



2021 | REGIONAL TOP FIVE WATCH LIST

VISION

The SFBC is a partnership of business leaders committed to tackling the region's most critical issues.

MISSION

The mission of the SFBC is to address South Florida's critical regional issues and use its combined resources to identify and implement solutions to those issues. The SFBC will use the power that comes from speaking with one voice to drive South Florida forward and make it a better place to live, work and enjoy.

CORE VALUES

These core values serve as a guide for all aspects of personal and organizational behavior associated with the SFBC:

- 1. Collaboration:** We work together, as business leaders from South Florida's three largest counties, to address our region's critical issues.
- 2. Regional Focus:** We focus on issues that impact our region as a whole.
- 3. Accountability:** We focus on specific initiatives with measurable outcomes. We are data-driven. In other words, we document our successes and failures and use this data to drive our strategy.
- 4. Diversity:** We embrace diversity. We value new ideas and voices and seek to learn from each other.

“

Only by coming together as a region can we recover from this current crisis and, more importantly, help South Florida achieve its true potential. We've made considerable progress since the creation of this council and look forward to speaking with a single unified voice as we work with legislators and local officials to aggressively pursue solutions to our region's most pressing concerns.

- Joseph Chase

Chairperson of the SFBC

The South Florida Business Council's (SFBC) 2021 Top Five Watch List identifies the top issues impacting the tri-county region over the next 12 months. Through its unique regional approach and proven team of interdisciplinary experts, the SFBC looks to spotlight key issues and encourage leaders across both public and private sectors to collaborate in search of regionwide solutions. The top issues for 2021 are:

- 1. Housing Affordability**
- 2. Education Quality**
- 3. Mobility & Transportation**
- 4. Tourism Recovery & Growth**
- 5. Water Management**

Note that for this second annual watchlist we are also looking through the lens of COVID-19. The pandemic has impacts across all five of our key issues from 2020 and its importance to the health and prosperity of South Florida is critical. It is a game changer to everyone's budgets and ability to forecast. We hope to see local, regional, and statewide lawmakers create a unified response plan, that is in keeping with the new federal administration, to reduce infection rates and accelerate a return to normalcy. In addition, our success in not only distributing vaccines but encouraging everyone to get vaccinated promptly will be a key measure in our recovery. Although we may not claim victory over the spread of the pandemic before Fall 2021 at the earliest, the impacts on the top five issues and many others are likely to continue into 2022 and beyond.

1

HOUSING AFFORDABILITY

A. WHY IS THIS IMPORTANT? Housing affordability is among the most pressing challenges facing South Florida, with recent reports labeling the issue an “existential threat” to the region.

With a disproportionate number of households spending more than 30% of their income on housing costs, and some paying upwards of 50%, the high price of housing is having far-reaching impacts on South Floridians. Many of these long-running challenges – ranging from dwindling workforce housing stock and increased traffic due to workers being forced to live farther away from job centers – remain. Add to that spikes in single-family home prices, increased risk of evictions and reduction in state funds caused by the COVID-19 pandemic, and the problem is of growing concern.

Finding ways to incentivize developers to increase numbers of accessible housing units, while working with federal and state officials to limit evictions, bankruptcies and more, is essential to productivity and economic growth.

B. KEY THINGS TO WATCH FOR IN 2021:

- **Sadowski Fund COVID-19 support:** The Governor’s veto of a proposal to reserve up to \$225 million to support affordable housing was a major blow for housing advocates; however, the 2021 legislative session poses an even bigger threat to countless affordable housing projects in the region. Look for Florida legislators to deliberate on repurposing up to \$600 million of Sadowski Funds to address COVID-19-related budget deficits. Beyond impacting those individuals/families who are currently in need of housing assistance, a diminished budget to create workforce housing will directly impact the ability to recruit teachers, nurses and other essential workers with limited incomes.
- **Eviction moratorium:** Watch for an increased emphasis on demands for state eviction bans. With extension of the Federal Eviction Moratorium through March, the new administration shows its support for homeowners and renters. While these bans help the general public, they may negatively impact countless landlords and the financial institutions that back their mortgages/loans.

- **Climate gentrification:** While this topic has taken a backseat amidst the pandemic, watch for it to quickly climb back up to the top as Florida approaches another hurricane season.

2

EDUCATION QUALITY

A. WHY IS THIS IMPORTANT? Access to high-quality, equitable education is a critical building block of economic development. Companies move and stay in South Florida because of the region’s robust pool of talent as well as the quality education available to the children of their existing workforce.

While many of the region’s historic challenges remain – namely, funding for public K-12 institutions and lagging educator salary, among others – the global pandemic has made these issues all the more pressing. In particular, the shift to a fully virtual, or hybrid format has made modernizing buildings with the latest technology and securing our schools to provide students with safe places in which to learn, critical short-term concerns.

Additionally, early learning programs are key to ensuring children start school prepared to learn and become skilled workers, yet these essential programs selected by voters remain underfunded.

B. KEY THINGS TO WATCH FOR IN 2021:

- **Education funding:** As we enter our “new normal,” there will be a significant need for additional funding. Specific financial support will be needed to provide an extended day as well as fund summer services to get students, including thousands who saw major interruptions throughout the 2019-20 school year, back on track.
- **Workforce education:** With many South Floridians losing their jobs due to COVID-19, including many hospitality workers, there will be an increased need for workforce education and other reskilling efforts.
- **Continuing education:** If a robust primary school system is the foundation of economic development, then a rich ecosystem of universities, colleges and trade schools are the pillars supporting our regional economy. Securing appropriate funding and support for these types of continuing education institutions will

be key to limiting “brain drain” and ensuring we are continuously deepening our pool of regional talent to attract additional businesses to the region.

- **Promoting the quality of education in South Florida:** Efforts to bolster our educational infrastructure will always be short of reaching their true potential unless proper time is dedicated to promoting education-related success to local, regional and national audiences. The actions of our regional education leaders and the way in which their efforts are communicated to stakeholders, and the public, will play a major role in cementing our region’s education narrative amidst the pandemic.
- **Recruitment of educators:** There is a shortage of teachers in our school systems. State and regional efforts to attract new educators, while ensuring veteran teachers feel adequately supported, will be a key facet to consider in the coming months. Additionally, look for grievances and concerns around limited technical support and other challenges caused by the pandemic to play a major role in the education narrative.

3

MOBILITY & TRANSPORTATION

A. WHY IS THIS IMPORTANT? Traffic congestion and commute times were certainly shortened in 2020 as COVID-19 kept much of South Florida’s workforce home and off our streets and highways. While 2021 may not see a full return to normal traffic patterns as more workers are remote, we must expect some of the issues that plagued the region prior to the pandemic to show their face again. Additionally, COVID-19 has accelerated an influx of new residents, with many businesses and individuals moving to South Florida in pursuit of more beneficial tax structures, ample living space and mild weather. While specific metrics are still limited, this trend is evidenced by significant increases in month-over-month single-family home and condo sales, along with a slew of announcements from large corporations based in the Northeast who have relocated their headquarters to the area. It is expected our population will increase by another 1 million by 2030. Solutions must be found to avoid decreased worker productivity, delays in shipping and gridlock that impacts quality of life.

B. KEY THINGS TO WATCH FOR IN 2021:

- **Lower taxes mean less funding:** State revenues are down due to COVID-19, leading to lower tax collections which are used in-part to fund transportation projects and infrastructure. This trend is sure to have an impact on project funding this year.
- **Suburbs are booming:** Over the past several years, there has been a growing trend of people who want to live closer to employment centers, with this “live, work, play” lifestyle being particularly attractive to younger residents. While investment in urban development is sure to continue, there is now a reverse migration of people moving to suburban areas to escape the confines brought on by the pandemic. This change is now fueling a boom in single-family home sales and development. The impact on traffic is something to be determined. If those living in these homes continue to work remotely, then impact could be minimal. However, if this group becomes road warriors, traffic and commute times could see a new spike.
- **Private solutions will play significant role:** With even greater financial burdens on local governments due to shortfalls from tax collections, South Florida cities will seek transit public-private partnerships (P3s) to maximize innovation and offset tighter budgets. These projects will include Transit Oriented Development. After a year where ride-sharing companies like Lyft and Uber became nearly invisible throughout South Florida, there is potential to forge new partnerships with local governments and transit agencies to further integrate their platforms within existing public transit infrastructure.
- **The return of Brightline and a partnership with Tri-rail:** After suspending service in March 2020 because of COVID-19, the return and ongoing expansion of Brightline will be important to watch. With new stops planned for Aventura and Boca Raton, and activity on the Central Florida leg, Brightline is planning on being here for the long term. There are also continued conversations around the implementation of commuter rail service for the Northeast Corridor portion of the Strategic Miami Area Rail Transit (SMART) Plan.
- **Protecting budgets:** Budget shortfalls could mean big cuts or reallocation of important funds meant for transportation projects. Protecting these monies, especially from the State Transportation Trust Fund in

the current and upcoming fiscal years, will be vital to ensuring much needed projects are funded adequately. Equally as important will be advocating for greater local flexibility and autonomy in how transportation planning organizations (TPOs) earmark their funds to address community needs.

4

TOURISM GROWTH

A. WHY IS THIS IMPORTANT? Tourism is a critical industry, not only in South Florida, but also for the state. It adds revenue directly to those in the hospitality industry but also to retail, arts & culture, and numerous other industries. With COVID-19 dealing a heavy blow to the sector and limited sales/fuel tax revenue to make up the windfall, prioritizing a short-term recovery plan while continuing to bolster measures around safety and ecological resilience will be critical to the long-term prosperity of our region. Whether it's funding or ensuring our natural resources remain attractive, critical decisions being made this year will impact our success in the future.

B. KEY THINGS TO WATCH FOR IN 2021:

- **Tourism recovery plan:** While already underway, watch for tourism agencies, local and state governments and the private sector to rally around a tourism recovery plan that will help South Florida's tourism sector recover and expand. Key to these efforts are initiatives focused specifically on reinvigorating the area's airline and cruise industries.
- **Funding for VISIT FLORIDA:** VISIT FLORIDA, a not-for-profit corporation created as a public-private partnership by the Florida Legislature in 1996, is the state's official tourism marketing organization. While it successfully secured funding, renewing this legislation and ensuring VISIT FLORIDA's continued existence and operation are key to Florida maintaining its position in the competitive world of tourism marketing. Watch for the state to fully fund VISIT FLORIDA at \$50 million or more. Additionally, look for a push to extend VISIT FLORIDA funding beyond the three-year period that has been agreed to.

- **Tourist Development Tax:** A key funding mechanism for the state's tourism promotion efforts, the Tourist Development Tax (TDT) saw a significant decline in 2020 due to the global pandemic and its many interconnected impacts. As such, look for the tourism agencies to emphasize a need to prioritize only those TDT funding provisions that market the destination. Additionally, look for the Attorney General to weigh in on TDT spending for media FAM (familiarization) trips and meeting planners.
- **Vacation rental platform regulation:** An ongoing issue in South Florida, it is likely state and local officials will focus on ensuring vacation rental platforms affirmatively verify license and registration of all units advertised and collect and remit taxes for said units. Additionally, look for a heavy emphasis on the removal of illegal units.
- **COVID-19 Liability Protection:** Florida hospitality businesses are struggling, and many are barely hanging on. Spurious lawsuits related to COVID-19 could shut the doors of Florida businesses forever. It's not about whether we've already been sued. The threat of potential litigation will stall recovery and discourage growth in our industry.

For these reasons, we support the adoption of legislation that clearly outlines how liability claims related to COVID-19 should be addressed. This legislation should include: (i) a shortened statute of limitations, so that COVID-19 related claims will be filed and addressed in a timely manner, and businesses and employers will not have to fear future litigation; (ii) a heightened culpability standard requiring a defendant to have acted with gross negligence or intentional misconduct in order to establish liability; and (iii) a heightened evidentiary standard requiring liability to be established by clear and convincing evidence. What this means practically is that a lawsuit won't move forward unless it's reasonably certain that a business acted recklessly. Those that acted in good faith to make their businesses safe will not have to fear litigation. It means there won't be a cloud over businesses for years to come because the law will encourage people to file suits quickly so these issues can be resolved.

WATER MANAGEMENT

A. WHY IS THIS IMPORTANT? It can be easy to think of water management as a simple task, but in South Florida, it is a complicated and nuanced issue that touches countless communities both directly and indirectly. It is also the foundation for our economy and quality of life. Concerns around sea level rise and flooding remain top of mind, as will efforts to ensure South Florida communities have easy access to clean water. All these issues, while considered under water management, have far-reaching impacts on property values, health, tourism and taxes. This is further complicated because of differing opinions amongst local elected officials, state government and environmental activists.

B. KEY THINGS TO WATCH FOR IN 2021:

- **Sea level rise:** While overshadowed by the global pandemic, climate-driven sea level rise is a key concern for all South Florida, not just coastal regions. Look for local governments to continue to make infrastructure improvements and updates to building codes, as well as launching financial support programs to help homeowners adapt to new conditions.
- **Hurricane impacts:** South Florida avoided any catastrophic hurricanes in 2020, but we did see a record-breaking hurricane season, which included 12 named storms and a record-tying six hurricanes. Whether this activity was a one-off occurrence, or a long-term trend will bear watching in 2021 and will require continued collaboration and mitigation efforts to withstand flooding that accompanies these storms.
- **Work continues around Lake Okeechobee:** The Everglades Agricultural Area reservoir, a project to cut Lake Okeechobee discharges to the St. Lucie and Caloosahatchee rivers, will remain under construction this year, supported by a \$64 million transfer of funds set aside by the state legislature and Governor DeSantis.
- **Water Resources Development Act of 2020:** This piece of federal legislation has direct impacts on South Florida as it contains provisions for funding water projects and improving infrastructure throughout the tri-county area.

WHO IS THE SFBC?

The SFBC is a partnership between the Chamber of the Palm Beaches, the Greater Fort Lauderdale Chamber of Commerce and Greater Miami Chamber of Commerce. It recently added a cabinet level membership which allows organizations and businesses to contribute to its body of work. To learn more, please visit www.soflobusinesscouncil.com.

Joseph Chase, *Chairperson*

Gunster Law Firm

Felipe F. Basulto, *Chair-elect*

TD Bank

Jack Seiler, *Immediate Past Chair*

Seiler, Sautter, Zaden, Rimes & Wahlbrink

Danielle Y. Clermont, *Cabinet Member*

MIAMI Association of Realtors

Christine Barney, *Board Member*

rbb Communications

Heiko Dobikrow, *Board Member*

Riverside Hotel

Dennis Grady, *Board Member*

Chamber of Commerce of the Palm Beaches

Evelyn Hopkins, *Board Member*

Florida Crystals Corporation

Dan Lindblade, *Board Member*

Greater Fort Lauderdale Chamber of Commerce

Juliet Murphy Roulhac, *Board Member*

Florida Power & Light Company

Dennis Grady, *Board Member*

Chamber of Commerce of the Palm Beaches

Rick Reikenis, *Board Member*

Rick Reikenis and Associates

Dr. Mark Rosenberg, *Board Member*

Florida International University

Alfred Sanchez, *Board Member*

Greater Miami Chamber of Commerce