

St. Lucie County
Bridging the Gap



Monday, May 2, 2016

American Society of Civil Engineers Scorecards

- National Infrastructure Challenges (2013)
 - D+ over 16 sectors
 - \$3.6 trillion needed by 2020
- Florida Infrastructure Challenges (2012)
 - C- over 11 sectors
 - \$36 billion needed in water/waste water upgrades by 2032

“According to the Federal Reserve Bank of St. Louis, overall government spending on US Public infrastructure has fallen to a 20-year low of 1.7% of GDP”

Testimony of Jay Dhru, Senior Managing Director, Standard & Poors Rating Service, before the US Senate Committee on Finance (2014)

Florida TaxWatch



2016 Report: How Florida Compares

- Florida ranks 49th in per capita state revenue collections, lowest ranking since TaxWatch has been monitoring

“Florida’s local governments (tax) rankings are generally much higher than the state government rankings due to the fact that Florida relies more heavily on local governments to fund public services than almost all other states.”

Why Are We Here Today?

During the 2015/2016 budget cycle, the County's Citizen Budget Committee made a recommendation to the BOCC to explore a possible sales tax initiative to address the shortfall in infrastructure funding. The Board accepted this recommendation and directed staff to evaluate.

And, we're not alone....

- Florida Counties & Cities around the state are looking at the sales tax option – 18 already have surtax – most at 1%
- Broward County has placed a 1-cent sales tax on the ballot
- Palm Beach has placed a 1-cent sales tax on the ballot
- Marion County voters have already approved an increase
- Alachua, Manatee, Sarasota and Bay Counties are exploring the option



Problem Statement

- The County has experienced a 22.4% decline in Ad Valorem revenue since FY 2007, attributable to the recession of 2008
- Since 2008 the County has steadily reduced and in some cases eliminated planned capital investment as a result of the decline revenues
- St. Lucie County's Population is anticipated to increase by 70,902 by 2025
- There is a backlog of approximately \$600 million of capital needs throughout the County



The Challenges

- Current revenues put County roads on 75-year repaving schedule
- Many needed road and sidewalk projects have little prospect of completion in the 2040 LRTP timeframe
- Public Safety – Sheriff vehicle/equipment replacement, 911 infrastructure upgrades/800 MHz radio system
- Water quality in the rivers, canals, St. Lucie River and the Indian River Lagoon is at crisis level
- Neighborhood storm water and drainage retrofits are grossly underfunded

Challenges

- 2040 LRTP cost feasible project list is very short....
- 5 Projects consume 72% of projected funds 2021-2040
 - Kings Highway
 - Port St Lucie Boulevard
 - Midway Road
 - US 1 Retrofit
 - Jenkins Road
- For water quality, focus on the basin we control
 - C-23, C-24
 - Accelerate the Indian River Lagoon South project
 - Improve St. Lucie River water quality
 - 10-mile creek
 - Moore's Creek

County Priority Roads/Infrastructure Projects

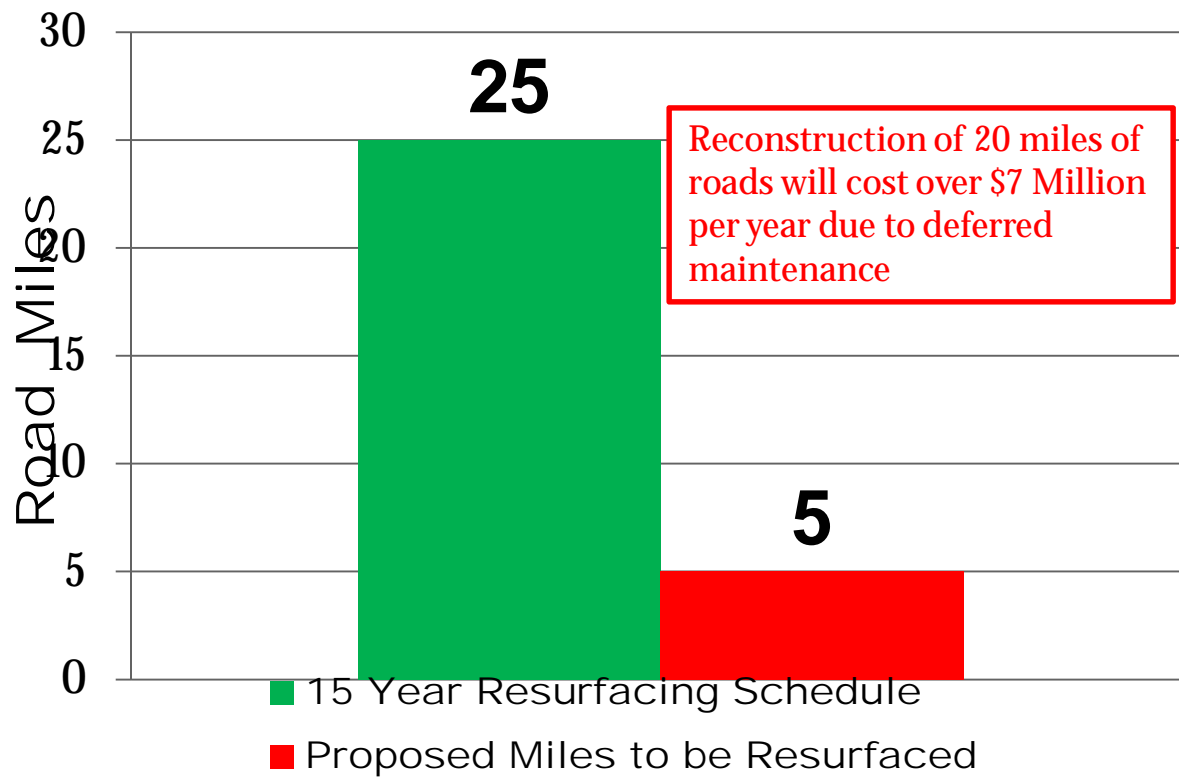
PROJECT/DESCRIPTION	TOTAL COST	CURRENT FUNDING	UNFUNDED AMOUNT
Roadway Widening Projects			
Kings Hwy & Indrio Rd. Intersection	17,425,625	8,470,224	8,955,401
Midway Road (Selvitz to Glades Cutoff)	27,550,000	3,500,000	24,050,000
Jenkins Road (Midway to St. Lucie Blvd)	123,600,000	-	123,600,000
Airport Connector (Turnpike to Kings)	16,800,000	-	16,800,000
Glades Cutoff Road (Commerce to Selvitz)	73,100,000	-	73,100,000
Selvitz Road (Glaes Cutoff to Edwards)	9,300,000	-	9,300,000
Total Roadway widening Projects	267,775,625	11,970,224	255,805,401

New Road Construction and Long-Term Road Maintenance Way Underfunded



Major Service Level Impacts

ROAD AND BRIDGE
75 Year Road Maintenance Cycle



Water Quality Issues



Water Quality is on Everyone's Mind



Platt's Creek Project



County Priority Water Quality/Stormwater Projects

PROJECT/DESCRIPTION	TOTAL COST	CURRENT FUNDING	UNFUNDED AMOUNT
Stormwater/Neighborhood Drainage			
San Lucie Drainage Improv-Phase II	2,124,915	24,915	2,100,000
Harmony Heights Phase I-B	2,631,969	56,969	2,575,000
Paradise Park Phase 4 (FINAL PHASE)	2,400,000	200,000	2,200,000
Melville Rd Stormwater Master Plan	1,364,242	114,242	1,250,000
St Lucie Estuary/Indian River Lagoon Natural Storage Initiative - TMDL	9,500,000		9,500,000
San Lucie Stormwater Master Plan Land Acquisition	556,865	281,865	275,000
Wet Detention Pond Retrofit Program - TMDL	2,500,000		2,500,000
Harmony Heights Drainage Impvmts (Ph 2-5)	7,000,000	-	7,000,000
Melville Rd (Ph 1-5 Design and Construction)	11,000,000		11,000,000
San Lucie Ph1,3,4,5 (Design and Construction)	7,000,000		7,000,000
Sunland Gardens Neighborhood Improvement Project	25,000,000		25,000,000
White City - Canals F and G	11,000,000		11,000,000
Total Stormwater Neighborhood Drainage	82,077,991	677,991	81,400,000

County-wide Septic to Sewer Upgrade/Replacements

- High densities of on-site septic tanks are adjacent to the St. Lucie River and Indian River Lagoon – an estimated 3,500 properties
- Data indicates that groundwater seepage and nutrient loading are factors producing stress in these in vital natural gems
- Estimated cost to convert 3,500 septic tanks to sewer is \$40,000,000 - \$50,000,000

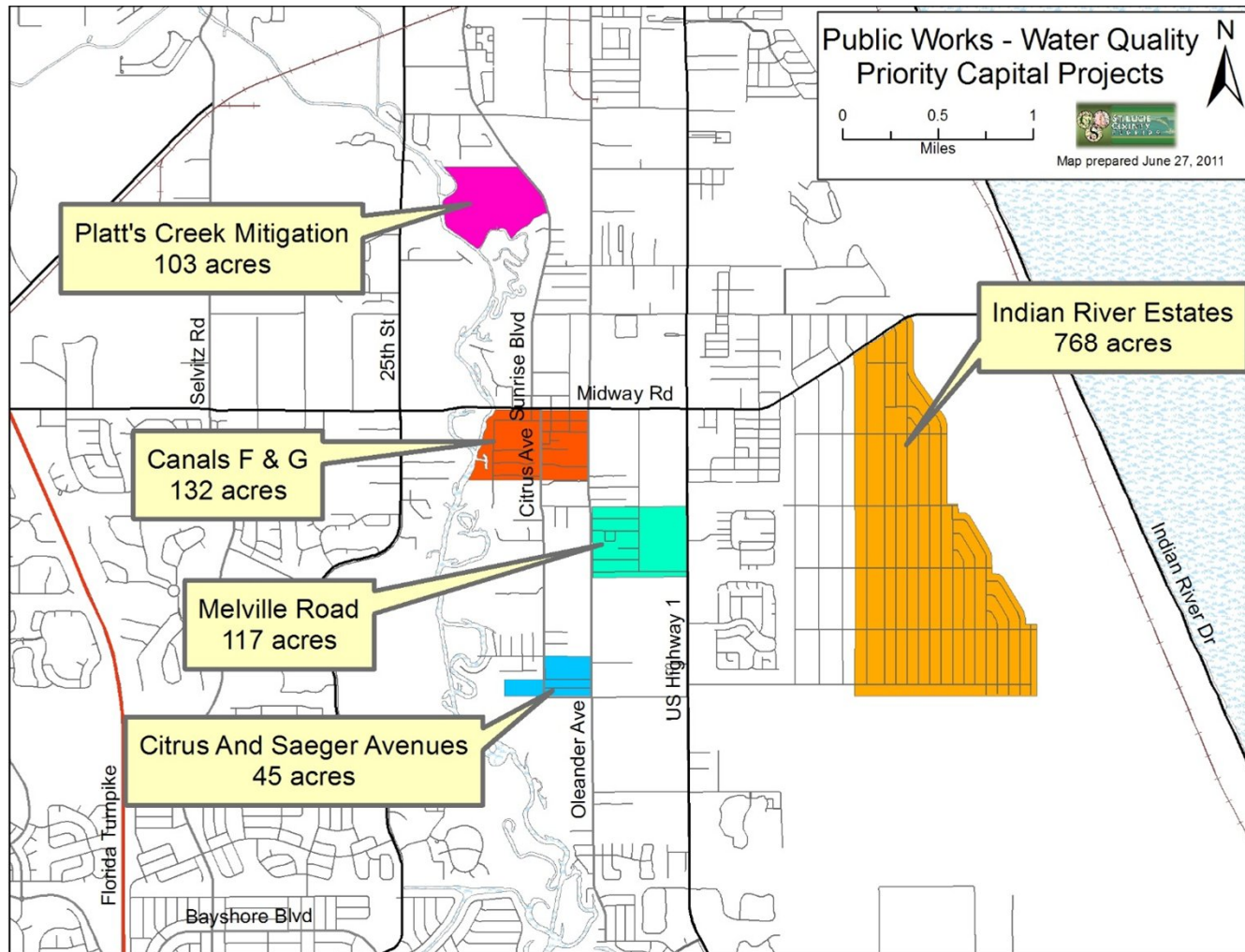
Septic Tank Seepage is an Issue



County Priority Projects



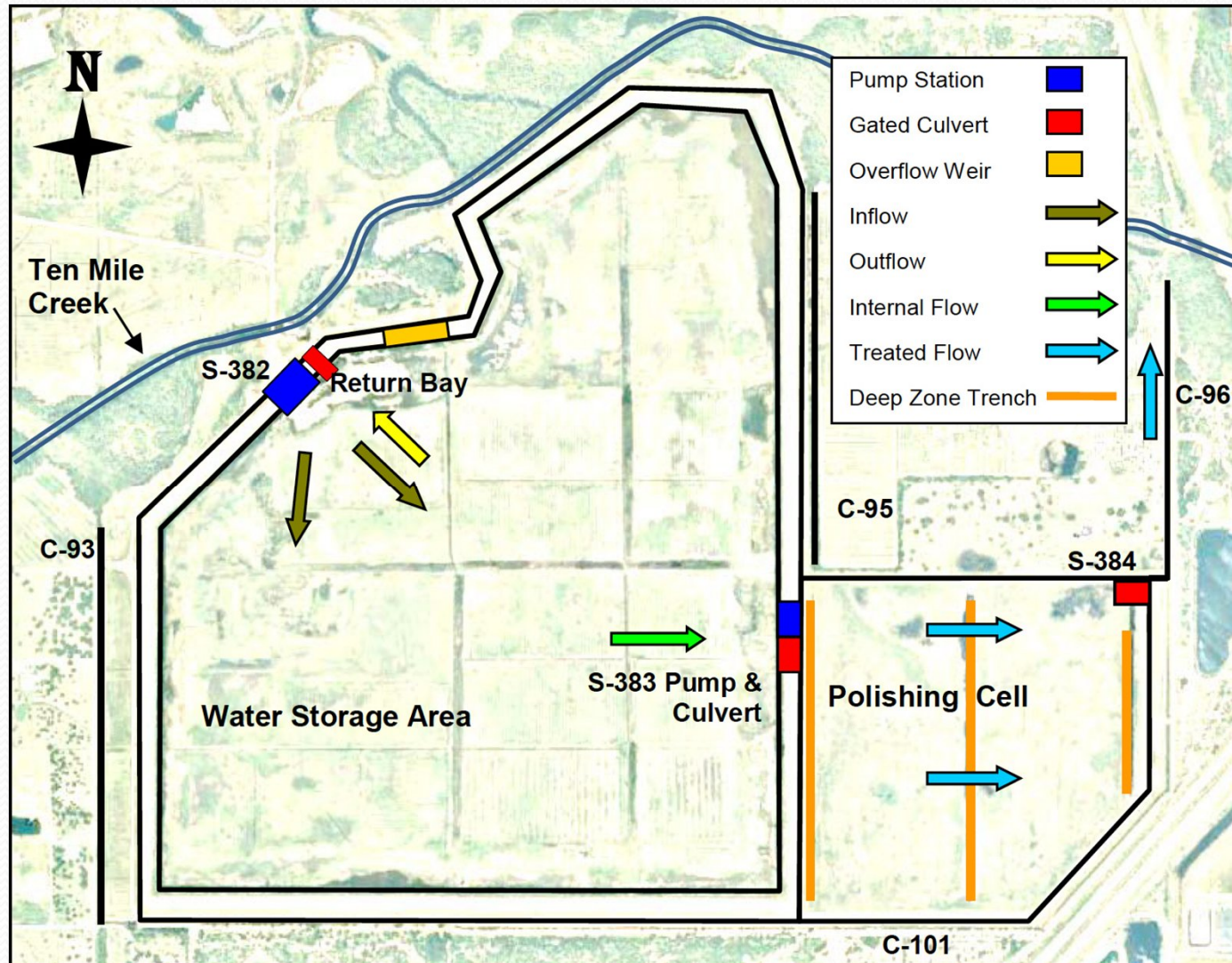
Water Quality/Stormwater



Stormwater Backlog and Neighborhood Retrofits



10-Mile Creek



City Projects

Fort Pierce & Port St Lucie

City of Port St. Lucie Half Cent Infrastructure Sales Tax Project List

PROJECT/DESCRIPTION	TOTAL COST	CURRENT FUNDING	UNFUNDED AMOUNT
Roadway Rehabilitation Projects			
13th Street - Phase II (Georgia Ave. to Orange Ave.)	3,747,840	-	3,747,840
13th Street - Phase III (Ave. E to Ave. Q)	2,510,200	-	2,510,200
13th Street - Phase IV (Virginia Ave. to Georgia Ave.)	4,010,149	-	4,010,149
17th Street - (Ave. D to Ave. I)	1,457,181		1,457,181
Avenue I - (13th to 25th)	2,824,545		2,824,545
Street Resurfacing	15,211,174		15,211,174
Indian River Drive - (Ave. A to Seaway Dr.)	2,070,000	-	2,070,000
Citrus Overpass Bridge Repairs	325,000	-	325,000
Avenue D - (US 1 to Indian River Drive)	1,603,840	-	1,603,840
Sidewalk Projects			
Emil Avenue - (US 1 to Oleander Ave.)	560,000	-	560,000
Stormwater Quality Projects			
Moore's Creek Linear Park Stormwater Improvements (15th Street to 33rd Street)	7,772,800	-	7,772,800
Georgia Ave. Basin Water Quality Improvements	980,000	-	980,000
Total	43,072,729	-	43,072,729

Parks Projects	\$	85,831,000
Public Works		
Sidewalks	\$	13,416,054
Road Improvements	\$	453,100,000
Intersection Improvements	\$	13,000,000
Drainage Projects	\$	31,200,000
Utility Department		
Stormwater Projects for Water Farming	\$	4,800,000
Police Department - Vehicles	\$	9,280,000
Total	\$	601,347,054

Opportunities

- If we agree that the projects are needed and there is a funding gap
- Do we begin to address the needs today before 160,000 new residents move here by 2040?
- How do we bridge the gap?



What Are Our Options?

- Cut services
- Shift resources
- Increase taxes
- Reduce reserves (further)
- Do nothing
- New revenue source





Local Government Infrastructure Surtax

- Survey indicates support for water quality, public safety, sidewalk and road projects
- Currently 6.5% sales tax
- 1 cent versus 0.5 cent – 0.5 has support
- Estimated 80/20 split – residents v. tourists
- Leverages other funding sources



Local Government Infrastructure Surtax

Estimated Proceeds

- \$15,576,076 (based on the Local Government Half-Cent Sales Tax formulas)

Bonds

- May pledge the proceeds of the tax for the bonds
- Counties and municipalities may join together for the issuance of bonds

County Comparison

- 18 Counties in the State of Florida levy the Infrastructure Surtax
- Neighboring counties that levy the Infrastructure Surtax and effective date:
 - Okeechobee (Oct 1. 1995) – 1% Small Counties Surtax
 - Indian River (Jun. 2004)

SURTAX BENEFITS

TAX PAID BY
EVERYONE



- Easily bondable
- All proceeds stay here

Local Government Infrastructure Surtax

- Authorized under F.S. 212.055(2)
- Applied to all taxable transactions but shall not apply on sales above \$5,000 on an item of tangible personal property.
- Over 10 years would generate approximately:

Port St. Lucie	\$ 75,518,062.37
Ft. Pierce	\$ 18,606,348.29
St. Lucie Village	\$ 260,493.45
St. Lucie County	\$ 94,207,240.19

Local Government Infrastructure Surtax

- Over 20 years would generate approximately:

Port St. Lucie	\$ 173,164,932.78
Ft. Pierce	\$ 42,664,853.28
St. Lucie Village	\$ 597,318.44
St. Lucie County	\$ 216,019,716.36



Next Steps

- Public hearing would most likely be on June 7th for the item to be placed on November's ballot.
- Build community awareness through education campaign.
- If voter approved, a citizen committee established to monitor expenditures and project progress.



In Summary

- We have hundreds of millions \$\$\$\$ of unmet infrastructure needs for water quality improvement, stormwater, road and public safety
- Existing funding doesn't come close to bridging the gap – the option of addressing the needs with an infrastructure is a good start
- And one of the benefits is that it's paid for by everyone, residents, visitors and businesses – not just property tax

Comments and Questions

Thank You!