

HERNANDO HALF CENT



ROADWAYS & RECREATION



Sales Tax Update

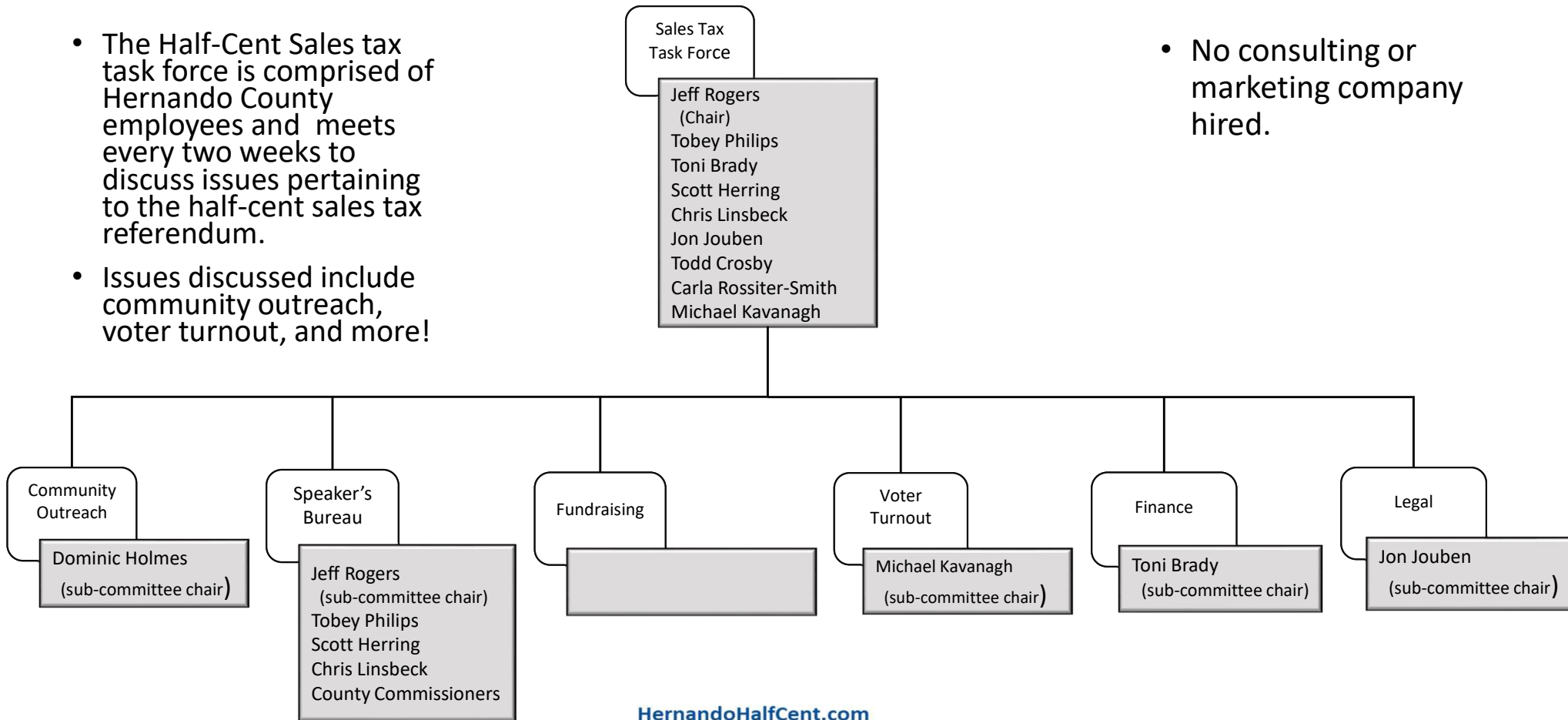
Jeff Rogers
Hernando County Administrator

Half-Cent Sales Tax



- The Half-Cent Sales tax task force is comprised of Hernando County employees and meets every two weeks to discuss issues pertaining to the half-cent sales tax referendum.
- Issues discussed include community outreach, voter turnout, and more!

- No consulting or marketing company hired.



AUDITOR



Audit Timeline

- May 12th Orientation Meeting with Mauldin & Jenkins
- Onsite Visit June 2nd-3rd
- July 15th Draft Audit Anticipated
- August 12th Final Audit Anticipated
- Once Audit is complete it will remain on the County's website for 2 years per Florida Statute 212.055



The Florida Legislature
OFFICE OF PROGRAM POLICY ANALYSIS AND
GOVERNMENT ACCOUNTABILITY

PK Jameson, Coordinator



May 2, 2022

Mr. Jeff Rogers, P.E., County Administrator
Hernando County Board of County Commissioners
15470 Flight Path Dr.
Brooksville, FL 34604

Dear Mr. Rogers:

Pursuant to the requirements of s. 212.055(11) *Florida Statutes*, the Office of Program Policy Analysis and Government Accountability has selected Mauldin & Jenkins, LLP to conduct a performance audit of the programs associated with the surtax ordinance adopted by the Hernando County Board of County Commissioners on February 22, 2022.

Representatives from Mauldin & Jenkins will contact your office in the near future to establish an appropriate time and place for an entrance meeting.

Thank you for your cooperation. If you have any questions, please call Emily Leventhal at (850) 717-0525.

Sincerely,

PK Jameson
Coordinator

Cc: Steve Champion, Chairman, Hernando County Board of County Commissioners
Toni Brady, Director of Office of Management & Budget, Hernando County
Carla Rossiter-Smith, Grants and Operations Performance Coordinator, Hernando County
Wade Sansbury, Partner, Mauldin & Jenkins LLP



Hernando County Surtax Performance Audit

Janet M Tashner
General Counsel
The Florida Legislature
Office of Program Policy Analysis and
Government Accountability
111 W. Madison Street, Suite 312
Tallahassee, FL 32399

Prepared By:

Wade Sansbury, Partner
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1401 Manatee Ave W #1200,
Bradenton, FL 34205

March 29, 2022



Past Outreach to Organizations and Groups



Greater Hernando Chamber of Commerce

YMCA Advisory Board

City of Brooksville

Brooksville Rotary Club

Kiwanis of the Adventure Coast

Hernando County Builders' Association

Hernando Progress

NFL Flag Football * Spring Hill Eagles

Hernando Youth League Soccer * Hernando Soccer Club

Hernando County Economic Development-Airport
Technical Advisory Committee (EDA-TAC)

Current and Future Outreach to Groups and Organizations



New Residents Reception

Red, White, and Brew: July 2

Politics in the Park: July 14

Chamber Breakfast: August 24

Friday Night Live: September

Opening Day for local Soccer and Football Leagues

NFL Flag Football Spring Hill: September 10th

HYL BUSA: October/November

Spring Hill Dixie Softball: October



Endorsements



Organizations such as:

- the Greater Hernando Chamber of Commerce,
- Hernando Builders Association,
- Hernando County Economic Development-Airport Technical Advisory Committee (ED-TAC)

have endorsed in writing the half-cent sales tax referendum.

Organizations such as:

- The City of Brooksville
- NFL Flag Football Spring Hill
- HYL Brooksville
- Premier Football Club
- Hernando Progress

have verbally endorsed the half-cent sales tax referendum.

April 12, 2022

Board of County Commissioners
20 North Main Street
Brooksville, Florida 34601

Dear Commissioners,

The Economic Development & Airport Technical Advisory Committee (EDA-TAC) supports the Hernando Half Cent for Roadways and Recreation. A "Yes" for the Hernando Half Cent for Roadways and Recreation is an investment in the quality of life in Hernando County. The EDA-TAC recognizes the importance of roadways to economic development and opportunity. The EDA-TAC also recognizes that public recreation contributes to healthy lifestyles and healthy families.

For these reasons, the EDA-TAC supports the Hernando Half Cent for Roadways and Recreation.

Sincerely,

A handwritten signature in black ink, appearing to read "Wayne Johnson".

Wayne Johnson
Chairman,
Economic Development & Airport Technical
Advisory Committee

CC: Mr. Jeff Rogers, County Administrator

April 22, 2022

Board of County Commissioners
20 North Main Street
Brooksville, Florida 34601

Dear Commissioners,

Hernando Builders Association (HBA) supports the Hernando Half Cent for Roadways and Recreation. A "Yes" for the Hernando Half Cent for Roadways and Recreation is an investment in the quality of life in Hernando County. HBA recognizes the importance of roadways to our residential communities. HBA also recognizes that public recreation contributes to healthy lifestyles and healthy families.

For these reasons, HBA supports the Hernando Half Cent for Roadways and Recreation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Nita Beckwith-Melaugh".

Nita Beckwith-Melaugh
Certified Executive Officer

CC: Mr. Jeff Rogers, County Administrator

Utilities Insert



HERNANDO HALF CENT ROADWAYS & RECREATION

WHY A HALF CENT FOR HERNANDO?

From 2010 to 2020 Hernando County's population has grown by almost 13% on top of the 68% growth rate from 1990 to 2010. This has led to increased congestion on the roadways and parks. To accommodate this growth, it's essential that Hernando County expand intersections & roads, upgrade parks, and create new recreation areas.



WHAT WILL A HALF CENT DO FOR HERNANDO COUNTY?

The sales tax will support \$212 million in roadway Projects and \$32 million in recreation projects

20% Recreation Upgrades



- Anderson Snow Park: Splash Pad, Recreation Center, and Sports Field Expansion
- New Dog Parks
- Boat Ramp Improvements
- Lake Townsen Fishing Pier Replacements
- Ernie Weaver and Kennedy Park Improvements

80% Road Improvements



- County Line Rd.
- Barclay Ave.
- Anderson Snow Rd./ Corporate Blvd.
- Sunshine Grove Rd. from Ken Austin Pkwy. to Hexam Rd.
- Kettering Rd. from State Road 50 to Power Line Rd.
- Lockhart Rd. from State Road 50 to Daschbach St.
- Intersection Improvements



www.HernandoHalfCent.com

HERNANDO HALF CENT ROADWAYS & RECREATION



Over the next 3 years there is potential to leverage 18 million in sales tax revenue and transform it into 46 million in grant awards



A single road widening project such as Barclay Ave. costs over \$25 Million



Expanding sports fields at Anderson Snow Park is \$35.5 Million



Hernando County is currently tied for the second lowest sales tax rate in the entire state



If approved, a nonpartisan oversight committee would be formed from members of the community



Tax would only be collected on the 1st \$5,000 of large purchases of tangible personal property or max of \$50 on a single purchases

QUICK FACTS

- Half-Cent Sales Tax Referendum will be included on the Official Ballot for the 2022 General Election. For ways to vote, visit HernandoVotes.gov
- 30 Percent of Half-Cent Sales Tax Overall Revenue will come from Tourists, Visitors, and people who work in Hernando County but do not live in the County
- Half-Cent Sales Tax exemptions include groceries, medical services, medication, & fuel
- The Sales Tax, if approved, will last a total of ten (10) years
- After the passage of the Half-Cent Sales Tax, a citizens oversight committee will be created to ensure the proper use of the funds generated from the Sales Tax



www.HernandoHalfCent.com

Community Flyer



HERNANDO HALF CENT
ROADWAYS & RECREATION

WHY A HALF CENT FOR HERNANDO?

From 2010 to 2020 Hernando County's population has grown by almost 13% on top of the 68% growth rate from 1990 to 2010. This has led to increased congestion on the roadways and parks. To accommodate this growth, it's essential that Hernando County expand intersections & roads, upgrade parks, and create new recreation areas.

Potential growth and development

- Greater roadway capacity to reduce congestion
- More jobs created through economic development
- Increased cargo brought into the County



WHAT WILL A HALF CENT DO FOR OUR COUNTY?

The sales tax will support \$212 million in roadway projects and \$32 million in recreation projects

80%

Road Improvements

- County Line Rd.
- Barclay Ave.
- Anderson Snow Rd./Corporate Blvd.
- Sunshine Grove Rd. from Ken Austin Pkwy. to Hexam Rd.
- Kettering Rd. from State Road 50 to Power Line Rd.
- Lockhart Rd. from State Road 50 to Daschbach St.
- Intersection improvements

20%

Recreation Upgrades

- Anderson Snow Park: Splash Pad, Recreation Center, and Sports Field Expansion
- New Dog Parks
- Boat Ramp improvements
- Lake Townsen Fishing Pier Replacements
- Ernie Weaver and Kennedy Park improvements

Examples:

- A single road widening project such as Barclay Ave. costs over \$25 mil.
- Expanding sports fields at Anderson Snow Park is \$3.5 mil.





www.HernandoHalfCent.com

HERNANDO HALF CENT
ROADWAYS & RECREATION

WHY NOT GAS TAX?


Current funding sources such as impact fees and gas tax do not generate enough revenue to support citizens now and in the future.

Gas Tax is assessed by gallon and not by dollar amount. Although gas prices continue to rise, the revenue collected from gas tax does not increase.

As cars powered by fuel become more efficient and more hybrid/electric vehicles are on the road, less revenue from the gas tax is generated.




At the same time, construction costs continue to accelerate. This has led the County to search for an alternative funding stream. The Half Cent Sales Tax will provide a diversification of revenue to complete these projects. Money generated from the Half Cent Sales Tax will also allow Hernando County to leverage the funds to apply for state and federal grants opportunities.

Over the next 3 years there is potential to leverage 18 million in sales tax revenue and transform it into 46 million in grant awards.



The tax would only be collected on the first \$5,000 of large purchases of tangible personal property, or a maximum of \$50 on a single purchase.


- Half-Cent Sales Tax Referendum will be included on the Official Ballot for the 2022 General Election. For ways to vote, visit HernandoVotes.gov.
- 30 Percent of Half-Cent Sales Tax Overall Revenue will come from Tourists, Visitors, and people who work in Hernando County but do not live in the County.
- Half-Cent Sales Tax exemptions include groceries, medical services, medication, and fuel.
- The Sales Tax, if approved, will last for a total of ten (10) years.
- After the passage of the Half-Cent Sales Tax, a citizens oversight committee will be created to ensure the proper use of funds generated from the Sales Tax.

www.HernandoHalfCent.com

Bulletin Boards





HERNANDO HALF CENT

This November, Hernando County voters will have the opportunity to elect a half cent sales tax for the next 10 years in order to improve our roadways and enhance our recreational facilities.

Fact: Potential to leverage \$18M in sales tax revenue & transform it into \$46M in grant awards.

Fact: Hernando County is currently tied for the second lowest sales tax rate in the entire state!


Road Improvements

- County Line Rd.
- Barclay Widening
- Anderson Snow Rd. / Corporate Blvd.
- Sunshine Grove Rd. 4-Laning from Ken Austin Pkwy to Hexam Rd.
- Kettering Rd. from SR 50 to Power Line Rd.
- Lockhart Rd. from SR 50 to Daschbach St.
- Intersection improvements & management

Fact: It costs approx. \$1 million to mill and resurface 1 mile of road.

Recreation Upgrades


- Anderson Snow Park: Splash Pad, Recreation Center, and Sports Field Expansion
- New Dog Parks (East & West side)
- Weeki Wachee Preserve: ECO Boardwalks and Trails
- Boat Ramp improvements
- Lake Townsen Fishing Pier Replacements
- Ernie Weaver and Kennedy Park improvements
- Sensitive Lands Preserve Improvements
- Aquatic Center




How would the additional half-cent be spent?

Fact: If approved, a nonpartisan oversight committee would be formed from members of the community.

Fact: Approximately **30%** of all sales tax collected in the county is from **non-residents!**



HernandoHalfCent.com



Bulletin Boards



Lobbies 24" x 36" Billboard w/ Easel

- Parks and Recreation -
- East Library Branch
- West Library Branch
- Main Library Branch
- Spring Hill Library Branch
- Veteran's Services/Housing Authority
- Animal Services
- County Extension
- Public Works
- Utilities
- Development Services
- Administration
- Airport

Exterior Billboards 24" x 36"

- Pine Island Gatehouse Rotary Dog Park
- Roger's Park Ernie Wever Park
- Veteran's Park Ridge Manor Park
- Anderson Snow Park Delta Woods
- Kennedy Park

BALLOT LANGUAGE

OPTIONAL ½-CENT SALES SURTAX REFERENDUM

TO ENHANCE THE QUALITY OF LIFE FOR HERNANDO COUNTY'S RESIDENTS, SHALL HERNANDO COUNTY LEVY A ½-CENT SALES TAX, THE PROCEEDS OF WHICH SHALL BE EXCLUSIVELY USED TO REDUCE TRAFFIC CONGESTION, TO CONSTRUCT AND IMPROVE ROADWAYS, AND TO CREATE AND IMPROVE PARKS AND OTHER RECREATIONAL FACILITIES, WITH HERNANDO COUNTY'S USE OF THE PROCEEDS TO BE SUBJECT TO CITIZEN OVERSIGHT?

YES - FOR THE ½-CENT SALES TAX

NO - AGAINST THE ½-CENT SALES TAX

80% Road Projects - Relieve existing and future traffic congestion by expanding local roadways and Improving intersections.

20% Recreation – Enhance citizen quality of life through additions to existing parks and recreational areas of the county. Expansion of county parks has not kept up with the increase in population and demand.

Half-Cent Sales Tax



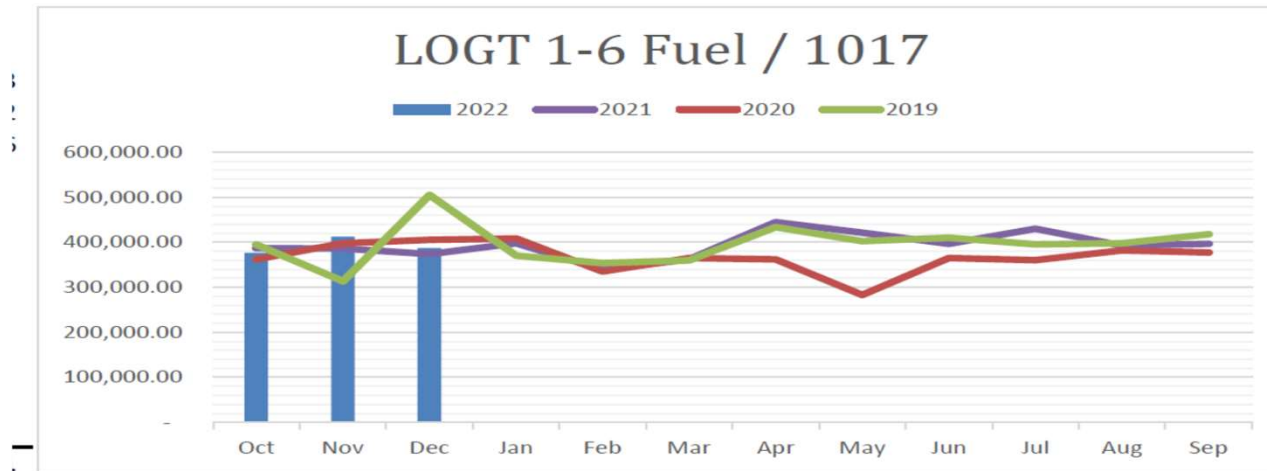
- 30% paid from Non-Residents
 - Tourists
 - Employees that do not live in county
- Diversification of revenue streams assist in economic downturns
- Funds can and will be leveraged for state and federal grants
- Definite end date. Sales Tax required to be renewed by citizens
- Revenue cannot be used for operational expenses or salaries
- Exemptions
 - Groceries, medical services, medication, or fuel would be exempt from the tax
 - The tax would only be collected on the first \$5,000 of large purchases of tangible personal property, or a maximum of \$50 on a single purchase
- Expenses only allowed on ballot referendum approved projects
- Citizen oversight committee

Half-Cent Sales Tax



County	Sales Tax Rate
Citrus	6
Hernando	6.5
Levy	7
Lake	7
Marion	7
Pasco	7
Sumter	7
Hillsborough	7.5

Existing Gas Tax- Why is it not enough?



	<u>2019</u>		<u>2020</u>		<u>2021</u>	
TOTAL GAS TX:	\$	11,728,750	\$	10,793,998	\$	11,509,801
% Change				-8.0%		6.6%
\$ Change			\$	(934,752)	\$	715,803

Gas tax revenue stays the same. Cost for construction and maintenance continues to increase. Gas tax is used to resurface roads, maintain signals, sidewalks, etc.

Impact Fees



- Impact Fees are calculated to pay for a portion of the cost of the capital improvement.
- Hernando County uses impact fees to buy property, design projects, grant matches, and partial capital costs.
- Impact Fees Currently are:
 - \$5,757 for a Single-Family Home
 - \$19,122 for a Fast-Food establishment with Drive-Thru (1,000 Sq. Ft)
 - \$3,027 for a Retail/Shopping Center (1,000 Sq. Ft)

Capital Project = Impact fee + Grant + Revenue Source (Sales Tax, Gas Tax, Ad- Valorem)

Why Aren't Impact Fees a Solution?



Barclay Road Widening.

- Project cost: \$25,000,000. Purchase right of way, design, and construct two lane road to four lane road.

Current Funding Sources.

- Impact fees

Grant we can receive is: \$6.4 Million (1.6 Million match required)

- Road Impact fees are collected in one of the five “Road Impact Districts” and can only be used in the district it is collected.

For example, Hernando County currently brings in \$908,875 a year in impact fees for District 4 road impact fees at 22% funding level.

- If Impact fee funded at four times this amount \$3,635,500 a year.

With a \$6.4 Million dollar grant (if we can get it) it takes 5 years to obtain the funding to build this roadway, with the rate of development we have currently.

- This is just one of the roadways in this roadway district that needs to be widened. Anderson Snow also needs to be widened along with County Line and numerous intersections.

Hernando Half-Cent Website

- Website launched in Early May 2022
- Website URL: hernandohalfcent.com

Our Roads. Our Parks. Our Future...

A HALF CENT FOR ROADS AND RECREATION

with every dollar benefiting Hernando County

LEARN MORE

