



CITY COMMISSION POLICY MANUAL

TEFRA HOST

Department:
City Treasurer-Clerk's Office

Date Adopted:
July 19, 2017

Last Revised Date:
March 9, 2022

239.01 AUTHORITY

City Commission

239.02 PURPOSE

The City Commission, in its capacity as providing Host Approval, may, in its sole discretion, approve a TEFRA Resolution authorizing the issuance of debt by an eligible non-profit charitable corporation. This policy is applicable only when the City would not be a party to the issuance nor would the issuance be a conduit debt of the City. This policy delineates the process for evaluating and processing an eligible non-profit charitable corporation's request for a TEFRA Resolution.

239.03 STATEMENT OF POLICY:

This policy shall apply to all requests for the City to provide Host Approval pursuant to the TEFRA and Florida law.

239.04 DEFINITIONS:

1. **Corporation**: A tax-exempt organization designated by the Internal Revenue Service as a Section 501(c)(3) organization of the Internal Revenue Code of 1986, as amended, that is requesting the City approve a TEFRA Resolution.
2. **Host Approval**: The proposed project is located within the City's jurisdiction and, pursuant to applicable Federal and Florida law, the City is authorized to approve the issuance of the bonds. If Host Approval is granted, the City will issue a TEFRA Resolution to that effect.
3. **Payment-In-Lieu-of-Taxes (PILOT)**: An agreement between the City and the Corporation where the Corporation agrees to pay an annual amount to the City to assist in offsetting the loss of the property tax revenue.
4. **TEFRA**: The Federal Tax Equity and Fiscal Responsibility Act of 1982.
5. **TEFRA Hearing**: Pursuant to TEFRA, the Corporation must hold a public hearing that complies with TEFRA requirements in order to issue tax-exempt debt.
6. **TEFRA Resolution**: The City resolution that provides Host Approval for the issuance of the conduit debt on behalf of the Corporation by a third party.

239.05 POLICY STATEMENT:

Corporations seeking the City's Host Approval to satisfy the TEFRA requirements must be reviewed and approved by the City Treasurer-Clerk and City Attorney or their designees. The guidelines in this policy shall be used as a basis for approval of such request.

239.06 GUIDELINES:

1. **Request Submittal:** The request for City's Host Approval must be received by the City Treasurer-Clerk no later than 30 days prior to the scheduled TEFRA hearing.
2. **Documentation and Evaluation:** The Corporation must provide the following information: financial statements, business pro forma, sources and uses of funding, information on the bond issuer, Corporation's business experience, property tax bill for the affected parcel(s) and any other documentation reasonably requested by the City to properly evaluate the Corporation and the proposed business. The Corporation shall also provide information outlining the benefits to the community of the proposed project which are not necessarily of a monetary nature. Community benefits may include providing affordable housing, providing a community service that is not present or is in short supply in the City, or the development of property in an area targeted by the City for economic development or redevelopment. The Treasurer-Clerk and City Attorney will consider the financial and non-financial benefits to be provided by the proposed business in their evaluation and recommendation to the City Commission.
3. **TEFRA Hearing:** The Corporation shall be responsible to properly notice and conduct the TEFRA Hearing at a time and location convenient for the Corporation. The TEFRA Hearing will not be conducted in front of, or in conjunction, with the City Commission. The City Treasurer-Clerk may conduct the hearing and serve as the hearing officer. The Corporation shall provide evidence to the City that the TEFRA Hearing was publicly noticed. There shall be a report of the hearing officer indicating the testimony that was heard at the hearing provided to the City Commission for their consideration with the TEFRA Resolution.
4. **PILOT Agreement:** For any proposal that would remove a parcel from the tax rolls, prior to consideration of a TEFRA Resolution by the City Commission, the Corporation and City shall execute a PILOT Agreement that shall require the Corporation to pay an annual amount to the City that will equal 50% of the most recent property tax bill for the property. These services include, but are not limited to, those provided by the City, Leon County and the Leon County School District. The Agreement shall provide for annual adjustments to the PILOT amount based upon the Consumer Price Index. The City may also require the Corporation to engage in other actions relating to the property that will provide a benefit to the City's citizens. Funds received from a PILOT will first hold harmless the City's portion of property taxes; any funds received in excess of the City's portion of property taxes will be shared on a pro rata basis with Leon County and the Leon County School District. The pro rata calculation shall take into account all ad valorem levies of these two entities. The City Treasurer-Clerk will be responsible for the collection of the annual PILOT payment and will coordinate the pro-rata payment, if applicable, to Leon County and the Leon County School District.

239.07 TEFRA RESOLUTION:

The proposed PILOT Agreement will be provided to the City Commission for approval at the same Commission meeting that the TEFRA Resolution will be considered. The City may decide, in their sole discretion, to issue Host Approval. If Host Approval is granted, the City will issue a resolution to memorialize their approval. The City will not be a party to the issuance nor would the debt issuance be a conduit debt of the City.

239.07 ADMINISTRATION:

The City Treasurer-Clerk, in consultation with the City Attorney, shall be responsible for the administration, update and revision of this policy.

239.08 SUNSET REVIEW:

This policy is subject to sunset review by the City Commission no later than five (5) years from the date of adoption. Subsequent reviews by the City Commission are to occur no later than five (5) years from the date of the prior review. Revisions will become effective immediately upon City Commission approval.

239.09 EFFECTIVE DATE:

July 19, 2017

REVISIONS:

March 9, 2022