

M E M O R A N D U M

To: Town Commission
From: Tom Harmer, Town Manager
Report date: October 5, 2020
Meeting date: October 19, 2020
Subject: Discussion of Longboat Key Property Tax Base Review and Economic Analysis

Recommended Action

None, informational only.

Background

During the FY20 Budget process, the preliminary and final certified assessed property values were provided by the County Property Appraiser's offices. The Town noted that the tax base on Longboat Key declined in the Sarasota County portion of the Key and conversely, property values in the Manatee County portion of the Key increased as shown below.

Manatee County Taxable Values

2019	\$1,851,503,160
2020	\$1,918,424,261
Increase	3.61%

Sarasota County Taxable Values

2019	\$4,310,961,756
2020	\$4,189,967,770
Decrease	-2.81%

Combined Taxable Values

2019	\$6,162,464,916
2020	\$6,108,392,031
Decrease	-0.88%

This has significant importance to the Town, since lower property values decreases available revenues and, while Longboat Key saw declines, other surrounding jurisdictions within Sarasota County were seeing noteworthy increases. The County Appraiser indicated the cause of the decline was predominantly from values of condominiums.

The Town hired a consultant in order seek an explanation and possible remedy for this turn of events. The economic analysis sought included an assessment of Longboat Key's real estate market, an evaluation of the Sarasota and Manatee County property data and recent taxable volume assessments, identification of influences on the Longboat Key market, and possible reasons for a negative overall tax base valuation condition, especially on the Sarasota County side. In addition, we asked for forecasts of anticipated value growth and to identify any areas of opportunity to address the negative trends.

Our consultant, John Tuccillo, is an economist and author. He holds an undergraduate degree from Georgetown University and a doctorate in economics from Cornell. He taught economics at Georgetown from 1971-1979, was a Brookings Economic Policy Fellow at HUD, Senior Research Associate at the Urban Institute, and Chief Economist at the National Council of Savings Institutions. For ten years, he served as Chief Economist for the National Association of Realtors and for five years in the same position for Florida Realtors. While at Florida Realtors, he oversaw the development of the current Statewide system that compiles and analyzes major indicators of the real estate market.

John Tucillo's report is attached for your review and he will be present at the October 19, 2020 Regular Workshop to discuss his findings and address any questions you may have.

Staff Recommendation

None, informational only.

Attachments

Longboat Key Property Tax Base Review and Economic Analysis Report (Available in Town Clerk's Office)

End of Agenda Item