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**Village of Indiantown**  
**Capital Improvements Element**  
*Data, Inventory and Analysis*

*This analysis does not establish new regulatory requirements or conditions of approval.*

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## INTRODUCTION

The purpose of the Capital Improvements Element is to identify capital projects that will maintain Levels of Service and/or accommodate new growth. The Capital Improvements Element also outlines financial policies to guide the funding and construction of improvements in a manner necessary to ensure that capital improvements are provided when required based upon needs identified in the Comprehensive Plan.

“Capital improvement” as defined by section 163.3164(7), Florida Statutes, means physical assets constructed or purchased to provide, improve, or replace a public facility and which are typically large scale and high in cost. The cost of a capital improvement is generally nonrecurring but may require multiyear financing. For the purposes of this part, physical assets that have been identified as existing or projected needs in the individual comprehensive plan elements shall be considered capital improvements.

An important part of the Capital Improvements Element is the creation and implementation of a Capital Improvement Plan (CIP). The CIP may be made of two parts – a capital budget and a schedule of capital improvements. The schedule of capital improvements is the plan for capital expenditures. The CIP may contain all the individual capital projects, major studies, equipment, and technological purchases a local government needs to maintain functionality and sustainably grow. Standards for development, construction, completion timetables and financing plans are also part of the CIP. The CIP is a theoretical blueprint for sustaining and improving the community’s infrastructure. It is the coordinating mechanism between strategic planning, financial capacity, and physical development.

## STATUTORY REQUIREMENTS

Section 163.3177, Fla. Stat., requires the Capital Improvements Element to consider the need for and the location of public facilities to encourage the efficient use of such facilities and to include:

- Principles for construction, extension, or increase in capacity of public facilities over a minimum 5-year period.
- Principles for correcting existing public facility deficiencies necessary to implement the comprehensive plan over the period.
- Estimated public facility costs, estimated timeline for when facilities will be needed, the general location, and projected revenue sources.
- Standards to ensure the availability of public facilities and the adequacy of those facilities to meet established acceptable levels of service.
- A schedule of capital improvements for a minimum 5-year period including projects funded by federal, state, or local governments, as well as privately funded projects.

## COMMUNITY WORKSHOPPING AND PUBLIC PARTICIPATION

An important consideration during data collection for the Comprehensive Plan is public input. The Village hosted two public workshops to inform this Comprehensive Plan update. In recognition of the Village’s diverse community, for many of whom Spanish is a first language, the Village facilitated one meeting in Spanish, held on October 30th, 2025, at Holy Cross Catholic Church; and one meeting in English (with certified interpreter available for any Spanish speaking attendees) on November 18th, 2025, at the Elisabeth Lahti Library.

The Workshops included live polling of survey questions with real-time results. For anyone unable to attend a workshop, the Village website included links to online surveys comprised of the same questions posed at the live meetings, in English and Spanish. To provide even more opportunities to engage residents, businesses, and stakeholders throughout the update, the Village posted meeting dates, draft documents, and project updates on the Village’s website and social media platforms.

Community participation was notably low. Staff observed that participation levels may have been affected by broader community concerns and other external factors during the outreach period. As a result, workshop and survey results should be interpreted as informative but not statistically representative of the Village as a whole.

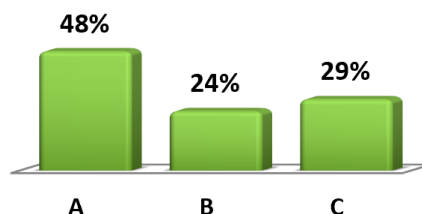
The Village will continue to evaluate and expand outreach methods in future planning efforts to improve participation levels.

Across both workshops and online surveys, over 60% of respondents self-identified as Village residents, and 43% said they previously participated in the inaugural Comprehensive Plan workshops. As shown in the graphed results below, a plurality of respondents believed the Village is properly prioritizing its infrastructure improvements. However, a plurality of respondents believed the Village is not allocating the right amount of funding for projects or building adequate infrastructure to support residents.

18) I believe the Village is prioritizing its infrastructure improvements (roads, water, sewer, parks) the right way.

A	True	48%
B	False (if false, why?) <i>See below</i>	24%
C	I’m not sure / no opinion	29%

100%



*Don't see improvements.*

*Roads are terrible and water is dirty.*

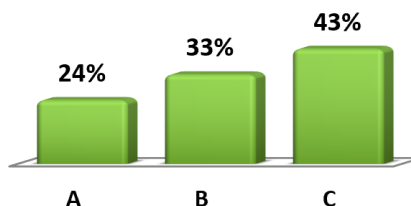
*Roads are frequently too narrow and flood easily and impassably. Water is unsafe to drink.*

*We cannot afford what we have.*

19) I believe the Village has identified the right amount of funding for large projects that improve infrastructure or build additional infrastructure needed to support Village residents.

A	True	24%
B	I’m not sure / no opinion	33%
C	False, Why not? <i>See below</i>	43%

100%



*Not enough emphasis on funding quality of life projects, such as transportation and parks.*

*Need proof of how the money is being spent and where it's going.*

*The projects do not meet the needs of village residents. It will only benefit outsiders who know nothing about the village culture and community*

*Providing tax breaks for corporations does not provide funds for the village to provide infrastructural improvements to its residents, such as better drainage for roads and safe pipes for water.*

*The village has chased too much.*

## POTENTIAL REVENUE SOURCES TO FUND FACILITIES

Capital funding sources can be described as either “restricted” or “unrestricted.” Restricted funding sources are limited in their use/expenditures and must be used for a specific purpose. Unrestricted funding sources are free from any external constraints and available for general use. Unrestricted funding sources are available to be reallocated and may be appropriated as needed. The following is a summary of the funding sources that can be used in the Village’s CIP.

### 1. Ad Valorem Taxes

Taxes are collected as a percentage of the value of real and personal property in the Village. Ad valorem taxes support various operating, capital, and debt funds of the local government.

### 2. Enterprise Funds

In enterprise financing, funds collected through connection fees and user fees are used for specific capital improvements related to the enterprise fund. Enterprises generally serve a single utility function, such as a water or stormwater utility. The Village maintains a Water and Sewer Utility Enterprise Fund.

### 3. Gas Tax

A fuel tax, also known as “gas tax,” is a tax imposed on the sale of fuel. State tax, local county option tax, and inspection fees are collected, all of which must be expended on various transportation-related expenses as defined in Florida law. Each municipality is allocated a portion of this based upon the State formula. According to the Florida Department of Revenue, county governments are authorized to levy up to 12 cents of local option fuel taxes in three separate levies on fuel sold within the county:

- a ninth-cent fuel tax of 1 cent on every net gallon of motor and diesel fuel sold within a county.
- A tax of 1 to 6 cents on every net gallon of motor and diesel fuel sold within a county.
- A tax of 1 to 5 cents on every net gallon of motor fuel sold within a county. Diesel fuel is not subject to this tax. Funds may also be used to meet the requirements of the capital improvements element of an adopted local government comprehensive plan.

Martin County levies all three taxes, resulting in the full 12 cents of local option taxes.

### 4. Discretionary Sales Tax

Counties are authorized by section 212.054, F.S., to impose a discretionary local sales tax that can be expended to pay for locally authorized projects. This discretionary tax must be approved via a voter-approved referendum. On November 4, 2024, Martin County voters approved a ballot referendum to add an additional 0.5% (one-half cent) local government infrastructure surtax for ten years for the purposes of environmental lands acquisition through “Martin County Forever Land Acquisition Sales Tax”. This surtax was added in addition to the existing one-half cent tax approved in 2018 for school district capital improvements.

### 5. Federal and State Funds/Grants

The Village has access to a wide range of grant programs offered by the federal, state, and local governments and organizations. If planned wisely, grants can contribute significant financial resources to programs identified in the CIP. Grant funds may only be used in accordance with the agreement executed by both the grantee and grantor. Grants may or may not require a local match.

According to the FY25 and draft FY26 budgets, the Village seeks to take advantage of a number of grants for community development, drainage, and water and sewer utility capital improvements. In July 2025, \$22.5 million in grant funds was appropriated in the State budget for the Village's potable water infrastructure improvements.

## 6. Developer Contributions/Prop Share

Developer contributions are the fees charged by the Village for the community and network infrastructure needed as a result of a development project. The money collected from development contributions pays for the cost of public infrastructure that is needed to meet the additional demand from growth.

## 7. Impact Fees

Impact fees are an important source of revenue for local governments to use in funding infrastructure needed to support new growth to maintain a level of service and provide capacity. The Village currently levies impact fees on new development on behalf of Martin County, in addition to its own locally-imposed fees for utilities and mobility. Revenues from impact fees must be spent on infrastructure improvements that directly benefit the development that pays the fee.

## 8. Charges for Services/Cost Recovery Fees

User fees and charges have a direct relationship between the services received and the compensation paid for the service. The Village maintains a schedule of reasonable user fees and charges imposed to recover the cost of providing permit, review and processing services.

## 9. Borrowing/Debt Service

It may be necessary from time to time for the Village to borrow money to fund long term capital improvements. Long term bond issues are the most common type of financing for capital improvements.

- a. **General Obligation Bonds** are bonds backed by the full faith and credit of the local government and are required to be approved by voter referendum due to the implied or expressed pledge of ad valorem taxes. General obligation bonds offer lower interest rates than other bonds, as they are, in effect, secured by the taxing power of the local government. Capital improvements financed through general obligation bonds should benefit the municipality as a whole rather than particular areas or groups.
- b. **Revenue Bonds** are bonds financed by those directly benefiting from the capital improvement. Revenue obtained from the issuance of revenue bonds is generally used to finance publicly owned facilities. Charges collected from the users of these facilities are used to retire the bond obligations. Interest rates tend to be higher for revenue bonds than general obligation bonds. Issuance of the bonds may be approved by the Village Council without voter referendum.
- c. **Standard Bank Loan** - For smaller projects, the Village could consider a standard bank loan where the debt is held by the bank rather than by the public as in a bond.
- d. **State Revolving Fund (SRF)** – SRF fund water projects managed by the Florida Department of Environmental Protection. There are two funding programs: the Clean Water SRF and the Drinking Water SRF. Both are funded through money received from federal grants as well as state contributions. These funds then "revolve" through the repayment of previous loans and interest earned. While these programs offer loans, grant-like funding is also available for qualified small, disadvantaged communities, reducing the amount owed on loans by the percentage that the community qualifies. The Village has budgeted for \$1.25 million in SRF funding for water treatment infrastructure in FY26 budget.

## CAPITAL IMPROVEMENT NEEDS

In addition to general infrastructure repair and maintenance common for most local governments, the Village has a particular focus on the capital needs of its water and sewer utility. The Village acquired the pre-existing, privately owned water and sewer utility in 2020, which requires significant investment in its potable and wastewater treatment facilities as well as its transmission (potable water distribution and wastewater collection) systems.

According to Potable Water and Wastewater Utility Master Plan studies submitted in February and April 2022, the utility's capital needs include the following areas of concern:

- Potable Water
  - Water storage insufficiency to meet FDEP requirements
  - Frequent water main breaks due to aging distribution piping
  - Aging cast iron, lead joint distribution piping
  - Low pressure areas
  - Limited fire flow during high-demand periods
  - Secondary water quality standards not consistently met
  - Water treatment and distribution capacity insufficient to meet projected future demand
- Wastewater
  - Wastewater treatment plant infrastructure lacks Class I Reliability
  - Lack of sufficient office space for treatment plant operations
  - Lift stations undersized, corroded, non-standard, not up to code, and/or lack emergency standby power
  - Gravity mains show infiltration and root intrusion, fractures, cracks and breaks
  - Reclaimed distribution and effluent disposal systems need rehabilitation after being out of operation after several years
  - Wastewater collection and treatment capacity insufficient to meet projected future demand

In addition to the utility capital projects, the Village has also identified Village Hall renovations, parks and recreation facilities, roadway, and drainage improvements in its current FY25-29 5-year CIP, attached here as Exhibit A.

The Village's Capital Improvements Element provides for a roadmap for the planning, development, prioritization, funding, adoption and review of the annual Capital Improvements Plan (CIP) Report and Capital Improvements Schedule. The Element also provides for the creation of an internal Capital Improvement Plan Committee to guide the annual CIP development as well as policy direction prioritizing maintaining the Village's rural character, alternative modes of transportation, urban core and neighborhood revitalization, economic development, and the reuse/rehabilitation of existing infrastructure over new construction.

In summary:

- The Village has a variety of funding sources available for capital projects, including ad-valorem taxes, utility enterprise fund revenues, allocation of local-option gas taxes, allocation of discretionary sales surtax, developer contributions, impact fees, and SRF loans.
- The Village's 5-year CIP prioritizes water and sewer utility infrastructure projects and includes transportation, parks and recreation, drainage, and public works facilities.