

## M E M O R A N D U M

**To:** Town Commission  
**From:** Tom Harmer, Town Manager  
**Report date:** January 25, 2022  
**Meeting date:** February 7, 2022  
**Subject:** Resolution 2022-01, Supporting Sarasota County Infrastructure Surtax Program, Phase IV

### **Recommended Action**

Pass Resolution 2022-01.

### **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 existing program, Surtax III, is set to expire in 2024. The County coordinated with all of the municipalities to prepare for the referendum question to renew the surtax program for an additional fifteen years beginning January 2025.

During the October 18, 2021 Town Commission Strategic Planning Retreat, staff presented an overview of Sarasota County's Surtax III Program and plans for Surtax Phase IV. At the November 15, 2021 Regular Workshop Meeting, staff provided an additional opportunity for public awareness of the planned referendum vote and the Commission discussed the proposed categories and planned projects. The proposed 15-year Budget for functional areas provided at that Regular Workshop Meeting is shown below.

#### **15-year Budget for functional areas – Surtax IV (From November Workshop)**

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
<b>Total</b>	<b>\$13,000,000</b>

Since the November 15, 2021 Regular Workshop Meeting, Sarasota County revised their projections of revenue, adding another \$2 million to Longboat Key's

forecasted budget. An update to the public safety equipment list and Commission approved changes to the current five-year capital plan triggered some changes in the out years of the 15-year IST IV capital plans equaling \$120,000. The remaining \$1.88 million of the \$2 million of additional revenue was allocated to Contingency and Future Project Needs within the functional categories allowing for new projects that may develop over the life of the program. The revised 15-year Budget is discussed below.

The budget being proposed is allowed to be amended from time to time over the fifteen years, in accordance with procedures established by County's enabling Ordinance. The Town amended the IST Phase III budget seven times since inception.

### **Surtax IV**

The amended proposed Project categories are summarized below:

- **Streets and Drainage.** \$1 million has been allocated for Stormwater and Flood Control measures. Another \$750,000 is set aside for Contingencies and Future Project Needs for other roadway enhancements, such as roundabouts, center turn lanes, sidewalks/bike lanes and crosswalk safety.
- **Parks, Recreation and Beach Improvements.** \$1.088 million has been allocated to the Tennis Center for Building and Grounds Improvements, such as scheduled replacement of Underground Watering systems, HVAC, Plumbing, Fencing, Picnic Areas and Signage. An additional \$2.02 million for Parks and Beach Improvements includes \$1.5 million for Recreation Center Improvements and \$500,000 for Beach Nourishment and Beach Access Areas. \$520,000 is also set aside for Contingencies and Future Project Needs at Town Center Green, Bayfront Park, and Quick Point Nature Preserve.
- **Canal Dredging Program.** \$1.5 million is being allocated to dredging of canals within the public benefit common areas, which will help supplement the assessment program.
- **Public Safety Vehicles and Equipment.** Approximately 53%, \$7.5 million, of the surtax is being allocated to public safety. This includes the replacement of 4 ambulances, 2 fire trucks, other public safety vehicles and purchase of equipment, technology/communication upgrades, water rescue vessels and boat motors over the 15 year life of the Program. A portion, \$408,000, is allocated to Contingency and Future Needs.
- **Improvements to Public Facilities.** \$800,000 has been allocated to maintain or replace our public buildings' roofs, HVAC equipment, generators, and network upgrades. Of that, \$200,000 is allocated to Contingency and Future Needs.

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 Sarasota County Infrastructure Surtax Phase IV functional areas.

Streets and Drainage	\$1,750,000
Parks, Recreation and Beach Improvements	\$3,608,000
Canal Dredging	\$1,500,000
Public Safety Vehicles and Equipment	\$7,469,000
Improvements to Public Facilities	\$800,000
<b>Total</b>	<b>\$15,127,000</b>

### **Next Steps**

Upon passing of this Resolution, Town staff will submit the amended plan and Project list(s) to the County and continue to work to meet established deadlines. We will continue to assist the County in educating the public as the referendum approaches the November 8 2022 vote. Should the referendum pass, the program would begin January 1, 2025 and run through December 31, 2039 with an estimated preliminary program revenue forecast amount of \$15 million for the Town, over the duration of the program. Actual expenditures associated with the surtax program are reviewed with the Town Commission as part of the annual budget process and adoption of the annual budget and 5 year capital plan each year.

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 program. Information from Sarasota County municipalities (including the Town of Longboat Key) are included. The link to the site is [sarasotacountysurtax.net](http://sarasotacountysurtax.net).

### **Staff Recommendation**

Pass Resolution 2022-01.

### **Attachments**

- A. Resolution 2022-01
- B. Summary Project List (Available in Town Clerk's Office)
- C. PowerPoint Presentation (Available in Town Clerk's Office)

## RESOLUTION 2022-01

**A RESOLUTION OF THE TOWN OF LONGBOAT KEY, FLORIDA, SUPPORTING THE EFFORT BY SARASOTA COUNTY, FLORIDA, TO EXTEND THE ONE PERCENT DISCRETIONARY SALES SURTAX, SUBJECT TO REFERENDUM APPROVAL; PROVIDING FINDINGS; PROVIDING A GENERAL DESCRIPTION OF INFRASTRUCTURE TO BE FUNDED; PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Sarasota County Penny Sales Tax (hereinafter referred to as the "one percent discretionary sales surtax") is a countywide, voter-approved one percent sales tax used to invest in local infrastructure improvements including, but not limited to parks, libraries, schools, sidewalks, police vehicles, street resurfacing, and mobility upgrades; and

**WHEREAS**, proceeds from the one percent discretionary sales surtax are distributed among Sarasota County, Sarasota County Schools, and the cities of North Port, Sarasota, and Venice, and the Town of Longboat Key; and

**WHEREAS**, Sarasota County voters approved the one percent discretionary sales surtax in 1989, 1997, and 2007; and

**WHEREAS**, the current one percent discretionary sales surtax expires at the end of 2024; and

**WHEREAS**, Sarasota County is seeking to extend the one percent discretionary sales surtax for another 15 years, subject to referendum approval in November 2022; and

**WHEREAS**, the referendum in November 2022 will include slate of proposed projects to enhance the quality of life in Sarasota County, the schools, and the individual municipalities, including the Town of Longboat Key; and

**WHEREAS**, the Town Commission of the Town of Longboat Key supports the effort by Sarasota County to seek such extension as being in the best interest of our community;

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF THE TOWN OF LONGBOAT KEY THAT:**

Section 1. The above Whereas clauses are true and correct and are hereby ratified, confirmed and fully incorporated by reference.

Section 2. Findings. The Town Commission hereby supports the effort by Sarasota County to extend the one percent discretionary sales surtax, and makes the following findings:

(A) Section 212.055(2), Florida Statutes, provides for the levy of a Local Government Infrastructure Surtax, subject to referendum approval, to finance, plan, and construct infrastructure, defined as any fixed capital expenditure or fixed capital costs associated with the construction, reconstruction, or improvement of public facilities which have a life expectancy of five or more years, and any land acquisition, land improvement, design, and engineering costs related thereto.

(B) It is anticipated that the continuation of Sarasota County's one percent discretionary sales surtax will enable the Town of Longboat Key to proceed or continue with special projects of significant importance such as those listed in Section 3.

Section 3. General Description of Infrastructure to be Funded.

The proceeds of the Local Government Infrastructure Surtax (one percent discretionary sales surtax) received by the Town of Longboat Key may be expended to finance, plan, and construct infrastructure including, but not limited to, the following:

- (1) Streets and Drainage
- (2) Parks, Recreation and Beach Improvements
- (3) Canal Dredging
- (4) Public Safety Vehicles and Equipment
- (5) Improvements to Public Facilities.

Section 4. This Resolution shall become effective upon adoption.

Passed by the Town Commission of the Town of Longboat Key on this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Kenneth Schneier, Mayor

ATTEST:

\_\_\_\_\_  
Trish Shinkle, Town Clerk

**End of Agenda Item**