



## Legislation Text

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**File #:** 17-0116, **Version:** 1

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### Summary

**To:** Mayor & Commissioners

**From:** JP Murphy, Town Manager

**Date:** 6/12/2017

**Subject:**

Consideration of the Penny for Pinellas Interlocal agreement.

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### Summary:

The Penny for Pinellas Interlocal Agreement sets the distribution methodology among the cities and county for the proceeds of the Infrastructure Sales Surtax commonly referred to as the Penny for Pinellas. 11.3% of the proceeds will be dedicated to economic development capital projects (8.3) and jail & court facilities (3%). Pinellas County will receive an additional 51.7523%, and Belleair will receive .2783% under the agreement. It is estimated that the proceeds to the town at this percentage will equate to \$464,000 annually if the town remains a party to the agreement. If the town does not sign the agreement, it forfeits its proceeds. The term of the agreement is 10 years, running concurrently with the surtax approval. Additionally, the town will be represented by a professional staff member on a joint review committee, whose purpose is to review the proposals and projects to be appropriated from the 11.3% of proceeds set aside for countywide investments.

**Previous Commission Action:** The Commission approved the previous “Penny” agreement.

**Background/Problem Discussion:** The current Penny for Pinellas is set to expire December 31<sup>st</sup>, 2019. Florida Statutes, authorizes the County to levy a local government infrastructure sales surtax of one percent (1%) throughout Pinellas County, subject to voter approval. The Statute also provides that the net proceeds of the surtax may be distributed as provided in an interlocal agreement amongst the county and its municipalities. This interlocal agreement sets out the distribution methodology for how each party’s pro rata share is calculated and distributed. The town currently budgets and appropriates the Penny proceeds for repayment of infrastructure bonds. To the extent that proceeds exceed \$330,000 annually, the excess is used for other capital projects.

**Financial Implications:** If approved annual proceeds exceed \$400,000. If denied, the town receives no funding.

**Recommendation:** I recommend approval.

**Proposed Motion** Move approval/denial of the Penny for Pinellas Interlocal Agreement.