

Largo, Florida, December 13, 2010

The Pinellas County Transportation Task Force was held on December 13, 2010 at 1:03 P.M. at the EpiCenter at St. Petersburg College, 58th Street North, Largo, Florida, with the following participants present:

Karen Williams Seel, Chairman, Pinellas County Commissioner (BCC and MPO)
Alan Bomstein, President and CEO, Creative Contractors
Mark Carlson, Senior Vice-President of Investments, Merrill Lynch
Jeff Danner, City of St. Petersburg Councilmember (PSTA and MPO)
Ronnie Duncan, TBARTA Chair
Ben Godwin, Senior Vice-President of Real Estate and Corporate Services, Tech Data Corporation
Stephan Heimburg, PE, The Heimburg Group, Inc.
Frank Hibbard, City of Clearwater Mayor, TBARTA Vice-Chair (MPO)
R. B. Johnson, City of Indian Rocks Beach Mayor, PSTA Chair
Helen Levine, Regional Vice-Chancellor of External Affairs, USF St. Petersburg
Dan Mann, Lighthouse of Pinellas
Peggy O'Shea, School Board Member
Robert Pergolizzi, Principal, Gulf Coast Consulting
Craig Sher, Executive Chairman, Sembler Company
Ed Smolik, Mease Dunedin and Countryside Hospitals (alternate for Lou Galdieri)
Stan Vittetoe, Vice-President of Workforce and Continuing Education and St. Petersburg College Clearwater Campus Provost
Kenneth T. Welch, Pinellas County Commissioner (PSTA and MPO)
Ted Williamson, Founding Partner, Williamson Dacar Associates

Late Arrivals

Niel Allen, Realtor, Century 21 Coast to Coast Realty
Tim Bogott, CEO, Tradewinds Resort
Vincent Dolan, President and CEO, Progress Energy Florida
Cathy Harrelson, Conservation and Coastal Task Force Chair, Suncoast Sierra Club

Not Present

Joe DeLuca, Vice-President, Times Publishing Company, Tampa Bay Partnership Board
Lou Galdieri, COO, Mease Dunedin and Countryside Hospitals
Dan Hester, President and CEO of Special Asset Department, Florida Capital Bank
Judy Mitchell, President, Peter R. Brown Construction, Inc.

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Also Present

Denise Skinner, Interim Director, PSTA
Brian K. Smith, MPO Executive Director
Other interested individuals
Michael P. Schmidt, Deputy Clerk

AGENDA

- I. Welcome/Introductions – Karen Williams Seel
- II. Approval of Minutes
- III. Presentation by Brian Shuford and Joel Giles
Pinellas Realtor Organization Chambers of Commerce
- IV. Discussion – Karen Williams Seel
Pinellas County Transportation Task Force Policy Recommendation Summary
- V. Next Steps
- VI. Adjourn

WELCOME/INTRODUCTIONS

Chairman Seel called the meeting to order at 1:03 P.M. and welcomed the attendees. A sign-in sheet has been filed and made a part of the record.

MINUTES OF THE OCTOBER 18, 2010 MEETING – APPROVED

Upon presentation by Chairman Seel, Commissioner Welch moved, seconded by Mayor Hibbard and carried, that the minutes of the October 18, 2010, Transportation Task Force meeting be approved.

TRANSIT WORKS PINELLAS POLLING

Joel Giles, Attorney at Law, Carlton Fields, related that he and Brian Shuford, Director of Governmental Affairs, Pinellas Realtor Organization, have assembled an organization that is comprised of the Pinellas Realtor Organization, the Tampa Bay Partnership, the Largo Mid-Pinellas Chamber of Commerce, the Clearwater Regional Chamber of Commerce, and the St. Petersburg Area Chamber of Commerce, and detailed how he and Mr. Shuford have been active with regard to the transit issue.

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At this time, 1:10 P.M., Ms. Harrelson and Mr. Allen entered the meeting.

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Mr. Shuford, with input by Mr. Giles, conducted a PowerPoint Presentation titled *Transit Works Pinellas Polling*, a copy of which has been filed and made a part of the record, and presented general and statistical information regarding the benchmark poll conducted in Pinellas County in September and the exit polls conducted in Hillsborough and Pinellas Counties in November, and indicated that the highlights of the polls included:

Benchmark Poll

- In Pinellas, odd year likely voters were more supportive than even year voters polled earlier this year.
- Pinellas voters continue to show soft overall support.
- Pinellas voters were not heavily influenced by Hillsborough campaigns.
- Referendum will be decided primarily by those who do not use public transit.
- In Hillsborough, lack of a clearly-defined plan, lack of perceived need, and a mistrust of handling of taxpayer money contributed to defeat.
- Extending Penny for Pinellas is favored by municipal election likely voters, but political environment will be key.
- If a tax increase can be taken out of the equation, the referendum would have a much better chance of passing.

Exit Polls

- Soft overall support.
- Economic concerns define the electorate.
- Very low public transit use.
- Traffic not a major perceived concern.
- Rail not strongly supported.
- Property taxes a hot-button issue.
- Hillsborough will (and did) have impact.
- PSTA well-respected.
- Municipal voters more likely to support.

In response to queries by Commissioner Welch, Mr. Giles related that there appears to be general support for eliminating the ad valorem tax in favor of a sales tax to help fund PSTA.

PSTA BUDGET CHALLENGES

Deviating from the agenda, Chairman Seel related that Mayor Johnson would provide a presentation relating to budget challenges being faced by the Pinellas Suncoast Transit Authority (PSTA).

Mayor Johnson conducted a PowerPoint presentation titled *PSTA Budget Challenges*, a copy of which has been filed and made a part of the record, and discussed the uncertain future of PSTA due to declining revenues. He related that PSTA is currently funded by property tax revenues, which have decreased by 30 percent during the past three years; and that PSTA continues to offer a high level of service even with reduced revenues; whereupon, he referred to a graph titled *PSTA Three Year Budget Projection*, pointing out that PSTA is currently dipping into reserves to make up for its loss of operating revenue; that the disparity will increase during Fiscal Years 2012 and 2013; and that in order for PSTA to stop draining its reserves, an alternate revenue source will be required.

In response to queries by Mr. Sher, Ms. Skinner discussed PSTA revenue sources, relating that approximately 65 percent of PSTA funding is derived through ad valorem taxes, 22 percent from the fare box, and the remainder through various grants. She related that PSTA is using a portion of its federal grant money to pay for operating and maintenance expenses; that those dollars would normally fund capital projects; and that the practice cannot continue indefinitely.

Thereupon, Ms. Skinner discussed PSTA expenses, relating that diesel fuel, supplies, insurance, and utilities are impacting the expense side of the PSTA budget; whereupon, she presented information regarding the Demand Response Transportation Services program, a service PSTA provides for disabled individuals who are unable to independently use regular, accessible PSTA buses. She related that the service is federally mandated, cannot be denied to eligible individuals, and is expensive; and that the service would have to be provided even if the rail transit referendum passed, and Ms. Harrelson provided input.

Referring to a graph titled *Property Tax Values on Non PSTA Municipalities/Districts*, Mayor Johnson presented historical background information pertaining to several beach communities which do not contribute to the funding of PSTA, relating that a beach trolley service was established about ten years ago going from Clearwater to St. Pete Beach; that five municipalities and two fire districts along the route decided against financially supporting PSTA through ad valorem taxes; that those communities still do not indicate a desire to participate; that eliminating bus service to those communities is not a reasonable answer; and

that using a funding source other than property taxes would lessen the inequity of not everyone paying their proportionate share.

Thereupon, Ms. Skinner presented information relating to a PSTA Half-Cent Charter County Surtax scenario:

- A one-cent sales tax is required for the full Vision Plan (enhanced bus and 26 miles of rail).
- PSTA receives \$26 million currently from property tax; a half-cent sales tax would generate approximately \$64 million.
- The half-cent sales tax would provide the ability to implement significant bus service improvements, particularly on the most productive route corridors. The funding would also provide for improvements to infrastructure such as terminals, transfers centers, etc. to support bus expansion.
- Rail service development could be done, but only at the expense of bus service, which would mean insufficient supporting/feeder bus service development.

In response to queries by Mr. Sher, Ms. Skinner related that PSTA is similar to the majority of other transit systems across the nation in that approximately 22 percent of its revenue is generated from the fare box; and that the system is largely subsidized. Mayor Johnson, with input by Ms. Skinner, discussed the rationale for PSTA continuing to provide transit service to those communities who do not financially contribute, relating that PSTA wants to provide integrated service to all of Pinellas County and to the individuals in those non-contributing communities who require transit; whereupon, Commissioner Welch and Mr. Duncan indicated that it is not equitable for communities to receive service and not contribute to the funding.

Ms. Harrelson reported that she had recently visited Washington, DC, and discussed her experiences riding the DC metro system. She related that the bus and rail services were well coordinated; that wait times did not exceed 25 minutes; and that she was satisfied with the experience; whereupon, Mayor Johnson, with input by Ms. Skinner, discussed how to improve PSTA service and make it more efficient and effective, but related that it would require more resources than are currently available.

TRANSPORTATION TASK FORCE POLICY RECOMMENDATION SUMMARY

FUNDING ALLOCATION ALTERNATIVES:

Chairman Seel referred to the *Pinellas County Transportation Task Force Collaborative Engagement*, which took place on November 15, 2010, and presented general and statistical information relating to the Funding Allocation Alternatives, relating that a consensus, or 72 percent of those who had attended the Collaborative Lab, supported Alternative B, which would allocate 88 percent of the funds to transit, eight percent to roads, and four percent to sidewalks and trails.

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At this time, 1:44 P.M., Mr. Dolan entered the meeting.

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Thereupon, Mr. Pergolizzi moved, seconded by Mr. Heimburg and carried unanimously, that Funding Allocation Alternatives, Alternative B, be approved.

REFERENDUM ON A TRANSPORTATION SURTAX:

Chairman Seel indicated that during the Collaborative Lab process, the Task Force had recommended that Pinellas County pursue a regional transportation surtax; and that the decision be put before the voters; whereupon, she reviewed four options which had been generated by the members, including:

- Option A: Regional Tax, Coordinated by TBARTA (Tampa Bay Area Regional Transportation Authority)
- Option B: Regional Tax with Interlocal Agreement for Joint Venture
- Option C: Pinellas County Tax, Coordinated with Other Counties
- Option D: Pinellas County Tax

Chairman Seel indicated that the members could select from the following four timeframe options or initiate one of their own regarding scheduling a referendum vote:

- Option A: Fall 2011
- Option B: Spring 2012
- Option C: Spring 2013
- Option D: Fall 2013

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Thereupon, Chairman Seel invited the members to express their viewpoints and engage in discussion regarding the referendum on a transportation surtax; whereupon, they offered the following comments:

- Option B, Regional Tax with Interlocal Agreement for Joint Venture, affords Pinellas County the opportunity to mutually solve regional issues, to engage in a single media campaign, and to connect the region as opposed to artificially limiting the plan to county borders.
- Pinellas County should be able to move forward even if a referendum vote fails in another county.
- PSTA is currently in a deficit funding position and a new funding source needs to be found or PSTA will have to increase the property tax millage.
- The Alternatives Analysis, which is a planning study to identify and evaluate alternative transit modes and potential alignments, is scheduled to be finished in November 2011.
- Regional mass transit would be beneficial to those individuals who live in one county and commute to another county to work.
- In light of the expected state budget shortfall, citizens may not be receptive to paying for a regional transit system.
- No discussions have taken place thus far with Hillsborough or Pasco Counties regarding regional transit. Dialogue should be initiated with those counties to obtain their input regarding timeframes and similar issues.
- Educating the public is essential for success since people are more apt to vote in favor of a topic they understand.
- Pushing the election out a couple of years in hopes of a better economic environment could provide a more positive response from the public.
- Moving in a swift manner could help to create transportation jobs, which would help to improve the economy.
- If elections were to be held in three separate counties, the fate of Pinellas County could be decided by another county.

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- The timeframe for holding an election would be dependent upon whether Pinellas County tied its election with other counties.
- Polling data suggests that a disproportionate number of voters from one political party would likely vote in a Spring 2012 election.
- Pinellas County can do regional transit without a regional tax, building a system and entering Hillsborough County using Interlocal Agreements.
- The opportunity exists for regional planning through TBARTA.

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At this time, 2:03 P.M., Mr. Bogott entered the meeting.

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During discussion regarding the transportation surtax and various timeframe options, Mayor Hibbard and Commissioner Welch related that a Fall 2011 referendum election would be too early; whereupon, Mr. Sher related that he supports a referendum election in either Spring or Fall 2013; and Mr. Bomstein related that he supports a Spring 2012 referendum election because the initiative can be placed on the 2013 ballot in the event it does not initially pass.

Thereupon, Mr. Sher moved, seconded by Mr. Bogott, that Option B be approved with Pinellas County entering into an Interlocal Agreement with Hillsborough County at a minimum, but not to the exclusion of any other county; whereupon, Mr. Dolan suggested a friendly amendment that Pinellas County have a contingency backup so that the County could move forward on its own if necessary. The maker of the motion, Mr. Sher, concurred, but the seconder, Mr. Bogott, did not, and related that he did not like the idea of a contingency plan, and discussion ensued.

Following lengthy discussion, Mr. Sher withdrew his original motion, and moved, seconded by Mr. Bomstein, that Option B be approved, a Regional Tax with Interlocal Agreement for Joint Venture between Hillsborough, Pasco, and Pinellas Counties, and that, at a minimum, the Hillsborough and Pinellas Referendums would be passed individually, but independent of each other for passage. Discussion ensued; whereupon, Mayor Hibbard called for the question. Upon call for the vote, the motion failed 8 to 14.

Thereupon, Mr. Allen moved, seconded by Mr. Godwin, that Option C, Pinellas County Tax, Coordinated with Other Counties, be approved with a minimum of Hillsborough and Pinellas Counties, and discussion ensued. Mr. Duncan related that the members may be having difficulty deciding which option to select because no discussions have taken place to ascertain the positions of Pasco or Hillsborough Counties; and suggested that the members may wish to defer their decision until after TBARTA has its Strategic Planning Meeting in January 2011, and Messrs. Dolan and Sher provided input.

Mr. Sher called for the question regarding the transportation surtax referendum; whereupon, Chairman Seel clarified that the motion is that Option C, Pinellas County Tax, Coordinated with Other Counties, be approved to coordinate with Hillsborough County but to also work with other counties. Upon call for the vote, the motion carried 19 to 3, with Messrs. Bomstein and Sher dissenting and Mr. Carlson abstaining.

Thereupon, Chairman Seel asked for a motion regarding the scheduling of the referendum; whereupon, Mayor Hibbard moved, seconded by Ms. Harrelson, that the referendum be scheduled no sooner than Spring 2012 and no later than Spring 2013, and discussion ensued. Upon call for the vote, the motion carried unanimously.

PSTA AD VALOREM TAX:

Referring to the recommendations made by the Task Force during the Collaborative Lab process, Chairman Seel reviewed two options which had been generated by the members, including:

- Option A: (Ad Valorem Decreased to 0.50 mils)
If a sales tax is pursued for transportation improvements (regional or just in Pinellas County) the PSTA ad valorem tax should be decreased to a rate of 0.50 mils.
- Option B: (Ad Valorem Eliminated)
If a sales tax is pursued for transportation improvements (regional or just in Pinellas County) the PSTA ad valorem tax should be eliminated.

Chairman Seel related that the members could vote for Option A, Option B, or simply choose not to make a recommendation to the BCC at this point; whereupon, the members discussed sales taxes versus ad valorem taxes, and Commissioner Welch related that he supports a reduction or elimination of the ad valorem tax going forward pending the finalization of the cost estimates from the Alternatives Analysis and other sources; and stated that it is an equity

issue since five cities do not contribute to the funding of PSTA, and Messrs. Carlson and Pergolizzi and Ms. Harrelson provided input.

Commissioner Welch moved, seconded by Mayor Johnson, that the members support the reduction or elimination of the PSTA ad valorem tax pending the outcome of the cost analysis from the Alternatives Analysis. Following further discussion and upon call for the vote, the motion carried unanimously.

LOCAL OPTION GAS TAX:

Referring to the recommendation made by the Task Force during the Collaborative Lab process, Chairman Seel related that the members had discussed recommending that a five-cent increase to the Local Option Gas Tax be pursued by the BCC; and that the direction needs to be further defined as it relates to the recommendation by the Task Force of a Transit Surtax; whereupon, she related that the Local Option Gas Tax would have to be adopted by a super-majority vote of the BCC or by referendum; and that it produces about \$3 million in revenue per penny of tax.

Mr. Carlson moved, seconded by Mr. Allen, that the proposed five-cent Local Option Gas Tax not be recommended to the BCC, and discussion ensued.

Mr. Bomstein, with input by Mr. Mann, indicated that the full five-cent Local Option Gas Tax should be enacted; whereupon, discussion ensued and the members offered the following comments:

- Mr. Heimburg related that although he would agree with enacting the gas tax, he would rather the members concentrate on the Penny.
- Ms. Harrelson related that she would be in favor of a referendum vote; that enacting the gas tax would provide funding for what drivers already use; and that it would provide for an improved transportation system in the future.
- Mrs. O'Shea requested that school buses be exempt from the tax.
- Mr. Smolik related that the Penny would provide sufficient funds for transportation; and that a gas tax would complicate matters and would lessen support among the voters.
- Chairman Seel related that the gas tax would be shared with 40 percent being allocated to the cities and 60 percent being allocated to the county.

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Upon call for the vote, the motion carried 16 to 6 that the Task Force not recommend the five-cent Local Option Gas Tax to the Board of County Commissioners.

NEXT STEPS

Mr. Carlson moved, seconded by Mr. Godwin and carried unanimously, that the Transportation Task Force reconvene in six to nine months.

PUBLIC COMMENT

In response to the Chairman's call for individuals wishing to be heard, Jonathan Chambers, Barbara Haselden, and Hamilton Hanson, St. Petersburg, appeared and expressed their concerns.

Following Public Comment, Chairman Seel thanked those in attendance, and related that interested citizens can go to www.pinellascounty.org, select Transportation Task Force, and submit comments via the website.

ADJOURNMENT

The meeting was adjourned at 3:12 P.M.