



Legislation Details (With Text)

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Attachments: 1. Council Policies to be presented at 5-1-2017.pdf

Date	Ver.	Action By	Action	Result
5/17/2017	1	City Council		
5/15/2017	1	Council Work Session		

SUBJECT/RECOMMENDATION:

Approve City Council Policies. (consent)

SUMMARY:

Staff is recommending the following changes:

- 1) Fire Lanes (23C)** - As directed at the April 17 work session, staff is recommending the following amendment:

The Police Department shall have primary responsibility for the enforcement of designated fire lanes. At the discretion of the Fire Chief, Fire Department personnel will be trained to participate in the enforcement of parking violations pertaining to fire lanes and fire hydrants.

Current language:

Fire Department personnel will participate in the enforcement of parking violations pertaining to fire lanes and fire hydrants.

- 2) Economic Development Incentive Policy (27M)** - At the April 20 council meeting, Council approved the policy. The following policy statement has been incorporated:

Economic development incentives should be carefully crafted in a transparent manner to ensure that they yield a net benefit to City residents, the following principles should be considered when making determinations:

- a) The targeted investment would not occur without the incentive;
- b) The investment should generate new economic activity in the area;

- c) Each project should be evaluated on a case-by-case basis using the guiding principles articulated in the City's Economic Development Strategic Plan;
 - d) The Economic Development and Housing Department is the lead department for the development, evaluation, negotiation, measurement and reporting of City- wide economic development incentives.
- 1) Incentive Types: Incentives may be established as Programs or Tools and may provide financial and non-financial inducement to the business, property owner, or developer of a qualifying project:
- a. Incentive Programs are established by Ordinance or Resolution and require the development of published guidelines and application for submittal by a qualifying project:
 - i. Qualifying criteria and disclosure of the methods by which the Economic Development and Housing Department will evaluate, negotiate, measure and report information contained within the application must be established within the guidelines.
 - b. Incentive Tools are those activities and resources provided by, or on behalf of, the Economic Development and Housing Department and are not subject to an application process. The use of financial Incentive Tools are subject to Council approval.
 - c. Financial Incentives must identify the source of funds, as may be permitted by law and may be available from time to time, which may include, but are not necessarily limited to:
 - i. Ad valorem tax exemption as permitted by statute;
 - ii. The limited waiving, crediting, or payment of fees;
 - iii. Reduced rent on city-owned property;
 - iv. Grant or loan-to-grant agreements;
 - v. Low-interest loans;
 - vi. Land exchange of comparable appraised value;
 - vii. Financial support of infrastructure improvements;
 - viii. Matching grant funds or in-kind services;
 - ix. Funds for programs or services;
 - x. Brownfield assessment funds;
 - xi. Public utility tax exemption;
 - xii. Local match of state authorized programs.
 - d. Non-financial incentives may include:
 - i. Expedited planning review and approval process;
 - ii. Access to Economic Development services;
 - iii. Other city services, as appropriate.
- 2) Creation or Establishment of Incentive Programs and Tools: From time to time, Incentive Programs or Tools may be created or established. Such Programs or Tools must include:
- a. A statement demonstrating how the proposed incentive relates to the broader economic development strategies including desired development areas identified in the Economic Development Strategic Plan, Adopted Long Range Plans, Consolidated Plan, and others;
 - b. Desired goal of the program or tool;
 - c. Identification of qualifying criteria which may include, but are not limited to:
 - i. Minimum number of new full-time city positions created by the business as a result of relocating to or expanding in the city;
 - ii. Minimum average annual wage of the new employees of the business located in the city;
 - iii. Minimum threshold of capital investment in the city;
 - iv. Geographic boundaries in which the Program or Tool may be applied;
 - v. Sales factor;
 - vi. Industry type including Primary Targeted Industry, if applicable.
 - d. Methods of evaluation:

- i. Quantitative Measures:
 - 1. Economic, Fiscal and Incentive Impact Analysis;
 - 2. Jobs created/retained;
 - 3. Average wage of new jobs;
 - 4. Capital investment generated;
 - ii. Qualitative measures which identify the achievement of specific community goals.
 - e. Reporting requirements and maintenance of records:
 - i. Where applicable, economic development incentives approved by Council will be reported as per Council, State and Federal reporting requirements.
 - f. For Financial Incentives:
 - i. The method of payment for performance and recapture of funds for failure to perform.
- 3) Funding sources: Funding for economic development incentives may be obtained from the General Fund through the annual budget process or from time to time from any allowable source, including:
- a. General Fund Reserve;
 - b. Central Insurance Fund;
 - c. Enterprise Fund;
 - d. Federal, State, or County government grants or allocations;
 - e. Other monies set aside, as appropriate.
- 4) Definitions:
- a) "Project," means company, applicant, developer, property or the combination of some or all which is evaluated for consideration of incentives.
 - b) "Desired Development Area," means certain geographic region(s) of the City of Clearwater where development is preferred.
 - c) "Average Annual Wage" means statistical yearly average wage being paid or proposed wage to be paid by prospective company.
 - d) "Primary Targeted Industry," means the seven (7) industries identified by the City's Economic Development Strategic Plan (2011) and those identified by Enterprise Florida, Inc. or the Florida Department of Economic Opportunity which may be subject to change from time to time.
 - e) "Capital Investment", means the acquisition of capital assets or fixed assets, such as land, buildings, and equipment.
 - f) "Economic, Fiscal and Incentive Impact Analysis", means the calculation of the worth of a project, business or activity to the community over a period of time using a recognized third party analysis tool, such as "Total Impact" by Impact DataSource, LLC.

- 3) **New Sidewalks (30E)** - The process to install new sidewalks in a neighborhood has been in practice since 1995 but never memorialized into the City Council Policies. Staff is recommending adding the following policy statement:

Proposed language:

In order for new sidewalks to be installed in an existing neighborhood, a petition is required indicating that greater than 50% of the property owners impacted are in favor. Exceptions include when the City determines that a sidewalk is necessary as part of a heavily used school route, or for sidewalks filling a gap between existing sidewalks involving two or less residences.

- 4) **Enterprise Fund Transfer Payment (3I)** - Sat the April 17 work session, staff was directed to clarify

the policy statement. Staff is recommending the following statement:

April 1989 policy adopted by councilmembers established this rate at 4.5% of prior-year gross revenues. This proportionate rate was adopted to accommodate growth, and replaced prior years' policy of a prescribed dollar contribution. Other than the exceptions noted below, the rate of 4.5% remained in effect until the City Council adopted the amended rate of 5.5% in September 2005.

Upon adoption of the Gas Strategic Plan in fiscal year 1995/96, the Council agreed to replace the Gas Support contribution with a franchise fee from natural gas customer accounts payable to the General Fund. This, in combination with the Gas dividend, offered the General Fund the same level of support as fiscal year 1995/96. The Gas System Dividend will be 50% of the Gas System Net Income less Bond Interest Earnings, but no less than a minimum of \$1,700,000, plus a PILOT (Payment in Lieu of Taxes) fee of at least \$508,720. Such PILOT fee will be paid by the Gas Franchise Fees to offset such PILOT payment. ~~When the Gas System Net Income less Bond Interest Earnings exceeds \$3.4 million for any fiscal year, the Gas Dividend payment for the next fiscal year will be one half of that amount.~~

In September 2000, with the adoption of the 2001/02 Annual Operating Budget, the City Council expanded this policy, which had previously been imposed only on the utility enterprises, to include an annual payment in lieu of taxes from the Marine and Airpark Fund. In FY 2009 the Parking Fund began paying the PILOT.

- 5) Review of Rate Schedule (50)** - At the April 25 special council meeting, staff was directed to amend the unrestricted reserve balance for utility funds to six months. Staff is recommending the following amendment:

It is a policy of the City Council to review rate schedules of the City of Clearwater enterprise funds at a minimum of every 5 years. The purpose of the review will be to assure rates are set in a manner to be fair and equitable while covering the City's cost to provide the service.

Unrestricted utility fund balances (working capital reserves) should be maintained pursuant to the most recent rate review or at a level equivalent to at least ~~three~~ six months' operation and maintenance expense, whichever is greater, and ~~enterprise and internal service funds~~ three months for all other enterprise and internal funds.

APPROPRIATION CODE AND AMOUNT:

N/A

USE OF RESERVE FUNDS:

N/A