



Staff Analysis

# Interlocal Agreement with Alachua County for Local Option Fuel Tax

**Presented by:**

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## CITY OF GAINESVILLE STAFF ANALYSIS

**Legistar No: 150938**

**Title: Local Option Gas Tax**

**Sponsor:**

**City Staff Contact: Teresa Scott, P.E.; April Shuping; Paul Folkers**

**Summary of Issue** On May 19, 2016 the City Commission took the following action: 1) authorized the Mayor to execute a one year extension of the Interlocal Agreement for the 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> cents of the Local Option Gas Tax (LOGT) through December 31, 2017 and 2) directed City staff to negotiate a long term agreement covering all 11 cents of the Local Option Gas Tax over the next year with a single distribution formula and triggers for periodic review and potential modification to the distribution formula.

The Interlocal Agreement for Local Option Gas Tax associated with the 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> cents expires in 2017. The two additional Interlocal Agreements for LOGT one for the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> cents and one for the additional five cents expire in 2018.

Florida Statutes Chapter 336.025 provides that the County and municipalities representing a majority of the population within the incorporated area of the County may establish an Interlocal Agreement prior to June 1 for the continuation of the LOGT for the subsequent calendar year. Therefore, if the City Commission desires to enter into an Interlocal Agreement for distribution of the 4<sup>th</sup>, 5<sup>th</sup>, and 6<sup>th</sup> cents of LOGT an agreement must be executed between the City of Gainesville and Alachua County by June 1, 2017.

**History/Background Information** There are three Interlocal Agreements between the City of Gainesville and Alachua County for the distribution of Local Option Gas Tax.

- The first three cents has a term that expires in 2018. The formula for distribution is City 43.94% (\$1,536,964/year) and County 43.94% (\$1,536,964/year) and the remaining 12.12% (\$423,942) distributed to the other municipalities.
- The second three cents has a term that expires in 2017. The current distribution is City 38.635% (\$1,351,402) and County 55.56% (\$1,943,312) and the remaining 5.805% (\$203,156) distributed to the other municipalities.
- The additional five cents has a term that expires in 2018. The distribution is City 38.635% (\$1,962,357) and County 52.10% (\$2,648,814) and the remaining 9.265% (\$468,050) distributed to the other municipalities.

## Governance

Florida Statutes Chapter 336.025 governs the levy, distribution and use of the revenues associated with all local option gas tax. (3)(a)1 provides that the County “may, prior to June 1, establish by Interlocal agreement with one or more of the municipalities located therein, representing a majority of the population of the incorporated area within the county, a distribution formula for dividing the entire proceeds...”

(3)(a)2. Provides “if an Interlocal agreement has not been executed...., the county may, prior to June 10, adopt a resolution of intent to levy the tax...”

(3)(b) provides “if not Interlocal agreement or resolution...., municipalities representing more than 50 percent of the county population may, prior to June 20, adopt uniform resolutions ....setting the date for a countywide referendum on whether to levy the tax.”

(4)(1) provides “if tax....is levied under the circumstances of subparagraph (3)(a)2. or paragraph (3)(b), the proceeds of the tax shall be distributed ...based on transportation expenditures of each of the immediately preceding 5 fiscal years, as a proportion of the total of such expenditures...”

## Transportation Expenditures

First 6 cents (used in calculation of default formula):

- Public transportation operations and maintenance
- Roadway and r/w maintenance and equipment
- Roadway and r/w drainage
- Street lighting installation, operation, maintenance and repair
- Traffic signs, traffic engineering, signalization and pavement markings, installation, operation, maintenance and repair
- Bridge maintenance and operation
- Debt service and current expenditures for transportation capital projects in the foregoing program areas, including construction or reconstruction of roads and sidewalks.

Additional 5 cents:

- Public transportation operations and maintenance
- Construction of new roads, reconstruction or resurfacing of existing roads, or paving of existing roads shall be deemed to increase capacity and such projects shall be included in the CIP.

## Attempts at Negotiation on Staff Level:

City staff met with Alachua County staff on five separate occasions over the course of three months. In earliest discussions we agreed to define transportation expenditures and attempt to

agree on a default defined distribution based on transportation expenditures from the previous five year period as a percentage of the total transportation expenditures.

The categories that we agreed to include in the expenditures were:

- Road Maintenance
- Road Resurfacing/Capital Improvements
- Transit
- Bike/Ped Facilities
- Stormwater (associated with road drainage)
- Signs, Markings, Signals, Streetlights

The City was able to develop this expenditure list and was prepared to provide to the County on September 7; County staff was not able to pull this information together due to limitations in their accounting system until September 29 when Alachua County emailed the list to City staff. There were no additional meetings held between City and County staff as Alachua County scheduled a discussion of the subject at their October 4 County Commission meeting and the County Commission took action (noted below).

Transportation Expenditures Self-Defined:

The average annual expenditures based on the previous five years:

Alachua County	\$16,150,730
City of GNV	\$61,914,153
Total	\$78,064,883

This approach would increase the revenue to City of Gainesville by \$3,857,568 for all 11 cents; assuming the other municipalities are held harmless.

Current Distribution of Local Option Gas Tax Revenues

	City of Gainesville	Alachua County	Other Municipalities
First three cents:	\$1,536,964	\$1,536,964	\$423,942
Second three cents:	\$1,351,402	\$1,943,312	\$203,156
Additional five cents:	\$1,962,357	\$2,648,814	\$468,050
Total (annual):	\$4,850,724	\$6,129,090	\$1,095,148

Transportation Needs (Attachment A, B and C provide detailed information on City of Gainesville's transportation needs) Alachua County staff mentioned approaching the distribution based on future transportation needs however they wanted this to be for a roads only approach rather than for the entire transportation system. City of Gainesville Transportation Needs:

Transit (cost over an 8 year period):

Capital	\$64.4M
Additional Service	\$24.4M

Roads (based on current needs – not long range transportation needs):

Pavement Management	
(All roads current PCI $\leq$ 75)	
Collectors and Non-residential	\$19.6M
Local	\$50.7M
(current funding allocated \$2M/year)	
Other Transportation Needs	\$107.0M
(Capacity, reconstruction, safety, bike/pedestrian)	
Total	\$266.1M

Alachua County Board of County Commissioners passed two motions regarding the Local Option Gas Tax at their October 4, 2016 meeting:

Motion 1: Commissioner Pinkoson moved to direct staff to return with a proposal for alternative funding in lieu of gas tax for the pavement maintenance plan as well as information on the costs of RTS, signalization, and road maintenance under the state default formula, and an annexation policy that states that if a road is completely within the boundaries of a municipality, that municipality takes over road maintenance. The motion carried 5-0.

Motion 2: Commissioner Cornell moved to use the miles and population approach to gas tax distribution and request that the smaller municipalities join the County in backing the miles and population approach. The motion carried 4-0 with Commissioner Chestnut out of the room.

Annexation Impacts:

Road jurisdictions and definitions are outlined in Florida Statutes Chapter 334.03:

“City street system” means all local roads within a municipality, and all collector roads inside that municipality, which are not in the county road system

“Collector road” means a route providing service which is of relatively moderate average traffic volume, moderately average trip length, and moderately average operating speed. Such a route also collects and distributes traffic between local roads or arterial roads and serves as a linkage between land access and mobility needs.

“Local road” means a route providing service which is of relatively low average traffic volume, short average trip length or minimal through-traffic movements, and high land access for abutting property.

“County road system” means all collector roads in the unincorporated areas of a county and all extensions of such collector roads into and through any incorporated areas, all local roads in the unincorporated areas, and all urban minor arterial roads not in the State Highway System

“Urban minor arterial road” means a route that generally interconnects with and augments an urban principal arterial road and provides service to trips of shorter length and a lower level of travel mobility. The term includes all arterials not classified as “principal” and contains facilities that place more emphasis on land access than the higher system.

Since 2000 the City of Gainesville has accepted jurisdiction of 26.7 miles of local and collector roads fully contained within the city upon annexations. The roads that we have not accepted responsibility for are the urban minor arterial roads which by definition noted above should remain on the County road system. Staff checked other jurisdictions such as Leon County/City of Tallahassee. Leon County also owns roads contained within the limits of City of Tallahassee.

Attachment D is a map identifying the roads (approximately 27.9 miles) that remain classified as urban minor arterial wholly or partially contained within the City Of Gainesville. The estimated cost of maintenance for these is approximately \$1,116,000/year (\$40,000 per year per mile of road).

One additional road, South Main Street between Williston Road and S 16 Avenue (1.2 miles) has not been accepted by the City since the designation of this street changed in 2013 from an urban minor arterial to a collector road. Alachua County adopted a resolution to transfer ownership to the City. The estimated cost if the City accepts this transfer is \$45,000 per year for maintenance of pavement, signage and striping. The City already provides the landscape maintenance along S. Main Street.

It is important to note that the City pays for the operating and maintenance cost of 763 streetlights (\$114,879 plus fuel surcharge fees) and 50 traffic signals (\$96,364) located along these urban minor arterial roads owned by Alachua County but located within the city limits. Alachua County contracts with the City of Gainesville for traffic signal maintenance in the unincorporated area at \$201,164 for FY16 – this contract covers 39 signals. The City of

Gainesville also reimburses Alachua County approximately \$960,000 per year for the cost of operating and maintaining all streetlights in the unincorporated area.

### **Key Issues**

- What should gas tax be used for (transportation vs. roads only)?
  1. Any use allowed by State Statute which has a broader view of transportation including transit
  2. Or roads only as the County appears to favor
- What are the City and County's relative investments in transportation?
  1. County's investment has historically been primarily limited to gas tax funding
  2. City has developed a variety of revenue sources beyond the gas tax to help address the City's transportation needs including funding from:
    - Stormwater Management Utility - (City can use this funding to address road related stormwater needs; however, County has no stormwater utility and has spent considerable gas tax funding over the years to address road related stormwater needs)
    - Solid Waste Utility – contributes approximately \$2M/year towards pavement management of residential streets (local streets). It appears the County primarily relies upon gas tax and general fund revenues to fund road maintenance of local and collector streets in the unincorporated area of the County.
    - Partnerships - Interlocal Agreements with the University of Florida, Santa Fe College and Alachua County for transit services.

The City and the County both have significant transportation needs. City staff does not believe the City should be penalized via the distribution of gas tax funds for its efforts to increase and diversify funding to address transportation needs.

### **Options**

There are a number of options available to the City Commission for negotiating with Alachua County Board of County Commissions on a distribution formula for local option gas tax. Attachment E provides comparisons of the various formulas.

- A. Transportation Needs

City of Gainesville's Transportation Needs are estimated at \$266,100,000. Alachua County staff has not provided a listing of their transportation needs so there is no distribution formula calculated at this time. If this approach is to be taken there will need to be more conversation of how the distribution is established.

Pros – This would focus expenditures on future transportation needs.

Cons – Alachua County staff took a position that this approach should be roads only and not include transit.

#### B. Combination of road miles and population

This approach reduces the percentage of revenue coming to the City of Gainesville from the 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> cents' current rate of 38.64% to 37.788%. This equates to a \$29,627/year drop in revenue to the City of Gainesville, a \$212,006 reduction to Alachua County and a \$244,484 increase to the Other Municipalities.

The below chart shows the impact of this distribution percentage based on all 11 cents:

	Current		Average of Road Miles/Population		Net	
Alachua County	\$ 6,129,090	50.8%	\$ 5,976,623	49.5%	\$ (152,467)	-1.26%
City of Alachua	\$ 222,348	1.8%	\$ 418,820	3.5%	\$ 196,472	1.63%
City of Archer	\$ 101,807	0.8%	\$ 64,963	0.5%	\$ (36,844)	-0.31%
City of Gainesville	\$ 4,850,724	40.2%	\$ 4,562,887	37.8%	\$ (287,837)	-2.38%
City of Hawthorne	\$ 126,001	1.0%	\$ 94,607	0.8%	\$ (31,393)	-0.26%
City of High Springs	\$ 250,269	2.1%	\$ 373,479	3.1%	\$ 123,209	1.02%
Town of Lacrosse	\$ 35,411	0.3%	\$ 14,671	0.1%	\$ (20,740)	-0.17%
Town of Micanopy	\$ 106,611	0.9%	\$ 72,389	0.6%	\$ (34,222)	-0.28%
City of Newberry	\$ 149,092	1.2%	\$ 436,812	3.6%	\$ 287,719	2.38%
City of Waldo	\$ 103,609	0.9%	\$ 59,711	0.5%	\$ (43,898)	-0.36%
	<b>\$ 12,074,962</b>	<b>100.0%</b>	<b>\$ 12,074,962</b>	<b>100.0%</b>	<b>\$ (0)</b>	<b>0.0%</b>

Pros - Provides a combination of population and road miles.

Cons – This approach does not account for transit which is a major component of the transportation system.

#### C. Mobility Index

Person miles travelled on locally maintained collector and urban arterial roads and daily transit trips along these routes. Based on Alachua County's analysis the formula for distribution for the 4<sup>th</sup>, 5<sup>th</sup>, and 6<sup>th</sup> cents would be 24.1% for City of Gainesville and 74.6% for Alachua County. This equates to a \$508,415 reduction to City of Gainesville and a \$508,415 increase to Alachua County and holds harmless the Other Municipalities.



The below chart shows the impact of this distribution percentage based on all 11 cents:

	Current		Mobility Index (Hold Small Cities)		Net	
Alachua County	\$ 6,129,090	50.8%	\$ 8,069,748	66.8%	\$ 1,940,658	16.07%
City of Alachua	\$ 222,348	1.8%	\$ 222,348	1.8%	\$ -	0.00%
City of Archer	\$ 101,807	0.8%	\$ 101,807	0.8%	\$ -	0.00%
City of Gainesville	\$ 4,850,724	40.2%	\$ 2,910,066	24.1%	\$ (1,940,658)	-16.07%
City of Hawthorne	\$ 126,001	1.0%	\$ 126,001	1.0%	\$ -	0.00%
City of High Springs	\$ 250,269	2.1%	\$ 250,269	2.1%	\$ -	0.00%
Town of Lacrosse	\$ 35,411	0.3%	\$ 35,411	0.3%	\$ -	0.00%
Town of Micanopy	\$ 106,611	0.9%	\$ 106,611	0.9%	\$ -	0.00%
City of Newberry	\$ 149,092	1.2%	\$ 149,092	1.2%	\$ -	0.00%
City of Waldo	\$ 103,609	0.9%	\$ 103,609	0.9%	\$ -	0.00%
	<b>\$ 12,074,962</b>	<b>100.0%</b>	<b>\$ 12,074,962</b>	<b>100.0%</b>	<b>\$ -</b>	<b>0.0%</b>

Pros – Provides some recognition for transit trips in the percentage calculation.

Cons – City staff questions the legitimacy of the calculations conducted by County staff for example we found errors in the roads used in the calculations in that some City collector roads were left out. Another example is that only ridership on routes along roads the County selected were used rather than ridership across the transit system.

D. Default – Transportation Expenditures – City and County staff conducted a self-defined listing of transportation expenditures as outlined in Florida Statutes Chapter 336.025 (7):

- (a) Public transportation operations and maintenance.
- (b) Roadway and right-of-way maintenance and equipment and structures used primarily for the storage and maintenance of such equipment.
- (c) Roadway and right-of-way drainage.
- (d) Street lighting installation, operation, maintenance, and repair.
- (e) Traffic signs, traffic engineering, signalization, and pavement markings, installation, operation, maintenance, and repair.
- (f) Bridge maintenance and operation.
- (g) Debt service and current expenditures for transportation capital projects in the foregoing program areas, including construction or reconstruction of roads and sidewalks.

This approach provides the City with the highest distribution percentage over the 4<sup>th</sup>, 5<sup>th</sup>, and 6<sup>th</sup> cents ranging from 75.07% (self-defined), 66.67 (AFR) and 46.61% (FDOT). This provides additional revenue of \$1,274,449 (self-defined), \$980,615 (AFR), \$278,955 (FDOT) to the City of Gainesville assuming the Other Municipalities are held harmless. Alachua County would see a reduction in revenue of \$1,292,008 (self-defined), \$941,955 (AFR) and \$397,708 (FDOT).

The below chart shows the impact of this distribution percentage based on all 11 cents:

	Current		Transp. Exp. Self Defined		Net	
Alachua County	\$ 6,129,090	50.8%	\$ 2,178,425	18.0%	\$ (3,950,665)	-32.72%
City of Alachua	\$ 222,348	1.8%	\$ 226,406	1.9%	\$ 4,058	0.03%
City of Archer	\$ 101,807	0.8%	\$ 103,241	0.9%	\$ 1,434	0.01%
City of Gainesville	\$ 4,850,724	40.2%	\$ 8,783,830	72.7%	\$ 3,933,106	32.57%
City of Hawthorne	\$ 126,001	1.0%	\$ 127,995	1.1%	\$ 1,994	0.02%
City of High Springs	\$ 250,269	2.1%	\$ 254,782	2.1%	\$ 4,512	0.04%
Town of Lacrosse	\$ 35,411	0.3%	\$ 35,621	0.3%	\$ 210	0.00%
Town of Micanopy	\$ 106,611	0.9%	\$ 108,675	0.9%	\$ 2,064	0.02%
City of Newberry	\$ 149,092	1.2%	\$ 151,541	1.3%	\$ 2,449	0.02%
City of Waldo	\$ 103,609	0.9%	\$ 104,448	0.9%	\$ 839	0.01%
	<b>\$ 12,074,962</b>	<b>100.0%</b>	<b>\$ 12,074,962</b>	<b>100.0%</b>	<b>\$ (0)</b>	<b>0.0%</b>

	Current		Transportation Exp - AFR		Net	
Alachua County	\$ 6,129,090	50.8%	\$ 3,456,774	28.6%	\$ (2,672,316)	-22.13%
City of Alachua	\$ 222,348	1.8%	\$ 169,701	1.4%	\$ (52,647)	-0.44%
City of Archer	\$ 101,807	0.8%	\$ 31,266	0.3%	\$ (70,541)	-0.58%
City of Gainesville	\$ 4,850,724	40.2%	\$ 8,050,333	66.7%	\$ 3,199,609	26.50%
City of Hawthorne	\$ 126,001	1.0%	\$ 31,934	0.3%	\$ (94,067)	-0.78%
City of High Springs	\$ 250,269	2.1%	\$ 130,155	1.1%	\$ (120,115)	-0.99%
Town of Lacrosse	\$ 35,411	0.3%	\$ 5,401	0.0%	\$ (30,010)	-0.25%
Town of Micanopy	\$ 106,611	0.9%	\$ 19,215	0.2%	\$ (87,396)	-0.72%
City of Newberry	\$ 149,092	1.2%	\$ 151,089	1.3%	\$ 1,997	0.02%
City of Waldo	\$ 103,609	0.9%	\$ 29,094	0.2%	\$ (74,515)	-0.62%
	<b>\$ 12,074,962</b>	<b>100.0%</b>	<b>\$ 12,074,962</b>	<b>100.0%</b>	<b>\$ (0)</b>	<b>0.0%</b>

	Current		Transportation Exp. FDOT		Net	
Alachua County	\$ 6,129,090	50.8%	\$ 5,335,563	44.2%	\$ (793,527)	-6.57%
City of Alachua	\$ 222,348	1.8%	\$ 473,822	3.9%	\$ 251,474	2.08%
City of Archer	\$ 101,807	0.8%	\$ 27,169	0.2%	\$ (74,638)	-0.62%
City of Gainesville	\$ 4,850,724	40.2%	\$ 5,628,140	46.6%	\$ 777,416	6.44%
City of Hawthorne	\$ 126,001	1.0%	\$ 43,591	0.4%	\$ (82,410)	-0.68%
City of High Springs	\$ 250,269	2.1%	\$ 302,719	2.5%	\$ 52,450	0.43%
Town of Lacrosse	\$ 35,411	0.3%	\$ 7,366	0.1%	\$ (28,046)	-0.23%
Town of Micanopy	\$ 106,611	0.9%	\$ 26,565	0.2%	\$ (80,046)	-0.66%
City of Newberry	\$ 149,092	1.2%	\$ 206,482	1.7%	\$ 57,390	0.48%
City of Waldo	\$ 103,609	0.9%	\$ 23,305	0.2%	\$ (80,304)	-0.67%
	<b>\$ 12,074,962</b>	<b>100.0%</b>	<b>\$ 12,074,721</b>	<b>100.0%</b>	<b>\$ (241)</b>	<b>0.0%</b>

Pros – This approach provides incentive for jurisdictions to provide funding sources in addition to Local Option Gas Tax to fund the transportation system. The City of Gainesville has done an exceptional job of diversifying revenue in order to meet the needs of the larger transportation system to serve the regional area.

Cons – Until the Department of Labor provides clarification it is difficult to determine exactly how much revenue the City would receive.

#### D. Population

This distribution methodology is based on population of each area compared to the population of the entire county. The City of Gainesville's distribution for the 4<sup>th</sup>, 5<sup>th</sup>, and 6<sup>th</sup> cents would increase to 50.2% resulting in an additional \$404,529 per year in revenue. Alachua County would see a \$548,781 reduction in revenue.

The below chart shows the impact of this distribution percentage based on all 11 cents:

	Current		Population		Net	
Alachua County	\$ 6,129,090	50.8%	\$ 4,814,046	39.9%	\$ (1,315,044)	-10.89%
City of Alachua	\$ 222,348	1.8%	\$ 463,679	3.8%	\$ 241,331	2.00%
City of Archer	\$ 101,807	0.8%	\$ 53,975	0.4%	\$ (47,832)	-0.40%
City of Gainesville	\$ 4,850,724	40.2%	\$ 6,061,631	50.2%	\$ 1,210,907	10.03%
City of Hawthorne	\$ 126,001	1.0%	\$ 64,843	0.5%	\$ (61,158)	-0.51%
City of High Springs	\$ 250,269	2.1%	\$ 272,049	2.3%	\$ 21,779	0.18%
Town of Lacrosse	\$ 35,411	0.3%	\$ 17,629	0.1%	\$ (17,782)	-0.15%
Town of Micanopy	\$ 106,611	0.9%	\$ 28,135	0.2%	\$ (78,476)	-0.65%
City of Newberry	\$ 149,092	1.2%	\$ 253,936	2.1%	\$ 104,844	0.87%
City of Waldo	\$ 103,609	0.9%	\$ 45,040	0.4%	\$ (58,569)	-0.49%
	<b>\$ 12,074,962</b>	<b>100.0%</b>	<b>\$ 12,074,962</b>	<b>100.0%</b>	<b>\$ (0)</b>	<b>0.0%</b>

Pros – Population approach provides a nexus to those paying gas taxes.

Cons – There are no cons from a City perspective. County staff argues that this approach does not reflect where people are purchasing fuel, does not account for the County maintained roads within the municipal limits and that all population is county population.

#### E. Miles of Road

This can be calculated based on centerline miles or lane miles. The formulas in the documents are based on centerline miles. Lane miles would provide greater distribution to Alachua County. Based on the 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> cents the City of Gainesville's distribution would reduce from 38.64% to 25.376%, a reduction of \$463,783. Alachua County would realize an increase in revenue of \$124,769.

The below chart shows the impact of this distribution percentage based on all 11 cents:

	Current		CL Rd Miles		Net	
Alachua County	\$ 6,129,090	50.8%	\$ 7,139,201	59.1%	\$ 1,010,111	8.37%
City of Alachua	\$ 222,348	1.8%	\$ 373,962	3.1%	\$ 151,614	1.26%
City of Archer	\$ 101,807	0.8%	\$ 75,952	0.6%	\$ (25,855)	-0.21%
City of Gainesville	\$ 4,850,724	40.2%	\$ 3,064,142	25.4%	\$ (1,786,581)	-14.80%
City of Hawthorne	\$ 126,001	1.0%	\$ 124,372	1.0%	\$ (1,629)	-0.01%
City of High Springs	\$ 250,269	2.1%	\$ 474,908	3.9%	\$ 224,639	1.86%
Town of Lacrosse	\$ 35,411	0.3%	\$ 11,713	0.1%	\$ (23,699)	-0.20%
Town of Micanopy	\$ 106,611	0.9%	\$ 116,644	1.0%	\$ 10,033	0.08%
City of Newberry	\$ 149,092	1.2%	\$ 619,687	5.1%	\$ 470,595	3.90%
City of Waldo	\$ 103,609	0.9%	\$ 74,382	0.6%	\$ (29,227)	-0.24%
	<b>\$ 12,074,962</b>	<b>100.0%</b>	<b>\$ 12,074,962</b>	<b>100.0%</b>	<b>\$ (0)</b>	<b>0.0%</b>

Pros – There are no pros from a City perspective.

Cons – Transit is an integral part of the urban transportation system. This approach does not provide any contribution of the transit system to the distribution formula even though it is an eligible expense.

#### Staff Recommended Option

If there is a desire to hold the Other Municipalities harmless and all eleven cents are combined into one agreement; then the 9% for the Other Municipalities would be taken off the top and the remaining 91% dispersed between the City and the County. Staff believes that a split of the remaining 91% for the 11 cents in the range between 50.2% and 62% would be equitable to the City. This is reflective of the population approach of 50.2% and the 62% being the average of the transportation expenditures approach.

	Current Distribution		Distribution on equal split – holding other municipalities harmless		Difference between two methods
Alachua County	50.759%	\$6,129,090	45.465%	\$5,489,907	(\$639,183)
City of Gainesville	40.172%	\$4,850,724	45.465%	\$5,489,907	\$639,183
Other Municipalities	9.070%	\$1,095,148	9.070%	\$1,095,148	-
	100%	\$12,074,962	100%	\$12,074,962	0

	Current Distribution		Distribution based on Population – holding other municipalities harmless		Difference between two methods
Alachua County	50.759%	\$6,129,090	40.251%	\$4,860,277	(\$1,268,813)
City of Gainesville	40.172%	\$4,850,724	50.680%	\$6,119,536	\$1,268,813
Other Municipalities	9.070%	\$1,095,148	9.070%	\$1,095,148	-
	100%	\$12,074,962	100%	\$12,074,962	0

	Current Distribution		Distribution based on Transportation Expenditures/Population – holding other municipalities harmless		Difference between two methods
Alachua County	50.759%	\$6,129,090	35.098%	\$4,238,051	(\$1,891,039)
City of Gainesville	40.172%	\$4,850,724	55.833%	\$6,741,763	\$1,891,039
Other Municipalities	9.070%	\$1,095,148	9.070%	\$1,095,148	-
	100%	\$12,074,962	100%	\$12,074,962	0

### **Attachments/References**

Attachment A: Overall Priority List\_2017

Attachment B: Road Projects

Attachment C: Transit Projects 2016 – 8 years

Attachment D: Map

Attachment E: Gas Tax16