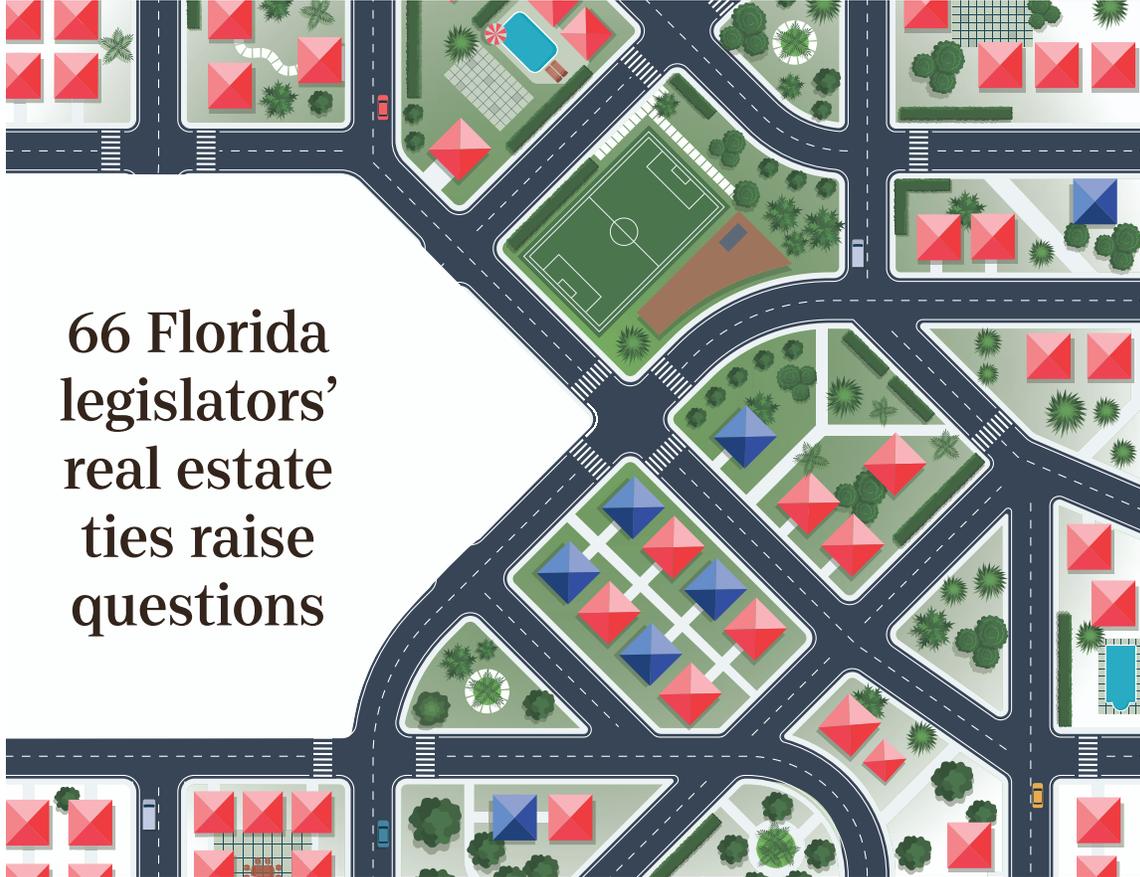


‘LEGALIZED CORRUPTION’?



66 Florida legislators’ real estate ties raise questions

JOSE D ENRIQUEZ III /USA TODAY NETWORK; GETTY IMAGES

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Many believe the back-to-back hurricanes that hit Florida this past fall should be a wake-up call about the need to rethink how and where real estate development is allowed in the state.

Instead, builders and developers continue to add new condo high-rises and luxury homes in the very places most vulnerable to storm surges — along or near the Sunshine State’s coasts. And it’s not just because that’s where most people moving to Florida want to live.

See **QUESTIONS**, Page 10A

“The (Florida) Legislature is meant to be a citizens legislature where they have other jobs, (but) it creates obvious conflicts of interest when you see developers and homebuilders sponsor legislation that benefits their industries. They do bring ... experience, but more often than not, it’s a cause for concern.”

Ben Wilcox
Research director
at Integrity Florida

Questions

Continued from Page 1A

Some state lawmakers personally also stand to benefit.

An investigation by the USA TODAY Network-Florida of the occupations and sources of income of current state lawmakers found more than



Wilcox

Ben Wilcox, research director for a citizens watchdog group in Tallahassee called Integrity Florida, said he finds it troubling that so many state lawmakers have personal ties to the real estate industry.

"The (Florida) Legislature is meant to be a citizens legislature where they have other jobs, (but) it creates obvious conflicts of interest when you see developers and homebuilders sponsor legislation that benefits their industries," said Wilcox. "They do bring expertise and experience, but more often than not, it's a cause for concern."

Connections include a land-use lawyer sponsoring growth management legislation; a homebuilder co-sponsoring legislation on building regulation; a big developer sponsoring legislation that would take away local control of setting limits on development; and a high-paid executive at a giant development firm co-sponsoring a bill to cap the fees his employer pays for economic impact.

State lawmakers with ties to the real estate industry come from both parties: 54 are Republicans while 12 are Democrats. The number includes 11 first-time members of the Legislature.

Having legislators in various professions avoids 'dumb laws'

Former state Sen. Fred Dudley now a construction attorney for a law firm in Tallahassee, sees it as a good thing. "There's nothing illegal about it unless it's beneficial only to that legislator," he said.

The Florida Legislature is intended to only be a part-time job, the longtime Republican said. Because of that, most find full-time jobs in the communities they serve. Consequently, state lawmakers wind up working in, and representing, a wide range of professions.

The current crop includes teachers, first responders, small business owners, attorneys, farmers, and even an environmental scientist.

"Almost all legislators (in Florida) have specialized knowledge of specific professions and I'd hope they'd use it," said Dudley. "Otherwise, we'd get stuck with a bunch of dumb laws."

Hutson's family and the massive SilverLeaf development

Al Abbatiello is a St. Johns County resident who chairs a citizens' organization called the Bartram Scenic & Historic Highway Management Group.



Abbatiello

Its mission is to preserve and protect "the historic nature" of the 17-mile-long stretch of the mostly two-lane State Road 13 in Northeast Florida. The road winds its way along the east bank of the St. Johns River through pine and palmetto trees and oak hammocks and swamps from the Julington Creek Bridge at the St. Johns-Duval county line south to Ward's Creek.

Abbatiello worries that a massive nearby real estate development called SilverLeaf poses a significant threat to the scenic and historic area.



Hutson

SilverLeaf was the third-fastest growing master-planned community in the nation last year, when it sold 1,034 new homes, according to a recent ranking by RCLCO Real Estate Consulting.

Its developer is the Hutson Companies, a St. Johns County-based company owned by the family of state Sen. Travis Hutson, R-Palm Coast. Hutson is the senior vice president of the company which is led by his father.

The St. Johns County Board of Commissioners in 2021 approved the Hutson Companies' controversial plan to expand its SilverLeaf project by another 5,600 homes, despite objections raised by Abbatiello's group. The expanded project will also add 2.9 million square feet of retail and office space.

Hutson in last year's legislative session sponsored two bills that would have made it harder for citizens in the future to try to block or limit development projects.

SB 280, referred to as the "Local Ordinances Act," would have required county governments to conduct a business impact study before enacting any new



Residents line up to speak at a St. Johns County Commission meeting in 2021 regarding developer Hutson Companies' plans to expand its SilverLeaf master-planned community by an additional 5,600 homes. The commission approved the expansion by a 4-to-1 vote. ST. AUGUSTINE RECORD FILE

ordinances and require counties to suspend the enforcement of ordinances in some cases if they were challenged in court. It would have also authorized courts to require counties to pay reasonable attorney fees and costs as well as damages to those claiming the ordinances caused undue adverse impacts to their businesses.

SB 620, referred to as the "Local Business Protection Act," would have authorized businesses to claim business damages from a county or municipality if it could show they were hurt by ordinances or provisions enacted by those local governments.

SB 280 failed to get far in last year's state Legislative session, but SB 620 won approval only to get vetoed by Gov. Ron DeSantis, much to Abbatiello's relief.

"It would have made it more difficult for residents of St. Johns County to make our own decisions (in the future)," said Abbatiello in an interview in November. "If it had passed, it would have further tied the hands of county and city commissioners for fear of getting sued. But somewhere down the line, someone will try to bring it back."

Whatever happened to home rule?

True to Abbatiello's prediction, a similar new Senate bill, SB 170, has been introduced in this year's legislative session.



Trumbull

The sponsor of SB 170 is Sen. Jay Trumbull Jr., R-Panama City, an entrepreneur whose businesses include Creekside Estates PC LLC and Genesis Land Development LLC, as well as businesses that stand to benefit from growth. They include an air-conditioning company and bottled water and water conditioning businesses, including seven Culligan dealerships.

His latest financial interests disclosure filing with the Florida Commission on Ethics did not include any income produced in 2022 by Creekside or Genesis. Trumbull in his listing of assets valued Genesis at \$21,000. Creekside Estates is valued at nearly \$221,000.

The USA TODAY Network-Florida was unable to reach Trumbull for comment. Hutson also sponsored another bill last year, SB 736, that would have reduced the time period that homeowners would have to sue builders for construction defects. That bill failed to pass, but this year he introduced SB 360, "Causes of Action Based on Improvements to Real Property," which would essentially do the same thing.

Senate bills 280 and 620 were an attempt to solve a "problem ... that came into focus even more so during the COVID-19 pandemic," Hutson told USA TODAY Network in an email. "Currently, local governments can pass a slew of overreaching ordinances that could harm businesses and constituents, costing local jobs and driving up prices for everyone."

Hutson Companies "does not build homes," he added. "My occupation is never a factor on bills that I file. ... I have not, nor has my industry, profited off any bill I have filed since I have been elected to office. To the contrary, over the last decade, I have spent a significant amount of time away from my family and our business in order to serve the people of my district."



Snyder

Another state lawmaker, Rep. John Snyder, R-Palm City, has sponsored HB 85, in this year's session which carries the same title as Hutson's SB 360. Snyder is the owner of a staffing/payroll services firm in Stuart called ESI. The firm's clients include general contractors, according to its website. Snyder did not respond to a request for comment.

Abbatiello is a Realtor who ran unsuccessfully as a Republican candidate for the St. Johns County Commission both in 2016 as well as a few years earlier. He said he is not opposed to growth. "We're just saying slow the growth so our infrastructure can catch up," he said.

Holding down local government

Hutson's proposed bill last year was part of a larger push by state lawmakers to strip county and city governments from making decisions on how to manage growth and developments in their communities, according to Abbatiello.

"In my opinion, it all started when Rick Scott was governor when (in 2011) he got rid of Growth Management (regulations). His attitude at the time was, 'we're open for business.' The Department (of Community Affairs) was essentially gutted to become nothing more than a rubber stamp."

Wilcox shares that assessment. "The Republican Party used to be the party of home rule, but they've pretty much abandoned those principles," he said. "There's really been a concerted effort (in recent years) by the Legislature to hold down local government. It's all part of the legal corruption that goes on in state government: legalized bribery. The corruption is not always illegal. Sometimes it's legal corruption."

The Villages and Hage: 'Those with the gold make the rules'

Arguably, one of the clearest examples of the influence of the real estate industry on the state Legislature was the passage of a bill that DeSantis signed into law in 2021 that sets limits on how many counties can increase impact fees for new development.

The two co-sponsors of the Senate version were state senators Joe Gruters, R-Sarasota, whose businesses include SJE Real Estate and who owns a large stake in a company called EPR Properties, and Sen. Keith Perry, R-Gainesville, who owns Perry Roofing Contractors. Gruters did not respond to a request for comment.

Damon Vitale, a legislative aide to Perry, said the senator's schedule was full and did not allow him to take the time to respond to questions for this article.

The House version of the bill was sponsored by state Rep. Nick DeCeglie, R-Indian Rocks Beach, now a senator, who owns a waste management company that collects garbage for residents in Pinellas County. The House bill included 11 co-sponsors, the vast majority of whom are involved in

the real estate industry.

DeCeglie did not respond to a request for comment.

One of the sponsors was then-state Rep. Brett Hage, R-The Villages, who is employed as vice president of residential development for The Villages Land Company, the master developer of the sprawling 55-and-older community whose 32 square miles covers an area that includes large portions of Sumter and Marion counties as well as parts of Lake County.

The impact fee cap, which was made retroactive to Jan. 1, 2021, invalidated the Sumter County Commission's passage in March of that year of a 75% hike in impact fees to help pay for much-needed road improvements.

The Villages Land Company was a chief beneficiary of the impact fee cap as it was planning a major expansion.

Hage, according to financial disclosure forms filed with the Florida Commission on Ethics did extremely well financially during that period. His 2019 form listed an income of \$141,000 from the Villages holding company. The 2020 form showed an income of \$350,000 from the firm and the following year, his income went up again, this time to \$925,000.

Gilbert Windsor, a longtime resident of The Villages who serves as vice president of the community's Property Owners Association, said there is no doubt in his mind why Hage pushed so hard for the impact fee cap bill's passage. And it wasn't because of residents.

"Hage never came and sat down to talk to residents about impact fees," he said. "He's associated with the Morse family (owners of The Villages Land Company) and everybody knows it."

Former Sumter County Commissioner Oren Miller was one of the commissioners that voted for the big increase in impact fees. He is also a resident at The Villages. "Follow (Hage's) salary at The Villages Land Company the last few years. He was and is well paid to create legislation to serve his employer," Miller told the USA TODAY Network. "The Golden Rule in Central Florida is simple. Those with the gold make the rules."

Miller in December 2021 was removed from the Sumter County Commission by order of DeSantis after he was charged with committing felony perjury on a matter unrelated to impact fees.

He was convicted of lying when asked whether he had violated the Florida Government-in-the-Sunshine Law by privately communicating with another county commissioner regarding a proposed pet rescue program. He was released from jail on Jan. 30 after 74 days of incarceration. He is currently appealing his conviction.

Hage chose to not run for reelection to the Florida House last fall.

He remains employed at The Villages Land Company but did not respond to requests for comment for this story.

'It's not that easy to get bills passed' in Florida Legislature

Rusty Payton, CEO of the Florida

See QUESTIONS, Page 11A

Questions

Continued from Page 10A

Home Builders Association, believes the notion that builders and developers have an undue influence on state lawmakers is ridiculous.

“We (the FHBA) don’t just walk in and get everything passed that we want passed. My goodness no,” he said. “Sometimes we help shape them (bills) to make them workable, but if someone told me I was successful at passing bills I would laugh. I don’t think we have any special powers.”

Jim Cameron is a government affairs consultant based in Daytona Beach who started his own consulting firm a few years ago after more than 30 years in that role on behalf of the Daytona Regional Chamber of Commerce. “I don’t think there’s flagrant abuse,” he said of the influence builders and developers might or might not have on state lawmakers. “Keep in mind that 3,000 bills are introduced every year. Of those, only 200 to 300 get passed. It’s not that easy to get bills approved.”

Mori Hosseini is the chairman and CEO of ICI Homes, a Daytona Beach-based company that develops master-planned communities and builds new homes throughout much of Florida. He, too, believes some far overestimate the influence that builders and developers have in getting favorable bills passed.

“Travis Hutson’s construction defects bill should have passed,” said Hosseini. “As powerful as Hutson is, he couldn’t get his bill passed. Keep in mind that he was in contention to become Senate President a few years ago. There is such a difference in opinion between the Senate, House and the governor. The governor (DeSantis) by the way has never done construction in his life.”

Hosseini’s company is one of several homebuilders at Hutson Companies’ SilverLeaf development in St. Johns County.

Ken Johnson, a professor with the College of Business at Florida Atlantic University, said the contingent of state lawmakers with real estate ties may “look like a big faction, but a lot of them are diametrically op-



Payton



ICI Homes Chairman and CEO Mori Hosseini, pictured on Jan. 4, 2022, shows off a rendering of a planned new clubhouse for his Plantation Bay development, which straddles both north Volusia County and south Flagler County.

NIGEL COOK/NEWS-JOURNAL



Ducks cross a street where several new homes are under construction at Hutson Companies’ massive 8,500-acre SilverLeaf community in St. Johns County on March 13.

CLAYTON PARK/NEWS-JOURNAL

posed. Real estate brokers and developers are like cats and dogs. Very often they have opposing agendas. Realtors primarily derive their income from the sale of existing homes, whereas builders

Continued on next page



A car passes through the main entrance to Hutson Companies’ 8,500-acre SilverLeaf community in St. Johns County on March 13. State Sen. Travis Hutson, R-Palm Coast, is its senior vice president.

CLAYTON PARK/NEWS-JOURNAL



Questions

Continued from Page 11A

often sell new homes without the involvement of Realtors.”

Johnson also noted that “a lot of the builders and developers in state and local government only build or develop on a small scale.” Abbatiello acknowledged that Hutson Companies develops master-planned communities but does not actually build the homes in them. And while “we Realtors don’t always agree with what developers want,” he added, “any new home that’s built will eventually resell.”

After decade of ‘pro-growth,’ pendulum may be swinging back

Aubrey Jewett is a professor of political science at the University of Central Florida. The notion that a large percentage of state lawmakers in Florida have ties to the real estate industry is nothing new. He also doesn’t see it as a good or bad thing.



Jewett

“There’s always been state lawmakers with connections to the construction/real estate industry,” he said. “We’ve relied heavily on population growth as

an economic strategy, which (also) requires us to continue to build new homes. (But) unrestrained growth can lead to environmental damage and water and flooding issues.”

“The majority of Floridians in the mid-’80s supported growth management, but the economy was booming back then. When the economy’s struggling, not so much. Over the past decade, the forces of pro-growth have had the advantage.”

But that, too, could soon change as the pendulum eventually swings back towards more controlled growth, he said. “We are seeing some backlash.”

Volusia County Chair Jeff Brower was elected in 2020 in large part because of his call for greater controls on growth and development.

“I think it’s true,” he said when asked if he believes builders and developers try to influence elected officials at the local, county, and statewide levels. “It’s easy to see by looking at campaign finance reports. The whole reason we have zoning is to protect the public.”



Brower

New bill worries commissioner

“We’re not going to stop growth. It’s ridiculous to think that. But we need to

grow responsibly. Part of that is to not build on wetlands,” Brower said. “We can’t maintain this cavalier attitude of ‘build at all costs.’ But I’m encouraged that the pendulum may be swinging back towards more growth management. Every town hall I go to, among the biggest concerns, No. 1 is over-development. They (citizens) know it’s affecting their quality of life.”

Brower said he is especially concerned about a new bill the Legislature is currently considering, SB 1240, that would prohibit counties and municipalities “from adopting laws, regulations, rules or policies relating to water quality or quantity, pollution control, pollutant discharge prevention or removal, and wetlands.”



Burgess

The bill’s sponsor is state Sen. Danny Burgess Jr. (R-Zephyrhills) who works as an attorney. His areas of practice, according to his law firm’s website, include “corporate, tax and transactions,” as well as “public policy and government affairs.”

The firm also specializes in real estate and development.

The House sponsor of an identical bill is Rep. Randy Maggard (R-Zephyrhills), whose financial interests disclosure form shows he also has a significant ownership stake in Maggard Property Holdings LLC valued at \$2.18 million as



Maggard

well as a 49.5% stake in both his family’s appliance store and cattle ranch.

Maggard is also the sponsor of HB 89, a bill that would prohibit counties and municipalities from making substantive changes to plans after a building permit has been issued unless those changes are necessary to comply with building or fire prevention codes.

Neither Burgess nor Maggard responded to requests for comment.

“We have a state legislature that’s trying to neuter us at the county level by taking away our ability to create rules and regulations that affect wetlands, water quality, pollution and water quantity,” said Brower.

“If SB 1240 passes, why would we even bother to have county councils or city commissions? It would just eliminate local control. The public needs to speak up. That’s the only way to stop this.”

Wilcox of Integrity Florida said, “I don’t see much hope (for things to change) because there’s not much political will.”

On the other hand, he added, “There are some good state legislators who can rise above their own self-interest.”

John Dunbar contributed to this report.