



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CONFERENCE MEETING

#16-0062

TO: Honorable Mayor & Members of the Fort Lauderdale City Commission

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: January 20, 2016

TITLE: Discussion Regarding the Local Government Infrastructure and Transportation Local Option Sales Taxes

Florida law authorizes local governments to impose various types of local option surtaxes. The Commission has expressed interest in discussing two of these discretionary taxes, the Charter County and Regional Transportation System Surtax and the Local Government Infrastructure Surtax, as potential funding options for the City's initiatives. The purpose of this conference item is to initiate a discussion of the merits of each type of tax and the process that must be followed in order to impose each tax. The timeliness of this discussion is important because of the formal approvals required from the Broward County Board of Commissioners and/or other municipalities. These approvals must occur prior to a countywide referendum that is required to impose either tax tentatively being discussed for the general election that will occur in November of 2016.

The Broward Metropolitan Planning Organization (MPO) has taken the lead in educating and facilitating discussions between the County and municipalities in regards to the surtax options. The MPO has formed a Surtax Subcommittee consisting of the municipalities that equate to over 51% of the County's population. This subcommittee has held and will continue to hold meetings throughout the next few months to discuss the potential surtax options and initiate action as necessary to meet the required timelines. Concurrently, MPO representatives are meeting with representatives from Broward County to discuss the "must haves" from each group and to negotiate a compromise between the County and municipalities.

The MPO Subcommittee has asked its members to bring this discussion back to their respective cities for discussion regarding what each City "must have" and to identify potential uses for the funding. Over the past several years, the City of Fort Lauderdale has conducted numerous studies and developed plans that identify its most important capital needs. Exhibit 2 summarizes existing studies and plans which have identified over \$1 Billion in capital needs throughout the City. The exhibit also provides Neighbor Survey results related to the priority of and need for infrastructure improvements.

Table 1 provides basic information about each tax. Exhibit 1 from the MPO also provides an overview of each option.

Table 1. Surtax General Information		
	Local Government Infrastructure Surtax	Charter County and Regional Transportation System Surtax
Allowable Rate	Either 0.5 or 1 percent	Up to 1 percent
Limits	Combined 1 percent maximum including Small County Surtax, Indigent Care and Trauma Center Surtax, and County Public Hospital Surtax	Not subject to a combined rate limitation
Distribution of Proceeds	Two (2) methods of distribution: 1) - Interlocal agreement between the county and the municipalities representing the majority of the population. 2) - County Portion = (pop. of unincorporated + 2/3 incorporated pop.) / (total county pop.+ 2/3 incorporated pop.) (40.3%) City Portion = pop. of city/ (total county population + 2/3 incorporated pop.) (59.7%) based on 2014 adjusted population	Proceeds are deposited into county trust fund or remitted to the transportation authority
Eligible Uses of Funds	Funds can be used to finance, plan, and construct fixed capital improvements with a life expectancy of 5 or more years. Funding can also be used for some other capital expenditures such as acquiring land and emergency rescue vehicles. Funds may not be used operations and maintenance.	Funds can only be used for transportation projects such as transit, roadways, and bridges. These funds can also be used to pay for operations and maintenance.
Method of Adoption	Majority of county governing body and approval in countywide referendum; or Municipalities representing the majority of the county population can initiate the surtax through the adoption of uniform resolutions calling for a countywide referendum.	Majority vote of the county's electorate or a charter amendment approved by a majority vote of the county electorate.

At the January 11th Budget Advisory Board (BAB) meeting, Commissioner Roberts and MPO staff presented Exhibit 1 and answered questions about each tax. City staff shared Exhibit 2 with the BAB at this meeting as well. After a subsequent discussion, the BAB unanimously approved a motion to recommend that the City Commission support the Local Government Infrastructure Surtax at a rate of one cent, with the caveat that the surtax should sunset after 30 years and the additional revenue generated from this tax should not be used to supplant General Funds or to reduce the City's Ad Valorem Taxes.

Resource Impact

There is no fiscal impact associated with this action.

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the **Internal Support Cylinder**, specifically advancing:

- Goal 12: Be a leading government organization, managing our resources wisely and sustainably.
- Objective 1: Ensure sound fiscal management

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We Are Community*.

Attachments

Exhibit 1 – MPO Surtax Options Fact Sheet

Exhibit 2 – Future Infrastructure Needs and Neighbor Survey Support

Prepared by: Laura Reece, City Manager's Office

Department Director: Lee R. Feldman, ICMA-CM, City Manager