

Blueprint Intergovernmental Agency

Board of Directors

Budget Workshop Minutes

Date: September 17, 2017
To: Board of Directors
From: Benjamin H. Pingree, PLACE Director
Subject: Summary Minutes to Board of Directors Budget Workshop of July 9, 2020

MEMBERS PRESENT

COUNTY	CITY
Commissioner Bryan Desloge, Chair	Commissioner Elaine Bryant, Vice-Chair
Commissioner Kristin Dozier	Mayor John Dailey
Commissioner Nick Maddox	Commissioner Curtis Richardson
Commissioner Mary Ann Lindley	Commissioner Jeremy Matlow
Commissioner Bill Proctor	Commissioner Dianne Williams-Cox
Commissioner Rick Minor	

MEMBERS ABSENT

COUNTY	CITY
Commissioner Jackson	

I. AGENDA MODIFICATIONS

- There were no agenda modifications.

II. CITIZENS COMMENTS RECEIVED BY EMAIL

Public comments were received by email to Comments@BlueprintIA.org through 5:00 p.m. on July 8, 2020. All comments received by that time were provided to the IA Board as part of the record.

III. GENERAL BUSINESS

1. Workshop on the Draft Fiscal Year 2021 Operating Budget and FY 2021 -2025 Capital Improvement Program for the Blueprint Intergovernmental Agency

Ben Pingree introduced the draft Operating Budget and Capital Improvements Program (CIP) for the Blueprint Intergovernmental Agency, provided a brief overview including the revised revenue estimate and the proposed budget amendments for the Agency. The estimate included an 11-percent decline in FY20 and 10.44-percent in FY21 with a 2.5-percent increase for FY22-24. The total decline for FY20-25 was estimated at \$20 million for the Agency with a \$97 million reduction in sales tax

revenues projected through the 20-year program. Mr. Pingree noted that the key take away for budget amendments was that projects were delayed by a factor of months, not years. He turned the presentation over to Autumn Calder and Cristina Paredes to discuss specifics of the proposed budget amendments for the Infrastructure Program and Office of Economic Vitality (OEV), respectively.

Autumn Calder provided a presentation to the IA Board on the draft FY21 Operating Budget and FY21-25 CIP for the Infrastructure Program, which included a seven percent reduction to the Operating Budget, the reallocation of all capital project funding, affected in FY20, through the proposed FY21 capital budget allocations, and spreading the bond issuance over FY22 and FY24. Blueprint recommended the deallocation of five completed Blueprint 2000 projects, totally \$1.4 million to be applied to the currently active projects. With allocations recommended to 10-capital project, totally \$19.4 million. Over the five-year CIP, 13 projects were recommended for funding with approximately \$200 million allocated.

The FY21-25 CIP included approximately \$200 million investment in local infrastructure improvements with another \$50 million invested through City and County administered annual allocation projects. The \$100 million total bond, in FY22 and FY24, would accelerate completion of regional infrastructure improvements including the Airport Gateway and the Northeast Connector Corridor: Bannerman Road. It also included at \$28 million State Infrastructure Bank (SIB) Loan to support construction of the Northeast Gateway: Welaunee Boulevard.

Ben Pingree spoke to the request by the Board of County Commissioners (BOCC), from their January 2020 Retreat, to investigate an updated Market Study for the Fairgrounds. Funding for to update the Market Study was estimated at \$65,000; that amount was not include in the CIP. If approved staff proposed reducing the FY21 allocation to the Market District project by that same amount.

Cristina Paredes provided a presentation to the IA Board on the draft FY21 Operating Budget and FY21-25 CIP for OEV, which included a seven percent reduction to the Operating Budget, fully funded Economic Vitality programs, including the annual allocation to Tallahassee International Airport, and retained the focus on local business support and retention. Business development funding was decreased through moving services in-house. Funding to support local business, workforce, and MWSBE activities was increased. The FY21-25 CIP included \$50 million dedicated to help expand the local economy, including the Convention Center, International Airport, a Qualified Target Industry Program, Business Recruitment Initiatives, and Business Engagement activities.

Ben Pingree spoke to the next steps including any necessary adjustments or direction from the IA Board and two public hearings (September 3, 2020 at the CAC meeting and September 17, 2020) prior to approval at the September 17, 2020 IA Board meeting. A copy of the presentation is on file at Blueprint Intergovernmental Agency.

Commissioner Desloge moved, seconded by Commissioner Richardson, to approve Option 1 and 2.

Option 1: Accept the Workshop Item on the Fiscal Year 2021 Proposed Operating Budget and Fiscal Year 2021-2025 Proposed Capital Improvement Program for the Blueprint Intergovernmental Agency.

Option 2: Approve the proposed FY 2020 budget amendment to ensure that the Agency's estimated sources of funds are balanced with the authorized uses of funds.

Commissioner Proctor expressed his concern about the Fairgrounds project. He noted that Northeast Gateway: Welaunee Boulevard received a \$28 million SIB loan and was to be included in the \$100 million bond issuance. In his opinion, it was special treatment and support for a northeast project at the continued delay of a southside project. He referenced the approval of funding for the Convention Center, through the economic development portion of the sales tax revenues and bond and in partnership with Florida State University (FSU), and the forthcoming funding request from Florida Agricultural & Mechanical University (FAMU) at the 3:00 pm IA Board meeting (Item #10). Commissioner Proctor requested that \$12 million be added to the \$100 million bond for infrastructure projects to fund the updated Market Study and improvements at the Fairgrounds.

Commissioner Minor spoke to the reduction in business development funding particularly as related to magnetic technologies. He questioned if, because of the pandemic, the magnetics industry might have fewer prospects for Tallahassee-Leon County to recruit businesses. He also questioned the outlook by the Magnetic Taskforce. Cristina Paredes stated that the Magnetic Taskforce was the first stop with the proposal to amend the contract with Research On Investment (ROI). She reassured Commissioner Minor that a significant portion of that contract remained in place along with the vetting of the initial companies. The OEV team had the subject matter experts on staff for the marketing through trade shows to bring the conversations across the finish line. The Magnetic Capital of the World brand continued to generate attention along with interest in materials and biotechnology.

Commissioner Lindley stated that in December 2019, the IA Board accepted the status on the Fairgrounds report and in January 2020, the BOCC approved a strategic plan to update the Market Study. She felt it wise to update the Market Study to advance the project and the economy of the southside.

Commissioner Lindley offered a friendly amendment to include Option 3. Commissioners Desloge and Richardson agreed.

Option 3: Direct the Blueprint Infrastructure Program to program an allocation of \$65,000 for the Beautification and Improvements to the Fairgrounds project in FY 2021, and decrease the proposed allocation to the Market District project by this same amount.

Commissioner Richardson noted that it was the prudent first step ahead of bonding additional funds.

Commissioner Williams-Cox stated that while she could support the Market Study. She cautioned against spinning the proverbial tires and spoke of reimagining possibilities for the site.

Commissioner Matlow spoke to the plans by the Community Redevelopment Agency for a Super Round-a-bout that implied the preference to move people past the Fairgrounds more quickly rather than uplift it to become a special district. He questioned the need for additional studies on the Fairgrounds project when a suggestion by residents amended the Northeast Gateway: Welaunee Boulevard project in a couple of months and request by FSU amended the Convention Center project in one week. Hearing Commissioner Proctor say that there were no restroom facilities at the Fairgrounds, made Commissioner Matlow question what exactly, the IA Board was doing when the response to repeated request to advance funding for the project, was to offer a small step of a Market Study.

Furthermore, in the first six months of the 20-year program, the majority of projected revenues were allocated. He noted that the government of Orange County, FL canceled their planned convention center project because of the pandemic and uncertainty of the future demand of convention centers. He encouraged the IA Board to allow flexibility with resources to address the possibility of businesses forced to close against their will, due to the pandemic. In his opinion, that was the most urgent item on the horizon. Whereas, there was no immediate demand for a Convention Center because people would not be gathering.

Commissioner Matlow further stated that installing restrooms at the Fairgrounds was also important in order to provide for the people using the services. There was ample conversation around needing a Convention Center to move Tallahassee-Leon County forward, yet, moving forward seemed to be about the people with resources rather than those in need. Later on, at the 3:00 p.m. meeting, the IA Board would take up a funding request by FAMU, for \$10 million for repairs to Bragg Stadium, which was not included in the proposed budget. He suggested including the \$10 million for FAMU and funding the restrooms at the Fairgrounds into a revised budget for IA Board review.

Commissioner Dozier expressed her concern that no Cost of Living Adjustment (COLA) was included in the proposed Operating Budgets. She spoke to the investments made in staff by the City and County and to how OEV and Blueprint staff supported the continuance of many small businesses at the beginning of the pandemic. In light of the ongoing challenges of the pandemic, she preferred to see COLA included. She questioned what the total amount necessary would be, for the Agency to receive COLA. Ben Pingree stated that it was approximately \$30,000 for each percent increase across the Agency. The historical standard being three percent.

Commissioner Dozier offered a friendly amendment to the motion on the floor, to include a total of \$90,000 in the Operating Budgets of Blueprint and OEV for COLA for staff. Commissioner Desloge accepted the amendment. Commissioner Richardson, the second on the motion, declined acceptance in light of the City not offering City employees any raise at all. Commissioner Bryant suggested that the IA Board dispense with the motion on the floor with Commissioner Dozier making a separate subsequent motion.

Turning to the reduction in business development funding and the level of comfort from the Magnetic Taskforce on those decisions, Commissioner Dozier questioned their opinion on moving forward with the Convention Center project, the possible purchase of 1309 Alabama Street, or supporting repairs at Bragg Stadium given that it would reduce OEV's ability to contribute in the future. Cristina Paredes stated that OEV was confident in seeing opportunity in the business development sector. The proposed budget established the Competitive Projects Fund (CPF) and Future Opportunity Leveraging Fund (FOLF) as discussed at the March 12, 2020 Strategic Plan Workshop. Seeding both funds in FY21, would allow OEV to incentivize companies regarding land, infrastructure, research and development, and support the development of a workforce pipeline. FOLF would seize upon project opportunities that were not currently in the budget. The policies governing both funds were on the agenda for the 3:00 pm meeting. Commissioner Dozier supported the seeding of the funds and still questioned OEV's ability to recruit from outside or support local businesses in the future should sales tax revenues continue to be depressed for a period of years.

Ben Pingree confirmed the finite resources available to the IA Board for economic vitality. Following IA Board guidance, OEV staff developed an implementation schedule per a series of policies, with oversight mechanism and an annual audit, all approved by the IA Board, within the projection of the funds available. The estimated 20-year projection, following the commitment to the Convention Center project was \$14 million; that was reduced to \$4 million due to the pandemic.

Commissioner Dozier expressed further concern by the limited bandwidth to discuss the larger questions. There were merits to all of the proposed projects however, she was reticent to commit to any. In the first seven months of a twenty-year sales tax, all but \$4 million was already allocated. It troubled her that future IA Boards would not have the flexibility to support larger business opportunities because the revenues were committed in the first year of collections.

Mayor Dailey voiced his support for the motion on the floor, including the updated Market Study at the Fairgrounds and redevelopment of that property. Regard COLA, he noted the challenges raised in balancing the City's budget and regretted being unable to support COLA for Blueprint when it was not available to City employees.

Commissioner Richardson stated that as a member of the Sales Tax Committee, he advocated for \$10 million for improvements to the Fairgrounds. He was unsure where landed in the implementation schedule and recognized that it was not in the five year CIP. He noted that the president of the Fairground Association spoke at a recent IA Board meeting and questioned their position and the outcome of subsequent collaboration with that organization.

Commissioner Maddox stated that he personally spoke with the Fairgrounds Association and they wanted the same types of improvements. His expectation, based on direction from previous discussions, was that the updated Market Study include the Fairground Association.

Commissioner Proctor also spoke with the Fairgrounds Association and confirmed their desire for improvements, particularly restrooms and water fountains, at the

facility. He spoke of the history of projects in other areas of town being funding, often with additional studies or realignments included at the request of residents, while the Fairgrounds continued to be pushed down the list. He did not feel that the \$65,000 for an updated Market Study was enough.

Commissioner Proctor offered a substitute motion, seconded by Commissioner Williams-Cox, to approve Options 1-3 and direct staff to include \$12 million in the FY21-25 CIP, which included the bond issuance, for the Fairground Improvement project.

Commissioner Desloge stated that the IA Board could not simply make improvements to the facilities at the Fairgrounds because it was a separate entity governed by the Fairgrounds Association. They would need to acquiesce control to the County or IA Board for that to occur. He could support options 1-3, including the Market Study. Any comparison of the Fairgrounds to the Convention Center project needed the qualification that the arrangement changed because FSU agreed to pay for the any shortfalls over the lifetime of the facility. Convention Centers across the US were perennially in the red. The IA Board had greater flexibility to provide capital upfront, freeing them from the ongoing operation and maintenance cost yet gaining a community asset.

Commissioner Maddox questioned if the substitute motion would increase the bond or if the \$12 million would come from within the previously approved \$100 million bond. Furthermore, he was interested in supporting the funding request from FAMU, on the agenda for the 3:00 pm meeting. He questioned how that would fit with the budgetary commitments made in the workshop.

Ben Pingree stated that as he understood the motion, and requested that Commissioner Proctor keep him aligned with the intent, the Fairgrounds project would be added to the bond issuances within the next five years and advancing the project in the prioritization schedule. Playing that out over the \$20 year cycle and bringing the analysis back to the IA Board on the implications. The IA Board had capacity beyond the approved \$100 million bond. If the IA Board opted not to increase the bond, they would need to decide what to remove from the project list to include the Fairgrounds in the \$100 million for infrastructure projects. Regarding the funding request from FAMU for improvements to Bragg Stadium, Mr. Pingree stated that it would come through the 12 percent of sales tax revenue for economic development.

The motion passed 8-3 (weighted 50-15) with Commissioners Desloge, Dozier, and Lindley dissenting.

Commissioner Dozier acknowledged the budgetary challenges for the City and County and noted the difficult position for both Commissions should COLA be offered or not Blueprint employees. She encouraged the IA Board to consider Blueprint exclusively as the Agency had a different funding source and budget, and was not in the same position as the City or County. The funding was available to support employees and retain their talent.

Commissioner Dozier moved, seconded by Commissioner Matlow, to include a 3% cost of living adjustment, up to \$90,000 in the FY21 Operating Budget.

Commissioner Matlow acknowledged the hard choices made by the City however, the Blueprint budget was positioned differently. The IA Board recently added \$33 million to the Convention Center project. The comparison to provide COLA for City staff would be significantly higher. The \$90,000 was available and the employees resolutely incorporate adjustments and support small businesses in the pandemic. With the funding available, he supported the motion and encouraged the IA Board to.

Commissioner Williams-Cox stated that she could not support the motion, despite wanting to, because the message it would send to the City employees.

Commissioner Proctor empathized with the position of the City but noted that Blueprint employees created and administered two \$1 million grant programs, flawlessly and in extraordinary circumstances of the pandemic, to support local small businesses and non-profit organizations. Blueprint staff were not employees of the City or County, but of the Intergovernmental Agency with a separate budget. He was challenged to compare Blueprint to the City or withhold COLA due to City budgetary constraints.

The motion failed 6-5 (weighted 32-33) with Commissioners Desloge, Bryant, Richardson, Williams-Cox, and Mayor Dailey dissenting.

IV. ADJOURN

The meeting adjourned at 3:14 p.m.

*The next Blueprint Intergovernmental Agency Board of Directors Meeting
is scheduled for
July 9, 2020 at 3:00 p.m.*