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SUMMARY REPORT # 2019.10 – Estimated Costs Increasing for One-Cent Sales Surtax Projects

In the November 2018 general election, Collier County voters approved a ballot initiative to establish a temporary one-cent sales surtax to fund numerous capital projects related to safety, mobility, and hurricane preparedness. The tax will automatically expire at the end of the year 2025, or once \$490 million has been collected.

Prior to the vote, the county provided a list of the proposed projects and the estimated costs (seen in the spreadsheet below). Following voters' approval of the surtax, the county formed an Infrastructure Sales Tax Citizen Oversight Committee to review and determine whether the dozens of projects are a valid use of the tax funding.

This "Exhibit A" data was provided to Collier County voters, outlining the estimated costs of the proposed projects for funding from the one-cent sales surtax:

| Exhibit A | | | | |
|--|--|------------------------|--------------------------|-------------------------|
| | Total Estimated Initial Cost (Millions) | Current Funding | Current Shortfall | 7 Year Sales Tax |
| Transportation | | | | |
| Vanderbilt Beach Road Extension - Collier Blvd. to 8th/16th | \$100,000,000 | \$26,000,000 | \$74,000,000 | \$74,000,000 |
| Pine Ridge Road, Livingston Road | \$31,000,000 | \$8,000,000 | \$23,000,000 | \$23,000,000 |
| Bridge Replacements (11) | \$23,000,000 | \$16,000,000 | \$7,000,000 | \$7,000,000 |
| Randall Intersection | \$14,000,000 | \$7,000,000 | \$7,000,000 | \$7,000,000 |
| Airport Road - (widening from Vanderbilt to Immokalee) | \$17,000,000 | \$13,000,000 | \$4,000,000 | \$4,000,000 |
| Triangle Blvd. | \$6,000,000 | \$0 | \$6,000,000 | \$6,000,000 |
| New Bridges - Golden Gate Estates Mobility (11) | \$88,000,000 | \$17,000,000 | \$71,000,000 | \$60,000,000 |
| Sidewalks | \$10,000,000 | \$0 | \$10,000,000 | \$10,000,000 |
| Total Transportation | \$289,000,000 | \$87,000,000 | \$202,000,000 | \$191,000,000 |
| Facilities & Capital Replacements | | | | |
| Forensic/Evidence Building | \$33,000,000 | | \$33,000,000 | \$33,000,000 |
| Big Corkscrew Island Regional Park | \$60,000,000 | \$20,000,000 | \$40,000,000 | \$40,000,000 |
| DAS Shelter Improvements/Replacements | \$6,000,000 | | \$6,000,000 | \$6,000,000 |
| HVAC, Roofing, and Capital Equipment Replacements at Sheriff's & County Facilities | \$62,000,000 | \$23,000,000 | \$39,000,000 | \$39,000,000 |
| Hurricane Resilience | \$25,000,000 | | \$25,000,000 | \$15,000,000 |
| EMS Substations | \$6,000,000 | | \$6,000,000 | \$6,000,000 |
| Total Facilities & Capital Replacements | \$192,000,000 | \$43,000,000 | \$149,000,000 | \$139,000,000 |
| Community Priorities | | | | |
| Career and Technical Training Center | \$15,000,000 | | \$15,000,000 | \$15,000,000 |
| VA Nursing Home | \$40,000,000 | | \$40,000,000 | \$30,000,000 |
| Workforce Housing Land Trust Fund | \$20,000,000 | | \$20,000,000 | \$20,000,000 |
| Mental Health Facility | \$25,000,000 | | \$25,000,000 | \$25,000,000 |
| Total Community Priorities | \$100,000,000 | | \$100,000,000 | \$90,000,000 |
| Grand Total | \$581,000,000 | \$130,000,000 | \$451,000,000 | \$420,000,000 |

The funds will be distributed annually based on the population count of the county and its three municipalities. According to Florida Department of Revenue fiscal year 2019 data, Collier County would collect 90.15 percent of the tax, Naples would receive 5.27 percent, Marco Island would receive 4.45 percent, and Everglades City would get 0.11 percent (ignoring minor rounding differences).

Some of the plans up for debate by the committee include numerous bridge, road and sidewalk repairs or installations, hurricane resilience, a forensic/evidence building for the Collier County Sheriff's Office, a veterans nursing home, mental health facility, workforce housing, and a career and technical training center. One of the most discussed projects is the Big Corkscrew Island Regional Park, which would have multiple athletic fields, an aquatics center, community center, and more built on 49 acres east of the Collier County Fairgrounds property.

Three of the seven committee members were concerned about approving funds for the park, with member Scott Lepore questioning how the project met the requirements set forth in the ballot language. He asked whether a park met the safety and hurricane preparedness criteria. However, the committee approved the project with a 4-to-3 vote. All projects require final approval from the County Commission.

In addition to concerns raised by the committee, costs for projects have continued to grow. The county's initial estimates for the Big Corkscrew park was \$60 million. Since those preliminary projections, the potential costs have increased significantly, according to committee documents. The low estimate for the project now sits at \$73.3 million, while the high estimate is \$88.3 million. Two other projects under review by the committee have also seen increased cost estimates. The Vanderbilt Beach Road extension was initially estimated at \$100 million, but now is expected to cost \$120.8 million. Eleven bridge replacements in eastern Collier County originally were planned at \$23 million but are now estimated to cost \$35.4 million, creating additional funding shortfalls.

The "Current Shortfall" data from page 1 shows that the county was \$31 million over (\$451 million) the amount of surtax funds it expects to receive (\$420 million) over the life of the surtax. That is not counting the potential shortfall from higher project costs, like those listed above. The county would need to locate other funding sources to pay for the projects or alter planned projects. County staff and the Clerk's Office are regularly monitoring the projects and the projected costs, as there is a finite amount of surtax funding approved by the voters.

| Total # Transactions | Total Amount of Transactions | Questioned Costs | Taxpayer Savings | Description | Total # Observations | # Open Observations |
|----------------------|------------------------------|------------------|------------------|--|----------------------|---------------------|
| 48 | \$ 67,395,967.00 | \$ - | \$ - | Revenue Transactions - Collier County, Marco Island, Naples, and Everglades City | 0 | 0 |
| 13 | \$ 1,203,182.00 | \$ - | \$ - | Expense Transactions - Infrastructure Sales Tax Fund (318) | 0 | 0 |
| 61 | \$ 68,599,149.00 | 0 | 0 | Total | 0 | 0 |

(This was originally detailed in the Clerk's June 2019 Newsletter; updates to this initial year summary will follow.)