

M E M O R A N D U M

To: Town Commission
From: Tom Harmer, Town Manager
Report date: December 14, 2022
Meeting date: January 9, 2023
Subject: Request for Authorization to Execute Interlocal Agreement with Sarasota County for Disbursement of Tourist Development Tax (TDT) Revenues

Recommended Action

Authorize the Mayor to execute an Interlocal Agreement with Sarasota County for the disbursement of the new Sixth Percent Tourist Development Tax Revenues.

Background

Pursuant to a Sarasota County Interlocal Agreement dated August 29, 2018, the Town of Longboat Key receives revenue from Tourist Development Taxes levied by the County, pursuant to Section 125.0104, Florida Statutes. This is a ten-year agreement effective October 1, 2018 and expiring on September 30, 2028. The disposition of the TDT revenues is established pursuant to the Tourist Development Plan, which is set forth in Section 114-64 of the Sarasota County Code.

Under this existing Interlocal Agreement, the Town receives fifty percent (50%) of the Initial Two Percent Levy of the Tourist Development Tax actual collections on Longboat Key, as determined by the Sarasota County Tax Collector, which is allocated to the Town's Beach Renourishment Program expenditures. The Town will receive approximately \$497,970 in FY23.

In addition, the Town receives twenty percent (20%) of the First Additional One Percent Levy ("Third Percent") allocated for Beach Maintenance. Beach Maintenance means any activity necessary to maintain a clean and safe beach, public beach park, or public beach access. Specific uses of the Beach Maintenance allocation are set forth in Section 114-64 of the Sarasota County Code. The Town's additional disbursement will continue as long as the County continues to allocate these funds to the unincorporated areas. The Town receives this additional funding because the County provides beach maintenance for the other beaches in Sarasota County, including the cities, except for the Town of Longboat Key. The Town will receive approximately \$99,594 in FY23.

Earlier this year, Sarasota County added an additional one percent to tourism taxes collected. This was a follow-up to the designation of Sarasota County as a "High Tourism Impact County" allowing the County to increase the tax rate from five percent to six percent. As a follow-up to that determination, The Sarasota Board of County Commissioners authorized a Third Additional One Percent Levy of TDT to commence on October 1, 2022 (the "Third Additional One Percent Levy" or "Sixth Percent"). Town staff

requested that the County allocate a portion of the additional one percent to the Town consistent with our existing agreements. Pursuant to that request, Sarasota County has agreed to disburse to the Town, twenty percent (20%) of the Sixth Percent for beach maintenance and ten (10%) of the Sixth Percent for beach nourishment.

The proposed supplemental Interlocal Agreement for the new Sixth Percent shall become effective October 1, 2022 and end September 30, 2028, the same date as the existing Interlocal Agreement. It is estimated that the Town will receive an additional \$99,594 for Beach Maintenance and \$49,797 for Beach Nourishment annually, based on FY21 collections. Payments are made in arrears, therefore the collections received in FY23 will be paid to the Town beginning FY25.

The Town Manager is attending the Tourist Development Council Meeting on January 12, 2022 at 4 PM where the Agreement will be discussed and forwarded to the Sarasota County Board of County Commissioners for approval, tentatively scheduled for their February Regular Meeting.

Staff Recommendation

Authorize the Mayor to execute an Interlocal Agreement with Sarasota County for the disbursement of the new Sixth Percent Tourist Development Tax Revenues.

Attachments (Available in Town Clerk's Office)

- A. Proposed Interlocal Agreement
- B. TDT Penny Chart
- C. Collections by Location FY2021
- D. Existing Interlocal Agreement Dated August 29,2018

End of Agenda Item