



February 9, 2009

Lobbyist predicts dark economic future

Palm Bay's voice in Tallahassee sees 15% unemployment

BY *KIMBERLY C. MOORE*
FLORIDA TODAY

PALM BAY -- One of Tallahassee's most powerful lobbyists has some dire predictions for Florida's economy and budget in the coming year.

"We're looking at a continual downward spiral," lobbyist Ron Book told the Palm Bay City Council recently.

The city retained Book for \$60,000 a year to look after its needs in Tallahassee. Last year, he secured about \$400,000 in funding for two drainage projects -- the only city in Brevard County to obtain such funding from Tallahassee. He said he has plans to present two more Palm Bay drainage projects for funding this year.

Book is also employed by more than a dozen major cities and counties in Florida, some major health care and communication companies, and several charities.

"I don't really see much help coming from the federal government to help communities like yours," Book said, noting that a big chunk of the \$10 billion in aid expected from the national economic stimulus package would be eaten up by Medicaid costs.

Book noted that just two years ago, Florida's budget was \$73.5 billion. This year, he expects it to come in around \$62 billion.

"It is bad," he said.

In addition, he said unemployment, which currently sits at about 8 percent in the state, could skyrocket to 15 percent by the end of the year.

The lobbyist said cities face a looming danger if impact fees are cut, which he suspects could happen this year. Impact fees are extra payments on new homes to help offset the costs of things like building roads and schools.

"Let them know how much impact fees mean," he urged the city council. "Doing away with impact fees (would be) crippling."

But Book said there is some hope for Palm Bay's future if a \$75 million bond is passed by the city's voters in May.

"I am aware that the city is in a position, with an economic development project of some magnitude, that will help potentially create some economic incentives to put you in a better position," he said.

Contact Moore at 409-1423 or kmoore@floridatoday.com.

Additional Facts

What the expert is saying

A synopsis of lobbyist Ron Book's statements to the Palm Bay City Council:

- ***By December, Florida could face 15 percent unemployment.***
 - ***Florida will receive about \$10 billion from the federal economic stimulus package, but much of it will go to the Medicaid program.***
 - ***Florida's 2009 budget will be around \$63 billion, \$10.5 billion less than it was two years ago.***
 - ***Impact fees are necessary for cities to survive, but could be cut this year.***
 - ***A cigarette tax could generate nearly \$1 billion dollars in revenue.***
-