

## *Definitions*

**Capital Improvements** are projects that meet the demands of existing and future development. These improvements comprise needs in the following areas: transportation, stormwater management, recreation and open space, water supply, sanitary sewer, solid waste, airport, coastal management, and environmental management. These long-term improvements generally are relatively large scale, are nonrecurring high cost, are greater than \$50,000, and may require multi-year financing.

**Capital Improvements Program (CIP)** is an annual capital financing planning tool that the Board of County Commissioners adopts along with the annual budget. The CIP outlines capital expenditures to be incurred each fiscal year over a six-year period to meet anticipated capital needs. The projects in the CIP are consistent with those in Capital Improvements Element. The scope of projects in the CIP goes beyond the scope of the Capital Improvements Element of the Comprehensive Plan; that is, capital improvements in the CIP include projects in the Capital Improvements Element as well as those from the General Services, BCC Information systems, Emergency Communications, and Community Development Departments.

**Enterprise Fund** for self-supporting operations is wholly derived from revenues generated from various user charges, rather than relying upon ad valorem taxes to meet their operational and capital cost requirements. In Pinellas County, enterprise funds have been established for (Water, Sewer, and Solid Waste) and the St. Petersburg-Clearwater International Airport.

**General Obligation Bonds** means a funding mechanism, approved by voter referendum, which is backed by the full faith and credit of the local government. The bonds offering lower interest rates are secured by the taxing power of the government.

**Impact Fees** are fees that are charged by local governments against new development, generally at the building permit stage. The fees are a means to cover the cost of providing capital facilities to serve new developments.

**Intergovernmental Revenue** are all revenues received from federal, state, and local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

**Level of Service (LOS)** is an indicator of the extent or degree of service provided by, or proposed to be provided by, a facility based on the operational characteristics of the facility. LOS shall indicate the capacity per unit of demand for each public facility.

**Level of Service Standard** is an officially adopted indicator of the minimum degree of service that will be provide by a local government for a particular facility.

**Local Infrastructure Sales Tax** (a.k.a.: Penny for Pinellas) is a discretionary sales tax of ½ percent to one percent, pursuant to Chapter 212,055(2), Florida Statutes. After the governing bodies of municipalities representing a majority of the county's population adopt a resolution

calling for a referendum on the tax, and after the governing body of the county adopts an ordinance to establish a referendum, the tax is put to a vote of the electors of the county. The tax proceeds are distributed to the county and its municipalities by an interlocal agreement. The tax proceeds are specifically earmarked for infrastructure improvements as specified by Florida Statutes.

In Pinellas County, the proceeds of the one-percent infrastructure sales tax (on the first \$5,000 on any single purchase, excluding necessities such as groceries and medicines), that was approved in 1989, are shared for 10 years pursuant to an interlocal agreement among Pinellas County and the County's 24 municipalities. The County's share specifically funds a pre-determined list of projects dealing with transportation needs, general government facilities, parks and endangered lands, and surface water management. The local infrastructure sales tax had been extended, by referendum, for a second 10-year period between the years 2000 to 2010. The one-percent sales tax will be extended an additional 10 years (through 2020) pursuant to the passage of a referendum in March 2007.

**Mill** is a levy that equates to \$1 per \$1,000 of assessed property value.

**Municipal Services Taxing Unit (MSTU)** is financial mechanism whereby ad valorem taxes may be levied by the local government, in accordance with an approved referendum, for providing specific services and improvements in a defined geographical area.

**Revenue Bonds** are financed by those directly benefiting from the capital improvement. Charges, used to retire the bond obligations, are collected from the users of these facility improvements.

**Special Assessment** Districts are established to permit a fee to be levied by a service provider against properties which benefit from specific public improvement within the district. These districts can be initiated by a local government, a group of property owners, or by a community association, but it must be approved by a majority of the affected property owners.