



Why Planning is an Effective Economic Development Tool for Florida December 15, 2010

Protecting the state's most important assets

Florida's environment is this state's most important economic development asset. Florida's economy has long been dependent on the engines of agriculture, tourism and land development activity. All three depend on and impact the environment. We need to support our economy and the resources that make it prosper. Tourists flock to our state to visit our breathtaking beaches and pristine springs, canoe and fish in our rivers and lakes, and view wildlife in the Everglades. Agriculture requires clean and sufficient water to flourish. Likewise, when corporations relocate, they seek places with attractive parks, clean drinking water, fresh air, and a good quality of life, not areas with a degraded natural environment. This state has been blessed with rich and abundant natural resources, and we need to protect this most important economic development asset. If we successfully protect this asset, Florida can continue to benefit from new jobs and ensure long-term quality land development and economic prosperity.

Protecting the military's sizeable investment in this state is one of our best economic multiplier tools. A 2008 study released by Enterprise Florida revealed that military and defense had an economic impact of more than \$52 billion, supported more than 723,000 jobs, and generated \$1 billion in local and state tax revenue. Enterprise Florida president and CEO John Adams explained that defense-related jobs are somewhat immune to downturns in the business cycle. "They provide strength to Florida's economy, even in difficult times." One of the state's larger landowners, the military is highly sensitive to the size and nature of development adjoining its landholdings. Military-friendly land use policies help ensure the continuation and enhancement of this vital component of Florida's economy.

Saving taxpayer dollars

Cost-efficient development saves taxpayer dollars. In this era of tremendous economic uncertainty, taxpayers are demanding greater efficiency in government. Common-sense practices that reduce infrastructure costs for roads, water and sewer lines, and for services such as schools and fire and police protection significantly reduce segments of state and local government budgets, resulting in better communities with lower taxes. Typically, if new development is more compact, has multiple housing, jobs and mobility options, and is closer to existing developed areas, the cost of infrastructure is lowered and services can be more easily shared. Additionally, with gas prices likely to rise, residents of more compact communities will save on transportation costs as they have shorter distances to travel to work, schools and stores, and have more alternatives to the car, including walking, biking and mass transit. More compact development also creates options for those Floridians who prefer this lifestyle. But when new development does not cover the costs of associated infrastructure and services, state or local government either absorbs those costs and passes them on to taxpayers, or the quality of the community's infrastructure and services declines.

Sound planning protects home values for the average Floridian. For most Floridians, their home is their most valuable asset and they want to protect its value. Unfortunately, the current housing

glut has led to depressed home values. A November 2010 report from the Legislative Office of Economic and Demographic Research indicates that the median sales price of existing homes statewide is down from a high of \$257,800 in the summer of 2006 to \$133,400 in the summer of 2010, which represents a loss of one-half of the value. With more than 300,000 vacant houses on the market, close to half a million housing units approved but not yet built, the second highest foreclosure rate in the nation, and an unemployment rate near 12 percent, residents of our state are understandably anxious about what the future holds. Lenders are understandably reluctant to finance new construction, which will also serve to continue to depress the value of existing housing. To protect the interests of taxpayers, Florida needs to seek viable economic alternatives until there is a demonstrated market-based need for new housing in our state. This will allow continued economic growth without jeopardizing existing home values.

Florida's changing demographics provide new market opportunities. A fundamental change in consumer demand for housing is coming. Fewer households will have children, and Florida's over-65 population will represent more than a quarter of the state's population within 20 years. This has powerful implications for how Florida will grow in the future. Many aging baby boomers will want smaller houses on smaller lots that are less difficult and less expensive to maintain. They will want walkable communities closer to urban amenities so when they can no longer drive, they can stay in their homes and walk to get groceries, go to the doctor, and meet other essential needs. Likewise, many younger Americans prefer this more urban lifestyle. Surveys show that about a third of all Americans would like to live in compact, walkable communities, but fewer than 10 percent of existing neighborhoods qualify. Florida can jumpstart its economy and create new jobs by providing incentives for infill growth in already developed areas, reaching the new market niche of aging boomers and younger residents. At the same time, existing development will continue to meet the needs of those who prefer a suburban lifestyle.

Economic benefits are maximized where concentrations of businesses are promoted. With its rich environment, Florida has the opportunity to attract quality industry to this state, including green energy, health care, communications, pharmaceuticals, eco-tourism, etc. Florida needs to identify regional hubs and corridors and select rural areas that are appropriate for compatible economic development, while avoiding sensitive natural areas and resources. State infrastructure dollars can then be directed to these areas to ensure the most cost-efficient use of taxpayer dollars.

Developing a corporate plan

Successful corporations plan for the future. Florida should too. Many a business - both large and small - has failed because it did not plan, did not develop a realistic strategy for implementing that plan, or did not implement or revisit its plan. Florida should learn from this and plan carefully for the future -- determine priorities, set a manageable budget to meet those priorities, and work with stakeholders to create and implement a well-thought-out plan. Florida needs to follow the practice of the private sector to create a vision-based state comprehensive plan, recognizing that this can be an important economic development tool. The plan needs to be coordinated with the state budget to ensure that state dollars are used for infrastructure and services that support, not drain, the economy. Florida also needs to maintain an independent state land planning agency to promote the most efficient use of essential regional and statewide resources and to oversee necessary coordination between jurisdictions. Just as a corporation would fail in its economic development efforts if it had hundreds of "departments" making independent and sometimes conflicting decisions, so too will Florida if it does not provide some level of oversight to the more than 470 cities and counties in the state. Additionally, a statewide growth management system provides certainty for all developers and Floridians in general, ensuring similar planning systems from one jurisdiction to the next.