



Legislation Text

File #: 060860., Version: 0

Interlocal Agreement for the Academy of Business Ownership at Loften High School (B)

This item introduces an Interlocal Agreement designed to institutionalize the relationship between Alachua County, the City of Gainesville, and School Board of Alachua County's implementation of the Academy of Business Ownership at Loften High School. The City's responsibilities are to provide funding for a future business loan fund for graduates of the Academy to establish businesses in Alachua County and for associated mentoring services by a third party provider.

In March, 2004, a presentation was made to the City Commission by County Commissioner Rodney Long and various community "Champions" on proposed plans for future development of an Entrepreneurial Charter School. At that time, the City Commission directed staff to include an allocation of \$50,000 in the upcoming budget cycle (\$25,000 per year in FY 05 and FY 06) with an understanding that future allocations to total \$100,000 would be forthcoming in subsequent fiscal years. A similar \$50,000 allocation was provided in the following two year budget cycle (\$25,000 in FY 07 and FY 08).

These funds would be a public contribution (in combination with similarly allocated Alachua County funds) to an Entrepreneur Economic Development Trust Fund and be matched by \$300,000 in private funds to be raised at a future date. The Fund's proceeds would be utilized to provide future development loan assistance to graduates of the Entrepreneurial Charter School in combination with US Small Business Administration funding.

Subsequently, in November, 2004 a follow up presentation on this concept was made to the City Commission with a request from County Commissioner Long for additional funding to provide mentoring services for those participants in the program. The City Commission directed that funding from City Commission contingency in the amount of \$11,075 be provided contingent upon Alachua County providing a similar level of funding.

Currently, this program is being implemented as the Academy of Business Ownership at Loften High School. Plans for this year include marketing of the program; establishment of a not for profit entity that will assist in shaping the Academy of Business Ownership into a Charter School and providing administrative services regarding the business development loan fund; and, private sector fund raising to match the City and County financial contribution. It is not expected that loan funds would be actually utilized by prospective participants for the next several years.

In addition, Sections 2.a., 3.a. and 7 of the Interlocal Agreement contemplate further action (including agreements) by the parties to develop the requirements and mechanism for providing the funding to Academy graduates to establish businesses within Alachua County. The City Attorney's office has indicated that as the parties to the Interlocal move forward in developing the requirements and mechanism for the "business loan fund" program, that the program be reviewed by the City Attorney's office to determine that the program is within the powers of the City pursuant to Section 166.021(19) to expend public funds to attract and retain business enterprises and that it does not violate Article VII, Section 10 of the State Constitution which prohibits lending public funds for private purposes.

As mentioned, the City has allocated \$25,000 a year towards this effort per Commission direction in Fiscal Years 05 - 08 for a total of \$100,000. These funds were placed within the Economic Development Department's budget. In addition, the City's contribution of \$11,075 from City Commission contingency was placed within the City of Gainesville's Economic Development Department budget in November, 2004. Staff has been awaiting an Inter-local agreement governing the allocation of these funds.

In addition, the recent decision by the City Commission to fund the East Gainesville Development Corporation for economic development services with the FY 07 allocation will mean that an additional \$25,000 will need to be identified, potentially in FY 09.

The City Commission: 1) hear a brief presentation from staff; 2) approve the Inter-Local agreement and the provision of additional funding; and 3) authorize the Mayor to execute the Interlocal Agreement on behalf of the City Commission.

Alternate Recommendation A:

The City Commission: 1) hear a brief presentation from staff; 2) direct staff to approve the agreement with stated modifications; and 3) authorize the Mayor to execute the Interlocal Agreement on behalf of the City Commission.

Alternate Recommendation B:

The City Commission: 1) deny the proposed agreement.