at the local level by the host military communities to support their bases, then at the state level to better competitively position our bases against closure, and finally at the federal level to educate Washington on the military value of Florida's bases. The legislative recommendations in the interim report that are implemented in this committee bill are identified below.

The bill requires the exchange of information between local communities and military installations when land use decisions may impact operations at that base. The bill also requires local governments to amend the future use element of their comprehensive plan to include the compatibility of future development with their military installation. An appropriations is made in the bill to fund the current Defense Infrastructure Grant Program at \$12 million. Standard criteria for awarding the grant is statutorily adopted. The bill also creates the Office of Military and State Relations within the Executive Office of the Governor. Doing so satisfies a need to have an office identified with the state's third largest industry and helps to focus the resources of the state on our military communities, coordinate a litany of activities, and provide a level of accountability.

This committee bill creates s. 14.2018 and 163.3175, F.S., and amends s. 163.3177, 163.3187, 163.3139 and 288.980, F.S.

II. Present Situation:

The Department of Defense has once again embarked on another round of base realignments and closures, commonly referred to as “BRAC,” during which military installations across the nation will be reviewed to determine whether functions and bases can be consolidated or closed. The BRAC process reflects a desire to eliminate excess capacity, experience the savings from that reduction in capacity, and fund higher priority weapon platforms and troop training. Capacity reductions may reach as high as 20-25%. There have been four BRAC rounds between 1988 and 1995. During the 1993 round, four Florida bases were closed.¹

Base encroachment

Florida was once advertised as a state of sandy beaches and warm ocean breezes. As more and more people across the nation sought their piece of Florida paradise, the state’s population grew to its current 16 million inhabitants. The development of Florida has affected all its citizens, including its military citizens. Military installations that were once in the middle of nowhere now find houses and roads immediately outside the perimeter fence. While such development does bring prosperity, development that encroaches upon a military installation jeopardizes the mission of that base. A base whose military value is diminished by incompatible land development becomes prey to closure under the BRAC process.

The Department of Defense currently has programs in place to respond to existing and potential threats of incompatible land development. These programs, the Navy’s and Air Force’s Air Installation Compatible Use Zone (AICUZ) Program and the Army’s Installation Environmental Noise Management Program (IENMP) are designed to promote compatible development on and off base. Each base in Florida which has an aviation mission has a completed AICUZ program for its airfield.

These programs provide information to local governments about noise and accident potential generated by base operations and encourage communities to adopt land use and zoning controls which restrict the type and density of developments around military airfields to ensure compatible development. Some states, in anticipation of BRAC, have statutorily adopted the development recommendations in the AICUZ programs.

Another Department of Defense program creates an opportunity for local governments and military installations to cooperatively develop measures designed to prevent encroachment. This program, called Joint Land Use Study (JLUS), provides for a land use study to be conducted in an area where a military installation is experiencing encroachment or incompatible development problems. The program can proceed only after there is agreement and support for the study from the base command and local government officials. A typical JLUS can cost between \$60,000 and \$120,000 depending on the complexity of the issues. This cost is shared by the Defense Department and the local government on a 75/25 percentage, respectively. A JLUS has been completed for Santa Rosa and Escambia counties with other studies underway to various degrees at MacDill and Homestead.

¹ Florida lost the Naval Aviation Depot Pensacola, the Naval Aviation Station Cecil Field Jacksonville, the Naval Training Center Orlando, and Homestead Air Force Base.

A JLUS is intended to be the community's planned response to the presence of the military installation. The recommendations provided in the study create a policy framework to support adoption and implementation of compatible development measures designed to prevent encroachment, safeguard the military mission, and protect the public health, safety, and welfare. Actual implementation of these measures would involve revisions to the community's comprehensive plan and traditional land and use controls, such as zoning, subdivision regulation, and structural height restriction. There is, however, no requirement that the local government implement any of the recommendations.

Florida has long dealt with managing land development. That is evidenced, in part, by the passage of the Local Government Comprehensive Planning and Land Development Regulation Act of 1985.² That act establishes a growth management system in Florida which requires each local government to adopt a comprehensive land use plan that includes certain mandatory and optional elements. This plan is intended to be the policy document guiding local governments in their land use decision making. The Department of Community Affairs (DCA) was required to adopt minimum criteria for the review and determination of compliance of the local government comprehensive plan elements with the statewide requirements of the Act. The Act, however, does not limit the broad statutory and constitutional powers of a local government to plan for and regulate local land use.

The Department of Community Affairs is also focusing in on BRAC 2005. It has started a military base encroachment initiative, the object of which is to assist local governments and military base commanders in assessing land use encroachment issues and developing practical solutions to mitigate incompatible uses. A report identifying common encroachment concerns, solutions, and follow up actions is to be completed by February 15, 2004.

Military Grants

In response to base closures under previous BRAC rounds, the state adopted legislation in the mid 1990's dealing with base closure, disposition of military property, and reuse plans for the closed bases.³ Probably most importantly, legislation was adopted aimed at future military base retention. As the legislative intent from that statute, in part, states, "The Legislature hereby recognizes that the state needs to coordinate all efforts that can facilitate the retention of all remaining military installations in the state. The Legislature, therefore, declares that providing such assistance to support the defense-related initiatives within this section is a public purpose for which public money may be used."⁴

In 1997, the Community Defense Grant program was added to this section and represents a variety of grants designed to help defense communities develop economic diversification strategies, improve base efficiencies, and implement base reuse programs. Examples of grants awarded include funds for strategic planning for BRAC, economic impact studies, environmental assessments, encroachment protection, and development of marketing materials.

² See s. 163.3161, F.S.

³ See s. 288.975, 288.976, 288.977, and 288.980, F.S.

⁴ S. 288.980(1)(a), F.S.

For the last three years, one million dollars was annually requested, and approved, for this program. The Office of Tourism, Trade, and Economic Development (OTTED) within the Governor's Office awards the grants which are administered by Enterprise Florida, Inc.

The Military Base Protection Grant followed in 1999.⁵ This program has been created annually through the appropriations process with very general guidelines. Grants are awarded to economic development organizations representing military communities for local infrastructure projects deemed to have a positive impact on the military value of the installation and that would strengthen Florida's competitive position for retention and expansion of current military activity. Examples of grants awarded include funds for utility upgrades, planning for access gates to major highways, planning and development for range expansions, and land purchases to address incompatible growth. \$3.4 million was appropriated for the program this current fiscal year with \$4 million appropriated in 2003, \$5 million in 2002, and \$4 million in 2001. Grants are awarded and administered in the same manner as the Community Defense Grants.

To date, approximately \$25.5 million has been awarded pursuant to the above mentioned programs. However, the need appears to be much more. Prioritized infrastructure needs provided by our military installations to Enterprise Florida for 2003 totaled slightly more than \$110 million. This amount broken down by regions is: northwest region/panhandle at \$50,367,608; northeast region/Jacksonville at \$20,467,848; central region/Orlando at \$9,343,000; and the south region at \$30,178,953. One can not assume that the \$110 million figure represents only high value priority projects necessary to the operation of each base.

A better determinate of what reflects the highest priority needs of Florida's installations may be the projects requested pursuant to the Military Base Protection Grant for this current year. Each base was allowed to apply for their top three priorities. However, many installations only applied for their first or first and second priority because of the limited funding available. There were 32 applications received for a total requested amount of \$12,630,608. Applications for the previous year requested three times that amount.

Office of Military Affairs

Florida's bases and associated defense industries generate an annual \$44 billion dollar contribution to the state's economy. In turn, the state has allocated resources to help ensure that this investment remains sound and continues to grow.

In 1998 the Florida Defense Alliance (FDA) was created within Enterprise Florida Inc. This action was in response to Florida bases being closed during previous BRAC rounds. The statutory charge to the FDA was "...to ensure that Florida, its resident military bases and missions, and its military host communities are in competitive positions as the United States continues its defense realignment and downsizing."⁶ The FDA also serves as an overall advisory body for Enterprise Florida on defense related matters. Enterprise Florida does provide staffing for the FDA effort without, however, any additional direct funding for this activity.

⁵ This grant has also been referred to as the Defense Infrastructure Grant.

⁶ S. 288.980(1)(b), F.S.

The FDA is comprised primarily of community representatives from each Florida county which hosts a military installation or is dealing with a base reuse program. Representatives from statewide businesses and defense related organizations are also included. State and federal legislators are involved as are representatives of Florida state agencies. Thirty one military leaders from various bases and commands act as liaisons to the FDA. In pursuing its mission, the FDA concentrates on activities to reduce the exposure of military bases to organizational threats, such as BRAC, and supports local efforts to address quality of life issues for Florida's service members.

Since March of 2003, the Governor has employed a defense coordinator within OTTED. This is the first full time state employee dedicated to working solely on military issues, aside from members of the Florida National Guard. However, the defense coordinator is not a statutorily created position or office with correspondingly identified duties. Nor is there direct funding in support of the position.

Although other military issues are handled, the position primarily provides staffing to the Governor's BRAC Advisory Council. As such, the defense coordinator serves the dual role of executive director to the Advisory Council. Additional program and policy support is provided by the Enterprise Florida/FDA staff.

The military's contribution to the state's economy is surpassed by only two other industries. The first being tourism with an estimated economic impact of close to \$51 billion. The second being the agricultural industry with an estimated economic impact of approximately \$50 million. Both of these industries have a supporting state infrastructure that far exceeds the state's current infrastructure for its military effort.

The Florida Commission on Tourism was provided spending authority this fiscal year for over \$18 million. The Department of Agriculture and Consumer Services was authorized 3,784 positions with an accompanying appropriations of over \$312 million. The Citrus Commission will spend another \$73 million in support of that industry and with the help of 120 employees. But this is not a critical observation of these industries or expenditures. Enterprise Florida Inc., with a budget of slightly over \$10 million, does provide economic development assistance to the business community of which the defense industry is certainly apart, and does provide some support for the FDA effort. The significance of these figures, however, is in the relative difference of direct support provided to the three top industries of the state.

III. Effect of Proposed Changes:

In addressing encroachment issues, it is perhaps an obvious statement that the military bases in Florida are, and have long been, a part of their local civilian communities. New development and existing military bases can both contribute to the community's economic well being. However, for safety and welfare reasons some construction adjacent to bases may be inappropriate. The issue, therefore, is not about prohibiting growth, it is about knowing what type of compatible growth will allow both the community and military installation to prosper.

A free exchange of information between these entities is therefore critical, and logical, for compatible development. To that end, the bill requires, by creating s. 163.3175, local governments provide to military installations information regarding proposed changes to comprehensive plans, plan amendments, and proposed changes to land development regulations, including zoning changes and development orders that would, if approved, affect the intensity, density or use of property surrounding that installation. The commanding officer or his or her designee would be allowed to respond with written comments regarding any impacts on the installation, including but not limited to, whether the proposed changes will violate military safety and noise standards recommended in the AICUZ/IENMP programs or be incompatible with the findings of a JLUS. The local government is required to take the comments into consideration when making its decision.

To facilitate this exchange of information, a representative of the installation is included as an ex-officio non-voting member of the local government's land planning or zoning board. This addition will provide the opportunity for the rationale behind any responsive comments from the installation to be further explained and debated to the satisfaction of the board and the public.

It is logical to also use the existing growth management system to address growth that is incompatible with the missions of Florida's military installations. Local governments that have a military base within their boundaries are required by amendments to s. 163.3177 to amend the future use element of their comprehensive plan to include the compatibility of future development with the military installation. In doing so, criteria is to be included that would encourage such compatibility. This section is also amended to require local governments to amend or update their future land use plan element to include these changes by June 30, 2005. This section is further amended to require the state planning agency (DCA) to consider compatibility issues for military installations in coordination with the Department of Defense.

Section 163.3187 is amended to make a corresponding change providing that a comprehensive plan amendment that addresses criteria or compatibility with a military installation does not count toward the limitation on the frequency of the plan amendment.

Section 16.3191 requires DCA to evaluate the process each local government is making in implementing their comprehensive plan. The bill amends this section to require DCA to evaluate whether the criteria identified in future land use elements were successful in resolving the land use compatibility issues around military installations.

The current economic environment and constraints caused by the fixed, recurring costs in the budget allow nominal money for discretionary spending. However, with the BRAC process having now begun, there is no time more imperative than now to address the needs of our military communities. However, funding all the projects on the prioritized list provided by the military installation in the amount of \$110 million may very well reach beyond the needs for BRAC 2005. Funding only \$4.3 million, which was the combined total for the grant programs this current fiscal year, appears to fall short of addressing the true priority needs. Funding the \$12 million amount reflected in the grant requests for this current year would cover the bases' highest priority needs and place Florida in a much better posture for the current BRAC round. The bill, therefore, appropriates this amount for Florida's Military Base Protection Grant

program for the 2004-2005 fiscal year. The bill also statutorily establishes the Grant Program, thereby not requiring that be recreated each year in the appropriations process.

The bill establishes the Office of Military Affairs within the Executive Office of the Governor with the head of the office appointed the Governor.⁷ Having direct access to the Governor is highly desirable given the importance of the issues the office would handle, many of which go well beyond the economic development aspects of a continuing military presence in Florida. The purpose of the office is to assist the Governor in formulating and implementing strategies to protect Florida's bases for closure or realignment, booster the state's economy, and keep Florida a military friendly state.

The bill identifies specific the statutory duties for the office. The first and most critical responsibility of the office would be the continued coordination of the BRAC process and support to the Governor's Advisory Council. However, after 2005 base closure and realignment issues do not necessarily disappear. Closures and realignment of missions under certain thresholds can be authorized by the Department of Defense without Presidential authorization. A state like Florida with its large military population must, therefore, always be diligent. Therefore, the office is also charged with assisting the Governor on closure and realignment processes outside of the BRAC process.

This office is also directed to interact with all state agencies to determine how those agencies can better serve the host military communities and Florida's military families. The office is to also assist Enterprise Florida, Inc., in focusing Florida's resources on developing and expanding the state's military and associated defense industries. The office is further charged with assisting the Florida Defense Alliance in keeping Florida in a competitive military position.

An area that at times is overlooked is the volunteer effort in which the military extensively engages to pursue quality of life issues for its service members and their families. The military experience and its transitory nature do cause hardships for military families. Volunteerism is one way to attempt to overcome those hardships. A military affairs office in the Governor's office could be instrumental in coordinating these efforts and removing some of these hardships. Therefore, the newly created office is also charged with the responsibility of assisting in these volunteer efforts.

There is a caveat to this recommendation. The creation of this office shall not interfere with the responsibilities or jurisdiction of the Florida National Guard or of the Adjutant General.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

⁷ Several other entities have been established within the Executive Office, including the Florida State Commission on Hispanic Affairs, the Florida Commission on African-American Affairs, the Citizen's Assistance Office, and the Office of Chief Inspector General.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:**V. Economic Impact and Fiscal Note:****A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

This bill will have a nominal fiscal impact on both the military installations and local governments that would be required to exchange information on proposed land use changes and provide comments pursuant to this legislation.

Local governmental units that would be required to update or amend their comprehensive plan to include compatibility with military installations and related criteria would experience the cost associated with making those changes. There are 22 military installations and three unified commands situated in 13 Florida counties. The cost of adopting a plan in those various counties would differ with the particulars of each location.

The bill also appropriates \$12 million dollars from general revenue to the Office of Tourism, Trade, and Economic Development to fund the statutorily created Military Base Protection Grant Program for FY 2004-2005.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
