



**NEED FOR ADDITIONAL 1-PENNY SALES TAX IN MONROE COUNTY
TO ADDRESS ROADWAY VULNERABILITY AND TRANSPORTATION INFRASTRUCTURE**

At present 100 miles of county roads are at or just above sea level and vulnerable to severe and persistent flooding from sea level rise, King Tides, and storm inundation.

By 2045, 152 miles of County roadways will be impacted – half of the total roadways in Monroe County. Nearly 10,000 homes are located on these roads.

Prolonged inundation results in destruction of public roadways and property, loss of pedestrian residential access, disruptions to traffic and commercial activity, and limitations to first responder access in times of emergency.

Without functioning roadways and operational infrastructure, neighborhoods and businesses cannot remain safe, secure or viable.

Cost: \$1.8 Billion

- **OBJECTIVE:** Amend the Charter County and Regional Transportation System Surtax, FS 212.055(1), to enable use for non-charter counties to levy the 1-penny surtax, subject to the approval of our local voters via a local referendum.
- **NEED/USE OF THE REVENUE:** The revenue raised from this 1-penny sales tax will fund the implementation of road elevation and drainage projects -- projects that will protect public safety, public infrastructure, and property values, and provide long-term community and economic resilience. In addition, as a community with one main roadway that is often snarled in traffic, Monroe County would benefit from additional funds to finance an improved transit system.
- **ESTIMATED COSTS:** The cost to elevate the County's at-risk roads is estimated to be \$1.8B, per a comprehensive 2-year engineering study, commissioned by Monroe County to examine flooding impacts, adaptation methodologies, and cost estimates for addressing vulnerable roads. *(The cost of roadways within the Keys' municipalities is not yet factored in.)*
- **ENORMOUS VALUE OF THIS PENNY:**
 - A 1-cent tax levy, *if levied after approval by the local voters via a referendum*, will raise \$50M annually – which we contemplate to bond to generate upwards of \$300M, to give us an immediate and impactful kick-start to County's road elevation/ resiliency program.
 - Monroe's currently levied 1-cent infrastructure sales tax was recently extended to 2033. A major portion of this revenue is already dedicated to paying down the debt service on the construction of our state-mandated wastewater system. However, with this extension, we are able to make an additional pledge of \$50M for road resilience projects (to provide the required 50% match State's RF grants).
 - 60-67% of this tax revenue is generated by tourists. *(4M visitors a year requires higher level of infrastructure.)*

MONROE COUNTY'S RESPONSIBLE USE OF CURRENT 1-CENT INFRASTRUCTURE SALES TAX

- Monroe County has responsibly utilized the revenue from its current penny sales tax* to meet mandated and other critical infrastructure needs. We have tracked every single project funded with the revenue from this penny tax from 1990-2022, and can demonstrate a steadfast focus on public infrastructure projects needed for a safe, well-functioning community and strong economy:
 - ✓ **\$217M (41%) Public Safety:** Fire stations, firetrucks, air ambulance, jail facilities, and State-mandated courthouse, Public Defender and State Attorneys facilities.
 - ✓ **\$119M (22%) Water Quality:** Mandated wastewater treatment facility construction, drinking water, canal water quality restoration.
 - ✓ **\$74M (14%) Health/Environment Infrastructure:** Senior facilities and improvements, library and park construction.
 - ✓ **\$70M (13%) General Government** facilities (for county operations/services), telecommunications network.
 - ✓ **\$39M (7%) Transportation:** Road improvements, bridge repair/replacement, airport improvements, vessel facilities.
 - ✓ **\$14M (3%) Land acquisition:** For the purposes of affordable housing, conservation, and property rights protection.

* Enacted via referendum in 1989, with two fifteen-year extensions, and most recent 10 year extension, via referendum.

BENEFITS OF LOCAL OPTIONAL SALES TAX

- ❖ **Reduces Property Tax Burden:** Monroe County has the lowest millage in the State. The local option sales tax has allowed the County to fund infrastructure needs, keeping property taxes low.
- ❖ **Reduces Debt Burden:** Monroe County has been able to fund many capital projects on a pay as you go basis with the local option sale tax, reducing additional interest and borrowing costs.
- ❖ **Shares Costs with Visitors:** Monroe County's population is 82K; its "functional population" is twice the population. It hosts 4M tourists a year. County wastewater, roads, and other infrastructure are built for functional population. Visitors use the same roads, wastewater utilities, libraries, and parks as permanent residents. Funding improvements with local option sales tax ensures that visitors share in the costs of infrastructure.
- ❖ **Ensures Essentials such as Food and Medicine are Not Taxed:** The local option sales tax exempts most essential purchases in order to avoid placing a hardship on lower income residents.
- ❖ **Tax is Capped at \$50 Per Sale For Large Transactions:** The local option sales tax is only levied on the first \$5,000 of a sale. This limits the maximum tax on any one purchase to \$50 (per penny), thus reducing the burden on large purchases such as cars, boats, RVs, and major appliances.
- ❖ **Share Revenue between Cities and County:** The local option sales tax is shared between the County and the five (5) local municipalities per Florida Statutes. This has allowed the municipalities to fund many of their infrastructure needs as well, thus reducing their reliance on property taxes.

MONROE'S LOCAL INVESTMENT in FLOOD RISK REDUCTION AND RESILIENCE

- ✓ **Investment in Foundational Data Collection and Needs Assessment:**
 - \$550,000 expended for *Mobile Lidar* Elevation Data Collection for Roadways (2019, completed);
 - \$6M allocated for two *Pilot Road* Elevation Projects (initiated 2016, design/permits completed 2020);
 - \$1.8M expended for *Roads Vulnerability and Adaptation Study* (comprehensive 2-year study, just completed.)
- ✓ **Flood Risk Reduction Actions/Policies:** Drafting of land use and zoning policies to disincentivize development in high-risk areas, Comprehensive Plan amendments (Peril of Flood and Adaptation Action Areas), building code, construction standards, Vulnerability Analysis of County's infrastructure. Implementation of an acquisition and buyout program.
- ✓ **Partnership with Army Corps of Engineers' Coastal Storm Mitigation Project** for the Florida Keys. Recently authorized into federal law, this project will flood-proof critical infrastructure and commercial properties and elevate homes, and includes the prospect of \$1.6B in federal funding, along with significant local match, to implement the strategies.
- ✓ **Class 3 in FEMA's Community Rating System (CRS) Program:** After implementing an aggressive array of Countywide flood risk mitigation strategies Monroe has advanced to a Class 3, not only hardening our community and its assets but also saving NFIP policyholders 35% annually and \$30M collectively since 2016.
- ✓ **Monroe County is aggressively pursuing all available funding options** for flood mitigation to assist with this comprehensive effort, including federal and state grants, special assessments and local funding:
 - **HMGP, CDBG-DR, CDBG-MIT, and BRIC grant programs.** Numerous applications submitted. FY 2021, secured \$11M in CDBG-DR funds for three flood risk reduction projects, including a major road elevation project.
 - State **Resilient Florida Grant** program: Secured \$5.1M in FY 2022 for two road elevation projects (with \$5.1M match); submitted apps for 15 road projects in FY 2023 for \$380M, pledging a local match for 3 projects of \$44M.
 - FEMA **FMA Grant** program (FY21 and 22): Submitted 62 applications to assist homeowners to elevate/rebuild above minimum flood elevation requirements totaling \$11M, with \$5.5M local (homeowners) match.
 - **Federal appropriations:** Secured a \$5.8M appropriation for road elevation project in FY 2022 federal budget, and will seek a similar appropriation for FY 2023.
 - Currently contemplating local funding options: MSBUs, assessments, storm water/flood mitigation utility.

Postponing such investment in the resilience and hardening of critical infrastructure like roads and transit for lack of funds will only be more costly for taxpayers, homeowners, and businesses. We seek to address these challenges before they become more expensive, and before they become actual interruptions to property values, business activity, and travel.

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