



Inspector General Insights

From the Clerk's November 2020 Newsletter

Background: In the November 2018 general election, Collier County voters approved a ballot referendum that allowed Collier County government to collect from consumers an additional one-cent local sales tax, for the purpose of funding numerous capital projects. Beginning January 1, 2019, the additional one-cent levy increased the sales tax paid by consumers in Collier County from six percent to seven percent for a seven-year period, or as soon as \$490 million is collected. The one-cent sales tax applies to the first \$5,000 of the sales amount of tangible personal property, excluding groceries and medicine.

At the time of voter approval, the additional one-cent local sales tax was expected to generate, on average, \$70 million a year, or \$490 million over seven years, with approximately thirty percent of the total revenue expected to come from tourists and visitors.

Approximately ninety percent of the proceeds collected will fund County projects, with the remaining ten percent split amongst the county's three cities (Naples, Marco Island and Everglades City) for city-specific projects.

Prior to the vote, the Board of County Commissioners identified a list of County projects, and estimated project costs, that would be paid for with the County's portion of the revenue.

Objective: As we near the two-year point, the objective is to provide the community with an update on the status of funding and projects.

Observations: 1. Cost estimates for many of the projects have increased beyond initial estimates:

Project List	A. Total Estimated Initial Cost	Cost Estimates through Sept 8, 2020	Current Funding	Shortfall	7 Year Sales Tax	Shortfall (updated cost vs. initial plan)
Vanderbilt Beach Road Extension	\$100,000,000	\$120,801,850	\$26,000,000	\$94,801,850	\$74,000,000	(\$20,801,850)
Bridge Replacements (11)	\$23,000,000	\$35,400,000	\$2,400,000	\$33,000,000	\$33,000,000	\$0
New Bridges	\$88,000,000	\$88,000,000	\$17,000,000	\$71,000,000	\$34,000,000	(\$37,000,000)
Randall Intersection	\$14,000,000	\$14,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$0
Airport Road Widening (VBR to Immokalee Rd.)	\$17,000,000	\$17,500,000	\$13,000,000	\$4,500,000	\$4,000,000	(\$500,000)
Pine Ridge Road, Livingston Road; Triangle Blvd.; Sidewalks	\$47,000,000	\$47,000,000	\$8,000,000	\$39,000,000	\$39,000,000	\$0
Forensic/Evidence Building; DAS Shelter Imp.	\$39,000,000	\$39,000,000		\$39,000,000	\$39,000,000	\$0
Big Corkscrew Regional Park, (Low Estimate)	\$60,000,000	\$78,278,923	\$24,684,800	\$53,594,123	\$40,000,000	(\$13,594,123)
Big Corkscrew Regional Park, (High Estimate)		\$83,278,923	\$24,684,000	\$58,594,923	\$40,000,000	(\$18,594,123)
HVAC, Roofing, and Capital Equipment Replacements (Unallocated funds)	\$62,000,000	\$24,301,700	\$23,000,000	\$1,301,700	\$1,301,700	\$0
HVAC, Roofing, and Capital Equipment Replacements (Validated Projects)		\$37,698,300	\$0	\$37,698,300	\$37,698,300	\$0
Hurricane Resilience (Unallocated Funds)	\$15,500,000	\$10,280,000		\$10,280,000	\$280,000	(\$10,000,000)
Hurricane Resilience - Stadium Fieldhouse	\$8,000,000	\$8,000,000		\$8,000,000	\$8,000,000	\$0
Hurricane Resilience (Validated projects)	\$1,500,000	\$6,720,000		\$6,720,000	\$6,720,000	\$0
EMS Substations (Unallocated Funds)	\$1,277,800	\$1,277,800		\$1,277,800	\$1,277,800	\$0
EMS Substations (Validated Projects)	\$4,722,200	\$4,722,200		\$4,722,200	\$4,722,200	\$0

Project List (continued)	A. Total Estimated Initial Cost	Cost Estimates through Sept 8, 2020	Current Funding	Shortfall	7 Year Sales Tax	Shortfall (updated cost vs. initial plan)
Career and Technical Training Center	\$15,000,000	\$15,000,000		\$15,000,000	\$15,000,000	\$0
VA Nursing Home	\$40,000,000	\$40,000,000		\$40,000,000	\$30,000,000	(\$10,000,000)
Workforce Housing Land Trust Fund	\$20,000,000	\$20,000,000		\$20,000,000	\$20,000,000	\$0
Mental Health Facility	\$25,000,000	\$25,000,000		\$25,000,000	\$25,000,000	\$0
Grand Total (inc. Big Corkscrew Park, Low Estimate)	\$581,000,000	\$632,980,773	\$121,084,800	\$511,895,973	\$420,000,000	(\$91,895,973)
Grand Total (inc. Big Corkscrew Park, High Estimate)		\$637,980,773	\$121,084,000	\$516,896,773	\$420,000,000	(\$96,895,973)
Unfunded Potential Shortfall (including Infrastructure Sales Tax)						(\$91.9M - \$96.9M)

2. Recent sales tax collections have fallen below initial projections due to this year's COVID business shut down period.

**Comparison of Infrastructure Sales Tax Collections
FY 19 & FY20 (County Share of Proceeds)**

Month	FY2019	FY2020	Variance	% Change
October	\$0.00	\$6,315,439.77	\$6,315,439.77	n/a
November	\$0.00	\$7,118,621.28	\$7,118,621.28	n/a
December	\$0.00	\$8,374,636.97	\$8,374,636.97	n/a
Quarterly Adjustment	\$0.00	\$1,741,989.52	\$1,741,989.52	n/a
January	\$7,199,645.61	\$8,087,448.73	\$887,803.12	12.3%
February	\$7,536,020.66	\$7,944,972.54	\$408,951.88	5.4%
March	\$8,174,567.92	\$6,115,755.56	(\$2,058,812.36)	-25.2%
Quarterly Adjustment	\$1,131,751.97	\$1,974,375.10	\$842,623.13	74.5%
April	\$6,847,826.90	\$3,918,024.67	(\$2,929,802.23)	-42.8%
May	\$5,781,408.75	\$5,015,377.74	(\$766,031.01)	-13.2%
June	\$5,218,511.85	\$5,496,678.44	\$278,166.59	5.3%
Quarterly Adjustment	\$1,549,742.99	\$1,839,176.43	\$289,433.44	18.7%
July	\$5,124,513.20	\$5,027,663.07	(\$96,850.13)	-1.9%
August	\$5,149,369.44	\$4,951,695.11	(\$197,674.33)	-3.8%
September	\$5,427,677.13	\$5,835,665.75	\$407,988.62	7.5%
Quarterly Adjustment	\$1,645,991.01	\$1,977,746.07	\$331,755.06	20.2%
Fiscal Year Actuals	\$60,787,027.43	\$81,735,266.75	\$20,948,239.32	34.5%

Note: FY19 collections commenced on January 1, 2019.

Conclusion: If revenues do not increase to make up these shortfalls, or costs continue to exceed projections, further funding will be required to complete the identified projects. This could result in the removal of some projects from the authorized list or the need to identify other funding sources to complete the projects

Total # Transactions	Amounts Audited or Reviewed	Questioned Costs	Taxpayer Savings	Description
12	\$ 81,735,267	N/A	N/A	Revenue Transactions – (Collier County Share of Proceeds)