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## JACKSONVILLE Business Journal

### St. Johns officials mull infrastructure sales tax

The Business Journal of Jacksonville - June 9, 2006 by [M.C. Moewe and Joe Rauch](#) Staff writers

ST. AUGUSTINE -- Facing a capital budget shortfall of \$43.7 million over the next four years, St. Johns County commissioners will consider \$141.3 million in capital improvement projects, including a new administration building, during a June 14 meeting.

They will also hear a financial analysis at the meeting that offers sales and gas tax increases as a possible funding source. The 9 a.m. meeting will be held in the county auditorium at 4020 Lewis Speedway in St. Augustine.

Only \$92.7 million in projects can feasibly be funded, said Doug Timms, director of the county's Office of Management and Budget. "That's all of the debt financing we can do." The county's financial consultants calculated those numbers.

At the meeting, consultant Hank Fishkind, of Orlando-based [Fishkind & Associates](#), will present the findings of a financial sustainability study paid for by the Economic Development Council, a branch of the St. Johns County Chamber of Commerce.

Although the analysis lists a 1 cent sales tax, a 5 cent gas tax and municipal service bonds as funding alternatives for spending that includes capital projects, the EDC's chairman, Joe Gordy, said the gas tax was included in the analysis before recent gas price increases. "I would think that's dead on arrival."

The 1 cent infrastructure sales tax proposed in the study as an addition to existing sales taxes would have to be approved by voters, Timms said. The 5 cent gas tax would have to get a vote from four of the five commissioners.

The EDC paid for the study to be done shortly after county commissioners raised impact fees. But Gordy said the EDC was not motivated to undo the impact fee increases.

"I can understand why people might think that," he said. "What became apparent was the county was overly reliant on very few sources of income. We thought these tools would be useful."

In May 2005, impact fees -- which are paid by developers to help fund infrastructure such as roads, schools, public buildings and parks -- were increased, taking those costs from \$2,630 to \$6,685 for a new single-family house up to 1,800 square feet in size.

Timms will present funding projections for capital improvement projects to commissioners. They will include about \$32.7 million in transportation projects, \$42.4 million in parks and recreation projects and \$66.2 million in other projects including the administration building.

The commissioners could vote to issue bonds, Timms said. Additional bonding capacity of about \$60 million exists for local government half-cent sales tax bonds and about \$32.7 million exists for gas tax bonds for eligible transportation projects.

As of April 5, St. Johns County's fiscal year 2007-2011 capital improvement projects are projected to have a \$43.7 million shortfall.

Fishkind's study points to rising costs in St. Johns County's transportation, public safety and quality-of-life programs, with a related decline of revenue growth from real estate, and state and federal subsidies, during the next four years as the primary reasons for the capital budget crunch.

The shortfall is exacerbated by the state's Growth Management Act, which requires a county's comprehensive plan to be financially feasible with proof that a capital improvement plan can be funded. Counties have a December 2007 deadline to comply with the act.

Fishkind's assessment of St. Johns is frank. "Today St. Johns County -- like most Florida counties -- cannot meet these requirements," the study states.

Several large building projects loom for St. Johns County.

A new 50,000-square-foot, \$18.35 million administration building will break ground in December.

A 250-bed, dormitory-style prison is scheduled for construction, at a cost of \$4.5 million, to relieve overcrowding at the main county detention center.

The county also plans to build a \$6.35 million emergency operations center in "a more strategic county location out of a higher hazard area," according to county documents.

But what the county calls "quality-of-life" improvements are also being planned, such as the \$5.7 million, 50-acre Aberdeen Regional Park in the high-growth northwest corner of St. Johns County,

and the \$7.1 million Vilano Beach revitalization project.

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