

M E M O R A N D U M

To: Town Commission
From: Tom Harmer, Town Manager
Report date: November 10, 2021
Meeting date: November 15, 2021
Subject: Sarasota County Infrastructure Surtax IV Update

Recommended Action

None, informational only.

Background

Under Florida State law, counties may impose a local discretionary sales tax (aka surtax) to invest in local infrastructure improvements. Such surtaxes must be approved by a majority of voters in a referendum. In three successive referendums, Sarasota County voters have authorized a 1% surtax, on top of the 6% State sales tax, to invest in capital improvement projects for the County, School District and municipalities. The one-cent surtax applies to the first \$5,000 of any purchase that is subject to the State sales tax. Proceeds from the surtax may only be used to invest in public infrastructure projects such as parks, roads, sidewalks, libraries and schools. It may not be used to pay for general operating expenses.

Revenue from the infrastructure surtax is shared by the County, the School District and the municipalities. One-quarter of the revenue is allocated to the School District. The remaining 75% is distributed among the County and the municipalities based on population.

During the Commission's October Strategic Planning Retreat, the staff presented an overview of Sarasota County's Surtax III Program and plans for Surtax IV. The County is coordinating with all of the municipalities to prepare for referendum question to renew the program. The item is on the agenda for the November 15th Workshop as an additional opportunity for public awareness of the planned referendum vote and for Commission discussion of the proposed categories and planned projects. An overview of Surtax III and the proposed referendum for Surtax IV is included below.

Surtax III

The current Sarasota County surtax program, Surtax III, began in 2007 and has a term of 15 years. It will expire on December 31, 2024. The Town has benefited greatly from Surtax III funds with a total programmed amount of \$9.6M. These projects include:

- Bayfront Park – improvements were completed in 2017 and included a new playground, pavilion, monument signs, shelters, beach access with safety crosswalk, restrooms, fishing pier, kayak launch, dog park, resurfaced tennis court, new basketball and pickleball courts, promenade, low-impact design stormwater retention and green space for events.
- Additional Pickleball Courts – additional pickleball courts were completed at Bayfront Park in February 2020. The expansion added two new courts.
- Improvements to the Tennis Center – in 2019, the underground court irrigation system was replaced on courts 1 - 3 along with fencing repairs and court resurfacing. The underground court irrigation system was replaced on courts 4-6 recently.
- Public Safety vehicles and equipment including patrol cars for the Police Department, a marine truck, ambulances, ATV, fire trucks, fire boat and a jet-ski, Police Department radios, and improvements to interior space at the Police Department.
- Plans for Canal Dredging - feasibility study and bathymetric survey of canals.
- Air Conditioning Units at the Town's Public Works facility.
- Audio/Visual upgrades in the Commission Chamber including new amplifier and speakers, high definition cameras, high definition projector and close captioning software.
- Partial funding toward Comprehensive Beach Management Plan renourishment project and erosion control structures.

Surtax IV

The Surtax IV referendum is scheduled for the November 8, 2022 ballot. Should the referendum pass, the program would begin in 2025 and run through 2039 with an estimated preliminary program revenue forecast amount of \$13M for the Town, over the duration of the program. The proposed project lists have been discussed between staff.

Project categories could include:

- Streets and Drainage - roadway enhancements, roundabouts, center turn lanes, drainage improvements, sidewalks/bike lanes, crosswalk safety
- Parks, Recreation and Beach Improvements - Tennis Building and Grounds Improvements, Recreation Center, Town Center Improvements, Park Improvements, offset beach nourishment costs and improve beach access areas
- Canal Dredging Program - dredging of Public benefit / common areas
- Public Safety Vehicles and Equipment - ambulances, vehicles, fire trucks, Fire/EMS equipment, water vessels, police equipment, police vehicles, water vessels and motors

- Improvements to Public Facilities - roofs, HVAC, generators, building improvements, network upgrades, Community Center

The following table outlines the proposed and approximate use of revenues over the course of the 15-year program in the categories above:

Proposed 15-year Budget for functional areas – Surtax IV

| | |
|--|---------------------|
| Streets and Drainage | \$1,000,000 |
| Parks, Recreation and Beach Improvements | \$3,000,000 |
| Canal Dredging | \$1,500,000 |
| Public Safety Vehicles and Equipment | \$6,900,000 |
| Improvements to Public Facilities | \$600,000 |
| Total | \$13,000,000 |

The County has launched a website which contains educational information about the Infrastructure Surtax program along with photos of surtax-funded projects and data visualization accounting for the Surtax III program. Information from Sarasota County municipalities (including the Town of Longboat Key) are included. The link to the site is sarasotacountysurtax.net.

Next Steps

Town staff will refine project lists based on Commission feedback, entertain feedback from the public, and continue to work with Sarasota County to meet established deadlines.

Town staff will bring the final plan to the Commission in February. Project list(s) must be submitted to the County by March of 2022.

Staff Recommendation

None, informational only.

Attachments

PowerPoint Presentation (Available in Town Clerk’s Office)

End of Agenda Item