

**August 23, 2006**

## ARIZONA

### *City of Phoenix Introduces Big-Box Ordinance*

The City of Phoenix has proposed a text amendment to its Big-Box Ordinance with three major stipulations, including a special permit for retail projects larger than 130,000 square feet, on-site stipulations and a redevelopment plan. These permits require public hearings and City Council approval before a project can be built.

The proposal will go to the City Planning Commission on Aug. 23. ICSC is part of a coalition working on the issue that was able to negotiate placing special design requirements on stores greater than 100,000 square feet when the City of Phoenix passed its Big Box Ordinance in 2003. Valley developers view this new ordinance as unnecessary in light of the stipulations agreed upon in the 2003 ordinance.

## CALIFORNIA

### *Support for Infrastructure Bond Package in Question*

A recent field poll has revealed that California's bi-partisan, five-ballot measure infrastructure bond package faces an uphill battle in being approved by voters in November.

While the poll showed that likely voters currently favor four of the five public works bond measures, overall support for the package is slowly losing ground with state voters. In fact, the one ballot measure that is currently lagging in the polls (Prop. 1C – the \$2.9 billion housing bond) is trailing by nine points according to the poll. Less than two months ago, the same measure actually had a one point lead. The polling numbers for the four bond measures in the infrastructure package are:

#### Proposition 1B (Highway safety, traffic reduction, air quality and port security - \$19.9 billion):

Yes: 54%

No: 27%

Undecided: 18%

#### Proposition 1C (Housing and emergency shelter - \$2.8 billion):

Yes: 33%

No: 42%

Undecided: 25%

#### Proposition 1D (Kindergarten through University public education facilities - \$10.4 billion):

Yes: 48%

No: 37%

Undecided: 15%

#### Proposition 1E (Disaster preparedness and flood protection – \$4.1 billion):

Yes: 47%

No: 33%

Undecided: 20%

The ICSC and the California Business Properties Association (CBPA) has endorsed the

infrastructure bond package and is urging the California commercial real estate industry to support these measures in November.

### ***Governor Holds Healthcare Summit***

Governor Arnold Schwarzenegger (R) held a healthcare summit earlier this month in an effort to bring together a diverse group of individuals and organizations to discuss the current healthcare issues facing employers, employees and the uninsured in California.

The summit provided political pundits with an interesting political backdrop with a very visible divide between various factions of organized labor. While organizations such as the California Nurses Association and the California Labor Federation formed a picket line at the location of the summit, representatives of the Service Employees International Union, the United Farm Workers, the United Brotherhood of Carpenters and Joiners of America, and the California Teachers Association took seats next to the other 50 invite-only summit participants and thanked the Governor for convening the session.

The Governor stated that he is open to all ideas and ready to begin a thorough examination of healthcare with an eye toward announcing a comprehensive proposal next year if he is reelected.

### ***New Committee Formed to Review Term Limits and Redistricting***

Californians this fall could vote on a single plan to revise term limits and the way legislative districts are drawn after lawmakers formed a committee this month to examine both issues. The bipartisan conference committee, composed of Senators and Assembly members, is expected to debate proposals for the Nov. 7 ballot that would take away the Legislature's power to adjust the boundaries of legislative districts while also changing the number of years lawmakers may serve in the Capitol.

Capitol insiders often complain that current term limits – six years in the Assembly and eight in the Senate – are not long enough for lawmakers to do their job. Gov. Schwarzenegger has stated his support for the formation of the committee.

## **COLORADO**

### ***Secretary of State Reviewing Ballot Initiatives***

Aug. 7 was the deadline for ballot initiative petitions to be submitted to the Colorado Secretary of State Gigi Dennis. The Secretary of State now has 30 days to certify signatures, but is expected to work quickly.

Two initiatives have already been approved: Amendment 38, which would loosen requirements for future petitions, and Amendment 39, which would require school districts to allocate at least 65 percent of operational expenditures to direct classroom instruction. The development community has already voiced opposition to Amendment 38, and will be participating in the campaign against this effort. If passed, local planning authorities' approval of developments could be pre-empted at the ballot box, and projects could be held for up to two years while awaiting an election.

Proponents of the Colorado Minimum Wage initiative submitted their signatures to the Secretary of State. The group turned in almost double the number of required signatures, with 130,017 names on the petition. The initiative would increase Colorado's minimum wage to \$6.85 per hour and would adjust that wage annually based on inflation. The measure also states that no more than \$3.00 per hour in tip income may be used to offset the minimum wage of employees who regularly receive tips. Coloradans for a Fair Minimum Wage will face a coalition of business groups fighting the initiative but with Congress failing to enact comparable legislation, this measure appears to be on stronger footing.

Common Cause's initiative to prohibit lobbyists from giving any type of gift to public officials turned in 108,000 signatures. If passed, lobbyists would no longer be able to pay for meals, sports tickets or

activities for legislators or other officials. The measure would certainly change the landscape of lobbying in Colorado.

An anticipated initiative, supported by the Independence Institute, to refund portions of Referendum C revenues was not turned in to the Secretary of State.

Institute President Jon Caldera explained that he did not have the resources to fight for the measure, but some are speculating that the measure was withdrawn for the benefit of Republican gubernatorial candidate Bob Beauprez, who drew criticism from the business community over his support of the concept.

## **ILLINOIS**

### ***City Council Passes "Big-Box Ban"***

Union activists partnered with anti-poverty organizations in July to convince the Chicago City Council to pass an ordinance requiring big box retailers pay a minimum wage of \$10 an hour by 2010, along with at least \$3 an hour worth of benefits. The ordinance applies to stores that occupy more than 90,000 square feet and are part of companies grossing more than \$1 billion annually. This is the first ordinance in the country to single out large retailers for wage rules.

Mayor Richard Daley (D) and ICSC Chairman John Bucksbaum expressed their opposition to the ordinance at a July 24 press conference sponsored by the Chicagoland Chamber of Commerce.

Mayor Daley has until Sept. 13 to sign the ordinance or veto it. If the ordinance is signed into law, the Illinois Retail Merchants Association plans to challenge it in court on the basis that it violates the equal protection guaranteed in the Constitution.

As a result of the ordinance, Target Corp. has killed plans to open one new store in Chicago and will likely pull out of a second shopping center development. Target had planned to take an anchor position at developer Primestor's 440,000-square-foot power center on the city's South Side.

ICSC is following similar local legislation in Spokane, WA and there are reports that members of the Boston City Council plan to introduce "living wage" legislation similar to the Chicago ordinance.

## **MASSACHUSETTS**

### ***Session Winds Down***

The Massachusetts Legislature was busy in July in anticipation of formal sessions ending July 31. A great deal of time was spent overriding many of Governor Mitt Romney's (R) vetoes to the FY07 budget, an economic stimulus bill and a FY06 supplemental budget. Officially, the Legislature will not have another formal session until January 2007, but its failure to pass a bond bill necessary to finance state projects will likely force legislators to return for a special formal session in September. Statewide elections will be held in November, including a gubernatorial race.

In other legislative news, a bill was passed to "expedite and streamline" the state permitting process and was signed into law Aug. 2. A "sales tax holiday" was also approved for Aug. 12 and 13. The holiday did not include sales taxes levied on services.

The legislature also passed a law over Gov. Romney's veto that creates and regulates a personal care attendant workforce council. Section 41 of the economic stimulus bill would have provided as much as \$300 million in tax credits (triple the previous amount) to fund the upkeep of historical properties for use as housing, commercial, or retail space. However, Gov. Romney vetoed that section and, although the House overrode his veto, the Senate did not, allowing that particular veto to stand.

## **MICHIGAN**

### ***Neighborhood Zone Bills Move Forward***

Legislation that would allow exemptions to the stipulations tax abatements provided for neighborhood enterprise zones and core communities was reported out of the House Commerce Committee recently.

The bills allow an application for a neighborhood enterprise zone certificate to be filed after a building permit for a new or rehabilitated building. Also, HB 6108 allows property in core communities to receive a tax abatement before an absolute property rehabilitation district has been designated.

### ***Condemnation Bills Win Unanimous Support In House***

A bipartisan package of bills HB 5817, 5818, 4819, 5820 and 5821 passed the House unanimously. The package contains a number of revisions of the state's procedures of compensating people for land acquisitions.

According to the sponsors, following the Supreme Court decision on eminent domain, there were several gaps in the state statute that the legislation would amend in order to protect those who can least defend themselves. The bills will require a payment of \$5,200 for individuals and families displaced by seizure of their home. Another bill would provide for reimbursement of attorney fees for a person whose income is below the 125 percent federal poverty level.

## **MINNESOTA**

### ***Transportation Funding Initiative Update***

The Minnesotans for Better Roads and Transit (MBRT) is leading the campaign to pass a constitutional amendment dedicating state motor vehicle sales tax revenues to roads and transit (at least 40 percent for transit, at most 60 percent for roads). Communications efforts have begun, with 30 communities visited already, and 70 media outlets contacted. The organization's goal is to address the growing concern that the amendment may have a negative impact to the Greater Minneapolis area. By not having a set percentage of funds dedicated to Greater Minneapolis, the fear is that the Minneapolis region will not get a fair share of the funds.

Coalition messages are:

- 1.) This amendment is a common sense approach to getting more money into roads.
- 2.) This is existing tax revenue (not a new tax).
- 3.) This amendment offers a "balanced, statewide" approach to meeting transportation needs.
- 4.) Improvements will occur in "my area."

MBRT is working on several fronts:

- \* building the coalition (now more than 700 members)
- \* having a presence at events and with media across the state, such as the county fair circuit
- \* implementing the state's largest-ever sign campaign
- \* working on a grassroots effort to mobilize Coalition member organizations to ask their members to talk to 10 people about supporting the ballot question

In order to pass, the amendment needs 50 percent of all votes cast plus one vote. Ballots submitted without voting either way on the amendment count as a "no" vote. Factoring in some error, the estimated number of "yes" votes needed on the ballot question is approximately 55-60 percent of votes cast, or about 1.4 million.

## **NEW JERSEY**

### ***Legislative Update***

On June 6, Senate President Richard J. Codey (D) and Assembly Speaker Joseph J. Roberts (D)

announced through a legislative news release unprecedented special legislative session that would work throughout the summer and fall with the goal of enacting property tax reforms by the end of this year. On July 28, Governor Jon S. Corzine (D) delivered an address before the joint session of the Legislature. Following the Governor's address, the Senate and Assembly passed Assembly Concurrent Resolution No. 3 that created four bicameral, bipartisan joint committees to review and formulate proposals that address property tax reform.

The four joint committees are:

Joint Legislative Committee on Public School Funding Reform

It is the duty of the committee to review and formulate proposals that address the manner in which government provides for the maintenance and support of a system of free public schools for the instruction of the children of this State. The committee may consider proposals to provide State support based on student needs rather than geographic location; eliminate disincentives to the regionalization of school districts; control school district spending, particularly administrative spending; and improve the effectiveness of the current law limiting increases in school district spending.

Joint Legislative Committee on Government Consolidation and Shared Services

It is the duty of the committee to review and formulate proposals that address the sharing of services and regionalization of functions at all levels of government. As a basis for these deliberations, the committee will use the CORE agenda proposed by the Speaker of the General Assembly. In addition, the committee will consider proposals to consolidate or eliminate State agency functions and State agencies or commissions.

Joint Legislative Committee on Public Employee Benefits Reform

It is the duty of the committee to review and formulate proposals that address abuses of the system of benefits provided to public employees and to control the costs of the State and its political subdivisions for public employee retirement, health care and other benefits. As a basis for its deliberations, the committee will use the recommendations of the Benefits Review Task Force contained in its December 1, 2005 report, as well as other relevant reports.

Joint Legislative Committee on Constitutional Reform and Citizens Property Tax Constitutional Convention

It is the duty of the committee to review and formulate proposals that address property tax reform through amendments to the Constitution of the State of New Jersey. The committee will also determine whether amendments to the State Constitution should be recommended to the Legislature for submission directly to the voters or whether such amendments should be referred to a citizens property tax constitutional convention to be convened for the purpose of reforming the system of property taxation.

## **TEXAS**

### ***Sales Tax Holiday***

The annual sales tax holiday began at 12:01 a.m. on Aug. 4 and ended at midnight on Aug. 6. Texas Comptroller Carole Keeton Strayhorn predicted that Texas families saved \$49 million in sales taxes during the eighth annual sales tax holiday. The estimated savings included \$38.5 million in state sales tax and \$10.5 million in local sales taxes.

### ***Natural Resources Committee Considered the Future of Air and Water Quality***

As part of their charge for the 79th Session Interim, the Senate Natural Resources Committee held two hearings in Houston concerning the state of water resources and air quality in Texas. The committee heard testimony regarding water plans for Texas from local and regional authorities.

Texas Commission on Environmental Quality (TCEQ) Commissioner Larry Soward testified that the state is at a crossroads in dealing with water supply. Texas' population is set to double by 2050, and

the state is in the middle of a historic drought that is straining water supply and infrastructure. Soward said that the state should increase the cost of water when granting water rights, as water in Texas costs about 22 cents per acre/foot. A modest increase in the price for water could lead to significant revenue gains that could go toward new water infrastructure.

The committee also heard testimony regarding air quality, especially in the state's two largest metropolitan regions, Houston and Dallas/Fort Worth. TCEQ Chief Engineer David Schanbacher briefed the committee regarding the progress of two of the major projects directed at accomplishing air quality goals; the Texas Emissions Reduction Plan (TERP) and the Texas Environmental Research Consortium. Schanbacher said that while TERP has led to significant reductions in harmful emissions from mobile- and point-source pollution, the state must continue to work toward reduction if it is to meet EPA standards.

## UPCOMING MEETINGS

### ***Alliance Programs***

- 2006 Retail Cities - The Southern Division Alliance Conference      Louisville, KY      September 5 - 6
- Northern California Alliance Program      San Ramon, CA      September 13
- Missouri Alliance Luncheon      Polar Bluff, MO      September 20
- Western New York Alliance Program      Buffalo, NY      October 5
- Oregon Alliance Luncheon      Portland, OR      October 19
- New Jersey Alliance      Newark, NJ      October 31
- Connecticut Alliance Program      Rocky Hill, CT      November 2

### ***University of Shopping Centers***

The 2007 University of Shopping Centers will be held March 5 - 7 in Philadelphia on the campus of The Wharton School of the University of Pennsylvania. Next year ICSC will begin its 11th school of study: the School of Mixed-Use Development.

### **SCANews 2006**

ICSC Government Relations, 1399 New York Ave. N.W., Suite 720, Washington, DC 20005  
Editor: Stephanie Spooner. Email: [sspooner@icsc.org](mailto:sspooner@icsc.org)  
Phone: 202-626-1400. Fax: 202-626-1418

