

# Alabama Water Access Study Committee

## Financial Roundtable

### Minutes

Monday, May 4, 2009  
Five Rivers Resources Center  
Spanish Fort, Alabama

#### Roundtable Participants:

- Linda Swann, Alabama Development Office
- Jessica James Boyle, Alabama Department of Economic and Community Affairs
- Troy Wayman, Mobile Chamber of Commerce
- Bridgette Clark, Mobile Chamber of Commerce
- James Lyons, Alabama State Port Authority

#### Attendees:

Ahmad Ijaz for Samuel Addy, Brett Dungan, B.G. Thompson, Cline Jones, Chris Denson for Vernon Minton, Tom Steber, Dr. LaDon Swann, Marie Dyson, Jody Thompson

#### Minutes:

*Alabama Department of Revenue and Finance was not in attendance. Jimmy Lyons of Alabama State Port Authority joined panel at their invitation.*

The meeting was called to order at 1:15 pm. Dr. Swann made introductions and provided background information on the Waterfront Access Study Committee.

LaDon Swann: Current use taxation for working waterfronts has been passed by Florida and North Carolina. How would the addition of water-dependent businesses to current use affect the General Fund? Would benefits (Preservation of heritage, jobs) outweigh negatives (impact funds)?

Linda Swann: Would affect property taxes. Commercial is currently taxed at 20%. Can move towards same goal with zoning, but not everyone is in a zoned area. Changing current use may positively affect the General Fund by increasing tax rates.

B.G. Thompson: Property tax values increase based on surrounding properties (i.e. condos increase the value of surrounding properties). National Marine Fisheries Service estimates that in the Gulf of Mexico \$1 catch equals \$7 economic benefit. By preserving access, you preserve economic benefits and jobs.

Brett Dungan: 80 % of land use decisions are made outside of incorporated areas. Other suggestions for economic incentives?

Linda Swann: Taxes would have to be raised substantially to discourage waterfront development. Real problem lies in lack of home rule for counties to make decisions.

Brett Dungan: Federal legislation is pending to encourage states to get ahead of the problem. Can't debate home rule in this forum, so need other incentives and tools.

LaDon Swann: Other states for other land uses have implemented transfers of development rights.

Jimmy Lyons: Conservation easements exist.

Linda Swann: Alabama also has transfers of mineral rights/surface rights.

LaDon Swann: Can these be applied to commercial fishing land uses?

Linda Swann: Industrial parks or cooperative districts can be formed outside of municipalities.

Jessica Boyle: Cooperative district would be a type of overlay zone. Development districts and industrial parks can be created outside municipal districts. Are created by county commissions. Overlay zones can be created in municipalities only.

Jimmy Lyons: Fowl River attempted to create a planning district outside the municipality. Must be voted on by residents. Must stay outside of industrial park.

Troy Wayman: Current use right now would make a big difference to developers. During the building boom, they didn't care what taxes were. Changes would have to make massive taxes to make a difference.

Linda Swann: Current use may be effective in states with high property taxes, but Alabama's taxes are very low.

Jimmy Lyons – State Docks benefits from income tax credits and ad valorem exemptions, which are time-limited. Still they are threatened with gentrification and desire by city administration to take lands for development/ public use. Port of Cleveland is being moved. Large portion of Port of Baltimore has been converted to retail/restaurants. One of the most precious resources Alabama has is waterfront property. For all the waterfront Alabama has, Mobile doesn't have a lot of it.

LaDon Swann: Need to know what the economic value is of Alabama's waterways.

Jimmy Lyons: Bits and pieces exist, but doesn't cover the entire state. State docks can "fight them off", but South Mobile and Baldwin counties are most threatened.

Linda Swann: Problem exists all over state, including the Tennessee Valley and River. Ports need access. There are competing interests between commercial and residential interests. Need for county-level planning.

Jessica Boyle: There are 10 regional planning commissions. SARPC/AL-Tombigbee have much time spent on other projects (Council on Aging) that there aren't enough resources to focus on planning, zoning, and implementation. Regional planning commissions don't always cooperate with each other.

LaDon Swann: If we receive Federal funding, could RPC's develop regional waterway plans?

Linda Swann: Yes, and could contract it out.

Troy Wayman: Mobile Chamber's Gallis project is less about regional planning and more about regional marketing, particularly for the I-10 corridor. Mainly focused on port issues and Brookley.

Bridgette Clark: From a regional standpoint, different areas want to focus on different aspects of their waterfronts, so regional planning may not be the best path to take.

Brett Dungan: How long is it going to take and how much money will a state plan cost?

Linda Swann: \$20 million dollars on the low end for comprehensive land use planning along Alabama's waterways.

LaDon Swann: What might be funding sources? North Carolina appropriated \$25 million for land acquisition and planning. Would such projects be funded by Coastal Area Impact Assistance (CIAP)? State gets 80% of appropriation, which must be spent in Mobile and Baldwin counties, 20% goes to Mobile and Baldwin counties.

Chris Denson: Alabama hasn't yet received CIAP monies from 4 years ago (first round of funding).

LaDon Swann: What would a statewide economic impact study cost?

Ahmed Ijaz: \$1 million.

Linda Swann: Economic data for small businesses will be difficult to gather due to confidentiality issues.

Jessica Boyle: Comprehensive plan timeline – to get zoning/home rule will be huge undertaking, publicly unpopular idea that elected officials may not support.

Jimmy Lyons: Just to get zoning for small strip along Highway 43, it took a long time and hand-holding of the local delegation.

LaDon Swann: Could we prioritize areas to zone? Decatur (Lawrence County), Dauphin Island, Selma, Bayou La Batre, Orange Beach, downtown Mobile?

Panel: Yes, good idea.

Jimmy Lyons: Waterway associations know their hot spots. Mobile and Baldwin counties would be easy to identify.

Troy Wayman: Keep efforts at local/county level. Develop a model to apply in other areas of the state.

LaDon Swann: Could this be done with \$1-2 million and within 12-18 months?

Panel: Yes.

Cline Jones: Land exists in a patchwork. Planning would be useful.

Jessica Boyle: Work with RPC's, planning commissions, and chambers of commerce. They can help and know what they have. Tuscaloosa is looking at updating their comprehensive planning for the Black Warrior River, which encouraged Northport to do the same. Publicize efforts around the state. Instead of creating expense with tax increases, use resources to start that have already done it, market them to other areas.

Jimmy Lyons: Easiest tasks would be to develop overlays project by project rather than taking on the entire state at once.

Linda Swann: Still need some plan for what happened up-river and outside of municipalities. Partner with Forever Wild and large landowners (who don't want zoning). Acquire lands or easements.

LaDon Swann: How does current use taxation impact the state budget? How might the application of current use taxation impact the finances of the state?

Linda Swann: Panel in attendance is not familiar enough to answer these questions.

Ahmed Ijaz: We could look into it.

Chris Denson: Do you want to create a plan or purchase land with CIAP funds?

LaDon Swann: Purchase property for public access.

Chris Denson: ADCNR Marine Resources administers program to create boat ramps. Not everyone wants them due to traffic issues.

Linda Swann: Acquiring lands won't necessarily protect working waterfronts.

Chris Denson: Mississippi used Katrina funding to create a working waterfront access area north of I-10. Alabama used their funds to assist businesses. Will fisheries still be active in 10 years, so will using funds to build the facility be the best use?

LaDon Swann: Mississippi did a feasibility study.

Chris Denson: Property has been purchased and under construction.

Linda Swann: Industrial parks do attract business to areas, so may attract additional commercial fishing business.

Chris Denson: A few years ago the James' brothers wanted to buy the waterfront in Bayou La Batre and create a resort destination.

B.G. Thompson: 400 boat storage shed to be built in Bayou La Batre.

Cline Jones: Developer on Tennessee River is still selling condos and buying available land. In Decatur, the only land left is in Lawrence County; properties are still threatened.

LaDon Swann: How does the TVA preserve their access?

Linda Swann: Acquisition.

Jimmy Lyons: Getting permission for development of water access is difficult. TVA received rights when the dams were built.

Chris Denson: Gulf Shores property values are over \$1 million per acre of any waterfront.

LaDon Swann: In Indiana, they have Right to Farm laws. Is there anything like that in Alabama?

B.G. Thompson: Not in Alabama, but other states have them.

LaDon Swann: Planning could work if done quickly and in targeted municipalities. Must be included in comprehensive plans.

Jessica Boyle: Each change is a change in law, therefore each step includes public hearings. Will draw out process.

Linda Swann: Contact state planning association. What value do they place on waterfront for comprehensive planning?

Bridgette Clark: Work with the most friendly and willing municipalities.

Jessica Boyle: Tuscaloosa would be very cooperative.

Tom Steber: Orange Beach still owns property to create charter marine. Charter fleet is declining due to federal fishing regulations.

Marie Dyson: Maine produced an economic impact study in 2004. Also economic data available on the National Ocean Economics program website.

LaDon Swann: Thanks to all for participating.

Adjourned at 2:45 pm.

***Next Waterfront Access Study Committee meeting: June 2, 2009; 10:00 am – 3:00 pm;  
International Trade Club Main Dining Room, Mobile, Alabama***