



March 2019 PRFSC Osceola Transportation Meeting Minutes

On Tuesday March 19,2019 Osceola Executive Director of Transportation and Transit Tawny Olore and her consultant Atlee Mercer spoke to Poinciana residents about the Osceola transportation sales tax ballot issue.

What is the problem?

Today, Osceola County (not just Poinciana) faces a transportation problem that has been described as a ‘Dumpster Fire of Biblical Proportions’. Osceola County for the past several years has simply not been able to keep up with the maintenance of their existing roads and build new roads to meet the needs of the rapid population growth. The roads are falling apart. The county does not have enough revenue to pay for the required road maintenance recommended by the Florida Department of Transportation.

They cannot build new roads fast enough to meet the needs of increased population growth.

As a result every person living in Osceola County suffers. This especially harms those with the lowest incomes because they cannot afford to drive the toll roads, public transportation is not available and the only way they can afford to drive is using older vehicles requiring high cost of maintenance and repair. Yes some of them can ride bicycles but that is not really a countywide solution.

How did Osceola get into this situation?

Hindsight is always 20 – 20 but nobody ever anticipated the growth that Osceola county has experienced in the past and is projected to see in the future. Before Disney came to Orlando, Osceola County had

a population of 15,000 persons living mostly on ranches and farms. Today Osceola has a population exceeding 300,000 residents and on any day an additional 100,000 guests and visitors. By the year 2045 or sooner the population is projected to be larger than 600,000, a growth of almost 100% or more.

Today Osceola County has over 2,000 lane miles of roads that need to be maintained. If those roads are not maintained the estimated replacement costs in today's dollars will exceed \$20 Billion dollars. (According to FDOT it costs \$10 Million dollars to build 1 lane mile of road) Those roads must be maintained. The county cannot pass on those replacement costs our kids.

Today the county has identified more than 37 new road projects that need to be built requiring a total cost of over \$1.1 Billion dollars. Using today's budget, the county can only build one of these new road projects every 7 to 10 years. How can the county meet the demands of increased population growth if it cannot maintain the roads it has and meet today's increased demand for new roads?

Nobody ever wants to pay increased taxes. In the year 2014 the county could only budget \$3M for road maintenance and repair. The state DOT recommended that the county spend \$12M each year just to keep up with the maintenance requirements. The county commission added an additional 5 cent gas tax but that only generated enough new revenue to increase the road maintenance budget to \$9M per year. This is still not enough money to meet the road maintenance needs without continuing to fall behind.

So the county added taxes on new development and construction projects. (\$6M capital funding added to the 2019 budget. Real money but barely a fraction of what is required) Yes, the developers had to pay the taxes but they passed the increased building costs on to the consumers. Today Osceola collects more infrastructure and impact fees from new development by far than for any other county in the

state. The revenue being generated is still not enough to stop the bleeding caused by the previous neglect and has resulted in in a county crisis caused by lack of affordable housing for moderate and low income families. Taxing developers sounds good until people realize that the increased costs get passed on to the consumers with the result being the increased housing costs that creates the low income housing crisis that exists today.

How can the problem be solved?

The problem quite simply is that Osceola County does not have the money to pay to maintain the transportation systems that they have and to meet the future needs. There are only three options;

- 1. Do nothing**
- 2. Pass additional sales tax to generate the needed revenue**
- 3. Pass additional property taxes to generate the needed revenue**

Osceola County is limited by state and federal laws from other additional ways to generate enough revenue to solve these problems.

In order to generate the amount of revenue needed to maintain the existing roads and provide for needed expansion, Osceola County would need to add an additional 2.6 mil to the current property tax rate which would cost \$60 each month. That would raise the current property tax rate to 9.3 mil, which would make it the highest in the State of Florida. The homeowners would be forced to pay the increased taxes while the tourists and out of county visitors who use the Osceola County roads every day would pay nothing. This solution is very expensive and not very fair.

Adding an additional penny sales tax would generate an additional \$60M each year in county revenue which would go a long way towards digging the county out of the transportation shortfall that it faces. This would raise the county sales tax rate to 8.5 cents per dollar which is still higher than surrounding counties but not nearly as

expensive as the property tax alternative. This additional money could bring the county up to the recommended maintenance level for the existing roads. It would provide enough additional money to start addressing the need for the new road projects while also providing money for lane improvements to existing roads. In addition it would provide more public transportation which would benefit the lower income families.

For Poinciana it could provide much needed lengthened and additional turn lanes for Cypress Parkway, Doverplum, Pleasant Hill, Poinciana Blvd and others. I would provide money for additional sidewalks which is a special need for Poinciana on the Osceola side where school kids are required to walk to school in the dark on county roads where sidewalks do not exist.

Because Poinciana was fortunate enough to have its major roads laid out with additional right of way already owned by the county the cost for improvement and expansion of Poinciana roads would give the county much more bang for the buck than other parts of the county because the land for the additional expansion is already owned by the county.

The advantage of a sales tax over a property tax is that 40% of the revenue will come from the visitors to the county who use the roads but do not actually live in Osceola County. Instead of the \$60 cost for the property tax alternative it would solve the problem for only a cost of \$10 per month.

The third option will be to do nothing. To do nothing will not really save money because in the long run the roads are going to need to be maintained and expanded anyway. Maintenance and road construction costs are becoming more expensive every year so it will cost more in the future than it does today. To not provide for the improved public transportation services like Lynx and SunRail will hurt the low income people living in the county the most. Without these additional public

transportation services, the lower income people are forced to drive cars which is much more expensive for them and makes the transportation problem worse instead of better. To add additional taxes to the developers simply makes the low income affordable housing problem worse instead of better. Ignoring the existing transportation problems simply is not a solution.

The county has worked long and hard to figure out a way to solve this problem. They welcome anybody who can come forward with another solution. But they need to bring that solution forward now because the problem is not going away and will only get worse. The voters get to decide in the election to be held May 21,2019. The transportation problems faced by Osceola County are real and not going away. To do nothing is not a solution. Now the voters must decide their future on May 21.

PRFSC thanks Tawny Olore and Atlee Mercer coming to Poinciana to discuss this issue with the public. We also thank all the others in Osceola county who have worked on this problem.