



# NEWS

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## **CLOSING LAKE BELT MINING POSES SERIOUS THREAT TO FLORIDA'S ECONOMY** *Initial Price Impact Huge*

**TALLAHASSEE** — Closing Miami-Dade County's Lake Belt mining region, which represents more than half of the state's production of crushed rock and limestone, would pose a serious threat to the entire Florida economy. That's the finding of Florida TaxWatch in its research report "**The Initial Price Impact of Closing the Production of Crushed Rock in the Lake Belt Region of Miami-Dade County**". The report quantifies the impact of the crushed stone industry in Florida and the initial economic impact to the citizens and taxpayers of this state should mining be halted by court order in the Lake Belt area, which accounts for about 56% of Florida's crushed rock and limestone production.

The non-profit, non-partisan state government research institute analysis found that closing the Lake Belt mining region in its entirety and reducing the supply of crushed rock could cause the initial price of crushed rock to increase by approximately 61 percent to 124 percent. If the price increase is completely passed through, it could add between \$1,185 to \$2,391 to the construction cost of an average house and \$98,750 to \$199,250 to the cost of a mile of a 2-lane asphalt road with an aggregate base.

"The court has an important decision to make," said Dominic M. Calabro, President & CEO of Florida TaxWatch. "It must balance the Rule of Law, the health and safety of the region's population, and the economic vitality of the region," he said.

In March, the United States District Court for the Southern District of Florida ruled that several mining permits for the Lake Belt area in South Florida had been improperly issued. The ruling affects most of the 12 mining permits issued for this area. The Court remanded the permitting process to the U.S. Army Corps of Engineers for further review and consideration. It is not known whether mining will be interrupted pending the Army Corps of Engineers' reconsideration of the permits or whether existing permits will be reissued.

The report was authored by Florida TaxWatch Senior Research Fellow Dr. Stephen Morrell, Professor of Economics and Finance at the Andreas School of Business at Barry University in Miami Shores.

The report notes that crushed rock and limestone are vital materials in the production of a wide variety of products, which in turn, have numerous uses by consumers, businesses and governments. These include residential, commercial and public construction; transportation infrastructure and especially highways and roads; and agricultural uses.

In 2004, the latest year for which data are available, the report states that Florida production accounted for almost 7-percent of the national production of 1.59 billion metric tons of crushed stone and an equivalent 7-percent of the \$9.59 billion national value of this product.

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