



Leaders at the Core of Better Communities

2011 Annual Awards Program

Program Excellence Awards Nomination Form

Deadline for Nominations: March 11, 2011

Complete this form (sections 1 and 2) and submit with your descriptive narrative.

SECTION 1: Information About the Nominated Program

Program Excellence Award Category (*select only one*):

- Community Health and Safety
- Community Partnership
- Community Sustainability
- Strategic Leadership and Governance

Name of program being nominated: Local Stimulus Program

Jurisdiction(s) where program originated: St. Lucie County, Florida

Jurisdiction population(s): 270,000

Please indicate the month and year in which the program you are nominating was fully implemented. (Note: All Program Excellence Award nominations must have been fully implemented by or before January 31, 2010, to be eligible. The start date should not include the initial planning phase.)

Month: April Year: 2009

Name(s) and title(s) of individual(s) who should receive recognition for this award at the ICMA Annual Conference in Milwaukee, Wisconsin, September 2011. (Each individual listed MUST be an ICMA member to be recognized.):

Name: Faye Outlaw

Title: County Administrator Jurisdiction: St. Lucie County, Florida

Title: _____ Jurisdiction: _____

Name: _____

Title: _____ Jurisdiction: _____

SECTION 2: Information About the Nominator/Primary Contact

Name of contact: Erick Gill

Title: Public Information Officer Jurisdiction: St. Lucie County, Florida

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The Problem/Need of the Program

In early 2009, St. Lucie County's unemployment rate hovered above 15 percent - one of the highest in the state of Florida. The county's foreclosure rate for 2007 was one of the largest in the country, ranking 10th nationwide out of 229 metro areas and first in Florida. In 2007, 4,945 homes were listed as foreclosed in St. Lucie County. The following year, that number increased to 9,751. In 2009, 8,234 additional homes filed for foreclosure in the county, while Florida ranked second in the nation. The construction industry was one of the hardest hit in St. Lucie County with more than 700 jobs lost in 2007. St. Lucie County Commissioners were actively and successfully recruiting businesses to the county, but most of the focus was on biomedical/life science companies including Torrey Pines Institute for Molecular Studies and the Alfred Mann Institute. Since St. Lucie County was financially sound, commissioners decided to earmark more than \$37 million to be used for capital projects that were "shovel ready" as a way to stimulate the local economy, primarily within the construction industry.

Description of the Program

Because of the rising unemployment numbers, St. Lucie County Commissioners were determined to put local residents back to work. Instead of waiting on federal stimulus money to trickle down to the county-level, commissioners decided to initiate a number of ideas as part of an overall Local Stimulus Program. The driving factor was to hire local people and spend money with local businesses. In late 2008, St. Lucie County's staff, including the County Attorney, began researching the possibility of creating a Local State of Emergency, which would allow the county to grant bids to local companies, instead of

having to award the contract to the lowest bidder with the stipulation that the local contractor had to be within 5 percent of the lowest bid and that 75 percent of the labors were from St. Lucie County and 75 percent of the material used for the project were purchased in St. Lucie County. While a few Florida counties already had local preference ordinances in place, few had every tried to declare a Local State of Emergency based on economic factors. In the initial discussions of the program, St. Lucie County department directors compiled a long list of shovel-ready projects, which was narrowed down to 92 projects in 9 different departments. In early 2009, St. Lucie County Commissioners finalized and approved the final list of projects to be considered for the Local Economic Stimulus Program as part of a public hearing, drawing on funds from a number of sources, including: impact fees by developers; sales taxes; bed taxes; transportation funds; property taxes; and other existing revenues. Federal grant dollars were excluded from the program, due to legal limitations, regarding local preference.

Once the details of the program were ironed out, St. Lucie County staff held several informational meetings with local contractors and businesses regarding the proposed ordinance, which was distributed and posted on the county's website and via local media outlets. Initially there were concerns from local contractors about the requirement that 75 percent of the labors be from St. Lucie County. They were concerned that requirement would result in additional office staff and paperwork for them, costing them even more when they turned in a bid on a project. Before the Local Economic Stimulus Program and Ordinance were approved, commissioners held public hearings and received overwhelming support from the general public. To address contractors' concerns about the additional

paperwork; county staff created a Local Stimulus webpage, which includes information about all the projects as well as copies of the ordinances and reporting forms. Local preference bids and contract documents were developed and implemented, including: a) Local Economic Stimulus Statement which must be signed and submitted with all bids and proposals verifying the specific percentage of local labor, material suppliers and subcontractors to which the bidder will commit for all Local Economic Stimulus ordinance projects, b) Forms to be submitted throughout the project by the selected contractor verifying compliance with the required percentage of local labor, material suppliers and subcontractors for all Local Economic Stimulus ordinance projects, c) Local Preference Certification Statement to be submitted with each bid or proposal verifying the bidder's eligibility to be considered a local vendor under the Local Preference ordinance. These reports are randomly audited to ensure businesses are in compliance. A "Vendor Library" was developed for use by departments and divisions seeking formal and informal quotes to assist with identifying local vendors. This library is accessible to all county staff and provides updated information as to the location, goods and services provided and contact information for vendors. To that end, a Vendor Registration form and procedures were developed and distributed via press releases from the county, the local Economic Development Council and area Chambers of Commerce. To date, more than 100 St. Lucie County businesses have registered. A Local Economic Stimulus logo and construction sign were installed at all local stimulus projects to promote public visibility of the program. Walton Road widening, Phase I, was the first Local Economic Stimulus ordinance project which requires compliance with 75 percent use of local labor, material suppliers and

subcontractors. (In fact the contractor who won the bid, promised to use 80 percent local labor and materials.) The County Engineer implemented a photo ID badge program to readily identify workers whose residency has been verified. The scope of work for the construction manager has also been modified to include monitoring and verifying compliance with the ordinance.

The capital costs for this program totaled more than \$37 million to complete 92 projects in 9 different departments. Projects were as small as a \$4,000 canoe dock to as large as a \$6.6 million Walton Road widening project. One of the big misconceptions from the construction industry was that the Local Economic Stimulus Program would drive the cost of construction jobs up because of the additional paperwork required to document that 75 percent of the labor force came from St. Lucie County. However, the first local stimulus project (Walton Road) came in nearly \$2 million less than what county staff had originally estimated.

The Results/Success of the Program

Using the American Recovery and Reinvestment Act formula, which calculates that \$92,000 spent on a capital project results in one job for one year, St. Lucie County's Local Economic Stimulus Program created 503 jobs. A majority of the projects bid went to local companies. Through the new Vendor Registration Form, 122 St. Lucie County businesses have registered, while 82 companies have signed up from outside the county, including 8 from outside of Florida. A total of 54 of these vendors were previously in our system, while 160 were new to St. Lucie County. Because of the Local Economic Stimulus Program and the new Vendor Registration Form, a number of new companies did work with St. Lucie

County for the first time, either through the Registration Form or by being hired as a subcontractor on major projects. Some existing contractors admitted that the 75 percent local hire rule forced them to hire local subcontractors that they might not have used in the past. This in-turn opened a door for several smaller businesses that may not be familiar St. Lucie County. In addition to generating 503 jobs, St. Lucie County's Local Economic Stimulus resulted in hundreds of thousands of dollars in media coverage. Initially some of the press had a negative slant, with headlines such as the *Miami Herald's* "Suffering St. Lucie County Called 'Disaster' Area." However, with some additional interviews and phone calls, county staff and commissioners were able to show the positive results and put a good spin on this program, citing the fact that St. Lucie County is financial sound by being able to spend more than \$37 million in capital projects without having to borrow or bond money. In fact, St. Lucie County didn't even tap into its emergency reserve fund to complete the 92 projects identified as part of the Local Economic Stimulus program. St. Lucie County Commissioner Doug Coward appeared live on an interview with CNN to explain the county's local stimulus program. The program even received a National Association of Counties Excellence Award in 2010.

Lessons Learned

While the program received some initial negative press, because it sought to declare a "Local State of Emergency," once people understood why that declaration was needed, the program was welcomed by the business community. In fact, both neighboring counties adopted similar local preference ordinances, which were part of St. Lucie County Local Economic Stimulus Program.