



Staff Analysis

Voter Referendum on Extension of Wild Spaces-Public Places

Presented by:

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CITY OF GAINESVILLE STAFF ANALYSIS

Legistar No: 120722

Title: Strategic Initiative 6.5: Recreation Master Plan

Sponsor: Parks, Recreation and Cultural Affairs

City Staff Contact: Steve Phillips, Director

Summary of Issue This item requests that the City Commission discuss and provide guidance regarding staff negotiations with Alachua County concerning the distribution formula of the proposed half cent sales tax ballot initiative to extend Wild Spaces Public Places and Alachua County Forever with funding to acquire and improve environmentally sensitive lands to protect water sources, water quality and wildlife habitat and to create, improve and maintain parks and recreational facilities. The City could use revenue from the sales tax to help fund implementation of the City's Parks, Recreation and Cultural Affairs Master Plan.

History/Background Information On February 18, 2016, the City Commission approved a list of projects that could be funded if the half cent sales tax passes in November. The ballot initiative is being proposed as an extension of Wild Spaces Public Places and Alachua County Forever. In addition, a list of projects on which the County could possibly partner with the City was requested by and submitted to the County on February 19, 2016.

There is a need to address the distribution of funds from the sales tax through an interlocal agreement between the City and County. The County Commission is scheduled to consider the ordinance placing this item on the November ballot at their May 10, 2016 meeting. According to State law, sales tax funding is distributed by the State Default Formula unless there is an interlocal agreement providing for a different distribution.

The County has indicated its intent to use the State Default Formula unless the County enters into an interlocal agreement with a different method of distribution. This was also the recommendation of the City and County Joint Task Force appointed to analyze and develop recommendations on a possible ballot initiative.

The State Default Formula distribution percentage for the City is 35.78% and 57.16% to Alachua County. Based on this formula, the annual revenue estimate for the City is \$5,818,894 or a total of \$46,551,152 over the 8 year period. In 2008, the Wild Spaces Public Places distribution formula was 40.26% for the City and 52.21% for the County. If the same 40.26% was used again, the City would be projected to receive approximately \$6 million above the State Default Formula total over the eight year sales tax collection period.

In 2008, the City and the County partnered on a project with each contributing \$1.5 million of sales tax revenue to the construction of the Alachua County/Gainesville Senior Recreation

Center. In a similar vein, there have been discussions among City and County staff about agreeing to partner on projects in a manner that would provide County funding for selected City projects that would result in sales tax revenue for City projects above and beyond the revenue provided by the State Default Formula. County staff proposed splitting the \$6 million difference in projected funding between the original Wild Spaces Public Places formula and the State Default Formula by asking the City to identify possible projects they could partner on up to \$3 million.

There has also been some discussion about using a percentage of the revenue above the 35.78% the City would receive from the State Default Formula as the basis for determining the amount of County funding for City projects rather than a set number so that more funds would be available for partnership projects if revenues exceeded projections. There is some benefit and risk to the percentage concept in that if revenues are higher, the City would receive more and if they are lower, the City would receive less.

Options

A. Request the County use the original Wild Spaces Public Places distribution formula of 40.26%. This would equate to approximately \$6 million more over the eight year collection period.

Pros – This would be more consistent with the intention of extending Wild Spaces Public Places by retaining the same distribution used last time. The City would be receive revenue covering 65% of the total estimated Master Plan project costs.

Cons – The County has not indicated a willingness to maintain the original distribution formula.

B. Accept the County proposed State Default Formula with the addition of an interlocal agreement in which the County sets aside 4.48% (the difference between the 40.26% original formula and the 35.78% State Default Formula) of its revenue to partner with the City by contributing this amount to City partnership projects. Alternatively, this could be for the set amount of \$6 million over the 8 year period.

Pros – This provides the same overall revenue to City projects as the Wild Spaces Public Places Formula. The City would receive revenue covering 65% of the total estimated Master Plan project costs.

Cons – The City would not have the independence to select all of its projects but would work with the County on identified partnership projects.

C. Accept the County proposed State Default Formula with the addition of an interlocal agreement in which the County sets aside 2.24% (half of the difference between the 40.26% original formula and the 35.78% State Default Formula) of its revenue to partner with the City by contributing this amount to City partnership projects. Alternatively, this could be for the set amount of \$3 million over the 8 year period.

Pros – This would still result in more funding than the State Default Formula. The City would receive revenue covering 61% of the total estimated Master Plan project costs.

Cons - The City would not have the independence to select all of its projects but would work with the County on identified partnership projects.

Staff Recommended Option – The City Commission discuss the options and provide guidance to staff as appropriate.