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Growth is coming to Florida's heartland. Who gets to say where

By Cynthia Barnett

● In February, longtime Orlando lawyer J. Charles Gray, representing a consortium of rural landowners, sketched a suggested route for a new highway onto a road map and faxed it over to Florida's Turnpike Enterprise, the agency that builds and runs the state's toll roads.

Gray, along with former lawmaker Rick Dantzler, already had gotten the Turnpike Enterprise, a division of the Florida Department of Transportation, to consider building a north-south toll road stretching 100 miles from Polk to Lee County, where it would link up to Interstate 75.

Gray's map showed Turnpike officials how they could tweak a northern branch of the proposed highway to avoid a private golf community and to end closer to a recently announced intermodal hub for transportation company CSX Corp. in Winter Haven.

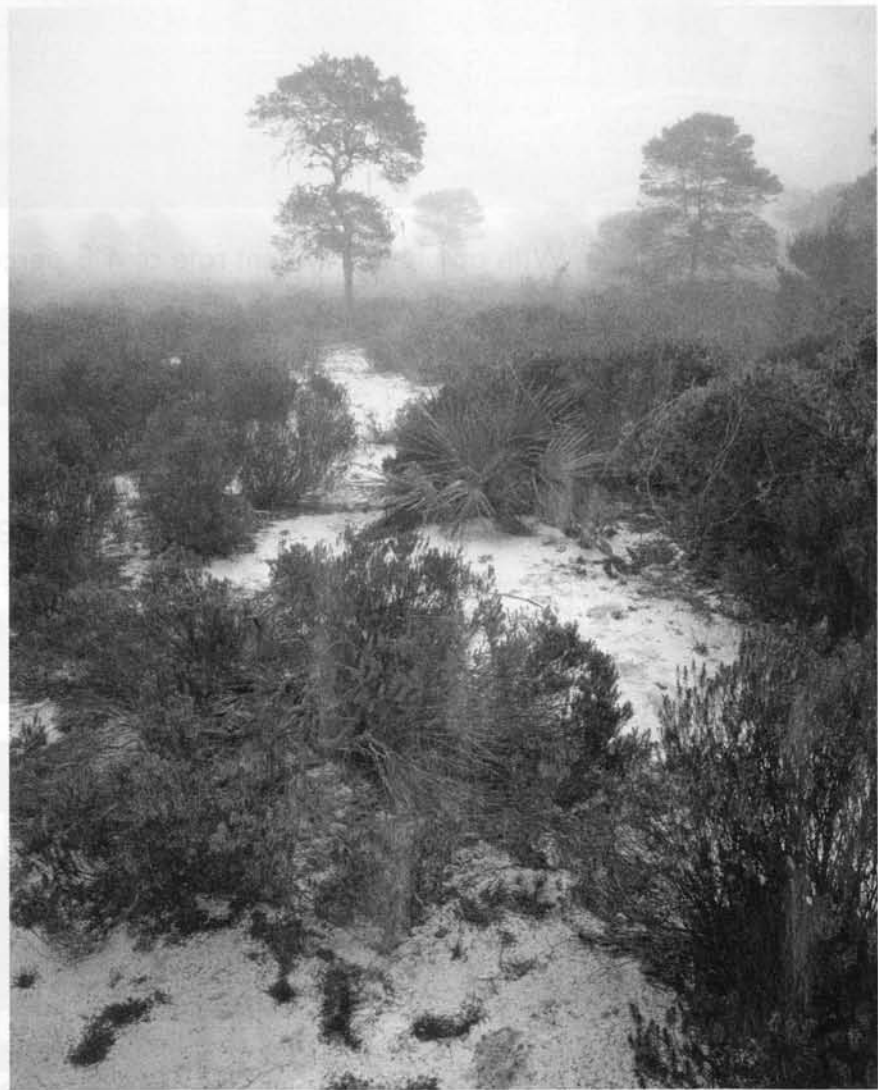
In March, the Turnpike Enterprise went public with proposed corridors for the north-south toll road, called the Heartland Parkway, and another big toll road, an east-west route called the Heartland Coast-to-Coast. The two huge highways would crisscross the last major undeveloped chunk of peninsular Florida — a swath of orange groves and cattle lands stretching from south of Lake

Okeechobee in Hendry County to the southern tip of Orlando International Airport north of Osceola County.

The plans made public by the Turnpike Enterprise followed Gray's cartography. In fact, internal DOT and Turnpike Enterprise documents show, Gray, Dantzler and Florida Sen. J.D. Alexander, a Lake Wales citrus grower, so influenced the

planning for the north-south route that they even convinced state officials to dub it the "Heartland Parkway."

Just as Gray custom-drew part of the north-south road, a different set of players set the route of the proposed east-west tollway. Manatee County Commissioner Joe McClash wanted it to provide access to Port Manatee. Sebring Airport



HEARTLAND: Routes of two proposed toll roads pass through mostly agricultural land and intersect near the scrub ecosystem of the Lake Wales Ridge, Florida's oldest natural system.

James Valentine

Paving the Way

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it goes and how?

Authority officials made the highway part of their master plan for becoming a key transportation hub for the region.

The tiny groups of powerbrokers determined the footprints of both highways before the Turnpike authority ever ran its computer programs, which use up to 250 layers of GIS data to calculate routes with the least impact to wetlands, endangered

species and the like.

All this activity was within the law — in fact, the long process of building a highway frequently is prompted by private interests, says Randy Fox, planning manager for the Turnpike Enterprise. “There’s nothing wrong with the business community lobbying on behalf of their projects,” says Fox. “Sometimes I think the business community is better able to help the process than local elected officials.”

The two tollways are by no means a done deal. The Turnpike Enterprise must first complete studies on whether the toll roads are economically feasible and if so, how to engineer them. Then the DOT would have to work with local governments on land-use issues and on acquiring rights of way — work that could take a decade before any actual road building occurs.

But a blueprint now exists for the growth

of the heartland that will be tough to ignore. The footprint for the two roads was created with no public discussion, no input from citizens and no feedback from the state-level economic development or environmental officials who later expressed concern over the routes. Many local officials in heartland counties never heard of the highways until reading about them in their newspapers.

Ironically, the behind-the-scenes lobbying laid the tracks for development just as regional and state officials launched Florida’s latest feel-good efforts at managing growth. Through an effort called myregion.org, central Florida is supposed to be the test case for the state’s new strategy of “regional visioning,” bottom-up planning that relies on citizens and other stakeholders to help decide how their part of Florida grows. At the statewide level, members of a



▶ Paving the Way



Orlando attorney Charles Gray drew part of the route for a north-south toll road that he, former state lawmaker Rick Dantzler and state Sen. J.D. Alexander are pushing to get built. Mike Willingham, executive director of the Sebring Airport Authority, and Manatee County Commissioner Joe McClash lobbied for key points in the east-west road plan. The proposed roads, still in feasibility studies, could be moved anywhere within a six-mile swath based on environmental or other concerns.



Former state lawmaker Rick Dantzler (left) and Orlando attorney Charles Gray

group called the Century Commission for a Sustainable Florida are brainstorming bold ideas for how Florida should look in 25 and 50 years.

The heartland

For decades, local government officials in Highlands County at the southern tip of Florida's Lake Wales Ridge have tried to figure out how to secure a major highway through their rural landscape of sand pine and cattle ranches.

Smack in the middle of the lower part of the state, Highlands lies just an hour from the booming coasts of southwest and southeast Florida. Yet development has largely bypassed the county, as well as surrounding Hardee, De Soto, Okeechobee, Glades and Hendry counties. The area is designated one of Florida's "rural areas of critical economic concern," in part because a lack of infrastructure keeps new people and businesses from settling here.

Along with Polk and Osceola counties to the north, and the remaining rural edges of Charlotte, Lee and Collier counties to the west, the region is the last agricultural stronghold in a state where the homebuilding industry has outmuscle farming to become the second-largest economic driver statewide behind tourism, with a \$42-billion annual impact. With St. Joe Co.'s developments in north-west Florida well under way, the heart-

land also represents the largest remaining chunk of undeveloped land in the state.

Important economic drivers are pushing both developers and homebuyers inland. In coastal Florida, little land remains; prices are soaring; the insurance market is uncertain; and hurricanes are seen as a growing threat. As a result, Florida's major homebuilders, as well as national players including Miami-based Lennar and KB Home, are turning to the state's rural interior ["Interior Motive," page 54].

"The large, national homebuilders who have been working on the coasts have now turned to the interior," says Dean Saunders, a Lakeland Realtor and former state lawmaker who brokers large agricultural tracts for farmers throughout the heartland. "In turn, some of the longtime ranchers are moving to north Florida, Georgia, Alabama. The opportunity costs are so high in some cases, they're asking themselves why they should be ranching land that costs \$20,000 an acre."

Clearly, homebuilders will move into Florida's heartland with or without new toll roads. On the other hand, says Lance deHaven-Smith, a public policy professor at Florida State University, the region will never grow as dramatically without major highways as it would with them. In a 2004 report for the Sebring Airport Authority, deHaven-Smith concluded that the six economically depressed heartland counties will grow by fewer than 70,000

residents between 2000 and 2020 with their current infrastructure. "However, if a turnpike were to be constructed across the region, the heartland's population would be expected to increase by more than 10 times" that, he wrote.

In the fall of 2004, armed with deHaven-Smith's report and a catchy enthusiasm for Highlands County's future, a visionary former banker named Mike Willingham brought the story of the heartland to Florida's Turnpike Enterprise. Willingham, longtime executive director of the Sebring Airport Authority, found a sympathetic ear in Turnpike Executive Director James Ely, who said his agency would be willing to investigate an east-west toll road.

When McClash heard about Willingham's friendly audience with the Turnpike Enterprise, he dusted off a 10-year-old request by the Sarasota-Manatee Metropolitan Planning Organization. The request asked the DOT to investigate a coast-to-coast highway from Manatee County to St. Lucie County. DOT officials had turned it down repeatedly over the years. But McClash says that this time when he met with a group including Ely, "much to my surprise, they were willing to talk about a new turnpike."

'Ahead of the process'

As the Turnpike Enterprise began work on a feasibility study for the east-west toll



Manatee Commissioner Joe McClash



State Sen. J.D. Alexander



Sebring Airport Authority Executive Director Mike Willingham

road in 2005, it came under intense new lobbying by business interests at the north end of the heartland. A group of rural landowners centered in Polk County formed a non-profit corporation called the Heartland Economic, Agricultural and Rural Task Force (HEART). The corporation's bylaws say its purpose is to promote economic development, support responsible growth and protect sensitive environmental areas in the heartland. But essentially, it was formed to lobby for the north-south toll road.

The corporation's officers are all lawyers, lobbyists or political consultants, including image expert Renee Dabbs of Tampa. Property owners and businesses along the proposed route put up the seed money for the corporation. Perhaps their savviest move was to hire Gray, founder and still chairman of the 196-lawyer GrayRobinson firm in Orlando. Gray, a transportation and land-use lawyer, has been helping to decide where central Florida's highways go ever since he served as chairman of Florida's Turnpike in 1964 and 1965.

Gray was head of the Turnpike when Walt Disney famously flew over central Florida and saw thousands of acres of swampland with proximity to two major highways: The turnpike and I-4. Gray served as a liaison between Disney and Gov. Haydon Burns. And he pushed his agency to build an interchange between I-4 and the turnpike even after highway officials insisted such an interchange was

not financially feasible.

Forty years later, internal documents show, Gray managed to do an end-run around the Turnpike Enterprise. By calling DOT Secretary Denver Stutler, Gray secured a commitment for early funding for a Project Development and Environment (PD&E) study on the Heartland Parkway. The PD&E part of the road-building process is supposed to begin only after the DOT finishes an initial feasibility study for a highway.

In an e-mail to a DOT colleague who'd raised concerns about the Turnpike touting a highway that hadn't yet met the financial feasibility requirements, Turnpike planning manager Fox wrote that "Both Mr. Ely and I have told Charles Gray (individually and at different times) that we did not support his efforts to obtain funding for a PD&E for the Heartland Parkway until after the planning study was completed and the project could be funded through the normal process. However, Mr. Gray indicated that the PD&E needed to be initiated in the fall and he subsequently secured a commitment for PD&E funds through Central Office" (in Tallahassee).

Gray makes no apologies for appealing to Stutler to make the PD&E funding available this fall if the feasibility study pans out. Development pressure on the northern end of the proposed toll road is so intense, particularly since CSX announced its new hub, that local leaders predict land for the highway will no longer be available

six months from now.
"The problem here is timing — timing is sometimes not consistent with process," Gray says. "Development is closing off the opportunity for this road to connect meaningfully to I-4, and if that connection cannot be made, this project may never happen."
"I thoroughly agree with the process, but sometimes you have to get a little ahead of the process."

Organizing growth?

Heartland landowners, including many longtime cattle ranchers and citrus growers, are willing to donate considerable acreage for well-planned growth initiatives such as highway corridors and conservation easements in exchange for increased density or development rights elsewhere. "The growth is coming whether we want it or not, and the road can organize the growth," says Dantzler, a Winter Haven lawyer. "If we do nothing, it's going to be bad. I see this as an opportunity for it not to be bad."

Getting ahead of growth, of course, is exactly the notion state leaders have pushed in recent years — trying to focus growth management regionally and get counties to plan together on huge developments such as Babcock Ranch, which straddles Charlotte and Lee counties, and Ave Maria in western Collier County. Both are seen as models of rural stewardship in preserving tens of thousands of acres of wild lands as they permit denser development in their urban cores.

But many wonder how highways — almost certainly the most important growth-management decision in developing the state's final frontier — could be drawn in the 21st century the same way they were throughout the 20th, with power brokers determining routes without any input from citizens, planners, environmentalists or even regulators in fellow state agencies.

Mark Glisson, who heads up land acquisition for the state Department of Environmental Protection, was distraught that the intersection of the two proposed roads crosses so close to the Lake Wales Ridge. The 2.3-million-year-old scrub ecosystem is the oldest natural system in Florida, left from the time when most of the state was covered by the sea. The sandy hilltops along the ridge are home to some of the rarest plants and animals in the United States; lands along and adjacent to the ridge remain some of the highest priorities on the state's land-preservation wish list.

Alex Stafford top left, Tim Healy top right

Meanwhile, a flurry of letters and e-mails to the DOT this spring questioned the routes, including several regarding the Air Force bombing range in Avon Park. The east-west route, wrote Pam Dana, the governor's director of Tourism, Trade and Economic Development, was close enough to the range to be dangerous and would erode military activities and training in the area.

Even employees within the Turnpike Enterprise were uncomfortable with some aspects of the two proposed roads. The northern heartland region may, as Gray argues, be growing fast enough to justify a new highway. But in the economically depressed southern part of the region, a new highway would be a stimulus to growth rather than a response — putting transportation officials in a difficult position. “One of the Turnpike's biggest PR issues in previous studies has been countering the assertions that our projects will trigger rampant growth,” wrote William T. Olsen, the Turnpike Enterprise's travel-forecasting manager, in an e-mail to turnpike planning managers. “I believe the department's position to-date has steadfastly denied those claims.”

In the e-mail, Olsen warned his colleagues not to rely on deHaven-Smith's population numbers as they did the feasibility study for the east-west route. The University of Florida Bureau of Economic and Business Research had forecast that the population of the economically depressed counties would increase by 70,000. DeHaven-Smith boosted that number to 690,000 — if a new highway were built. The Turnpike Enterprise, Olsen wrote, “would never be able to justify the use of such projections for our economic feasibility test.”

Fox says projected population growth and truck and car traffic more than justify the highways from the standpoint of moving people and goods, one of the DOT's essential goals. But that doesn't mean the roads will be financially feasible for the Turnpike Enterprise, which has to show that its roads will pay for themselves through toll revenue in 22 years. The state is unlikely to build anything but a toll road — it doesn't have enough money to fix and expand current highways, much less build huge new ones. If either heartland road gets built, it likely will require a creative mix of public



CASHING IN: Longtime ranchers are moving out of state, says Lakeland Realtor Dean Saunders, who brokers deals for large agricultural tracts. “The opportunity costs are so high in some cases, they're asking themselves why they should be ranching land that costs \$20,000 an acre.”

and private financing, with landowners donating some of the right of way, perhaps with developers building their own exits or interchanges.

Supporters of the highways say their essential concern is to get growth right this time: To plan major highway corridors and other infrastructure so that “when you pour the growth in, it's in an orderly fashion rather than splashing everywhere,” says Willingham of the Sebring Airport Authority.

Steve Seibert, former secretary of the state Department of Community Affairs, is now executive director of Florida's Century Commission, established by the Legislature as “a standing body to help the citizens of this state envision and plan their collective future with an eye toward both 25-year and 50-year horizons.” He says the issue may not be the urgency with which the highway corridors were suggested, but a lack of urgency in including citizens and a visioning process. “It may sound obvious, but the answer may be to speed up the visioning.”

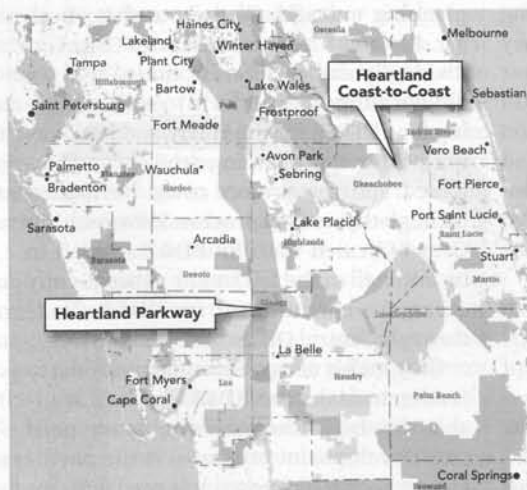
That's the goal of the statewide “New Corridors” initiative being developed by the state Department of Transportation.

“New Corridors” aims to pull together citizens, business leaders and other stakeholders around Florida to identify the future transportation corridors essential to the state's growth, then figure out ways to build them, ideally with the help of businesses and land owners as envisioned in the heartland plans.

Stutler insists the heartland plans haven't advanced as far as it may seem. The Turnpike Enterprise enters into feasibility studies all the time, he says, but that doesn't mean the highways are going to be built. “We cannot commence projects that are not financially feasible,” he says. “We are not allowed to do it, and we won't do it.”

► Conservation Crossroads

■ Existing conservation land ■ Florida Forever target areas



The proposed roads cut close to and through existing preservation land and parcels targeted by the state's land conservation fund, Florida Forever.

Stutler says the DOT wants to identify a half-dozen key transportation corridors, then let regions figure out the kind of transportation arteries that should go in them. "I'm hopeful that we can set the framework for the long term, and then there will be a great growth-management

conversation after that," he says.

Not doing so would be a shame, say those involved in Florida's now 20-year-long efforts to manage growth. "The only experiences nationally that seem to make sense for Florida are those that brought stakeholders in on the front end before any

decisions were made," says Bob Rhodes, an attorney with the Jacksonville office of Foley & Lardner who was the first administrator of Florida's growth management program. "This area is indeed the last frontier — and Florida for once has the opportunity to get ahead."

The Market Cools — For Now

In the 1930s, a Florida citrus pioneer named Latimer Maxcy turned his attention to beef cattle and began to buy up vast tracts of prairie around the Kissimmee River in east-central Florida for what eventually became a 100,000-acre ranch covering parts of Osceola, Okeechobee and Indian River counties.

Maxcy died in 1972, but family members continue to run Latt Maxcy Corp. as a ranching, citrus and banking conglomerate. Over the years, they've sold some tracts of the ranch to diversify holdings, including to the state for environmental restoration. Some former Maxcy lands are now flooded to aid restoration of the Kissimmee River; others now make up the Kissimmee Prairie Preserve State Park.

But last year, when Latt Maxcy Corp. put 27,400 acres up for a closed-bid sale with no specific asking price, state environmental officials who saw the land as a crucial buy for Florida didn't come close to the \$137 million plunked down by Delray Beach developer Anthony V. Pugliese III. "This is the most speculative real estate market I've ever seen," says Mark Glisson, head of land acquisition at the Department of Environmental Protection. "We are impotent to offset the temptation of the speculator."

Latt Maxcy Corp. may have sold at just the right time. More recently, the wild speculation that reigned in the heartland counties from 2003 to 2005 has cooled. Phil Holden, a real estate appraiser with West Palm Beach-based SF Holden, says for nearly two years, prices on heartland tracts of between 5,000 acres and 20,000 acres were rising 3% a month. Many of those deals were flips. Now, he says, some major deals completed last fall are not closing. "There are still transactions happening, but the speculators seem to be out, so it comes down to people who have a longer term vision for the land," Holden says.

Pugliese is considering using the state's new Rural Lands Stewardship program to build a town called Destiny in what



MARKET HIGHS: South Florida developer Anthony Pugliese may have bought near the height of the real estate market, paying \$137 million for more than 27,000 acres in Yeehaw Junction in 2005. The DEP wanted to buy the land, but in the end, Latt Maxcy sold to the highest bidder, company CFO Hood Craddock says.

is now one of the most famously rural junctures in Florida — tiny Yeehaw

Junction in Osceola County. The program gives developers increased density in some areas in exchange for preserving large tracts in others. The cattle outpost is just 40 minutes from the Atlantic Ocean; Pugliese envisions 40,000 homes and a town with everything from university research facilities to a hospital.

Dean Saunders of Coldwell Banker Commercial Saunders Real Estate, who sold Latt Maxcy's parcel, calls the heartland market "stabilized," with speculators out, but with agricultural land prices still moving up. Property appraisers in the heartland counties reported agriculture-zoned land selling for \$7,000 to \$12,000 an acre up

from as little as \$3,500. Saunders says many ranchers and farmers have such a strong conservation ethic that they will use the Rural Lands Stewardship program and other market incentives to ensure development doesn't ruin the area's quality of life. "But I think we need to be smarter about land-use planning and all of our planning," Saunders says. "We have a lot of ranchettes being developed because of minimum densities in these areas. This will contribute to just what we don't want — sprawl."

Not everyone thinks the heartland is in a major transition from crops to rooftops. "I don't see it for a long time," says Holden. "Florida has historically had land rushes, and lots platted, and then it takes a very, very long time before anyone moves in. How many wives do you know who want to live on a 20-acre tract in the middle of nowhere?" 