

AGENDA ITEM 2

MEMORANDUM
City of St. Petersburg

TO: The Honorable James Bennett, Chair and Councilmembers

THRU: Rick Mussett, Senior City Administrator *RM*

FROM: Dave Goodwin, Economic Development Director *DG*

DATE: May 20, 2008

SUBJECT: Tax Revenue Estimates for Tropicana Field Site

One of the more important pieces of information in understanding the full impacts of the proposals to redevelop the Tropicana Field site are the potential tax revenues. As you know, there are two developers that are still being considered for the project, Archstone - Madison and Hines. The following is brief summary of the results of the tax revenue estimates for the two proposals.

Estimated Annual Taxes at Buildout

Estimates of annual tax revenue generation at project **buildout** were calculated using the development programs proposed by the two developers. Attached are tables summarizing the estimated tax revenues. Three different methods using different assumptions are presented, 1) based on sample property values (Table A), 2) based on sample property values and including the diversion effect on retail sales taxes (Table B), and 3) based on developer provided assumptions (Table C). The diversion effect simply accounts for an amount of existing retail sales that are simply moved from one store to another within the same market area.

The estimated total annual taxes generated by the projects at **buildout** range from over \$45 million to over \$23 million. The estimated annual St. Petersburg taxes generated by the projects range from over \$7.6 million to over \$4.3 million. The estimated St. Petersburg taxes include the City's franchise fees, utility taxes and business tax. Further elaboration of these figures will be provided at the May 22, 2008, workshop.

Table A

Estimated Annual Taxes at Buildout Based on Sample Property Values

	Millage	Archstone - Madison	Hines
Total Property Taxes	21.1719	\$18,698,251	\$10,546,666
County Property Taxes	4.873	\$4,303,656	\$2,427,458
City Property Taxes	5.9125	\$5,221,705	\$2,945,280
School Property Taxes	7.731	\$6,827,738	\$3,851,155
Other Agency Property Taxes	2.6554	\$2,345,153	\$11,850,000
Florida Sales Tax	0.06	\$16,890,000	\$11,850,000
Local Option Sales Tax	0.01	\$2,815,000	\$1,975,000
Hotel Sales Tax	0.06	\$1,281,150	\$480,431
County Bed Tax	0.04	\$854,100	\$320,288
Total Annual Taxes at Buildout		\$40,538,501	\$25,172,385

sources: Tampa Bay Regional Planning Council and City of St. Petersburg

Estimated St. Petersburg Annual Taxes at Buildout Based on Sample Property Values

	Millage	Archstone - Madison	Hines
City Property Taxes	5.9125	\$5,221,705	\$2,945,280
City Share State Sales Tax	0.022	\$371,580	\$260,700
City Share Local Option Sales Tax	0.18	\$506,700	\$355,500
City Share Hotel Sales Tax	0.022	\$28,185	\$10,569
City Franchise Fees	0.06	\$461,924	\$247,096
City Utility Tax	0.1	\$862,798	\$458,502
City Business Tax		\$193,101	\$136,798
Total St. Petersburg Annual Taxes at Buildout		\$7,645,993	\$4,414,445

sources: Tampa Bay Regional Planning Council, City of St. Petersburg, DOR

Assumptions

Sample Taxable Value Per Square Foot*	
Retail	\$157
Office	\$139
Residential	\$176
Hotel	\$107
Total Average	\$162
*sample of comparable projects prepared by City of St. Petersburg	

Sales Projections	
Retail Sales per Sq.Ft.	\$250
Hotel Room Rate (65% occ. assumed)	\$150

All figures are 2007 dollars