Leon County
Board of County Commissioners

Cover Sheet for Agenda #24

July 10, 2012

To: Honorable Chairman and Members of the Board

From: Vincent S. Long, County Administrator

Title: Ratification of the Actions Taken at the July 10, 2012 Workshop on the Economic Development Portion of the Local Government Infrastructure Sales Surtax

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County Administrator Review and Approval:	Vincent S. Long, County Administrator
Department/ Division Review:	Alan Rosenzweig, Deputy County Administrator
Lead Staff/ Project Team:	Ken Morris, Director of Economic Development and Business Partnerships Cristina L. Paredes, Intergovernmental Affairs and Special Projects Coordinator

Fiscal Impact:
The existing sales tax expires in December 2019. The sales tax currently generates approximately $35 million. This workshop item provides eight recommendations (A – H) for the Board's consideration with regard to the Leon County Sales Tax Committee evaluating the potential of setting aside up 15% of the annual surtax proceeds, or $5.3 million, for economic development.

Staff Recommendation:
Option #1: Ratify Board actions taken at the July 10, 2012 workshop on the economic development portion of the local government infrastructure sales surtax.

Report and Discussion

Background:
During the April 12, 2011 workshop, the Board directed staff to prepare a separate workshop item regarding the economic development component of the sales tax extension for Board consideration. Paragraph 212.055(2)(d), F.S. allows for up to 15% of the one-cent infrastructure tax to be deposited into a trust fund for the purpose of funding economic development projects having a general public purpose of improving local economies, including the funding of operational costs and incentives related to economic development. A maximum of 15% equates to approximately $5.3 million annually.

On July 10, 2012, the Board conducted a workshop on the economic development portion of the local government infrastructure sales surtax.

Analysis:
Based on the Board's direction, staff has worked with the City and the Economic Development Council (EDC) to prepare this workshop item and seek further Board direction on the economic development portion of the sales tax extension for presentation to the Sales Tax Committee. The workshop provides eight recommendations (A – H) for the Board's consideration with regard to the Leon County Sales Tax Committee evaluating the potential of setting aside a portion of the surtax proceeds for economic development. The recommended governing structure and "Framework for Sustainable Economic Development" helps guide the Sales Tax Committee and enhance sustainable job creation with proceeds from the surtax. This Framework is needed to optimize community resources by providing for a comprehensive approach to economic development that fosters a vibrant and sustainable local economy while recognizing, leveraging, and optimizing the many economic development organizations and initiatives throughout the community.

The Framework was conceived with the assistance of workgroup made up of leaders from economic development organizations throughout the community and our local institutions of higher learning. In terms of specific incentives, staff offered recommendations to improve the evaluation processes and execution of incentives along with a variety of examples of incentive programs for consideration by the Sales Tax Committee and the Board. The recommendations approved by the Board should be viewed as a starting point in the deliberations of the Sales Tax Committee, should this process move forward, to use a portion of the sales tax funds for economic development:

1. Accept staff report on the economic development portion of the local government infrastructure sales surtax.

2. Approve the recommendations A – H as amended by the Board:
   Recommendation A: *Seek input from the Sales Tax Committee to determine the need to set aside a portion of the sales tax revenue for economic development and, if needed, to provide the County and City a ~~specified~~* ***target*** *percentage amount of* ***no less than 10%.***

Recommendation B: *Unify the two EDC contracts into one contract with the Intergovernmental Agency in an amount to be determined based on the scope of services associated with the economic development portion of the sales tax extension.*

Recommendation C: *Set aside funds for marketing and coordination in the contract with the EDC to serve as the lead community-wide agency on economic development issues.*

Recommendation D: *Support the proposed governing structure and the creation of the Economic Technical Coordinating Committee.*

Recommendation E: *When established, the E-TCC should determine the appropriate thresholds and circumstances for the approval of economic incentives by the IMC, upon the recommendation of the E-TCC, without direction from the IA.*

Recommendation F: *Seek input from the Sales Tax Committee to provide guidance to the Board regarding the need for ongoing economic sustainability initiatives and shelf-ready incentives to shape the Framework for Sustainable Economic Development for a vibrant local economy that recognizes, leverages, and optimizes the many economic development organizations and initiatives throughout the community.*

Recommendation G: *Seek input from the Sales Tax Committee with regard to incentive programs and evaluation criteria.*

Recommendation H: *Seek input from the Sales Tax Committee regarding any additional issues related to the economic development portion of the surtax*

Options:

1. Ratify Board actions taken at the July 10, 2012 workshop on the economic development portion of the local government infrastructure sales surtax.
2. Do not ratify Board actions taken at the July 10, 2012 workshop on the economic development portion of the local government infrastructure sales surtax.
3. Board direction.

Recommendation:

Option #1.