

CONTRACT, LEASE, AGREEMENT CONTROL FORM

Date: 10/07/2013

Contract/Lease Control #: C14-2090-PW

Bid #: N/A

Contract/Lease Type: INTERLOCAL AGREEMENT

Award To/Lessee: MUNICIPALITIES OF CINCO BAYOU, CRESTVIEW, DESTIN, FORT
WALTON BEACH, LAUREL HILL, MARY ESTHER, NICEVILLE, SHALIMAR AND
VALPARAISO

Owner/Lessor: OKALOOSA COUNTY

Effective Date: 09/17/2013

Term: 09/30/2023

Description of
Contract/Lease: LOCAL OPTION GAS TAX INTERLOCAL AGREEMENT

Department: PW

Department Monitor: HOFSTAD

Monitor's Telephone #: 850-689-5770

Monitor's FAX # or E-mail: jhofstad@co.okaloosa.fl.us

Date Closed: _____

cc: Finance Department Contracts & Grants Office

FAKED TO
B. BARCEY 09-40

e-mailed 5/15/13
To John H, Karen K.
+ Richard

CONTRACT & LEASE INTERNAL COORDINATION SHEET

Contract/Lease Number: C14-2090-PW Tracking Number: 620-13
 Contractor/Lessee Name: Laurel Hill, Mary Esther, Niceville, Shalmer, Valparaiso
Craco Bayou, Crestview, Destin, FLWB Grant Funded: YES NO
 Purpose: Interlocal Agreement - Local Option Gas Tax
 Date/Term: 9/30/2023 2014 or pursuant to FS 336.025 1. GREATER THAN \$50,000
 Amount: 60/40 split (County/Cities) 2. GREATER THAN \$25,000
 Department: Public Works 3. \$25,000 OR LESS
 Dept. Monitor Name: John Hofstad
 Document has been reviewed and includes any attachments or exhibits.

Purchasing Review

Procurement requirements are met:
Richard L. Branford Date: 05-14-13
 Purchasing Director or designee

Risk Management Review

Approved as written:
OK'd via e-mail Ja Date: 5/15/13 @ 6:20 am
 Risk Manager or designee

County Attorney Review

Approved as written:
OK'd via e-mail Ja Date: 5/15/13 @ 3:54 pm
 County Attorney

Following Okaloosa County approval:

Contracts & Grants

Document has been received:
 _____ Date: _____
 Contracts & Grants Manager

**INTERLOCAL AGREEMENT AMONG OKALOOSA COUNTY AND THE
MUNICIPALITIES OF CINCO BAYOU, CRESTVIEW, DESTIN, FORT WALTON BEACH,
LAUREL HILL, MARY ESTHER, NICEVILLE, SHALIMAR, AND VALPARAISO FOR
THE DISTRIBUTION OF THE LOCAL OPTION GAS TAX REVENUES**

This AGREEMENT, made and entered into this 17th day of September, 2013, by and among OKALOOSA COUNTY, a political subdivision of the State of Florida, hereinafter called "County", and the Municipalities of CINCO BAYOU, CRESTVIEW, DESTIN, FORT WALTON BEACH, LAUREL HILL, MARY ESTHER, NICEVILLE, SHALIMAR, and VALPARAISO, hereinafter called the "Municipalities", for the distribution of all local option gas taxes required to be shared with the municipalities in accordance with the provisions of Section 336.025, Florida Statutes.

INDEMNIFICATION:

To the extent permitted by law, Municipalities and County hereto agree to indemnify and hold harmless each other for any and all damages arising out of their respective negligence regarding the performance of this Agreement.

SOVEREIGN IMMUNITY:

Nothing in this Agreement shall be deemed a waiver of immunity or a limitation of liability of any of the governmental parties hereto beyond any statutory limited waiver of immunity or limitation of liability which may have been adopted by the Florida Legislature in Section 768.28, Florida Statutes, or other statute, and nothing in this Agreement shall inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred under the Doctrine of Sovereign Immunity or by operations of law.

GOVERNING LAW:

All applicable local and state laws, rules, and regulations shall govern the Municipalities and the County. Venue for any action arising out of this Agreement shall lie in Okaloosa County.

SEVERABILITY:

If any provision hereof is in conflict with any applicable statute, rule, regulation or is otherwise unenforceable, then such provision shall be null and void to the extent of such conflict, and shall be severable, but shall not invalidate any other provision of this Agreement.

CONSTRUCTION:

The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

AUTHORITY:

The execution of this Interlocal Agreement has been duly authorized by the appropriate official action of each party hereto, each party has complied with all requirements of law, and each party has full power and authority to comply with the terms and provisions of this Agreement. This Agreement shall bind the successors, assigns, and legal representatives of the parties.

**CONTRACT # C14-2090-PW
MUNICIPALITIES
LOCAL OPTION GAS TAX INTERLOCAL
AGREEMENT
EXPIRES: 09/30/2023**

Instr # 2886203 BK: 3119 PG:2288,Page 1 of 10
Recorded 10/01/2013 at 04:51 PM.
RECORDING: \$46.50 RECORDING ARTICLE V: \$40.00

DEPUTY CLERK KSCHOOLCRAFT
DON W. HOWARD, CLERK OF COURTS, OKALOOSA COUNTY, FL

In consideration of the mutual covenants and promises hereinafter contained to be kept and performed by the parties hereto, for the mutual benefit of the Municipalities, their constituents and the County, and its constituents, it is agreed that the six cents of the first local option gas tax imposed in accordance with Ordinance Nos. 87-13 and 03-14 and up to five cents of the second local option gas tax imposed by the County shall be divided among and distributed to the County and eligible Municipalities in Okaloosa County for the purposes as set forth in Section 336.025, Florida Statutes, by the Florida Department of Revenue as follows:

RECIPIENT	SHARE OF PROCEEDS
Cinco Bayou	0.3828 %
Crestview	7.8062 %
Destin	7.9133 %
Fort Walton Beach	9.7956 %
Laurel Hill	0.4593 %
Mary Esther	1.9899 %
Niceville	4.3618 %
Shalimar	0.6124 %
Valparaiso	2.6787 %
Okaloosa County	64.0000 %

AMENDMENTS:

This Agreement may be modified only by the mutual written consent of a minimum of 75% of the total population of the Municipalities and may be reopened for negotiation of the funding distribution at any time during the term of the Agreement.

This Agreement and any amendments hereto, shall be filed with the Clerk of the Circuit Court for Okaloosa County, Florida, as required by Section 163.01(11), Florida Statutes. This Agreement shall be effective for the distribution of the local option gas taxes required to be shared with the municipalities for a ten (10) year period through the 2023 calendar year, or until recalculated by the County or the Municipalities based on the transportation expenditures of the immediately preceding five (5) years pursuant to the provisions of Section 336.025, Florida Statutes, whichever first occurs. All parties agree to provide a certification of their transportation expenditures prepared by their auditors if requested for a recalculation of the distribution formula.

IN WITNESS WHEREOF, the County and the Municipalities have caused this Agreement to be duly executed and entered into on the date first above written.

OKALOOSA COUNTY, FLORIDA

By: _____

Chairman



ATTEST:

Sandy J. Stanford
Clerk of Circuit Court



TOWN OF CINCO BAYOU, FLORIDA

By: Ther Huang
Mayor

ATTEST:

Nell Dykes
City Clerk

CITY OF CRESTVIEW, FLORIDA

By: David Coble
Mayor

ATTEST:

Glynn M Roy
City Clerk

CITY OF DESTIN, FLORIDA

By: Sam Sam
Mayor

ATTEST:

[Signature]
City Clerk

CITY OF FORT WALTON BEACH, FLORIDA

By: Mike And
Mayor

ATTEST:

Helena A. Spencer
City Clerk

CITY OF LAUREL HILL, FLORIDA

By: Rolly C Adams
Mayor

ATTEST:

Vita Miller
City Clerk

CITY OF MARY ESTHER, FLORIDA

By: W. L. ...
Mayor

ATTEST:

Nichole A. Wellem
City Clerk

CITY OF NICEVILLE, FLORIDA

By: Randall Wink
Mayor

ATTEST:

Daniel J. Doucet
City Clerk

TOWN OF SHALIMAR, FLORIDA

By: Rayson
Mayor

ATTEST:

...
City Clerk

CITY OF VALPARAISO, FLORIDA

By: John ...
Mayor

ATTEST:

...
City Clerk



BOARD OF COUNTY COMMISSIONERS AGENDA REQUEST

DATE: September 17, 2013
TO: Honorable Chairman and Members of the Board
FROM: John Hofstad
SUBJECT: Gas Tax Interlocal Agreement
DEPARTMENT: Public Works
BCC DISTRICT: All

STATEMENT OF ISSUE: Staff requests Board approval of a revised Interlocal Agreement between Okaloosa County and the County's nine incorporated municipalities related to the distribution of Local Option Gas Tax (LOGT) revenues for both the first and second LOGT.

BACKGROUND: During the May 21, 2013 BCC meeting, the Board elected not to extend an existing interlocal agreement for the distribution of gas tax revenues between the County and the County's nine incorporated municipalities. At issue was the distribution of revenue from the first LOGT (6 cents) which is imposed on every gallon of motor fuel (gasoline and diesel) sold in Okaloosa County. The agreement, which had been in place since 2003, recognized a 60/40 funding distribution with the County retaining 60% of the revenue and the balance of 40% being split among the municipalities. By taking no action to extend the previous interlocal agreement, the Board effectively set in motion the process to redefine how gas tax revenues would be distributed among all participating agencies.

Absent a formal interlocal agreement for gas tax distribution, Chapter 336 of the Florida Statutes dictates how revenues collected within a County through a local option gas tax will be shared among the incorporated municipalities and County. The distribution rate of these funds shall be based on each entity's transportation related expenditures for the preceding 5-year period. In short, those entities that spend more dollars on transportation infrastructure and upkeep will receive more revenue annually than those who spend a lesser amount.

For the past several months, staff coordinated closely with the municipalities to gather transportation related expenditure data. An initial evaluation of the data indicated a funding split in the 70/30 range; however, much of the data received differed vastly from the information contained in each entity's Annual Financial Report (AFR) which is filed annually with the Florida Department of Revenue (DOR). For this reason and the time constraints involved with certifying a new funding split with the DOR, staff elected to utilize AFR expenditure information in the final calculation for consistency. In addition, staff backed out the County's enterprise fund contributions to the expense total which resulted in a final split with the cities of 64/36.

Staff presented the 64/36 split to the municipalities along with the Board's proposal to implement 3 cents of the second LOGT and the resulting revenue that would be generated from both sources (1st LOGT and 3 cents of the 2nd LOGT). After considerable discussion on the subject and several iterations of a proposed interlocal agreement, the majority of the municipalities offered their support for a 64/36 funding split which utilizes relative percentages from the previous agreement applied to each of the municipalities. This proposed distribution

(attached) results in each City gaining a 22% increase in revenue for next year (9 months of revenue in year 1) and a 32 % increase in revenue for each subsequent year.

The revised Interlocal Agreement is attached to this report and details the percentage and dollar allocation to each entity. Contingent upon Board approval and execution by the municipalities, the agreement will be forwarded to the DOR prior to October 1st in order to implement the funding distribution on January 1, 2014. It should be noted that only a majority of the incorporated area has to approve the agreement for it to become effective. One or two dissenting municipalities cannot nullify the agreement if they do not represent a majority of the incorporated area. To date, three municipalities representing a majority of the incorporated population have approved the agreement. The agreement shall be in place for a period of ten years from the date of execution unless otherwise modified to reflect different distribution percentages based on transportation related expenditures. The proposed Interlocal Agreement has been reviewed and approved by legal counsel.

OPTIONS: Approve/Disapprove the proposed Interlocal Agreement between Okaloosa County and the County's nine municipalities for distribution of Local Option Gas Tax revenues at a rate of 64% to Okaloosa County and 36% to be split among the municipalities as defined in the agreement.

RECOMMENDATIONS: Staff requests Board approval of the proposed Interlocal Agreement between Okaloosa County and the County's nine municipalities for distribution of Local Option Gas Tax revenues at a rate of 64% to Okaloosa County and 36% to be split among the municipalities as defined in the agreement.



John Hoffstad, Director

9/11/2013

RECOMMENDED BY:

APPROVED BY:

Ernie Padgett, County Administrator