



OFFICE *of the* MAYOR

VIEWPOINT

What's a fair share of \$1.5 billion?

On April 20, 2010, the Deepwater Horizon drilling rig exploded, caught fire, and eventually sank, resulting in the largest offshore marine oil spill in U.S. history. Six years later BP reached a settlement agreement that resolved claims worth more than \$20 billion, with Florida receiving a total of \$2 billion for economic damages alone.

As we approach the seventh anniversary of the spill Pensacola is finally seeing some projects that were funded from early damage claims start to take shape, but the lion's share of the settlement has yet to be distributed. The City has submitted applications for additional funding from the different BP settlement funds, but in every case, instead of being able to control a certain percentage of the money from City Hall, we have to join the parade of applicants in Tallahassee or at the county office building.

We have an opportunity to do things differently with the \$2 billion economic damages settlement commonly known as Triumph Gulf Coast. What's at stake is potentially more money in one year than the entire amount Escambia County will receive over fifteen years from RESTORE Act Direct Component funds (aka Pot 1).

There is \$300 million in Triumph money in the bank today that belongs to what are known as the eight disproportionately affected panhandle counties (Escambia to Wakulla coastal counties). Politicians in Tallahassee are debating how that money should be distributed and how projects should be approved by the state. So far they have made no effort to decide how much money each county should get, instead they have focused on who should control it, and as you can imagine, the focus of the discussion has been on everything but local control.

For all the talk about the importance of local decision-making by the people and firms adversely impacted the disaster, it seems some politicians are bent on building a monolithic state structure to oversee spending. One has to ask, whose interests are they serving? And, how would they respond to action by the federal government to limit state level decision-making? Not favorably, to say the least.

The current process for distributing BP settlement funds is slow, inflexible and fraught with uncertainty. In fact, the only thing certain is that meetings will be held, consultants will be paid and we will wait a few more years to see who gets the money and what it can be used for.

There's a better way to handle this, and it starts with a distribution formula that would guarantee some share of the revenue to the counties and the cities. In 2013 the eight panhandle counties jointly agreed to a formula for allocating RESTORE Pot 1 funds. Based on that formula, Escambia County is guaranteed 25.334% of Florida's RESTORE Pot 1 allocation, or about \$69 million. I am asking our representatives in Tallahassee to apply the same distribution formula to Triumph. Doing so would guarantee Escambia County more than \$75 million of the money that is already in the bank and more than \$375 million of the \$1.5 billion total.

More importantly, I am asking that a guaranteed portion of the counties' revenue be distributed to the cities. The simplest way to do that would be to give the cities a percentage of the revenue based on their percentage of the counties' population. In Pensacola's case that would mean about 17% of Escambia County's share, or \$12.75 million and \$63.75 million respectively.

It goes without saying that the formula could be adjusted, and some amount could be set aside for regional projects. What is important is that cities get a seat at the table. Without guaranteed local control over some percentage of revenue, cities will be left waiting for scraps to fall from the table and real progress will come at a snail's pace.

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