



Pinellas County

Legislation Details (With Text)

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Title: Interlocal Agreement with Pinellas County municipalities providing for the distribution of the Infrastructure Sales Surtax. (Regular Agenda item)

Sponsors:

Indexes:

Code sections:

Attachments: 1. FE Interlocal Agreements with Municipalities - Group 2, 2. FE Interlocal Agreement with Municipalities - Group 1, 3. Comment Cards Submitted by BCC Meeting Attendees, 4. Penny Estimated Distribution Penny III_Penny IV (03.28.17), 5. Interlocal Agreements signed by municipalities 17Jul17.pdf

Date	Ver.	Action By	Action	Result
8/1/2017	1	Board of County Commissioners	approved	Pass

Subject:

Interlocal Agreement with Pinellas County municipalities providing for the distribution of the Infrastructure Sales Surtax. (Regular Agenda item)

Recommended Action:

Approve the Interlocal Agreement, Authorize the Chairperson to Execute and Clerk to Attest.

Strategic Plan:

Deliver First Class Services to the Public and Our Customers
5.1 Maximize partner relationships and public outreach

Summary:

The Penny for Pinellas Infrastructure Sales Surtax is set to expire December 31, 2019. Companion item 17-1209A is the ordinance calling for a referendum on November 7, 2017 submitting to the electors of Pinellas County the question of whether the existing infrastructure sales surtax should be extended for a period of ten (10) years through December 31, 2029.

Background Information:

The Penny for Pinellas Infrastructure Sales Surtax (Penny) was initially approved by the voters in 1989 for the ten-year period 1990-2000. It was subsequently renewed for two (2) ten-year terms in 1997, and again in 2007 with the current extension ending December 31, 2019. If the referendum is approved on November 7, the Penny will be renewed for the period January 1, 2020 through December 31, 2029. The proposed Interlocal Agreement establishes a distribution formula for the ten year extension of the Penny between the County and municipalities consistent with state statute.

The Interlocal Agreement also provides for countywide investments, the amount set aside prior to distribution to the County and municipalities. In prior decades, the countywide investment was a

dollar amount for capital projects related to jail and court facilities: \$80M in 1990-2000, \$80M in 2000-2010, and \$225M in 2010-2020. The lesson learned during the recession was had the set aside amount been a percentage rather than a set dollar amount, it would have been reduced similar to the reduction in revenues experienced by the County and municipalities.

The proposed Interlocal Agreement was initially distributed to the Board of County Commissioners (Board) on March 29, 2017. The second iteration encompassed revised language at the request of the municipalities. Elements of the proposed Interlocal were also discussed at various work sessions (December 6, February 9, March 28, May 4, May 18, and June 13). The substantive elements are:

- The proposed Interlocal Agreement establishes percentages for countywide capital investments: 8.3% related to capital projects that have a general public purpose of improving the local economy by incentivizing, supporting, and facilitating housing that is affordable and economic development; and 3.0% for jail and court facilities capital projects that align with the County's Strategic Plan Goal to Ensure Public Health, Safety, and Welfare, for a total of 11.3% or an estimated total of \$225M.
- The proposed Interlocal Agreement reflects the composition of a joint review committee for providing recommendations to the Board for the countywide investments for housing and economic development capital projects. The review committee replicates the Forward Pinellas Board of Directors membership, except for a PSTA representative, and members will be professional staff members who are subject matter experts in housing, economic development, and/or planning.
- The countywide investment of 8.3% for capital projects supporting housing and economic development provides flexibility for the Board. The Board may approve affordable and workforce housing-related capital projects totaling more than 50% of the projected \$165M to be generated from 2020-2029. Within the multi-year Capital Improvement Program (CIP) and annual budget, this countywide investment in capital projects supporting housing and economic development will be separately tracked with appropriations for housing and economic development each placed in separate accounts in equal amounts.

The current Penny authorization (2010-2019) limited expenditures supporting affordable housing to land assembly only. However, as provided in the ballot language and proposed Interlocal Agreement, Penny funds generated from 2020-2029 are not limited to land assembly. The economic development provision of the statute allows funding of capital projects supporting economic development that have a general public purpose of improving local economies. As noted in various studies (see attachments on Companion Item # 8), there is a nexus between workforce housing and economic development. This flexibility in the types of allowable projects will yield additional opportunities to address the countywide need to invest in capital projects that create more housing that is affordable.

All twenty-four (24) municipalities have approved the Interlocal Agreement.

Fiscal Impact:

The Penny is projected to generate \$2.0B for the ten year period 1/1/2020 to 12/31/2029 to be distributed between the County and municipalities in accordance with the distribution formula outlined in the Interlocal Agreement:

Countywide Investments: 11.3% of projected \$2.0B

Allocations between County and Municipalities: 88.7% of projected \$2.0B

County: 51.8%

Municipalities 48.2%

Staff Member Responsible:

Bill Berger, Director, Office of Management and Budget

Partners:

All Pinellas County Municipalities

Attachments:

Interlocal Agreements with Municipalities

Penny Revenue Projections and Distributions