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Florida's Growth Management Follies

By Robert F. Sanchez

Florida's growth management debate heated up this year, but it still boils down to two basic issues: how to regulate growth and how to pay for it.

I'll skip the regulatory issue except to note that 20 years after advocates of centralized planning passed the Growth Management Act of 1985, the law's failure has become, ahem, growingly evident.

Even the law's advocates now concede that it hasn't curtailed growth or even steered it to the "urban in-fill" areas favored by the planning elites. Instead, the government's ham-handed interference has made homes more costly – so much so that planners are now fretting about "the lack of affordable housing."

While the complex debate over how to "manage" growth rages on, the debate over how to pay boils down to a simple tug-of-war between state and local officials. Each side wants the other to pay more. In sorting through this, it's helpful to look toward an improbable spot: Jefferson County, which has at least two unique distinctions.

One distinction is geographic: It's the only county that stretches all the way from Georgia to the Gulf. Moreover, its marshy shore isn't lined with pricey homes and ritzy resorts. Instead, it's a federal wildlife refuge. It's beautiful, and a rarity in coastal Florida, but it adds relatively little to Jefferson County's economy and nothing to its tax base.

Yet Jefferson's more remarkable distinction isn't geographic; it's demographic: It is the *only* Florida county whose population is lower now than 125 years ago, when the 1880 census counted 16,065 residents there. Jefferson's 2005 tally was 13,998.

That 1880 census found only 257 residents in Dade County, whose boundaries then encompassed an area that now includes four counties -- Miami-Dade, Broward, Palm Beach, and Martin – with a combined 2005 population of 5,644,583.

As Southeast Florida grew, it also prospered while Jefferson County languished. At present, for instance, Florida Trend magazine reports that Palm Beach County's per capita income of \$48,081 is nearly twice Jefferson's \$24,317.

Jefferson's poverty may account for the comparatively poor performance of its schools, which lag state and national norms. Result: Families are reluctant to move there, and the boom that has buoyed real estate values and the tax base in many other counties has been tame in Jefferson, where local officials often face a tough challenge to fund basic services.

Meanwhile, the same counties that courted or countenanced rapid growth -- and prospered as a result -- are now complaining that "the state" should pay more for the roads and schools they need

to cope with traffic congestion and rising school enrollment.

When they say “the state,” of course, they mean revenue derived from taxing every Florida resident and visitor. But why burden residents of poor, slow-growth counties to fund roads and schools for affluent, fast-growth counties? After all, the fast-growth counties have the potential resources necessary to pay for their own infrastructure needs – something they managed to do in the past, when their growth was even faster.

The current real-estate boom has enriched the property-tax base. Many counties are also receiving record numbers of visitors and, as a result, more revenue from local-option taxes on sales and gasoline. And some counties are also extorting outrageous impact fees from developers, enriching their coffers while inflating the price of housing.

By borrowing against these revenue sources, Florida’s fast-growing counties could build roads and schools now and pay for them later, when the dollar will be cheaper and their taxpayers presumably more numerous.

Unfortunately, instead of investing their revenue windfalls in tangible projects such as roads and schools, local officials in many of Florida’s fastest growing areas too often yield to public employee unions’ strident demands for higher wages, costly benefits, excessive pensions, and other perquisites. This type of political pandering is consuming revenue that could be used to build local roads and schools.

Granted, there are some highways that provide a statewide or regional benefit and thus require state revenue or a state-local partnership. Likewise, there are some educational facilities – public universities and community colleges, for instance -- that are also principally a state responsibility.

However, in pondering how to pay for local growth, Florida should rule out imposing higher statewide taxes that would force residents of poor, slow-growing counties to pay more to save rich, fast-growing counties from the consequences of the bad choices they have made.

Robert F. Sanchez is Director of Public Policy at The James Madison Institute, a non-partisan Florida-based center that supports limited government, individual liberty, and personal responsibility. This article appeared in the Vero Beach Press Journal, Stuart News and the Fort Pierce Tribune on July 19, 2005.

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CONTACT: Matt Warner (850) 383-4633 matt@jamesmadison.org