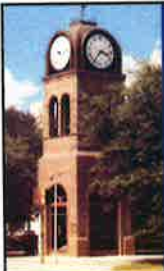


## CIP Potential Funding Sources



### CAPITAL IMPROVEMENT PLAN POTENTIAL FUNDING SOURCES

#### Local Option Gas Taxes

- Additional available levy of 5 cents
- Each cent generates \$1.1M
- Must be imposed at County level
- Distribution dependent upon interlocal agreement
- Standard formulas based on:
  - Population
  - Transportation expenditures
  - Road miles



## CAPITAL IMPROVEMENT PLAN POTENTIAL FUNDING SOURCES

### Local Option Gas Taxes

- Renegotiation of current distribution formula contract with County
- Two agreements, one for each 3 cent levy
- City currently receives 39% of total gas tax



## CAPITAL IMPROVEMENT PLAN POTENTIAL FUNDING SOURCES

### County-wide Local Option Infrastructure Sales Tax

- Requires voter approval
- If distributed by population, projected annual revenue to City:
  - ½ cent tax \$4.5M
  - 1 cent tax \$9M



## CAPITAL IMPROVEMENT PLAN POTENTIAL FUNDING SOURCES

### Street Lights and Fire Hydrants Rolled Into Base Rates

- Street lights in base rates: General Fund expenditure reduction of \$2M per year
- Fire hydrants in base rates: General Fund expenditure reduction of \$1M per year
- Projected rate increase
  - Electric 3.01% or \$1.95/month
  - Water 9.78% or \$1.31/month



## CAPITAL IMPROVEMENT PLAN POTENTIAL FUNDING SOURCES

### Franchise Fee on Electric and Gas Utilities

- Consistent with practice in virtually all larger jurisdictions in Florida
- Customary charge throughout state:
  - 6% of gross revenues on electric \$4M/yr
  - 10% gross revenues on gas utilities \$1.2M/yr
- Requires renegotiation of existing electric system transfer
- Charge other utility systems inside jurisdiction



## CAPITAL IMPROVEMENT PLAN POTENTIAL FUNDING SOURCES

### Surcharge on Natural Gas

- 10% surcharge on natural gas delivered outside corporate limits
  - \$300,000 annual revenues



## CAPITAL IMPROVEMENT PLAN POTENTIAL FUNDING SOURCES

### Ad Valorem Taxes

- Statutory cap on operating millage 10 mills
- Current City operating millage rate 4.9416
- Incremental property tax revenue per mill \$4.1M



## CAPITAL IMPROVEMENT PLAN POTENTIAL FUNDING SOURCES

### Fire Assessment Fee

- Spreads cost of fire protection over all properties, whether taxable or tax-exempt
- Levy assessment through special benefit district
- Potential revenue estimated @ \$7M/yr



## CAPITAL IMPROVEMENT PLAN POTENTIAL FUNDING SOURCES

### City-levied Sales Tax

- Lobbying effort to obtain enabling legislation
- Considerable inter-jurisdictional coordination
- Time frame 2-3 years
- Estimated annual revenues \$3.5M per ½ cent



## CAPITAL IMPROVEMENT PLAN POTENTIAL FUNDING SOURCES

### Impact Fees

- Currently charged in many jurisdictions in Florida
- Approximate incremental cost of each additional household and commercial structure inside corporate limits



# CITY OF GAINESVILLE

Office of the City Manager

January 19, 2005

Mr. Randall H. Reid, County Manager  
Alachua County  
12 SE 1<sup>st</sup> Street  
Gainesville, FL 32601

RE: Annexation of Kanapaha Botanical Gardens

Dear Mr. Reid:

In accordance with the enclosed Agreement, Alachua County has agreed to annex County property commonly referred to as "Kanapaha Botanical Gardens" in exchange for provisions by Gainesville Regional Utilities. Paragraph 4 of the Agreement states:

Execution of the Petition For Voluntary Annexation, included herein as Attachment "B", by the Alachua County Commission is a condition precedent to the effectiveness of the Agreement.

In addition, included is a copy of your letter dated January 12, 2001, supporting the annexation of this property.

It is our understanding that all the responsibilities of GRU detailed in the agreement have been met at this time. In addition, the majority of the issues raised in Commission Chair Dave Newport's letter dated November 19, 2001 have been satisfied. The City of Gainesville is requesting the County to sign off on the attached Petition for Voluntary Annexation within the next 60 days.

If you have any questions or concerns in regards to this action, you can contact me at 334-5010.

Sincerely,

Barbara Lipscomb  
Interim City Manager

Enclosures

CC: M. Radson, City Attorney  
K. Snyder, Strategic Planner  
Mayor and City Commission  
County Commission

Enclosure