



Frequently Asked Questions

Sales Tax Extension – A Community Investment August 26, 2008

1. What is the 1% Sales Tax?

Counties, with voter approval, can increase the State-wide 6% Sales Tax to 7% for infrastructure needs. The sales tax is applied to transactions subject to State tax. However, food, medicine and certain services are not subject to sales tax. In addition, the 1% tax is only levied on the first \$5,000 of any large purchase.

These monies can be used for a wide range of capital infrastructure expenses such as public safety vehicles, acquiring park or environmental land, or engineering, design & construction of any public facility with a life span of over 5 years. Maintenance & operating costs are not eligible expenses, nor are reimbursements for prior land purchases.

2. Is this a new tax?

No, this is NOT a new tax. There will be no increase in the amount of sales tax you currently pay. This is a continuation of the existing Charlotte County 1¢ local option sales tax that was first approved in 1994. The current referendum is asking that you extend the tax for an additional six years to fund needed infrastructure improvements.

3. What are the advantages of using a sales tax?

It is a fair funding source that is paid by everyone, not just local property owners. Tourists and seasonal visitors contribute their fair share toward roads and sidewalks that improve the quality of life for everyone.

4. What projects would be funded if the Local Sales Tax were to be extended?

- Burnt Store Road widening
- Edgewater Blvd. widening
- Midway Blvd. widening
- C.R. 775/Placida Road widening
- Fifty sidewalk projects
- City projects: Public Works/Utilities Complex; Parks, Pedestrian and Heritage Tourism Enhancements; Police Fleet & Public Safety Equipment

5. How many Counties have a Local Sales Tax in place?

51 of 67 Florida Counties, or 76%, have a local sales tax. This includes our neighboring counties of Sarasota and DeSoto.

6. What did Charlotte County do with the sales tax funds already collected?

In 1994 voters approved the 1% Sales Tax, to be levied over a four year period for two specific projects, the construction of a new Justice Center and a new Jail. In 1998, and again in 2002, the voters approved an extension. The extension runs through December 2008. The status of the projects is as follows:

| Charlotte County 1994 Projects \$52,176,000 | | | |
|---|--|--------------|----------|
| 1 | Charlotte County Jail | \$25,291,000 | Complete |
| 2 | Charlotte County Justice Center | 26,885,000 | Complete |
| Charlotte County 1998 Projects \$57,024,000 | | | |
| 1 | Winchester Blvd Hurricane Evacuation Route | \$11,362,000 | Complete |
| 2 | 30+ miles of sidewalks | 11,810,000 | Complete |
| 3 | Franz Ross Park | 950,000 | Complete |
| 4 | Englewood Beach Park | 1,127,000 | Complete |
| 5 | Stump Pass Beach | 100,000 | Complete |
| 6 | 911 Equipment/Dispatch | 1,000,000 | Complete |
| 7 | Special ops vehicle and 2 rescue units | 555,000 | Complete |

| | | | |
|--|--|------------|--|
| 8 | Emergency shelter & 15 refuge sites | 550,000 | Complete |
| 9 | Amberjack Environmental Park | 400,000 | Complete |
| 10 | Oyster Creek Environmental Park | 500,000 | Complete |
| 11 | Port Charlotte Beach Park | 700,000 | Complete |
| 12 | Rotonda Community Park | 300,000 | Complete |
| 13 | South County Regional Park Phase I | 2,500,000 | Complete |
| 14 | West County Regional Park Phase I (Oyster Creek) | 2,500,000 | Complete |
| 15 | North County Regional Park Phase I | 3,550,000 | Complete |
| 16 | New Fire Stations #13 & 14 | 1,840,000 | Complete |
| 17 | Cultural Center Expansion & Renovation | 6,436,000 | Complete |
| 18 | Center for Performing Arts @ Charlotte High | 1,500,000 | Complete |
| 19 | Mid-County Regional Library | 8,139,000 | Complete |
| 20 | Sunrise Environmental Park | 700,000 | Under Construction |
| 21 | Emergency Shelter @ Dept of Health | 505,000 | Design phase |
| Charlotte County 2002 Projects \$121,547,000 (Expenditures through 2008) | | | |
| 1 | Edgewater Mitigation Land (scrub jays) | 1,700,000 | Complete |
| 2 | Burnt Store Road Safety Features | 3,000,000 | Complete |
| 3 | Veterans Blvd | 7,300,000 | Complete |
| 4 | Fire Rescue Tech Truck | 200,000 | Complete |
| 5 | EOC/9-1-1 Center | 3,575,000 | Complete |
| 6 | Expand Emergency Radio System | 3,200,000 | Complete |
| 7 | Fire Rescue Mobile Operations Truck | 550,000 | Complete |
| 8 | South County Regional Park – all phases | 8,991,000 | Complete |
| 9 | West County Regional Park – all phases (Oyster Creek) | 7,957,000 | Complete |
| 10 | Bayshore Live Oaks Park – Phases I&II | 5,180,000 | Complete |
| 11 | Boat Ramps – expand existing/add parking | 3,000,000 | Complete |
| 12 | West County Regional Park Pool (Oyster Creek) | 2,000,000 | Complete |
| 13 | Murdock Business Park – Project Development | 3,000,000 | Complete |
| 14 | Homeless Shelter – funded Homeless Coalition Projects | 600,000 | Complete |
| 15 | Fair Association Expo Building | 600,000 | Complete |
| 16 | Connect School Operations to County Radio System | 100,000 | Complete |
| 17 | Upgrade three School Gymnasiums – PCHS/LBHS/CHS | 3,200,000 | Complete |
| 18 | Sidewalks; around schools and linkage | 5,700,000 | Last phase under construction |
| 19 | Regional Water Interconnections – Englewood & Punta Gorda | 8,100,000 | Englewood complete Punta Gorda under design |
| 20 | US 41 Revitalization | 4,500,000 | Under construction |
| 21 | Englewood Fire/EMS Station (Englewood Fire District) | 2,424,000 | Complete |
| 22 | North Charlotte Regional Park – all phases | 4,120,000 | Under Construction – complete 08 |
| 23 | Auditorium/Event Center | 6,000,000 | Under Construction – complete 09 |
| 24 | Reclaimed water for US 41 Revitalization | 700,000 | Under construction |
| 25 | Airport Commerce Park – Water retention/Stormwater | 1,200,000 | Permitting/Bidding phase |
| 26 | Airport Commerce Park – Piper Road Phase I | 5,000,000 | Permitting/Bidding phase |
| 27 | Winchester Corridor (awaiting Army Corps permit) | 12,300,000 | Permit phase |
| 28 | Fire Training Facility | 550,000 | Design phase |
| 29 | Aqui Esta (\$8,000,000; balance of funding from other sources) | 900,000 | Bidding phase |
| 30 | Edgewater/Flamingo Corridor | 15,900,000 | Design phase |

7. What does the City of Punta Gorda receive from the 1% Sales Tax?

Under Florida Statutes, the City of Punta Gorda receives approximately 10% of the sales tax revenue. The City allocated its portion of the 1994 sales tax funds to the Jail & Justice Center. The sales tax funds from 1998 and 2002 were used for the projects listed below:

| City of Punta Gorda Projects 1998 & 2002 - \$17,250,750 | | | |
|---|---|-------------|--------------------|
| 1 | Freeman House & Gov Center Plaza/Parking | \$1,800,000 | Complete |
| 2 | City contribution to Courthouse Renovations | 1,009,000 | Complete |
| 3 | Police/Fire/Emergency Vehicles | 980,000 | Complete |
| 4 | Bridge Lights | 139,000 | Complete |
| 5 | City contribution to Center for Performing Arts @ CHS | 350,000 | Complete |
| 6 | Fleet maintenance Building | 500,000 | Complete |
| 7 | Public Safety Building (Police & Fire) | 1,850,000 | Complete |
| 8 | Fire Station #3 | 850,000 | Complete |
| 9 | Park Land Acquisition & Development | 1,100,000 | Complete |
| 10 | Laishley Park | 2,100,000 | Complete |
| 11 | Martin Luther King Blvd Streetscape | 350,000 | Complete |
| 12 | Harborwalk @ Event Center | 750,000 | Under Construction |
| 13 | City Beautification (US 41 & other areas) | 700,000 | Under Construction |
| 14 | Fire Station #2 | 2,045,000 | Under Construction |
| 15 | Taylor Street Parking Improvements | 169,000 | Under Construction |
| 16 | North Harborwalk under US 41 Bridge | 175,000 | Design Phase |
| 17 | Public Works/Utility Complex | 715,000 | Design Phase |
| 18 | Downtown Flooding Mitigation | 1,123,750 | Design Phase |
| 19 | Mooring Field at Laishley Park | 135,000 | Design Phase |
| 20 | Linear Park | 410,000 | Design Phase |

8. When would the extension of the existing Sales Tax go into effect?

The current sales tax expires on December 31, 2008, thus the extension would begin on January 1, 2009 and continue for six years to December 31, 2014.

9. How much money would be collected over this period of time for capital projects?

We conservatively estimate that the extra pennies would add up to \$18,000,000 per year as the County's share with the City of Punta Gorda receiving approximately \$1,800,000 a year.

10. What projects would be completed by the County with the County funds?

The \$108 million would be spent on the following projects:

- Burnt Store Road, Phase 3, Zemel Road to the Lee County Line
- Edgewater Blvd. Phase 2, Harbor Blvd. to Midway Blvd., 4-lane divided highway
- Midway Blvd., Elkcam to Kings Highway, 4-lane divided highway
- County Road 775 (Placida Road), widening from Rotonda West to Cape Haze Drive
- Sidewalks - completing segments around schools and connecting schools to recreation areas, commercial centers and neighborhoods

11. How do I know as a voter that these projects would be completed?

The Jail and the Justice Center from the 1994 sales tax were completed on time and under budget. All of the projects promised under the 1998 sales tax extension were completed on time and on budget. Over 90% of the projects from the 2002 sales tax were completed on time and on budget. We anticipate the remaining projects to be completed by the end of 2008 or early 2009 and the funds to complete these projects are in escrow. Florida statutes require that the County adopt a plan for sales tax expenditures and all revenue is kept separate from other County funds. The funds can only be used for the projects authorized by the referendum.

12. How were the projects selected?

Community organizations were asked for input, two community surveys were conducted and a Sales Tax Focus Group reviewed proposed projects. The County Commission made the final selections.

13. Are these wish list projects? How would approval affect my existing taxes?

These are not wish list projects, as the majority of them have been included in the County's 5-year Capital Improvement Plan (CIP). For example, the County has been discussing the road program deficit for years. Recent property tax reforms have made it doubtful that the County will be able to adequately address the construction of capital projects without an alternate funding source. Sales tax is an opportunity that will spread the burden among tourists and seasonal residents, not just local property owners.

14. Is it 1 cent or 1%?

It is 1 cent per each 1 dollar spent. Thus, most individuals refer to it as the One Cent Sales Tax. It would not be applied to food, medicine, services or any single purchase over \$5,000.

15. Why use Sales Tax for these projects over other revenue sources?

One mil of County-wide ad valorem taxes equals \$8 million. A tax increase to fund \$108 million in projects is not economically feasible and would be a burden to property owners. There are several advantages to the Sales Tax over property taxes:

- Visitors to the County pay the penny sales tax, rather than ad valorem taxes which are 100% property-owners;
- There will be no increase to the Sales Tax we are currently paying; and
- Folks on fixed spending incomes pay a smaller overall percentage of Sales Tax as opposed to those who spend more on major taxable purchases

16. What happens if the Sales Tax question is not approved by the voters?

The roads and sidewalks will have to wait for available funding, which will be many years in the future. Eventually the funding for these projects will fall on the capital improvement ad valorem tax, and property owners will be paying for their construction, with no assistance from visitors to our county.

17. Why then should the voters approve the Sales Tax, when the County has the option of increasing the property tax for capital improvements?

In the last five years, Charlotte County millage rates have ranked in the lowest 10% of the 67 counties in Florida. This low Countywide ad valorem tax rate has been held consistent in part by the use of the Sales Tax to construct our parks, sidewalks, hurricane evacuation route and refuge sites. The extension of the Sales Tax for the proposed list of roads and sidewalks will again serve the residents well, with visitors, not property owners, assuming their share of the costs.

18. Where can I get more information on the projects?

The County website (www.CharlotteCountyFL.com) has complete project information.

If your homeowner's or community group desires a presentation on the sales tax extension, please call 743.1944 to schedule.