

CITY OF GAUTIER

Nature's Playground

2015 Legislative Priorities

Mississippi State Legislature



Gautier City Council

Gordon Gollott, Mayor

Adam Colledge, Ward 5

Rusty Anderson, Ward 4

Casey Vaughan, Ward 3

Hurley Ray Guillotte, Ward 2

Johnny Jones, Ward 1

Mary Martin, Councilman-At-Large

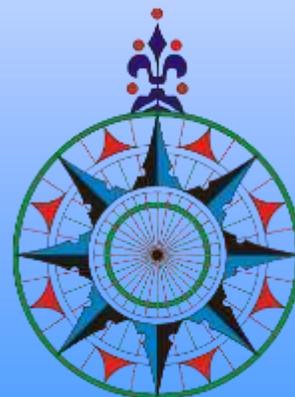


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Prepared by
The Office of the City Manager

City Hall
3330 Highway 90
Gautier, Mississippi 39553

CITY OF GAUTIER

MISSION

To enhance the quality of life of the citizens of Gautier and our neighborhoods by providing exceptional government services.

VISION

We strive to achieve efficient and responsible service; a highly trained, competent workforce; and responsible stewardship of resources.

VALUES

⌘ PEOPLE ⌘ INTEGRITY ⌘ PROSPERITY

STRATEGIC PRIORITIES

In June 2009, the City of Gautier unanimously adopted a Comprehensive Plan that provides the foundation for the following eight strategic priorities. These initiatives are reflected throughout our legislative package either by specific requests or through the City's stance on issues of regional or statewide significance.

Our Strategic Priorities are:

- **Community Maintenance**
... aesthetically improve all areas of the City
- **Strengthening a Recreational Waterfront**
... cultivate public and private investments in the economic engine of the Coast
- **Focus on the Town Center Master Plan and I-10 Corridor**
... promote economic renewal and strategic development
- **Environmentally Sustainable Local Government Policies**
... develop and implement pro-environmental policies
- **College Park Community Redevelopment**
... stimulate further redevelopment opportunities
- **Operational Performance and Efficiency**
... focus on improving efficiency and performance
- **Promote Public Safety**
... reduce violent crime among youth and adults
- **Customer Service**
... maintain and improve the quality our customers' experiences

While recognizing that the City is involved in many other important activities, these eight initiatives will be our focus as we plan future activities and deploy resources.

FACTS ABOUT THE CITY OF GAUTIER

The City of Gautier is home to the Mississippi Gulf Coast Community College's Jackson County Campus, nationally ranked as a top ten community college and established in 1911. Gautier enjoys one of the highest elevations along the Gulf Coast, with sprawling bluffs and also low-lying fishing villages within its 33 square miles. More than 70 miles of waterfront line Gautier, nestled between bayous, barrier islands, and the only unimpeded waterway in the United States, the Pascagoula River. Gautier is "Nature's Playground", boasting numerous parks and coastal recreation, including the 19,000-acre U.S. Fish and Wildlife's Sandhill Crane Refuge and 395-acre Shepard State Park.

Gautier lies one hour west of Mobile and less than two hours east of New Orleans, in the center of Jackson County on the Mississippi Gulf Coast. Gautier is also centrally located between the City of Pascagoula (the largest industrial area of Mississippi with thousands of high-paying manufacturing jobs), and the Biloxi-Gulfport area (with a high concentration of tourism related jobs, many in the gaming industry).

Historic Profile

In 1699, the King of France sent Pierre Lemoyne D'Iberville to establish a fort on the bluff in Gautier where the prominent homestead referred to as La Maison Gautier or "The Old Place" still stands today. The Gautier family moved from New Orleans after the Civil War, and established a sawmill and several sprawling homesteads along the bluffs and beach line that can still be visited today.

The City of Gautier was incorporated in 1986. In February, 2002, the City of Gautier completed its annexation process, which tripled the size of our city. The annexation included large areas of land to the west and north of the city. The annexation increased population by approximately fifty percent and positioned the city for additional growth along the Mississippi Highway 57 (MS 57) and U.S. Highway 90 (US 90) corridors. It also placed legal requirements for expansion of city services and infrastructure to the newly annexed areas.

Government

Gautier operates under a progressive and business-friendly "City Manager-Council" structural form, in which the city and city employees are directed by a professional city manager. Oversight is provided by City Council with one member elected from each ward, one member elected at large and one member elected as mayor. The mayor serves as chairman for council meetings and honorary representative of the city. Both the Mayor and the members of the City Council are elected for concurrent four-year terms.

LEGISLATIVE PRIORITIES

General Principles

Gautier supports legislation to foster economic prosperity along the Gulf Coast and protect the City's ability to provide basic municipal services to its citizens.

- Defend against state revenue reductions or legislation that hampers the City's ability to extend basic city services.
- Protect shared state revenue sources available to the City, and provide new revenue options and flexibility in the use of existing revenues.
- Support long-term sustainability efforts related to City financial, environmental and transportation goals.

City of Gautier 2015 Legislative Priorities

1. Gautier opposes any new mandates that draw on City resources, and opposes any further shifting of costs or services from federal and state government to cities.
2. Gautier supports an overhaul to the 1972 Growth Management Act as it relates to requirements for the rezoning of property. Changes are necessary in the interest of sustainability and economic development.
3. Gautier supports special legislation to create a pilot program in Pascagoula, Gautier and Flowood. This pilot program, called a "Community Redevelopment Area", is a special district within the town center for the purpose of community development.
4. Gautier supports legislation to repeal Senate House Bill No. 3100, Section 42 Housing Law.
5. Gautier supports legislation to repeal the 1987 Certificate of Need process for hospital facilities.
6. Gautier supports all efforts on behalf of the Mississippi Gulf Coast Community College's Jackson County Campus.

LEGISLATIVE PRIORITIES

1. Gautier opposes any new mandates that draw on City resources, and opposes any further shifting of costs or services from Federal and State Government to cities.

July 1, 2014, the Gautier Mayor and Council approved Resolution 54, a resolution responding to the Environmental Protection Agency's proposed new rule to define "Waters of the U.S." and place local drainage ways under the permitting and regulatory authority of the U.S. Army Corp of Engineers. The city joins other governments nationwide who object to the proposed over-reach. The result is a gross hindrance to private property rights and unfunded mandates, by giving the federal government discretion on a case-by-case basis of what constitutes "water of the US". As Gautier is surrounded by waterway on three sides and thousands of miles of waterways, the proposed rule is a major threat to sustainability and sovereignty.

2. Gautier supports an overhaul to the 1972 Growth Management Act as it relates to requirements for the rezoning of property, in the interest of sustainability and economic development.

An overhaul to Mississippi's Growth Management Act is long overdue, considering how both the world economy and local community development practices have changed in the last forty years. Rezoning is only one component of the GMA that needs updating. However, this law has become a choking point for smart growth. The solution is to allow economic development to be a legally permissible justification for the "need" to rezone, if the rezoning request is made by the property owner, and not government.

Furthermore, rezoning property *only* after there is a change in the character of the land is reactionary; it is the stark opposite of sound planning. For the purposes of conservation and sustainability, governments must be permitted to rezone property prior to a change in the character of the land.

State law requires either an error in the initial zoning; a change in the character of the use of the land; or some compelling "need" before existing zoning may be changed. The Mississippi Supreme Court has found that the law does not allow a municipality to consider the finding of "need" to be justified by economic development. This greatly hinders private property rights. Governments base their Official Zoning Map on a long-range comprehensive plan which does not provide for a response to unforeseen opportunity. Governments cannot anticipate physical, cultural, and economic obstacles or opportunities. Government should not be dictating the free market by rigid laws which do not allow for consideration of free market opportunities. Private property owners should be able to request a rezoning public hearing in consideration of the best use of their property. However, existing law prohibits most privately-initiated rezoning requests because a government is unclear how to justify "need" by data and analysis, if economic development is not a consideration.

- 3. Gautier supports special legislation to create a pilot program in the cities of Pascagoula, Gautier and Flowood. This pilot program, called a "Community Redevelopment Area", is a special district within the town center for the purpose of community development.**

The purpose of the pilot legislation is to utilize these cities as a testing ground for measuring the "before and after" applications of economic revitalization incentives to eliminate slum and blight. The pilot program allows for the creation of a Community Redevelopment Area (CRA) which allows for the increase in "home rule" local autonomy in decision making for addressing the needs of community development.

The CRA does not affect school or state share of taxes. The district merely allows for the CRA Board to enter into a development agreement to rebate a developer with local public funds for the revitalization of blighted areas, within the CRA district.

Currently municipalities have no way to directly incentivize commercial developers to renovate existing privately owned buildings for reuse/redevelopment. Not being able to attract this type of investment results in:

- Increased debt burden by cities utilizing bonds and loans as opposed to development agreements to address community development needs
- Loss of commercial development projects
- Increase in commercial blighted properties/vacant buildings
- Increase in sprawl, as it is currently more financially feasible to construct new buildings as opposed to redeveloping existing commercial buildings.

Community Redevelopment Agencies: What, When, and How

CRAs, as they are known, are quite common in other states. Local governments are able to designate areas as Community Redevelopment Areas when certain conditions exist. Since all the monies used in financing CRA activities are locally generated, CRAs are not overseen by the state, but redevelopment plans must be consistent with local government comprehensive plans.

What is a Community Redevelopment Agency?

The activities and programs offered within a Community Redevelopment Area are administered by the Community Redevelopment Agency. A five- to seven-member CRA "Board" created by the local government (city or county) directs the agency. The Board can be comprised of local government officials and or other individuals appointed by the local government. Although one local government may establish multiple CRA districts, there generally may be only one CRA Board. Each district must maintain separate trust funds, and expend those funds only in that district.

What is a Community Redevelopment Plan?

The Community Redevelopment Agency is responsible for developing and implementing the Community Redevelopment Plan that addresses the unique needs of the targeted area. The

plan includes the overall goals for redevelopment in the area, as well as identifying the types of projects planned for the area.

Examples of traditional projects include: streetscapes and roadway improvements, building renovations, new building construction, flood control initiatives, water and sewer improvements, parking lots and garages, neighborhood parks, sidewalks and street tree plantings. The plan can also include redevelopment incentives such as grants and loans for such things as façade improvements, sprinkler system upgrades, signs, and structural improvements. The redevelopment plan is a living document that can be updated to meet the changing needs within the Community Redevelopment Area; however, the boundaries of the area cannot be changed without starting the process from the beginning.

CRA's are a specifically focused financing tool for redevelopment. CRA Boards do not establish policy for the cities – they develop and administer a plan to implement that policy. The CRA acts officially as a body distinct and separate from the governing body, even when it is the same group of people. The CRA has certain powers that the city by itself may not do, such as leverage local public funds (Sales tax and ad valorem). In summary, the CRA does not affect school or state share of taxes. The district merely allows for the CRA Board to enter into a development agreement to rebate a developer with local public funds for the revitalization of blighted areas, within the CRA district.

4. Gautier supports legislation to repeal Senate House Bill No. 3100, Section 42 Housing Law.

For the last eight years, local governments have struggled under the burden of an unfair and expensive law that allows some of the most valuable properties in our counties to escape payment of local property taxes. The continuing situation has serious ramifications for county and city budgets, on school district funding and on the property tax burdens of other hard working local taxpayers.

These federally subsidized developments (called Section 42 properties because their owners receive extremely valuable federal subsidies under Section 42 of the IRS Code in exchange for building them) provide low and moderate income housing. In 2005, the Mississippi Legislature passed a law giving the owners of these multi-million dollar developments another large tax benefit resulting in their payment of little, if any, local property taxes. The bottom line is that for the last eight years, these taxpayers' unfair avoidance of local tax liability has resulted in a substantial loss of revenue to local governments, from hundreds of thousands to millions of dollars, depending on the county in question. As a consequence, the tax breaks have caused an unfair and disproportionate shifting of tax burdens in counties and cities across the state to single family homeowners and less valuable multi-family housing properties, some of which are losing tenants to the federally subsidized properties and struggling to remain in business. Jackson County needs your help to change this law.

Local governments have had enough. The day is fast approaching when local millage rates will have to be raised in order to provide basic services like road maintenance, police and

fire protection and public education to the residents of these developments whose owners do not pay a proportionate share of local taxes, and in some cases no taxes, to help pay for these services.

As a result of the recent court decision, Gautier will be required to refund these section 42 housing developers \$101,885.00 and an additional \$833,000.00 over the life of the project, or \$32,000 per year.

Counties, municipalities and local school districts are once again marshaling resources to convince the legislature to correct this inequity and restore tax fairness to our local communities. We call on our local legislators to vote to repeal the 2005 law that allows Section 42 developments to avoid payment of local taxes that other, less financially able taxpayers are being required to pick up. Property taxes should be based on the local property's true value determined by taking into consideration all factors that lend value to that property. Preventing that in all cases but in the case of these federally subsidized properties is an injustice that can no longer be tolerated. Our legislators must be responsive to this unified cry for help from local governments and schools across the state if they are to retain reputations as supporters of their local constituents and their interests rather than the interests of wealthy developers.

5. Gautier supports legislation to repeal the 1987 Certificate of Need process for hospital facilities (House Bill 457).

The antiquated 1974 Certificate of Need process critically hampers the free competition of medical services, driving up costs and severely limiting access to quality healthcare. It's time for Mississippi to remove its certificate-of-need requirement that limits where hospitals, nursing homes and other health care facilities can open and what services they can offer. Facilities that have CONs have a seemingly financial interest in keeping the system in place to minimize their potential competition. The CON process is incredibly lengthy and competing health care facilities get bogged down in protracted legal battles to deny the issuance of a CON rather than let the free market determine the need and demand. For example, if a nursing home wants to add beds or if a medical office wants to add a magnetic resonance imaging machine, each would need to file a CON application that lists details of the proposal, including the cost.

On its website, the Mississippi State Department of Health publishes a timetable for trying to get a certificate of need. Even without opposition from a competing facility, it takes months during a volatile market given federal healthcare reform. With opposition, it can drag on for years; with no guarantee an applicant will be granted a CON. It is time to repeal this 1974 law for the growth of the health care industry, the Coast's medical corridor, and the State.

6. Gautier supports all efforts on behalf of the Mississippi Gulf Coast Community College's Jackson County Campus.

The Jackson County campus is a vital part of Gautier's community. It boasts a strong workforce development program through on-going training partnerships with such Jackson County industries as Huntington Ingalls and ChevronTexaco. MGCCC promotes its community by partnering with local industries such as WLOX TV, The ChevronTexaco Pascagoula Refinery, and Keesler Federal Credit Union. MGCC's campus provides top notch cultural and performing arts facilities.

The Estuarine Education Center (EEC) provides a great service to the community, giving residents and visitor's tourism opportunities, including birding, photography and paddling. The center is a hub of experientially-based learning, and it will expand environmental and marine technology educational offerings, and add natural resource management and outdoor recreation leadership opportunities, for associate degree programs, community-based outreach programs, and research-based programs.

SUPPORTING DOCUMENTS

Order authorizing the City Manager to forward the 2015 Legislative Priorities Packet to Mississippi Legislators

Resolution for the Repeal of Senate Bill No.3100, Section 42 Housing Law

Resolution 54, A Resolution responding to the Environmental Protection Agency's proposed new rule to define "Waters of the U.S." and place local drainage ways under the permitting and regulatory authority of the U.S. Army Corp of Engineers.

There came for consideration of the Mayor and Members of the Council of the City of Gautier, Mississippi, the following:

RESOLUTION NUMBER 006-2014

The Mayor and Members of the Council of the City of Gautier, Mississippi, took up for consideration the matter of requesting the Mississippi Legislature to support the repeal of certain 2005 legislation, Senate Bill No. 3100, granting ad valorem tax breaks to federally subsidized Section 42 housing properties across Mississippi. After full discussion of the subject, Council Member Vaughan offered and moved the adoption of the following resolution:

RESOLUTION OF THE MAYOR AND MEMBERS OF THE COUNCIL OF THE CITY OF GAUTIER, MISSISSIPPI, URGING THE MISSISSIPPI LEGISLATURE TO REPEAL THAT CERTAIN 2005 LEGISLATION, SENATE BILL NO. 3100, GRANTING AD VALOREM TAX BREAKS TO FEDERALLY SUBSIDIZED SECTION 42 HOUSING PROPERTIES SO THAT THE CITY OF GAUTIER DOES NOT CONTINUE TO LOSE LOCAL TAX REVENUES THAT COULD BE USED TO SUPPORT IMPORTANT CITY OF GAUTIER SERVICES.

WHEREAS, the Mayor and Members of the Council of the City of Gautier, Mississippi (the "City of Gautier"), hereby finds, determines and declares as follows:

I.

Senate Bill No. 3100, passed in the 2005 Regular Session of the Mississippi Legislature, and now codified as Section 27-35-50(4)(d), Mississippi Code of 1972, as amended ("Senate Bill No. 3100"), has been interpreted by the Mississippi State Department of Revenue (the "Department") and the Mississippi Supreme Court (the "Court") to allow certain federally subsidized Section 42 multifamily and, in some cases, single family residences to unfairly escape payment of their entire portion of the City of Gautier's tax burden; and

II.

As a result of the recent Court decision, the City of Gautier will be required to refund these Section 42 developers approximately \$101,885.00, with an additional \$32,000.00 per year loss to the City, or \$833,000.00 over the life of the project; and

III.

Because the Section 42 developers are not paying their entire portion of local taxes, the burden of local taxation is being shifted to other property owners that are not federally subsidized; and

IV.

If Senate Bill No. 3100 is repealed, the tax assessor could return to the use of generally accepted appraisal principles, allowed under prior law, to establish the "true value" of these Section 42 properties by considering the substantial federal subsidies as a part of the property's value and by using typical expenses in calculating the net income generated by these properties; and

V.

If Senate Bill No. 3100 is repealed, the City of Gautier federally subsidized Section 42 developers will no longer enjoy a tax advantage at the expense of the other property owners in the City of Gautier.

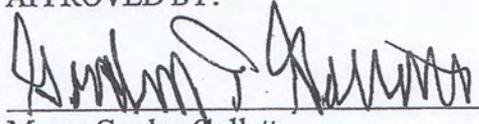
NOW, THEREFORE, BE IT RESOLVED by the Mayor and Members of the Council of the City of Gautier, Mississippi, that it strongly urges the Mississippi Legislature to repeal Senate Bill 3100 as such action is in the best interest of the City of Gautier and its citizens by decreasing their tax burden and improving local services that the City of Gautier provides such as roads, police and fire protection and infrastructure.

Following the reading of the foregoing resolution, Council Member Martin seconded the motion for its adoption. The Mayor put the question to a vote, and the members voted unanimously to adopt the Resolution and the following vote was recorded:

Mayor Gordon Gollott	<u>AYE</u>
Councilmember Mary Martin	<u>AYE</u>
Councilmember Johnny Jones	<u>AYE</u>
Councilmembers Hurley Ray Guillotte	<u>AYE</u>
Councilmember Casey Vaughan	<u>AYE</u>
Councilmember Rusty Anderson	<u>AYE</u>
Councilmember Adam Colledge	<u>AYE</u>

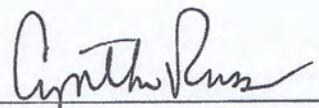
The motion having received the unanimous affirmative vote of the Mayor and Members of Council of the of the City of Gautier, Mississippi, that Mayor declared the motion carried and the resolution adopted, on this the 4th day of February, 2014.

APPROVED BY:



Mayor Gordon Gollott

ATTEST:



City Clerk

There came for consideration of the Mayor and Members of the Council of the City of Gautier, Mississippi the following:

RESOLUTION NUMBER 020-2014

**RESOLUTION TO ENSURE THAT MUNICIPAL CONCERNS ARE
ADDRESSED IN CLEAN WATER ACT REGULATIONS, INCLUDING
THE DEFINITION OF "WATERS OF THE U.S."**

WHEREAS, the Clean Water Act and implementing regulations of the past four decades recognize the partnership between federal, state, and local governments to achieve the objectives of the Act; and

WHEREAS, local governments have assumed an ever-increasing share of the cost of achieving those objectives both as a regulator and permittee to maintain and improve water quality; and

WHEREAS, the U.S. Environmental Protection Agency and U.S. Army Corps of Engineers have proposed a rule to define "Waters of the U.S." that could significantly increase the cost and regulatory requirements for local governments and ultimately the costs for local residents and businesses; and

WHEREAS, the proposed rule and budget history for EPA and the Corps do not provide additional federal revenue nor anticipate assistance in the future to help meet the cost of this rule; and

WHEREAS, The United States Conference of Mayors has adopted and maintains policy that opposes legislation to expand Federal jurisdiction under the Clean Water Act unless the associated costs are born solely and entirely by the Federal government and its agencies and not levied as an unfunded mandate on the public and private sectors; and

WHEREAS, much of the anticipated cost of this rule would be financed from municipal resources, and thus divert resources from other essential public services,

NOW, THEREFORE, BE IT RESOLVED, that EPA and the Corps of Engineers suspend consideration of the Waters of the U.S. rule until local governments and other stakeholders are engaged in drafting a rule that addresses to the satisfaction of local governments and other stakeholders the full economic impact for all sections of the Clean Water Act beyond Section 404 (e.g. Sections 301, 311, 401, 402); incorporates the conclusions of the Science Advisory Board, and addresses the concerns of other federal agencies with water management and regulatory responsibilities affected by such a rule; and

BE IT FURTHER RESOLVED, that the rule include the following provisions that are priority concerns for local governments:

1. Separate municipal storm sewers will continue to be regulated and permitted under Section 402 of the Clean Water Act, and shall not be considered, either in their entirety or any individual feature thereof, Waters of the U.S.; and
2. Green infrastructure developed to improve water quality or achieve multiple public benefits shall be encouraged and given priority consideration that does not impose additional financial and regulatory burdens of permittee's and shall not be considered Waters of the United States; and
3. Water delivery, reuse, and reclamation systems and facilities shall not be considered waters of the U.S.; and Ditches, streams and other drainage features that protect and ensure the operation of public infrastructure shall not be considered waters of the U.S.; and

4. Wastewater treatment systems and all associated infrastructure shall not be considered waters of the U.S.; and

5. Any proposal to regulate waters within a floodplain, riparian, or any other general area must include a specific definition, including the specific boundaries, of the floodplain, riparian, or other area subject to the rule; and

6. The rule must include sufficient clarity and specificity to better inform regulators and permittees and to minimize the potential for litigation; and

BE IT FURTHER RESOLVED, that failure to address any one or all of these concerns shall be considered an unfunded mandate and the costs of such mandate shall be fully and entirely born by the Federal government.

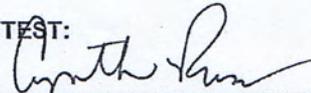
Motion made by **Councilman Colledge**, seconded by **Councilman Martin** and the following vote was recorded:

AYES: Gordon Gollott
 Mary Martin
 Johnny Jones
 Hurley Ray Guillotte
 Casey Vaughan
 Rusty Anderson
 Adam Colledge

NAYS: None


MAYOR

ATTEST:


CITY CLERK

Passed and Adopted by Mayor and Members of the Council of the City of Gautier, Mississippi, at the meeting of July 1, 2014.