

Meeting Date
August 9, 2016



AGENDA	
Section	New Business
Item No.	

AGENDA REPORT
BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

SUBJECT:	Review and Adoption of a Save Our Lagoon Project Plan and Identification and Approval of Funding Source(s) to include consideration and approval of a Referendum for November 8, 2016
DEPT/OFFICE:	Natural Resources Management Department (NRM)

Requested Action:

It is requested that the Board of County Commissioners:

- 1) review and approve the appended Save Our Lagoon Project Plan (Attachment A).
- 2) consider options for placing a referendum on the November 8, 2016 ballot to provide funding for implementing the Save Our Lagoon Project Plan;
- 3a) adopt a resolution for an ad valorem tax (Attachment B), or 3b) approve Legislative Intent and permission to advertise an ordinance (Attachment C) for a ½ cent infrastructure sales tax for the Save Our Lagoon Project Plan only, to return to the Board for a Public Hearing on August 23rd, or 3c) approve Legislative Intent and permission to advertise a Public Hearing on an ordinance for a ½ cent infrastructure sales tax for the Save Our Lagoon Project Plan, and other possible uses, to return to the Board on August 23rd;
- 4) if a sales tax option is approved, authorize staff to negotiate the attached interlocal sales tax use and distribution agreement (Attachment D) with cities representing a majority of the county’s municipal population (Attachment E) for return to the Board by August 23;
- 5) approve ballot language (Attachment F); and
- 6) authorize necessary budget change requests to establish a new trust fund and accounts for any resulting revenues and expenditures.

Summary Explanation & Background:

In January through March 2016, Brevard County residents endured the most extensive and intensive algal bloom recorded in the Indian River system during winter/spring months. The collapse of this bloom in March resulted in one of the most extensive fish kills ever recorded here. The winter/spring 2016 bloom followed an algal super bloom that occurred in 2011, brown tides that followed in 2012, 2013 and 2015, and unusual mortality events for dolphins, manatees and pelicans.

On March 29, 2016 the Board voted to send a letter to the Governor requesting assistance. The Governor sent the leadership of multiple state agencies to assess the fish kill and meet with County staff and members of the Legislative delegation to discuss solutions and resource needs. The County was advised to develop a project plan to include a comprehensive list of projects to restore lagoon health, estimate the funding needs for those projects and determine a timetable for implementation. With such a plan, the County would be in a better position to seek dedicated cost-share from the FL Legislature.

On April 7, 2016 the County Commission directed staff to develop a Save Our Lagoon Project Plan to restore health to the lagoon and explore dedicated funding mechanisms, including a Save Our Lagoon Special Taxing District, to fund the entire plan or provide the local match needed to leverage State appropriations and other grants.

The proposed Save Our Lagoon Project Plan includes a portfolio of projects to **Reduce** primary sources of pollution (including excess fertilizer, septic systems, nutrient rich reclaimed water, and stormwater); **Remove** historical pollution that is now accumulated in muck deposits that smother seagrass, cloud the water column, release nutrients and deplete oxygen; **Restore** natural stabilization and filtration systems (including oyster bars and living shorelines); and a process to monitor project implementation, efficiency, and cost-effectiveness with a volunteer citizen oversight committee to **Respond** to monitoring data, new technology, changing conditions, alternative project proposals and recommend plan revisions to the County Commission annually. The projected cost of the proposed plan is \$302,881,000.

Staff has identified the following referendum options for the Board to consider placing on the November 8, 2016 ballot to provide dedicated funding or local match to implement a \$303M Save Our Lagoon Project Plan:

Option 1: Voter-approved Ad Valorem levy of 1 mill within a Save Our Lagoon Special Taxing District for 10 years. This would generate approximately \$32M per year for a 10-year total of \$320M.

Option 2: Voter-approved Ad Valorem levy of ½ mill within a Save Our Lagoon Special Taxing District for 20 years. This would generate approximately \$16M per year for a 20-year total of \$320M.

Option 3: Voter-approved Ad Valorem levy of ½ mill within a Save Our Lagoon Special Taxing District for 10 years. This would generate approximately \$16M per year for a 10-year total of \$160M and require \$143M to be leveraged from grants and other sources such as the Florida Water and Land Conservation Initiative (aka Amendment 1).

Option 4: Voter-approved Infrastructure Sales Tax of a ½ penny collected County-wide for 10 years. This would generate approximately \$34M per year for a 10 year total of \$340M. Municipal agreements would be required for the funds to come to the County instead of being split with municipalities according to the statutory formula.

Option 5: Other combinations of levies, timeframes, or uses for sales tax and matching funds.

According to economic analysis of tourism, real estate values and commercial fishing with and without implementation of this \$303M project plan, Brevard County is at a \$6.2B turning point - with \$2B to gain or \$4.2B to lose, respectively. This can be expressed as a benefit cost ratio of 20 to 1 or, when the time value of money is considered, expressed as an annual return on investment of 10% to 26%, depending on how quickly the plan is implemented.

Either Options 4 or 5 will require the negotiation of an interlocal agreement with cities representing a majority of the municipal population. The agreement provides for: 1) setting up a dedicated trust fund for tax proceeds; 2) distribution of all such proceeds to the Save Our Lagoon Project Plan account unless the Board approves other uses (per Option 5); 3) County management and administration of the project; 4) a citizens advisory board set up to review project progress and to make project substitution recommendations to the County Commission for lagoon related city projects consistent with the Save Our Lagoon Project Plan and the Indian River Lagoon Comprehensive Conservation and Management Plan.

Name: Virginia Barker, NRM – 633-2016

Fiscal Impact: FY 15-16 No fiscal impact

FY 16-17 New Revenue and Expense Accounts for approximately \$16 to \$34M in local funds with the intent to leverage additional matching funds from grant programs and Legislative Appropriations

Clerk to the Board instruction: Three (3) copies of signed resolution: one (1) for Clerk of Court and two (2) for NRM.

Exhibits Attached: **Attachment A:** Save Our Lagoon Project Plan

Attachment B: Draft Resolution

Attachment C: Draft Ordinance(s)

Attachment D: Proposed Interlocal Agreement

Attachment E: City Population Statistics

Attachment F: Draft Ballot Language

Contract /Agreement (If attached): Reviewed by County Attorney Yes No PR

County Manager

Assistant County Manager

Department Director / Extension

Stockton Whitten


Virginia Barker, X52435