SARASOTA COUNTY GOVERNMENT

Administration

INTEROFFICE MEMORANDUM

TO: Sarasota County Commission

THROUGH: Randall H. Reid, County Administrator

FROM: Bill Little, Deputy County Administrator

SUBJECT: Item 3A: RESTORE Act — Implementation and Opportunities

DATE: October 1, 2012

SUMMARY:

As requested by the Town of Longboat Key, Sarasota County staff will present a briefing on the federal RESTORE Act, its implications and opportunities for the Sarasota County area. The briefing will include an overview of the RESTORE Act, funding opportunities, strategies for developing and implementing a county plan to access funds, timeframes and next steps.

BACKGROUND:

The RESTORE Act (Resources and Ecosystem Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast State Act of 2012) was passed by Congress to provide for the disbursement of funds assessed in violation of the Clean Water Act associated with the Deep Horizon Oil Spill of April 2010. The RESTORE Act sets forth a broad spectrum of authorized uses for the funds disbursed under the act relative to ecosystem and economic restoration of the gulf coast region.

As a gulf coast county of Florida, Sarasota County stands to receive a direct allocation of funds, and also is positioned to apply for additional funds from allocations managed by the state and federal governments.

In short, the RESTORE Act directs 80% of the total fines assessed to five pots of funds:

- 35% of the funds are evenly split among the five Gulf States (AL, LA, MS, TX and FL). The Florida funds are going directly to Florida gulf coast counties in accordance with a formula—**the local pot**;
- 30% is deposited in a federal fund to be implemented at the federal level in accordance with a comprehensive recovery plan established by the Gulf Coast Ecosystem Restoration Council—**the federal pot**. The Council, which includes six federal agency representatives along with the Governors of the five states as members, will provide for the disbursement of those funds on a competitive basis;
- 30% is allocated to the five gulf states for use in accordance with the federal comprehensive plan and in accordance with a state plan approved by the federal Gulf Coast Ecosystem Restoration Council—**the state pot;**
- 2.5 % is for tracking and research; and
- 2.5% goes to the Centers for Excellence.

Direct Allocation to County: The assessed fines are anticipated to range from $5 billion to $20 billion dollars. Of the funds allocated to Florida in the direct local pot, 75% is allocated to 8 disproportionately affected counties in the Panhandle, and 25% is allocated to the remaining 15 counties that border the Gulf. Under the formula established in the act, the Sarasota County direct allotment would range between $5 million and $20 million, essentially $1 million for each billion assessed.

Each gulf coast county must develop an implementation plan for the use of funds in accordance with the RESTORE Act. Projects that meet the criteria of the law will be funded through funds set aside specifically for Sarasota County in accordance with the formula specified in the federal act. Criteria include that projects are selected based on meaningful input from the public.

It is not yet known when the funds will be assessed and allocated, or whether the funds will be allocated in a lump sum or over a period of time.

Florida Consortium: The Act directs that Florida create a consortium of the affected counties to develop a state plan for the use of the 30% funding allocation received and administered through the state (not the direct allocation to counties). The federal law does not address how the consortium is to be formed.

FAC has recommended that the 23 Gulf Coast counties take the initiative to quickly form a Gulf Coast County Consortium to insure maximum county involvement in the consortium structure and development of the state plan. FAC is asking the gulf coast counties to sign on to an interlocal agreement to form the consortium by October 22, 2012. The Sarasota County Commission will be considering the interlocal agreement at its meeting on October 9, 2012.

Eligible Uses of RESTORE Act Funds: The act provides authorized uses of RESTORE Act funds. The U.S. Department of Treasury is yet to adopt rules which may be more specific as to expenditure criteria. The authorized uses include the environment, tourism and economic development as listed below.

- Restoration and Protection of Natural Resources
- Mitigation of Natural Resources
- Implementation of "federally approved" marine, coastal or conservation management plan. (Estuary Program CCMPs are federally approved.)
- Workforce development and job creation
- State Parks
- Infrastructure projects benefitting the economy or ecological resources (ports)
- Coastal flood protection
- Planning assistance
- Administrative Costs
- Promotion of tourism
- Promotion of seafood consumption

NEXT STEPS:

Next steps include determining the governance structure to administer funds, process for public engagement and input, and criteria for eligible projects.

ATTACHMENTS:

- Federal RESTORE Act Update Presentation

Sarasota County Commission
Town of Longboat Key Commission
October 1, 2012

Federal RESTORE Act Update

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RESTORE Act:

- Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast State Act of 2012

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Background

- Deepwater Horizon was the largest accidental marine oil spill in the history of the petroleum industry spilling 4.9 million barrels of oil into the Gulf of Mexico.

- Considered "the worst environmental disaster the US has faced."

- Caused extensive damage to marine and wildlife habitats and to the Gulf's fishing and tourism industries.

- Sarasota County was impacted through:
  - Lost tourism
  - $100,000 additional spent on tourism promotion
  - Claims made for expenses incurred
  - Impact to our wildlife
  - Significant staff time spent responding

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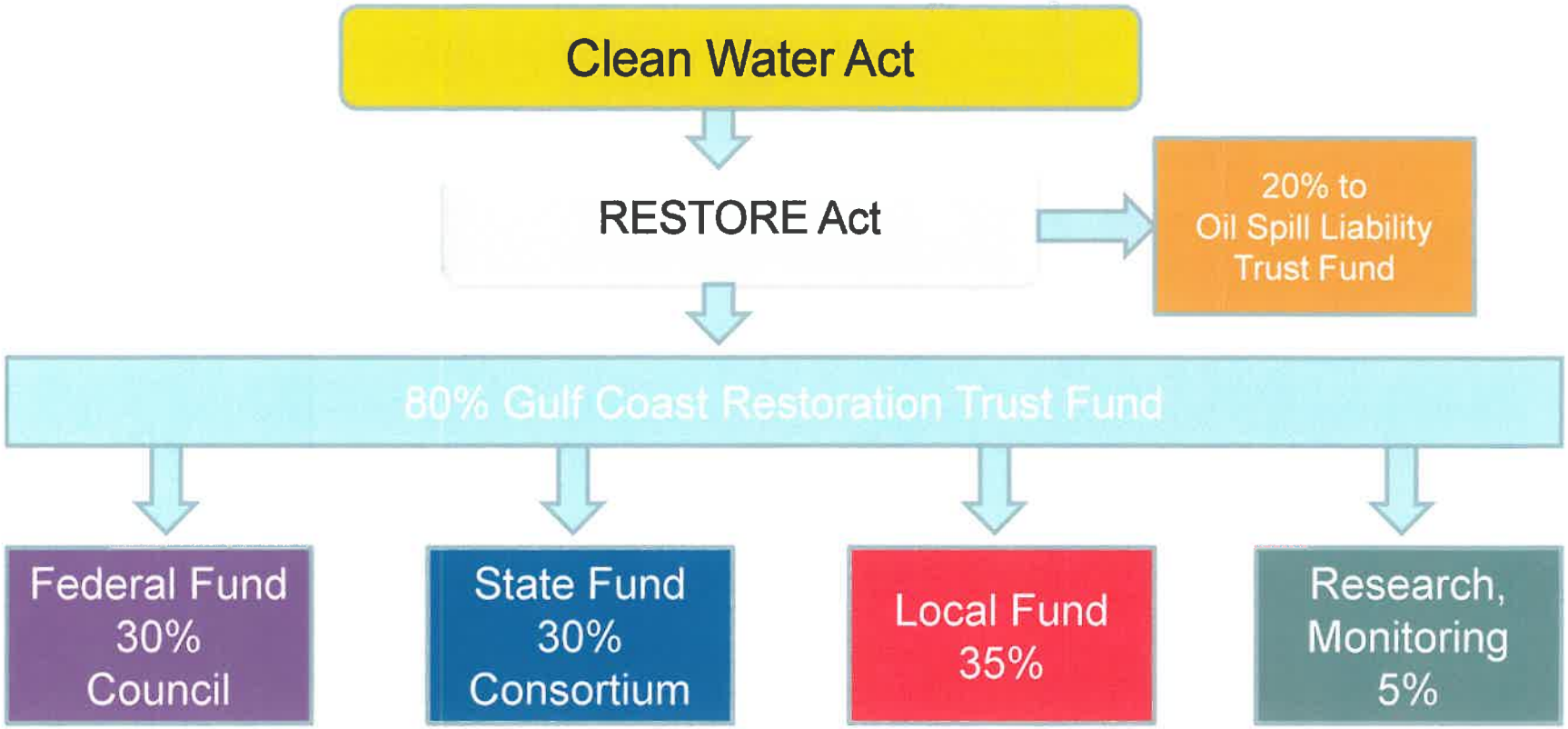

Penalties:

$1,100 x (4.9 million barrels of oil released) = **~$5.39 billion** (negligence)
$4,300 x (4.9 million barrels of oil released) = **~$21.07 billon** (gross negligence)

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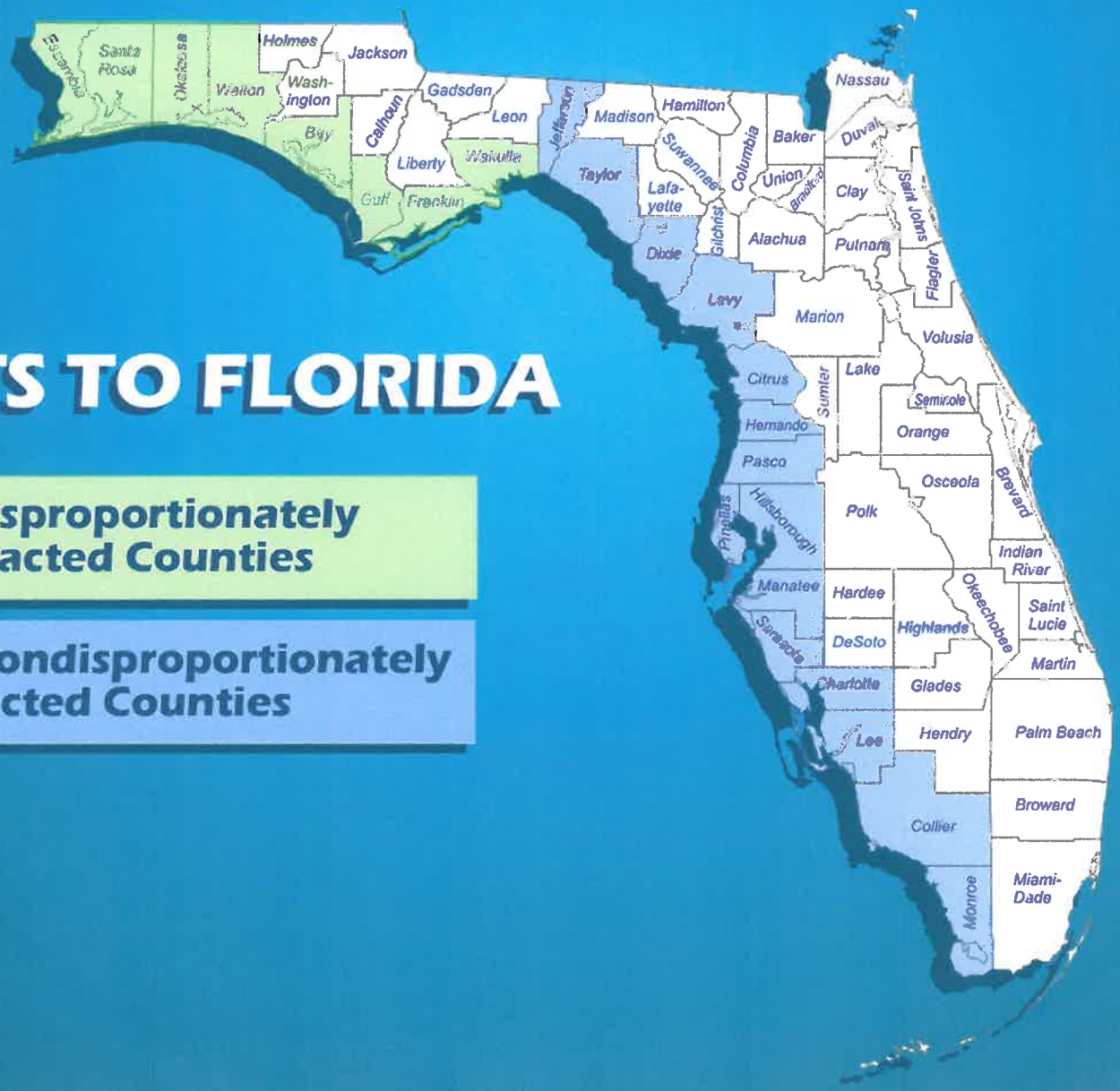
IMPACTS TO FLORIDA

8 Disproportionately Impacted Counties

15 Nondisproportionately Impacted Counties



Local Pot

- 35% of Gulf Coast Restoration Trust Fund to Local Governments
- Funding directly to Counties with oversight of US Treasury
- 15 Gulf Coast Florida counties are considered "non-disproportionally" affected and receive 25% of the Local – Counties portion.
- Estimated allocation for Sarasota County is **$5 million to $20 million** (based on a BP fine of $5 billion to $20 billion). Estimate provided by FAC & confirmed by the Office of Financial Planning.

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State (Consortium) Pot

- Florida Consortium is required by Federal Act, but how it is formed is not specified
- FAC proposes Interlocal Agreement:
  - 23 Affected Counties (as required in the act)
  - State Agencies as determined by the Consortium
- Roles:
  - Oversee, manage state fund
  - Provide assistance, support or connections for counties
  - Facilitate local/regional response for federal fund
- Florida Consortium responsible for State Comprehensive Plan
- County Commission will consider draft Interlocal Agreement on October 9, 2012

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Eligible uses of Funds for State and Local "Pots"

Environment - Tourism - Economic Development

- Restoration and Protection of Natural Resources
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Thank you!

Questions?

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