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**MEMORANDUM**

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**To:** Mr. Pat Neal, Neal Communities  
**From:** Lucy Gallo, Principal  
**CC:** Mr. Frank Domingo, Mr. Jackson Boone  
**Date:** July 8, 2019  
**Re:** **Laurel Road Widening Project**

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At your request, Development Planning & Financing Group ("DPFG") has prepared this memorandum which addresses potential funding sources for the widening of Laurel Road from two to four lanes between Knights Trail Road and Jacaranda Boulevard in the City of Venice, Florida ("City").

The City's Streets Capital Projects Fund is used to account for road construction projects. Major road projects are typically financed by a combination of revenue sources including bond proceeds, motor fuel taxes, road/mobility fees, state grants, and interest revenues.

General Obligation Bonds

In FY 2017, the City issued \$18.0 million in general obligation bonds for transportation improvements comprised of approximately 70 miles of roads, including the Historic Downtown Corridor, and upgrading adjacent pedestrian bicycle facilities. Debt service on the bonds is being repaid through a debt service millage.

**There is no general obligation bond revenue available to fund the Laurel Road widening project.**

Motor Fuel Taxes

Annual Motor Fuel Tax revenues consist of 1 to 6 Cents Local Option Fuel Tax ("Six Cents Tax"), 1 Cent County Fuel Tax ("Ninth Cent Tax"), and 1 to 5 Cents Local Option Fuel Tax ("5 Cents Tax") distributions.

Motor Fuel Tax revenues are transferred to the City's General Fund for transportation-related operations and maintenance and to the Streets Capital Projects Fund for road construction. Motor Fuel Tax revenues for FY 2020 are projected to be \$1.4 million.



According to the City's proposed FY 2020 budget, the Streets Capital Projects ending fund balance is expected to be \$3.9 million, composed primarily of motor fuel taxes. The City's target fund balance for this fund is \$500,000. **As such, there may be approximately \$3.4 million of Streets Capital Projects funds available for the Laurel Road widening project.**

#### State Grants

Recently, state grants were awarded for the downtown road restoration work and Phase 3 of the road surfacing project.

**It is beyond the scope of this assignment to determine if any state grants are available for the Laurel Road widening project.**

#### Road Impact and Mobility Fees

Road impact fees (prior) and mobility fees (current) are collected by the City and remitted to Sarasota County ("County") per County ordinance. These impact fees may be used for eligible City-approved projects.

The FY 2020 proposed budget includes a \$6.3 million Capital Improvement Project request for Pinebrook/Venice/Ridgewood intersection improvements to be funded by road impact and mobility fees. **If the Laurel Road widening project is deemed a higher priority, then perhaps all \$6.2 million, or a portion thereof, could be allocated to the Laurel Road improvements.**

Approximately \$1.5 million in mobility fee revenue has been collected by the City and remitted to the County over the past two years. If \$750,000 per year, on average, is representative of future years, the City will collect \$7.5 million in mobility fee revenue over the next 10 years.

Neal Communities has approximately 2,122 lots for which mobility fees have not yet been paid (including 1,300 lots in GCCF). The buildout of these lots will generate approximately \$10.0 million in County mobility fees.

2,122 lots x \$4,734 (County Mobility Fee for a 1,500 – 3,500 sq. ft. single-family detached home) = \$10.0 million mobility fee revenue

**Future mobility fee revenue can be dedicated to the Laurel Road widening project.**

#### One Cent Voted Sales Tax

The One Cent Voted Tax Fund monies are divided between capital items as approved by the voters. The projects are categorized into four general areas: community projects, transportation projects, parks and recreation projects, and public safety projects. A citizen oversight committee has been established to review on a regular basis the One Cent Voted Sales Tax Program to ensure that programs develop as presented to the public and that

changes in these programs receive proper public notification and hearing. The tax, which was approved by referendum, is set to sunset in 2024.

The City's proposed FY 2020 Capital Improvement Program allocates projected One Cent Sales Tax distributions of \$9.1 million to non-transportation major capital projects such as:

- \$4.3 million for the Fire Station #51 Rebuild
- \$1.0 million for the City Hall generator
- \$882,500 for City Hall renovations
- \$302,237 for completion of the new public safety facility
- 250,000 for design for the Public Works Department relocation

**There are no transportation-related projects in the One-Cent Sales Tax proposed Capital Improvement Program for the period FY 2020 to FY 2024.**