

**BOARD
OF COUNTY
COMMISSIONERS**



**COUNTY
ADMINISTRATOR**

Howard N. Tipton

RECEIVED

TIME _____

MAY - 4 2015

**CITY OF FT. PIERCE
CITY MANAGER'S OFFICE**

April 30, 2015

Robert Bradshaw
City Manager
City of Fort Pierce
100 North U.S. Highway 1
Fort Pierce, FL 34950

RE: Interlocal Agreement – Local Option Gas Tax

Dear Robert:

Enclosed is a draft interlocal agreement pertaining to the distribution of the proceeds of the local option gas tax. The formula proposed in the draft agreement is based on paved roadway miles maintained by each entity with a "floor" for the County's distribution percentage. Please note that the County and the entity representing a majority of the residents in the incorporated area of the County (i.e. the City of Port St. Lucie) must enter into an agreement by June 1 of this year. In review of this the County will need to agenda the agreement for Board review at the Board's May 19, 2015 meeting. Please let me know if you have any questions. Please review the draft agreement with the understanding that the draft agreement has not been reviewed or approved by the Board of County Commissioners of St. Lucie County, Florida.

Sincerely,

A handwritten signature in blue ink, appearing to read "H. Tipton", is written over the typed name and title.

Howard N. Tipton
County Administrator

Copy: County Attorney, w/enclosure
Management & Budget Director, w/enclosure
Budget Manager, w/enclosure
Public Works Director, w/enclosure

**INTERLOCAL AGREEMENT
LOCAL OPTION GAS TAX**

THIS IS AN AGREEMENT between **ST. LUCIE COUNTY**, a political subdivision of the State of Florida (the County), the **CITY OF FORT PIERCE**, a Florida municipal corporation, the **CITY OF PORT ST. LUCIE**, a Florida municipal corporation, and **TOWN OF ST. LUCIE VILLAGE**, a Florida municipal corporation (the Cities), for the purpose of providing for the division and distribution of the proceeds of the local option gas tax imposed by St. Lucie County, pursuant to Section 336.025(1)(a) and previously (b), Florida Statutes, (the Gas Tax).

WHEREAS, the County adopted an eleven (\$.11) cent local option fuel tax pursuant to Section 336.025(1)(a) and (b), Florida Statutes; which tax will expire on August 31, 2015; and

WHEREAS, the County intends to hold a public hearing to consider the adoption of an ordinance re-authorizing the inspection of an eleven (\$.11) cent local option fuel tax from September 1, 2015 through December 31, 2044; and,

WHEREAS, the parties desire to distribute the proceeds of the gas tax by Interlocal Agreement as authorized by Section 336.025, Florida Statutes, as set forth herein.

NOW, THEREFORE, in consideration of the premises and pursuant to the authorization of Section 336.025, Florida Statutes, the County and the Cities agree that:

1. The Cities are municipalities located within St. Lucie County, Florida, representing a majority of the population of the incorporated area within St. Lucie County and are eligible to receive a portion of the Gas Tax.

2. All distribution made prior to September 1, 2015, are ratified and approved. All subsequent divisions of proceeds shall be redetermined by the County on or before October 1 of each succeeding year during the term of this Agreement beginning October 1, 2016. The annual redetermination by the County of the division of the tax proceeds shall be based on the number of paved

roadway miles maintained by the County and each of the eligible municipalities determined as of July 1 of each year beginning on July 1, 2015 as a proportion of the total amount of paved roadway miles maintained by the County and the eligible municipalities. Provided, however, the parties agree that in no event shall the County's annual percentage of gas tax revenues be less than twenty percent (20%). Any disputes as to the determination by the County of distribution proceeds shall be in accordance with Section 336.025(5)(b), Florida Statutes.

3. The County and the municipalities shall utilize monies received pursuant to Section 336.025(1)(a), Florida Statutes (6-cents) only for transportation expenditures as defined in Section 336.025(7), Florida Statutes.

The County and the municipalities shall use moneys received pursuant to Section 336.025(1)(b), Florida Statutes (5 cents) for transportation expenditures needed to meet the requirements of the capital improvements element of an adopted comprehensive plan or for expenditures needed to meet immediate local transportation problems and for other transportation-related expenditures that are critical for building comprehensive roadway networks by local governments. For purposes of this paragraph, expenditures for the construction of new roads, the reconstruction or resurfacing of existing paved roads, or paving of existing graded roads shall be deemed to increase capacity and such projects shall be included in the capital improvements element of an adopted comprehensive plan. Expenditures for purposes of this paragraph shall not include routine maintenance of roads.

4. The Agreement shall be deemed one agreement (the Interlocal Agreement) for the purposes of Section 336.025, Florida Statutes, and the Interlocal Agreement constitutes an interlocal agreement between St. Lucie County and municipalities located therein representing a majority of the incorporated area population within this County.

5. This Agreement shall be in effect from September 1, 2015 to December 31, 2044, both inclusive. It shall also govern the division and distribution of proceeds of the Gas Tax imposed through

December 31, 2044, but not collected or otherwise not available for distribution until after December 31, 2044.

6. This Agreement may be executed in counterparts and each fully executed counterpart shall be deemed an original instrument.

7. This Agreement shall be filed with the Clerk of the Circuit Court of St. Lucie County, Florida, prior to its effectiveness.

IN WITNESS WHEREOF, the parties hereto have caused the execution hereof by their duly authorized officials on the dates stated below.

ATTEST:

Deputy Clerk

**BOARD OF COUNTY COMMISSIONERS
ST. LUCIE COUNTY**

BY: _____
Chair

**APPROVED AS TO FORM AND
CORRECTNESS:**

BY: _____
County Attorney

Date: _____

CITY OF FORT PIERCE, FLORIDA

ATTEST:

Clerk

BY: _____
Mayor

APPROVED AS TO FORM AND
CORRECTNESS:

BY: _____
City Attorney

Date: _____

CITY OF PORT ST. LUCIE, FLORIDA

ATTEST:

Clerk

BY: _____
Mayor

APPROVED AS TO FORM AND
CORRECTNESS:

BY: _____
City Attorney

Date: _____

TOWN OF ST. LUCIE VILLAGE, FLORIDA

ATTEST:

Clerk

BY: _____
Mayor

**APPROVED AS TO FORM AND
CORRECTNESS:**

BY: _____
Village Attorney

Date: _____



Office of Management
& Budget
Budget Division

MEMORANDUM

TO: Howard N. Tipton, County Administrator

FROM: Asheley Hepburn, Director, Office of Management and Budget

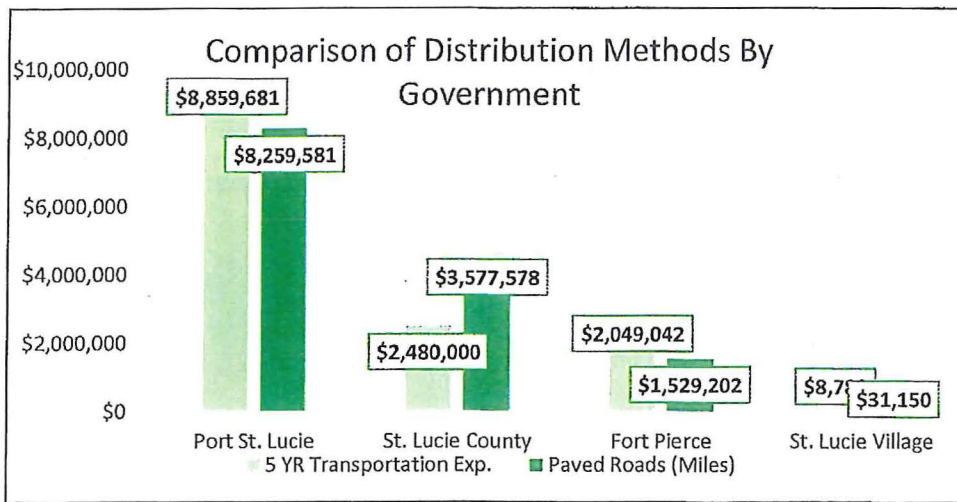
DATE: April 29, 2015

SUBJECT: Local Option Gas Tax Allocation Method

The Local Option Gas Tax will expire on August 31, 2015, both the 5th Cent (1st-5th cents) and the 6th Cent (1st - 6th Cent) gas tax. State Statute 336.025 governs County transportation systems and levy of local option fuel tax on motor fuel and diesel fuel. The 5th cent gas tax is levied against every gallon of motor fuel sold and shared by the municipalities in St. Lucie County by inter-local agreement. The 6th cent gas tax is levied against every gallon of motor fuel and diesel sold. It is also shared with the three municipalities in St. Lucie County by inter-local agreement. We have reviewed the current distribution methodology, which is based on transportation expenditures incurred by each municipality for the preceding five years. We have also compared it to various other methodologies, including paved roadway miles each municipality is responsible for maintaining.

The Office of Management and Budget is in support of modifying the distribution methodology because it considers the miles of paved roads each jurisdiction is responsible for maintaining, which appears to be a more equitable distribution. Secondly, the core purpose of the Local Option Gas Tax is to fund transportation expenditures such as construction of new roads, the reconstruction or resurfacing of existing paved roads, or the paving of existing graded roads that increase capacity. Simplifying the basis of the methodology to paved roads (miles) more closely aligns the methodology to the core purpose of the Local Option Gas Tax.

The change in methodology has a dramatic impact to the County's Local Option Gas Tax revenue (see chart A). Utilizing paved road (miles) will generate approximately \$3.57 million and increase revenue by approximately \$1.1 million for the County. The City of Port St. Lucie will generate approximately \$8.26 million and decrease by approximately .600 million. The City of Fort Pierce will generate approximately \$1.53 million and decrease by approximately .500 million.



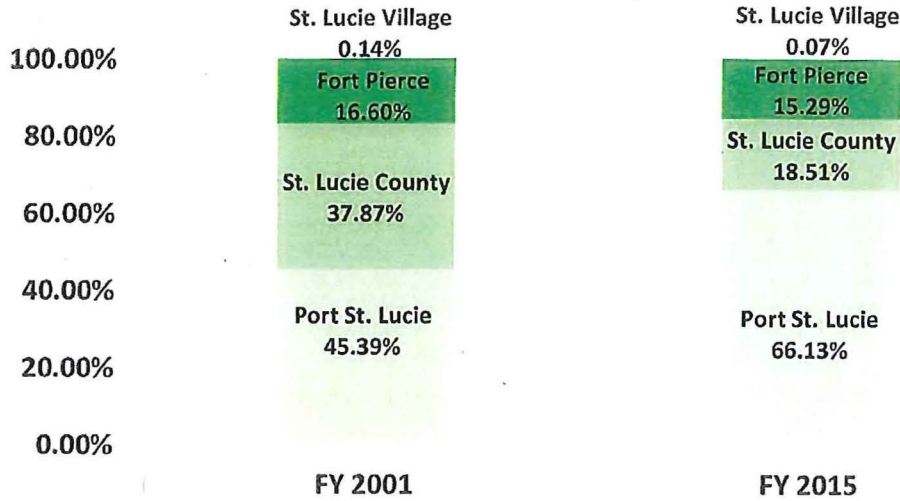
(Chart A)

The current distribution methodology is similar to the default formula utilized by the State of Florida Department of Transportation when Counties have no inter-local agreement with cities in their jurisdiction. Using transportation expenditures as the basis (see Chart B) of the distribution shows the County's distribution has declined by 19.36 percentage points since 2001, whereas the City of Port Lucie's distribution has increased by 20.79 percentage points.

However, the paved road (miles) changed slightly over a similar period of time (see Chart C). In 2001, St. Lucie County had 362.9 miles of paved road or 26.78% and Port St. Lucie had 858 miles of paved road or 63.32%. In 2015, St. Lucie County had 379 miles of paved road or 26.71% and Port St. Lucie had 875 miles of paved road or 61.7%. This suggests that if paved roads were used as the distribution methodology starting in 2001; the County's allocation would have decreased slightly by .07 percentage points and the City of Port St Lucie's allocation would have decreased by 1.65 percentage points.

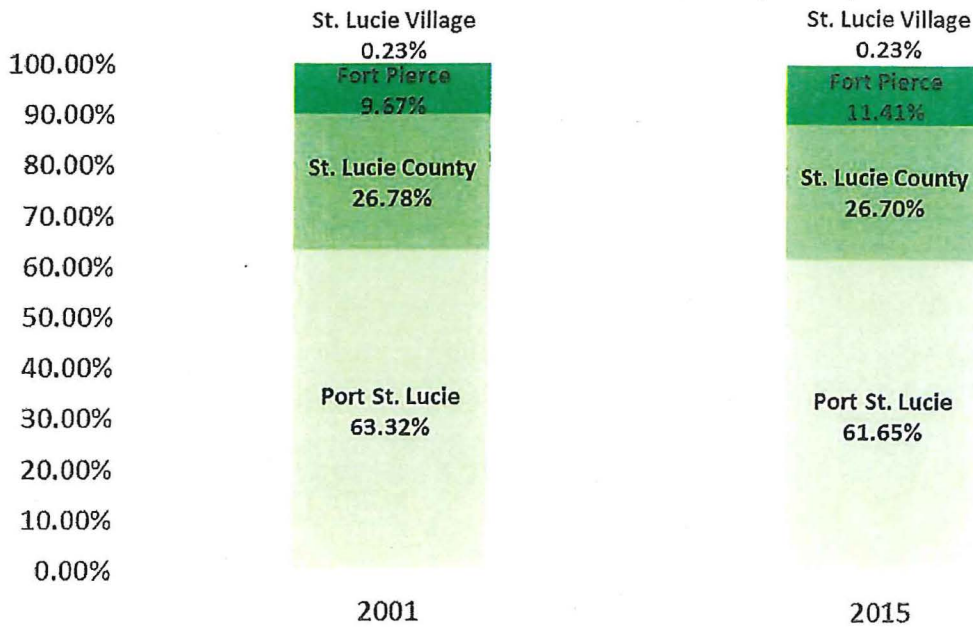
The County's responsibility for paved road (miles) has remained consistent between 2001 and 2015, however the County's allocation of the Local Option Gas Tax has decreased dramatically. The Office of Management and Budget is in support of modifying the allocation method used to distribute the Local Option Gas tax to paved road (miles). This change will lead to a more equitable approach in allocating the Local Option Gas Tax.

Allocation Based 5 Yr. Transportation Expenses



(Chart B)

Allocation Based On Paved Road (Miles)



(Chart C)

Copy: Daniel McIntrye, County Attorney
 Robert Adolphe, Deputy County Administrator
 Jennifer Hill, Budget Manager
 Don West, Public Works Director

LOCAL OPTION GAS TAX ALLOCATION

	City of Port St. Lucie	City of Fort Pierce	St. Lucie County BOCC	St. Lucie Village	TOTAL
1 5 - Year Transportation Expenditures (Current)	395,528,760	91,476,531	110,715,925	392,662	598,113,878
Allocation	66.13%	15.29%	18.51%	0.07%	100.00%
Current \$ Estimate	\$8,859,681	\$2,049,042	\$2,480,000	\$8,789	\$13,397,512
2 Paved Roads (miles)	875	162	379	3	1,419
Allocation	61.65%	11.41%	26.70%	0.23%	100.00%
Estimated \$	\$8,259,581	\$1,529,202	\$3,577,578	\$31,150	\$13,397,512

Distribution History

