

SECTION 3. COUNTY ADMINISTRATION

3.30 ECONOMIC IMPACT STATEMENT

A. PURPOSE. The purpose of the Economic Impact Statement (EIS) is for use as a tool in the decision-making process that provides estimating of direct, quantifiable economic impacts upon citizens and taxpayers.

B. EIS PREPARATION.

(1) An Economic Impact Statement (EIS) shall be prepared by staff in conjunction with all ordinances being presented to the Board of County Commissioners (BCC), with the exception of those ordinances which adopt land use plan amendments and those ordinances that the BCC might specifically exempt from the EIS requirement. Text amendments to the comprehensive plan shall require an EIS.

(2) The EIS will be included within the staff report provided to the BCC and shall substantially follow the form attached as Exhibit 1.

(3) The EIS will include staff's best efforts to quantify the direct economic impacts (i.e. estimated costs/revenues to County, property owners, taxpayers, etc.) of implementing each ordinance proposal.

(4) The EIS will include staff's best efforts to identify, but not quantify, the potential indirect economic impacts (i.e. perceived positive/negative impacts on property values, etc.) of each ordinance proposal.

(5) In no event shall staff utilize paid consultants to aid in the preparation of an EIS without prior approval of the BCC.

(6) These policies shall become effective on January 1, 1995.

C. AUTHORITY. Resolution 94-R-337 adopted December 13, 1994.

EXHIBIT "A"

ECONOMIC IMPACT STATEMENT

DATE:

DEPT./DIVISION:

CONTACT PERSON:

EXTENSION:

DESCRIBE PROJECT/PROPOSAL:

DESCRIBE THE DIRECT ECONOMIC IMPACT OF THE PROJECT/ PROPOSAL UPON THE OPERATION OF THE COUNTY:

DESCRIBE THE DIRECT ECONOMIC IMPACT OF THE PROJECT/ PROPOSAL UPON THE PROPERTY OWNERS/TAX PAYERS/CITIZENS WHO ARE EXPECTED TO BE AFFECTED:

IDENTIFY ANY POTENTIAL INDIRECT ECONOMIC IMPACTS, POSITIVE OR NEGATIVE WHICH MIGHT OCCUR AS A RESULT OF THE PROJECT PROPOSAL:

ECONOMIC IMPACT STATEMENT

DATE: November 5, 2014

DEPT./DIVISION: Resource Management

CONTACT PERSON: Cecilia Monti

EXTENSION: 7175

DESCRIBE PROJECT/PROPOSAL:

A proposed ordinance creating Chapter 95, Article III, of the Seminole County Code, "Registration and Maintenance of Foreclosed Properties", establishing a process for the registration of abandoned real property located in the unincorporated areas of Seminole County to protect neighborhoods from becoming blighted through the lack of adequate maintenance and security of abandoned properties. The ordinance provides for a \$200 annual registration fee to be paid by the mortgagee who holds a mortgage on the real property located within unincorporated Seminole County.

DESCRIBE THE DIRECT ECONOMIC IMPACT OF THE PROJECT/ PROPOSAL UPON THE OPERATION OF THE COUNTY:

Maintaining a County run registration program requires a significant amount of staff time to initiate and administer the program effectively. An outside vendor is preferred due to staff time involvement to manage the program and a greater efficiency in identifying properties and collecting fees. The vacant property registration program is a valuable tool that will assist code enforcement in expediting the identification of responsible parties associated with a vacated property in violation of county ordinances that often lead to community deterioration. Direct contact with the mortgagee or property manager may expedite the resolution of code violations on properties in foreclosure prior to major disrepair of the property or the necessity of property liens. Major code violations requiring prompt attention by the mortgagee's may impact the health, safety and welfare of residents in the area as well as devalue surrounding properties.

The vendor run program is more efficient than current processes as the vendor would perform the necessary research of the foreclosed property, provide notification of responsible parties, be responsible for the collection fees and financial reporting, and provide an online database of unoccupied foreclosure/default properties. The program also provides for a new revenue source to offset, in part, code enforcement costs associated with abandoned properties. The \$200 proposed fee is an annual charge to each foreclosed property for as long as that property remains vacant. The vendor receives \$100 for services associated with maintaining the database and the County receives \$100 for code enforcement purposes. The exact number of foreclosures in unincorporated Seminole County is not known at this time. Based on information received from the Clerk's Office for 2013, Seminole County lis pendens through December 20, 2013 totaled 2,520 filed and 5,060 disposed.

In addition, the "Registration and Maintenance of Foreclosed Properties" database may assist the Property Appraiser with homestead frauds. Between 75 and 80 percent of property sales in Seminole County today are considered normal sales and foreclosures are down significantly from the more than 9,000 foreclosures experienced in 2009. The Property Appraiser's Office, however, receives between 3,000 and 4,000 returned property notices from homestead renewal and TRIM mailings each year due to existing owners moving or vacating a property. A vacant property registration database would help in identifying any homestead fraud that may be associated with a loss of homestead rights on foreclosed or vacated properties. Loss of homestead rights occurs when the property owner vacates the property or a certificate of title is issued.

DESCRIBE THE DIRECT ECONOMIC IMPACT OF THE PROJECT/ PROPOSAL UPON THE PROPERTY OWNERS/TAX PAYERS/CITIZENS WHO ARE EXPECTED TO BE AFFECTED:

The mortgagee or financial institution registering the property as vacated will incur a \$200 annual fee for as long as the property remains vacant. Registration of the property by the mortgagee and the ability to easily contact the property manager may avert costly code enforcement fines and liens on the vacant property with early resolution of violations. There is no direct financial impact on the citizens of Seminole County.

IDENTIFY ANY POTENTIAL INDIRECT ECONOMIC IMPACTS, POSITIVE OR NEGATIVE WHICH MIGHT OCCUR AS A RESULT OF THE PROJECT PROPOSAL:

Abandoned real properties, which are unmaintained or unsecured, are a public nuisance and a danger to the health, safety and welfare of the residents of Seminole County. These properties erode the value of surrounding homes and often lead to blight and crime in normally safe neighborhoods. Local governments are impacted by the loss of valuable tax revenues and increased costs for police and other public safety services. Most mortgagees will comply with local laws required of vacated properties as long as they are aware of the problem. The vacant property registration program provides for a process to notify the mortgagee of their responsibilities up front which may avert potential property liens and expedite the resolution of existing violations that often lead to blighted communities.

ECONOMIC IMPACT STATEMENT

DATE: February 5, 2014

DEPT./DIVISION: Resource Management

CONTACT PERSON: Cecilia Monti

EXTENSION: 7175

DESCRIBE PROJECT/PROPOSAL:

- 1 Cent Local Government Infrastructure Surtax within Seminole County
- For purposes of funding capital improvements to
 - Public Education Facilities 25% of Revenue Collections
 - Transportation 75% of Revenue Collections(County/City Split To Be Determined)
- Effective For 10 Years (January 1, 2015 through December 31, 2024)
- Countywide Precinct Referendum Election May 20, 2014

DESCRIBE THE DIRECT ECONOMIC IMPACT OF THE PROJECT/ PROPOSAL UPON THE OPERATION OF THE COUNTY:

The County, the seven cities in the County and the School Board all require revenue for the construction and rehabilitation of roads and transportation facilities; bicycle and pedestrian trails; stormwater facilities; public education facilities; and other infrastructure uses authorized by law.

Transportation

Both the County and Cities require revenue to provide for transportation infrastructure needs throughout Seminole County. Over the past 20 years, major transportation improvements have been largely funded by the local option infrastructure sales tax which expired on December 31, 2011. Since this time, sales tax reserves have been used to fund transportation capital projects however these reserves will be largely depleted in FY14. Approximately \$44M in annual transportation needs has been identified by the County that ultimately will affect the quality of life in Seminole County if not completed or if delayed indefinitely due to the lack of resources. Deterioration of roadways and bridges, in particular, become much more costly the longer they are delayed. Resurfacing and rehabilitation projects become reconstruction projects if not completed on schedule.

Alternative transportation funding sources do not generate sufficient revenue to meet the capital improvement needs of the County and seven Cities.

- 5 Cent Local Option Gas tax on motor fuel would only generate about \$8M a year and would be shared with the cities.
- One mill of property tax generates between \$825K and \$2.2M for the cities.
- One mill in countywide BCC property tax generates about \$24M annually.

The use of property taxes however puts the burden of funding community needs solely on the backs of property owners while everyone visiting Seminole County impacts our community and shares in the quality of life created here.

Public Education Facilities

Seminole County's School District requires revenue for its public education facilities inclusive of technology upgrades.

DESCRIBE THE DIRECT ECONOMIC IMPACT OF THE PROJECT/ PROPOSAL UPON THE PROPERTY OWNERS/TAX PAYERS/CITIZENS WHO ARE EXPECTED TO BE AFFECTED:

Residents, tourists, commuters residing in other counties and businesses all pay sales tax in Seminole County. About 20% of the proposed one cent infrastructure sales tax would come from non-residents thus lessening the tax burden on property owners to solely provide for essential capital improvements.

The cost of a one cent sales tax to individual households varies based on household size, income and spending habits.

- Based on the US Internal Revenue Service, 2013 Sales Tax Deduction Calculator, the amount of sales tax paid annually in Seminole County by:
 - a family of 4 household with an average annual income of \$91K would be \$176; about \$15 per month
 - a solitary householder with an average annual income of \$48K would be \$94; about \$8 per month
- Everyone pays sales tax therefore property owners do not bear the full burden of the tax.
 - Of the average \$63M in sales tax revenue estimated annually over the ten year levy, approximately \$12.6M will come from non-residents of Seminole County.
- The local option sales tax is capped at \$5,000 for major purchases; the maximum cost for any single item is \$50 (i.e., car, boat, jewelry, construction material for homes, etc.)

**Source: 2013 Sales Tax Deduction Calculator, US Internal Revenue Service
2008-2012 American Community Survey 5 Year Estimates, US Census Bureau**

IDENTIFY ANY POTENTIAL INDIRECT ECONOMIC IMPACTS, POSITIVE OR NEGATIVE WHICH MIGHT OCCUR AS A RESULT OF THE PROJECT PROPOSAL:

Positive Impacts

- The sales tax is less costly to most residents than property taxes. As an example:
 - A half mill levied separately by the County, School Board, and Cities, to provide for each taxing authority needs, would generate a total of \$27M in annual revenue while costing homesteaded properties valued at \$200K around \$225 per year. A penny sales tax generates about \$63M on average and costs about \$176 annually to an average family household of four.
 - The sales tax allows for visitors to our County to share in the costs of maintaining our community.
- Improves traffic mobility which should ultimately benefit businesses and schools within Seminole County
- Improved safety within the transportation system
- Sustained integrity and modernization of the transportation network
- Improved quality and capacity of the education system facilities and technology
- Continuation of and enhancement of the overall quality of life in Seminole County due to the improvements in infrastructure. Consequently, the tax base should continue to be stable or enhanced providing revenue to maintain the infrastructure.

Negative Impacts

- Disruption of traffic flow during the period of time of road construction
- Disruption of business activity for businesses located along the road construction
- Changes to business layouts as right of way is purchased and businesses make accommodations to the sites. Fair compensation, however, is paid to the businesses for these changes and inconveniences.