

WHY PORT CHARLOTTE SHOULD SERIOUSLY LOOK TO INCORPORATE

The goal of the group working on the incorporation of Port Charlotte is to conduct a Feasibility Study. This study would be done by an outside firm that has done many incorporations in the past. This Feasibility Study will look at Expected Revenues, Expenditures and Budgets, Demographics, Expected Area Growth, and Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis to determine if Port Charlotte has the financial strength and opportunity to become a city and at what cost.

The cost of this study is \$25,000 but we only need approximately \$10,000 to get through the financial aspects where we can answer many questions on cost. Without this study, performed by experts in the field, we are only guessing. We are currently doing a fund raising drive to get the money to begin this Study in September of this year. Donations are not tax deductible.

REASONS TO INCORPORATE

1. Invest our tax dollars back into Port Charlotte

Port Charlotte represents better than one-third of the population of Charlotte County's population, as well as, the primary shopping district for the county.

Because the taxes we pay go into one big countywide pot of money without regard to the source of those funds, it's a safe assumption that we pay more in taxes than we receive in investment in needed infrastructure projects.

2. Guarantee that as the economy improves our share of taxes will grow proportionately as that of the county

*As part of unincorporated Charlotte County we have **no legal standing and any increases in tax revenue are not assured of being spent to improve Port Charlotte.** The census bureau has a map that is defines an area of the county as Port Charlotte, but that is a named designation and represents no legal standing.*

*The importance of this can't be understated. **The State offers a revenue sharing program that divides up state tax revenue proportionate to the population of an incorporated municipality. Currently these funds go to the county and to Punta Gorda.** Charlotte County will spend these monies countywide while Punta Gorda will invest the money they receive through revenue sharing into Punta Gorda. As the economy improves, so would tax revenues. As a city we would share in these increased revenues. As just an area of unincorporated Charlotte County, we will get only as much as the county deems necessary. Unincorporated areas compete for tax revenue investment, cities do not.*

*Additionally, **we pay a communication tax, a utility fee, a franchise fee, MSBU fees, and assorted other fees such as permits and licenses that flow to the county.** As a city, Port Charlotte would be guaranteed this revenue and with such a large population, it would be considerable, as Punta Gorda is well aware.*

The recently passed Local Option 1% Sales Tax is also part of revenue sharing. The tax generates \$20M/year, but Punta Gorda receives \$2M as a city through state mandated revenue sharing for municipalities and the county gets \$18M of the revenues. If Port Charlotte incorporates, the expected revenues would be just short of \$7M for our share.

3. Replace County Government with local government

*There is a great deal of misinformation being touted as truth. The reality is that one of the reasons areas incorporate is to bring control closer to the people affected by policy decisions. **A City Council would replace the Board of County Commissioners for delivery of municipal service decision making.** This would affect building, zoning and permitting, code enforcement, police and fire, EMS, sewer, water, garbage pickup, public works etc.*

*The county is supportive of continuing the use of the sheriff's Municipal Tax Benefit Unit (MSTU) which is a tax levied on all residents of Charlotte County. This would mean that **costs for the city of Port Charlotte police protection could remain as is without increases in fees other than those levied countywide.***

*Similarly, the **Municipal Services Benefit Unit (MSBU) for the fire department and Emergency Medical Services could remain as they are currently.** MSBUs are not taxes but fees which are assessed to all residents that reside within the boundaries where the service is to be delivered. These have nothing to do with property taxes.*

4. More control over development

A city of Port Charlotte would decide how we choose to grow or we could choose not to increase development. The decision would be ours to make. Currently only the county can direct economic development and often their goals are much different than the development needed in Port Charlotte. We are also passed over for consideration because we have no strong lobby group to compete with other areas for this development.

*A big benefit would be that **we would be able to apply for federal and state grants** and receive the money directly. As an unincorporated area we are not allowed to apply for grants for needed infrastructure improvements.*

We would be able to incentivize the “right” kind of development or improvements. One example is that the North Port Economic Board has partnered with the City Commission and Sarasota County to offer grants to businesses that improve their storefronts along Highway 41 in a Mediterranean style. The grant money is offered relative to building size. Cleaning up the appearance of Hwy 41 is a big concern for many Port Charlotte residents and incorporation would allow us to partner with the county to do something similar in our area but with our direction and oversight.

WHAT WOULD THE STRUCTURE LOOK LIKE?

Most areas that have incorporated use a Manager/Council organization structure. A City Manager is hired and 5 representatives living within the city boundaries are elected. These Council members elect one of their members to be mayor. In recently incorporated (1/1/2015) they pay each of their Council member’s \$6,000/year and the elected Mayor receives \$9,000. They are considered part time and receive no pensions or benefits. This does not have to be an expensive proposition but the decision would be ours to make.

City Council races are generally non-partisan and candidates run at-large with no political party designation.

In addition to the City Manager and Council Members, Estero plans to add only 4 additional positions to the payroll. These would be: City Clerk, Chief Financial Officer, Assistant to the City Manager, and a Receptionist. They are not building or ever looking to build a City Hall or have all the trappings of other cities. They are currently being allowed to use spare office space at one of the Fire Districts offices. They will look to rent space in an existing complex in the future. Expected payroll and benefits for city employees total payroll is expected to be a small part of their budget. It is not necessary to have a large number of employees with the “government lite” approach which is what Port Charlotte would use. The City of Weston, Florida, incorporated in the mid-1990s with 9 city employees. Today they still have 9 city employees. It is not a given that employees will be added as time goes by.

Private companies are often less expensive because they are able to spread the costs of pensions and insurance across multiple municipalities and are free to choose the type of plans they offer.

The plan is to contract services to both county and private municipal service companies. Initially we would need to contract all services back to the county and begin consideration of other service providers within a short period of time on a department by department basis. We would not look to delivery of those services to be performed in-house.

WHAT ARE THE RISKS?

The biggest risk Port Charlotte would face is a hurricane making landfall in our area shortly after incorporation before we would not have had a chance to build up a Reserve Fund.

Funding for the city would not be a problem as banks are eager to attract city loans because these loans are backed by tax revenues. A line of credit would need to be established to bridge the gap between when the city becomes a legal entity and the receipt of State Revenue Sharing begins. There are certain “hoops” that a new city must complete for these funds and involve such things as a Comprehensive Plan etc. The State requires that a newly incorporated city not begin sharing in funds until the start of the next fiscal year but incorporation is official on January 1st of that year. In Estero’s case they have used very little of the Line of Credit. The same scenario would be expected in the incorporation of Port Charlotte.

WHAT ARE THE BOUNDARIES?

A map is attached at the end of this document that outlines the approximate boundaries of Port Charlotte. The boundaries were estimated based on 3 factors:

- Maximizing Revenues
- Minimizing Expenses
- Keep Existing Identities Intact

Boundaries must be contiguous so no areas can be surrounding by the incorporated city but not be incorporated themselves.

Of concern for Port Charlotte is the high number of vacant lots within the boundary. The lines were drawn to minimize the number of vacant lots and to avoid scrub jay properties where possible. A map of the vacant lots is also attached. Flamingo Road was eliminated as a boundary because of the number of vacant scrub jay lots between Collingswood and the waterfront.

WHAT ARE DEMOGRAPHICS AND OTHER DATA OF THE AREA UNDER CONSIDERATION

The following is a list of Quick Facts about the area in question:

There are:

11 MSBU and MSTUs all or partially within the proposed boundaries

Estimated Population: 54,757

Length of Roads: 501 miles

Area: 30 square miles

Number of Single Family Residences: 26,473

Number of Vacant Lots: 13,114

Improved Commercial: 1,044

Vacant Commercial: 150

Taxable Value: \$2.6 Billion

This data is from the Property Appraiser's Office based on 2013 reports. We will update it as soon as the 2014 report is finalized and approved.

IS THE PROPOSED AREA TOO BIG?

Considerations were given to keeping the size as small as possible but because of where commercial development has occurred and many non-ad valorem properties in the center of the area; this was as small as possible while generating enough revenue to cover the infrastructure needs without revenue from these properties.

In Florida, 30 square miles is the approximate average for cities incorporating according to the Florida League of Cities, a non-profit organization who help newly incorporating areas and existing municipalities with technical help and information. There is no charge for their services.

Port Charlotte, being one of only two areas in the State that are our size that have not incorporated, has a larger than average population, however, this population is contained within a compact area that approximates the average size of newly incorporating cities with similar infrastructure needs. According to all information that we've been able to research, the City of Port Charlotte should not represent any unusual or unmanageable concerns above that of other cities with smaller populations but similar land areas.

In negotiations with the county the city of Port Charlotte would not be responsible for schools, existing parks, sewer or water. These entities are owned or partially owned by the county and would remain with the county although we could take over some or all parks at a later time if we chose to do so. Schools are covered under their own tax structure and are a separate entity from the city.

We also would not be required to take over the Parkside CRA. It would be a negotiating point with the county but not a requirement.

ARE OTHER AREAS THAT HAVE INCORPORATED BETTER OR WORSE OFF AFTER INCORPORATION?

All incorporated cities believe they are much better off after incorporation than before, according to 8 city administrators and the Florida League of Cities. There were two cities that struggled initially; Deltona and Westlake. Deltona had a developer go bankrupt and leave their area unfinished and incorporation was not optional. They had to incorporate to receive the funding. Deltona struggled because it incorporated in the middle of the last Recession but have a balanced budget and adequate reserves today. They have also gotten other developers to finish the construction work necessary. Westlake was forced by Broward County to incorporate before they were ready. Today they have a balanced budget and are better off than before they incorporated. All other cities who have incorporated since 1990 have found themselves much better off as an incorporated city than as part of the unincorporated county.

WHY NOW?

Port Charlotte is in the best position it has been in a very long time in terms of infrastructure. A city only needs to take care of the roads that begin and end within the boundaries. Any roads that cross the boundary lines become the responsibility of the county or the State. Public Works estimates that they have completed 80% of the critical needs roads that were in terrible repair a decade ago. These are all residential roads that the city would take over. Because it will take us 3-5 years to complete the process of incorporation, most of these critical needs road resurfacing projects will have been completed. Subsequently the city would need to do routine maintenance and be able to budget road resurfacing in an organized fashion.

Charlotte County is improving roads such as Edgewater, Olean, Elkam, Midway, Highway 41, Harbor Blvd, etc.; the city would inherit all the new roads, with the exception of Highway 41. These new roads will be a boon to the City of Port Charlotte but without additional expense on the cities part.

We haven't been in as good a position to incorporate in decades. If we don't do it now, the situation will never be as advantageous as it now.