

Golden Gate Estates Incorporation Feasibility Study

Prepared for the
Golden Gate Estates Area Civic Association

Prepared by
Steven C. Bourassa, Ph.D.
1101 Wallace Street
Coral Gables, FL 33134
Email: scbourassa@gmail.com

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INTRODUCTION

This municipal incorporation feasibility study focuses on the rural Golden Gate Estates area of unincorporated Collier County. The area proposed for incorporation is shown in Figure 1 below.

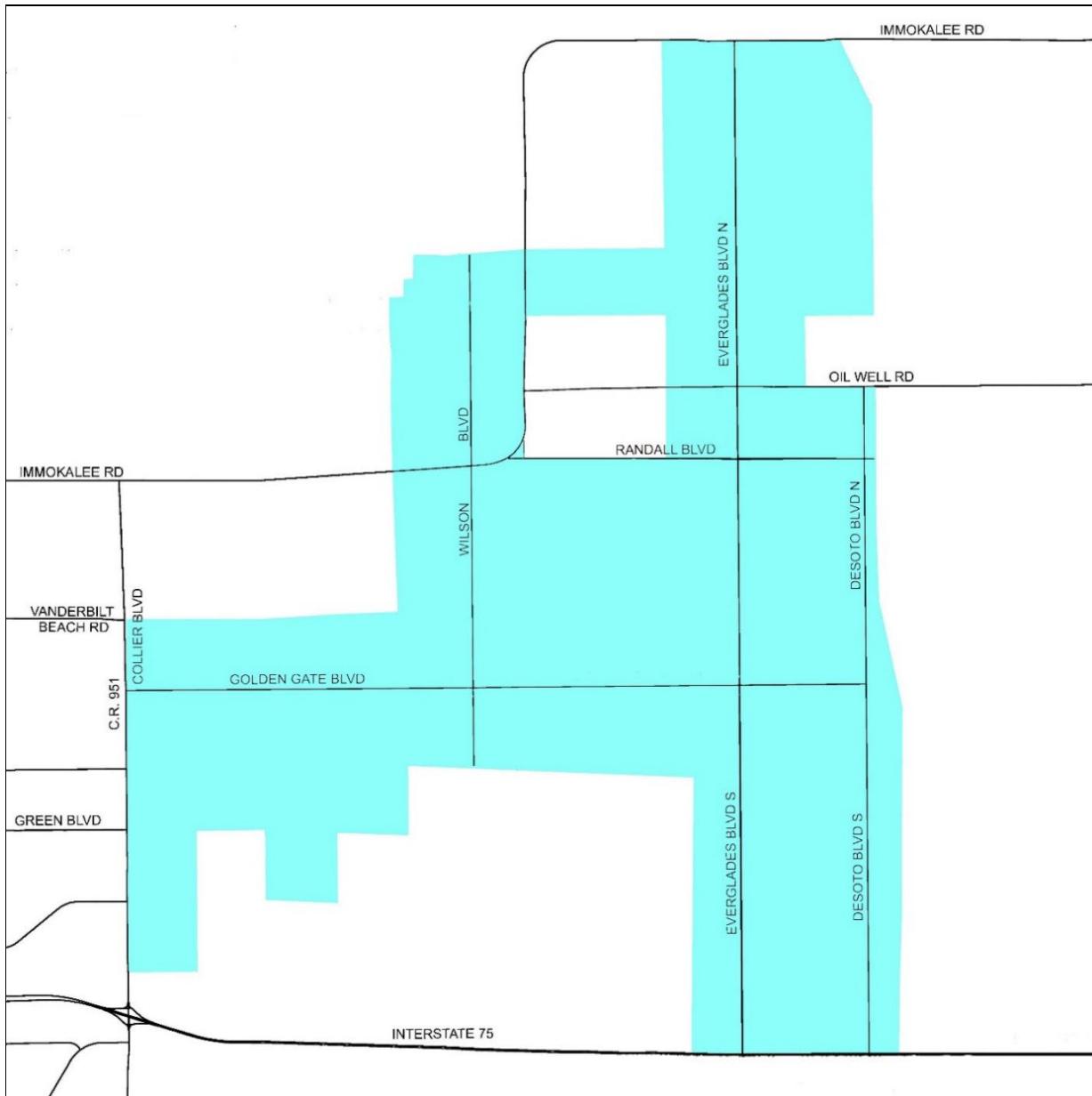


Figure 1. Proposed Golden Gate Estates municipal boundaries.

This area is similar to the Residential Estates Subdistrict shown in the Rural Golden Gate Estates Future Land Use Map (see Figure 3 below) with several modifications: (1) the Red Maple Swamp Preserve located west of 9th Street NW and south of Shady Hollow Boulevard W is excluded;

(2) the area north of Shady Hollow Boulevard W between 9th Street NW and Wilson Boulevard N is included; and (3) the commercial area at the southwest corner of Orangetree (at the intersection of Immokalee Road and Randall Boulevard) is included. The area proposed for incorporation excludes most of the Orangetree area (the donut hole in the northern part of the proposed municipality) as it has a very different pattern of development that is not subject to the same pressures as Golden Gate Estates. This is not meant to suggest that the Orangetree area could not choose to become a part of the new municipality at a later date.

The area proposed for incorporation consists of over 53,500 acres comprised of over 23,900 lots. A large majority of the lots are either occupied by single-family houses (57.2%) or vacant properties intended for single-family use (39.9%). Most of the remaining properties are either government-owned or agricultural. At the 2020 pace of development (nearly 600 houses per year) and assuming no further subdivision of existing residential lots, build-out would occur in 2038. A moderate rate of development of 300 houses per year would result in build-out in 2054.

Golden Gate Estates was initially subdivided into 1-1/4 to five-acre lots in the 1960s by the Gulf American Land Corporation. These lots were marketed as rural estates that could subsequently be subdivided and developed at a profit. Extensive drainage works were needed to make much of the land habitable. Development got off to a slow start, in part due to a lack of services and infrastructure, with fewer than 300 homes built prior to 1980 (Figure 2).

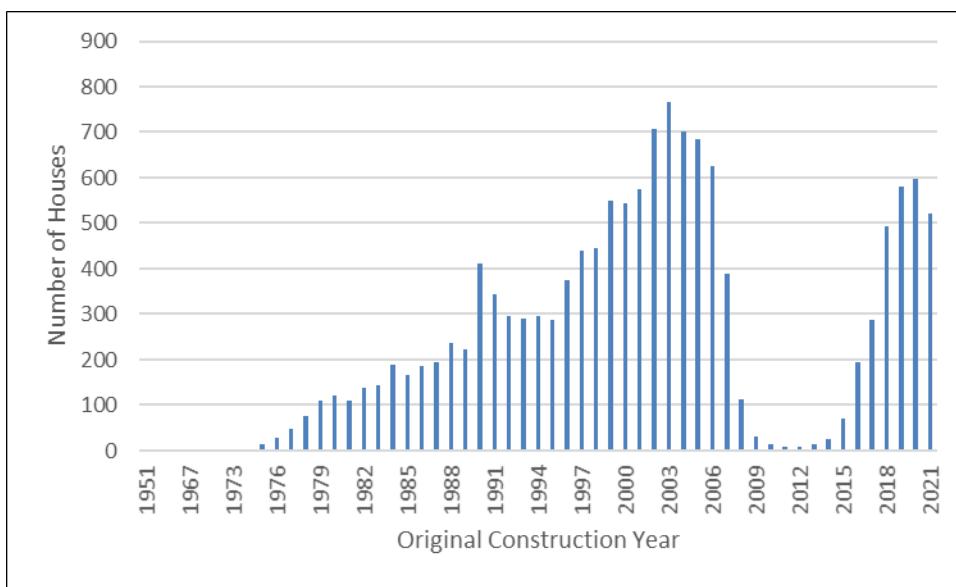


Figure 2. Original construction year for single-family homes. Source: Consultant's calculations based on Collier County Property Appraiser's 2022 property rolls ("NAL" file; available from Florida Department of Revenue, <https://www.floridarevenue.com>).

Subsequently, the part of the original Golden Gate Estates located south of Interstate 75 was acquired by the state government for conservation purposes. The pace of development in the area north of I-75 generally continued to grow through the early 2000s (with a small dip in the early 1990s), only to come to a halt due to the Great Recession (Figure 2). Development quickly rebounded in the latter half of the 2010s, with 598 and 521 new houses completed in the two most recent years for which data are available, 2020 and 2021, respectively.

Today, the residents of Golden Gate Estates value their rural estate lifestyle and wish to protect it from pressure to intensify development in the area. Population growth in Collier County is spurring an expansion of development to the east of Golden Gate Estates, with access to these newly developing areas through the Estates. This means that Golden Gate Estates is increasingly a target for higher-density development. Direct control over land use and zoning is, consequently, a primary motivation for incorporation.

This feasibility study was completed for the Golden Gate Estates Area Civic Association and benefitted from discussions with that association's Steering Committee. It was also informed by discussions with officials of the Town of Southwest Ranches, which has a pattern of development similar to that of Golden Gate Estates. Collier County officials, including staff of the Collier County Property Appraiser's Office, provided helpful assistance.

This study is structured to conform to the specifications contained in *The Local Government Formation Manual, 2022-2024* (State Affairs Committee, Florida House of Representatives; available at <https://www.myfloridahouse.gov>). This study also relies heavily on the *2022 Local Government Financial Information Handbook* (Office of Economic and Demographic Research, Florida Legislature; available at <http://edr.state.fl.us>) for information about potential sources of revenue.

A proposed timeline for the incorporation process is in Appendix 1.

REASONS FOR PROPOSING INCORPORATION AND SWOT ANALYSIS

The consultant held a focus group meeting with the Golden Gate Estates Area Civic Association Steering Committee to identify reasons for incorporation as well as strengths, weaknesses, opportunities, and threats.

Reasons for Incorporation

The following reasons for incorporation were identified:

- Obtain the benefits of Home Rule powers.
- Improve the quality of life—for many residents, this is their “oasis”.
- Residents will have more visibility of local issues and input to municipal decisions, not diluted with county business.

- The new municipality's collective voice will have more influence at the county level.
- The new municipality will be able to focus on improving community services (i.e., library, parks, and recreation centers).
- The new municipality will be able to establish and maintain equestrian trails.
- The municipality will be able to restore and maintain canal access at the bridges along four-lane highways (Golden Gate Boulevard, Immokalee Road, Vanderbilt Beach Road, and Wilson Boulevard).
- The municipality will facilitate and focus infrastructure improvements (e.g., internet, cell towers, cable, fiber, roads, electric utility hurricane power mitigation plans, piped gas).
- Seek improvements in wildfire mitigation and prevention:
 - Develop a partnership with the forestry service to develop fire breaks with residents and conduct prescribed burns.
 - Build public awareness of the importance of mitigation.
- Control or eliminate wasteful spending (e.g., the high costs of constructing and maintaining irrigated median strips).
- Taxes and fees stay in the community.
- Discourage dense development within Golden Gate Estates and encourage such development to locate closer to the urban core of the county.
- Self-control of zoning, permitting, and code enforcement and especially control of rezoning.
- Greater influence over transportation through direct participation in Collier Metropolitan Planning Organization decision-making.
- Greater control over impacts of new development proposed to the east, which requires access through Golden Gate Estates.

SWOT Analysis

General Issues

Strengths:

- Well-defined physical identity.
- Well-established and active civic association (founded in 1978) with knowledgeable leaders.
- Community worked together to establish a master plan that designates three Neighborhood Activity Centers.
- Golden Gate Estates Land Trust is a source of funding to benefit the new municipality and may be particularly helpful when the municipality is first established.
- Funds managed by the Florida Department of Environmental Protection (South District) may be available to support environmental projects.
- Land use pattern is well-established.
- The new municipality can function effectively with relatively few employees.
- The new municipality can rely on inter-governmental agreements or contracts with third parties for many public services.
- Initial staffing needs are minimal.

Weaknesses:

- Low population density does not meet the criteria for incorporation.
- Need to develop and adopt a comprehensive plan to replace the existing master plan.
- Does not have established relationships with relevant federal and state agencies.
- Will need to establish procedures for effectively managing inter-governmental agreements and controlling costs while ensuring high-quality services.
- Some streets are unpaved and in need of maintenance that has been deferred.
- Drainage continues to be an issue in some areas.
- Wildfires are an increasing threat to the community during dry periods.

Opportunities:

- Enhancement of a greater sense of community among Golden Gate Estate residents.
- Greater accessibility of local government, with greater responsiveness to community concerns.
- Incorporation would provide Home Rule powers to the new municipality to provide a means for the residents to protect their interests and plan for the future.
- Significantly improved transparency in local government.
- Ability to pursue focused economic development projects.

Threats:

- Possible opposition by Collier County officials.
- The new municipal council will need to prove itself to residents.
- The impacts of surrounding developments, especially to the north and east, may have negative effects on Golden Gate Estates.
- Special interest groups may try to exercise undue influence on the new government.
- Initially, at least, the municipality will have unfunded natural disaster liability.
- The new municipal government may lead some residents to have unrealistic expectations about the scope of services that are or should be available.
- Possible opposition by Florida legislature due to concerns about adding extra layers of government.

Issues Related to Expenses

Strengths:

- Expenditure estimates (discussed later in this study) are conservative.
- Contingencies are addressed.
- Focus on the contractual provision of many services rather than hiring staff.

Weaknesses:

- Difficulties with contracting out of services may require some to be brought in-house at potentially greater cost; these difficulties could relate to cost, quality, and willingness of service agencies to enter into contractual agreements
- The extensive road network may be expensive to maintain in the long run.

Opportunities:

- The new municipality can design an efficient, cost-effective government focused on specific services.
- The new municipality can choose the services and level of service provision it wishes to contract for.

Threats:

- Inability to negotiate cost-effective agreements with service providers, resulting in a need to provide in-house services.
- Possible catastrophic events that deplete reserves for dealing with disasters.

Issues Related to Revenues

Strengths:

- Conservative revenue estimates.
- A variety of sources of revenues in addition to Ad Valorem (Property) Taxes, including Golden Gate Estates Land Trust funds.
- Small percentage of properties exempt from the Ad Valorem Tax.

Weaknesses:

- Heavy reliance on property tax revenue.
- Large percentage of Homestead properties.

Opportunities:

- Opportunity to receive revenue sharing one year earlier than normally allowed.
- Opportunity to work with other government agencies (e.g., the Collier Metropolitan Planning Organization) to secure funds needed for capital projects.

Threats:

- Reliance on property taxes could result in revenue shortfalls in a declining economy.
- Impacts of disasters and possible inability to fund adequately to prepare for them.
- Special interest groups could have undue influence in expanding services, resulting in greater needs for revenue than anticipated.
- Excessive expectations of the new government on the part of residents expecting expanded services.

Issues Related to Contractual Services

Strengths:

- Ability to benefit from established service providers with experience and economies of scale.
- Greater flexibility with respect to levels of contracted services and personnel than if those services were provided in-house with municipal staff.
- Ability to avoid large capital expenditures that would otherwise be needed.

Weaknesses:

- Priorities and policies of service providers may conflict with those of the new municipality.
- The municipality will not have direct control over service providers.

Opportunities:

- Costs of government can be kept low, which will be especially important in the early years of the new municipality.
- The new municipality can take the time to develop some experience with local government service provision before making expensive capital and personnel commitments.
- Direct service provision and related staffing can always be added in the future if desired.
- For some services the new municipality may be able to explore different service providers.

Threats:

- Outside agencies may decline to provide services on a contractual basis or may seek excessive reimbursement, especially if the sole available provider of a given service.
- Contracting delays may result in gaps in service provision.

CURRENT LAND USE AND ZONING DESIGNATIONS

The *Golden Gate Area Master Plan: Rural Golden Gate Estates Sub-Element*, approved in 2019 and amended in 2021, includes a future land use map (Figure 3, next page) that is in effect both a land-use plan and a zoning regulation. It puts most of the land in the proposed municipality in a Mixed Use Residential Estates Subdistrict (depicted in gold on the map). This subdistrict limits residential density to one unit per 2.25 gross acres or one unit per legal non-conforming lot (i.e., less than 2.25 acres), excluding guesthouses. Certain non-residential and group housing uses are allowed under specified circumstances.

Small areas within the proposed municipal boundaries are designated for commercial uses (colored light green, light blue, or red on the map) or in conditional use subdistricts (dark green, dark blue, or outlined in red) intended for mixed or commercial uses. This plan is generally consistent with current and anticipated uses in the community but does not necessarily prevent more intensive redevelopment given that the decision-making authority for rezoning does not currently rest within the community itself. The commercial property at the southwestern corner of Orangetree that is proposed for inclusion in the new municipality is located within what is referred to as a Rural Settlement Area District (colored orange on the map, along with the rest of Orangetree).

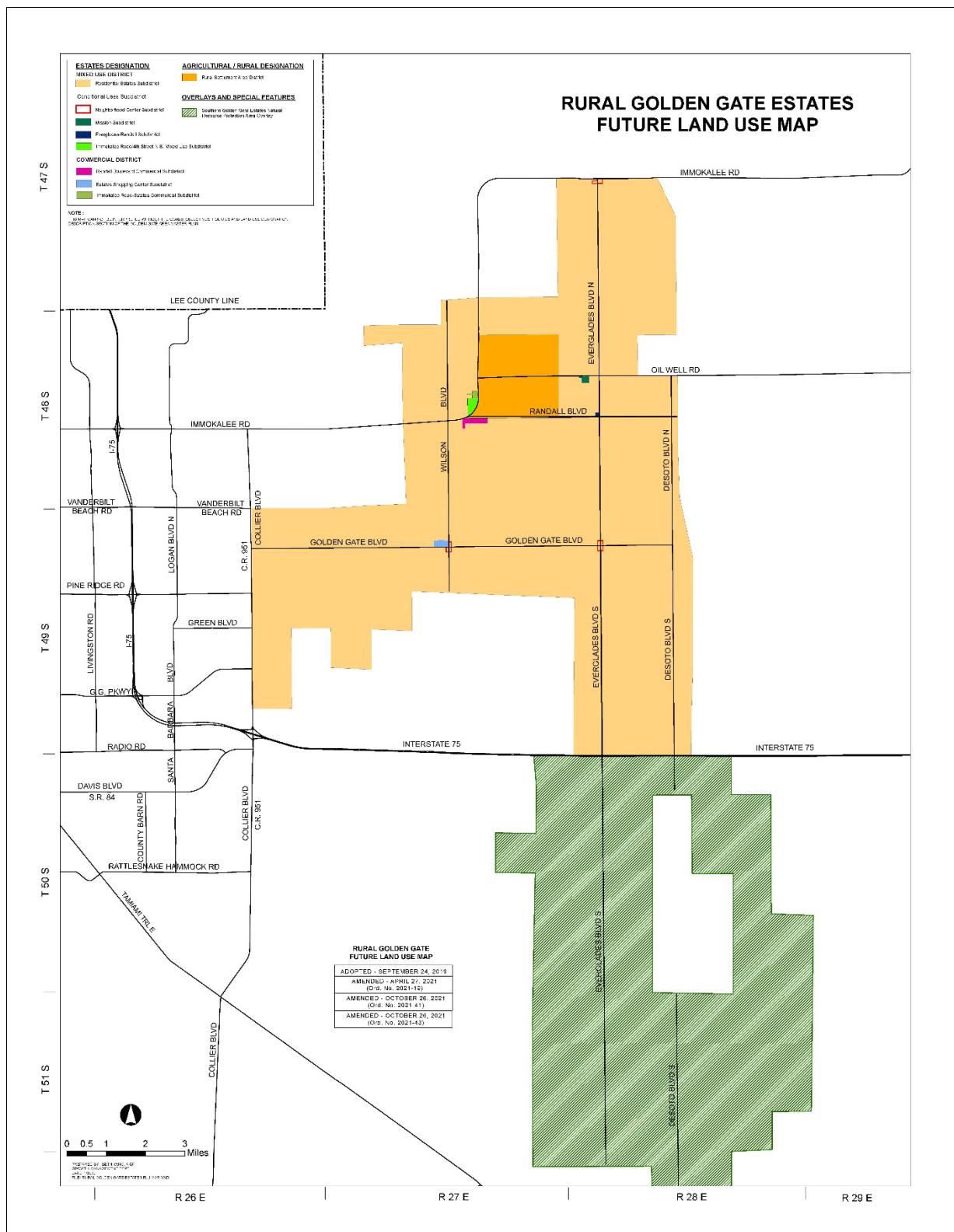


Figure 3. Rural Golden Gate Estates future land use map. Source: Golden Gate Area Master Plan: Rural Golden Gate Estates Sub-Element (Collier County Zoning Division, 2019; available at <https://www.coliercountyfl.gov>).

PRESENT LAND USE CHARACTERISTICS

The vast majority of lots and acreage in Golden Gate Estates is occupied by single-family houses or consists of vacant lots designated for single-family houses. As shown in Table 1, over 97% of lots and 95% of the acreage is devoted to one or the other of these uses. The median single-family lot is approximately 2-1/4 acres in size, consistent with the rural estate character of the area. The next largest use of land is state, county, or municipal government, occupying about 1,095 acres, or 2% of the total, followed by agriculture and public schools. Commercial and non-profit uses occupy a very small percentage of the area. A small fraction of the area is currently exempt from the Ad Valorem (Property) Tax, as shown in Figure 4 (tax-exempt properties are highlighted in red). The extension of certain property tax exemptions to persons 65 and older who meet specific income and other requirements would require the new municipality to pass an ordinance (F.S. §§ 196.075 and 196.082).

Table 1. Current land use acreage and number of lots by category.

Current land use	Mean acres per lot	Median acres per lot	Total acres	Percentage of acres	Number of lots	Percentage of lots
Vacant residential	2.28	2.27	21,801.9	40.73	9,546	39.92
Single-family	2.13	2.27	29,071.4	54.31	13,667	57.16
Multi-family	2.30	2.62	9.2	0.02	4	0.02
Other residential	2.82	2.50	87.4	0.16	31	0.13
Commercial	3.03	2.57	99.8	0.19	33	0.14
Open storage	4.01	4.01	4.0	0.01	1	0.00
Agricultural	4.11	2.73	423.8	0.79	103	0.43
Vacant institution	2.35	2.42	42.3	0.08	18	0.08
Church	4.68	4.77	42.1	0.08	9	0.04
Private school	13.39	13.39	13.4	0.03	1	0.00
Other non-profit institution	2.50	2.50	5.0	0.01	2	0.01
Public school	31.46	28.73	220.3	0.41	7	0.03
State, county, or municipal	3.58	2.31	1,004.6	1.88	282	1.18
Miscellaneous or unspecified	3.38	2.50	700.2	1.31	207	0.87
<i>Total</i>			53,525.3	100.00	23,911	100.00

Source: Consultant's calculations based on Collier County Property Appraiser's 2022 NAL file (available from Florida Department of Revenue, <https://www.floridarevenue.com>).

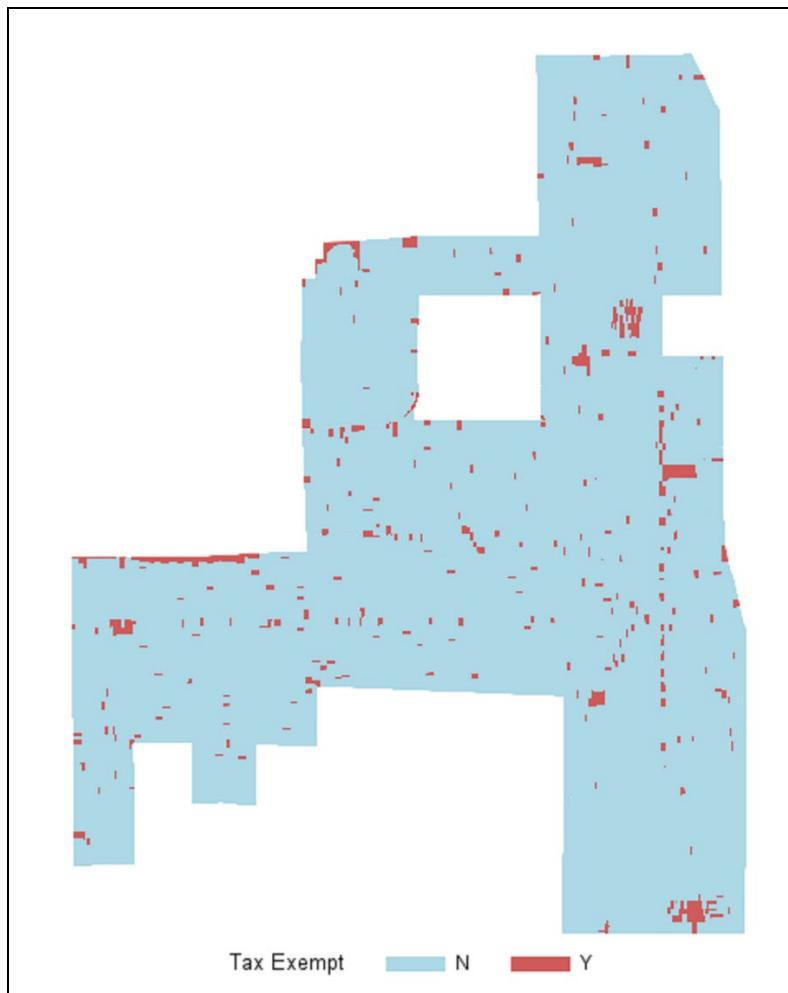


Figure 4. Properties that would be exempt from the municipal (non-school district) Ad Valorem Tax within the proposed Golden Gate Estates municipal boundaries. Source: Consultant's analysis based on Collier County Property Appraiser's 2022 NAL file (available from the Florida Department of Revenue, <https://www.floridarevenue.com>).

PUBLIC AGENCIES OPERATING WITHIN THE AREA AND CURRENT PUBLIC SERVICES

Local and regional services that benefit Golden Gate Estates are provided by a range of public and private organizations. In general, the service responsibilities that the new municipality would take on after incorporation are those that are now funded by the Municipal Services Taxing District (MSTD) which comprises the unincorporated area of Collier County. Other services

provided by Collier County and other agencies would continue to be provided by those organizations as before.

The public agencies operating within the area and services provided include:

Collier County

Golden Gate Estates is located within the unincorporated area of Collier County and most local government services, including municipal services, are provided by the county government. The MSTD funds services such as public affairs, community development, planning and zoning, code enforcement, parks and recreation, road maintenance, landscape operations, and stormwater management. As noted above, these are the kinds of services that the new municipality would be responsible for after incorporation. At that time, the MSTD millage rate would no longer be levied in the new municipality, which would begin to levy its own Ad Valorem Tax.

Other key services provided by Collier County include police (through the Collier County Sheriff's Office), property tax appraisal, tax assessment, pollution control, environmental conservation, water supply and sewerage, solid waste collection, libraries, and supervision of elections. These services would continue to be provided by the county. The new municipality would need to contract with the county government for services that go beyond current levels of provision.

Collier County School District

Public schools are provided by the Collier County School District.

North Collier Fire Control and Rescue District

Two independent fire districts provide fire protection and emergency services to the Golden Gate Estates area. The North Collier Fire Control and Rescue District covers the northern half of the area (see Figure 5).

Greater Naples Fire Rescue District

The Greater Naples Fire Rescue District provides fire protection and emergency services to the southern half of the Golden Gate Estates area (Figure 5).

Collier Metropolitan Planning Organization

The Collier Metropolitan Planning Organization (CMPO) was established in the early 1980s in response to Federal Highway Act requirements that metropolitan regions develop coordinated plans for transportation improvements as a condition of receiving federal transportation funding. It is governed by a board consisting of members of the Collier County Board of County Commissioners and representatives of Naples, Marco Island, and Everglades City. It is anticipated

that the new municipality would have one or more representatives on the governing board of the CMPO.

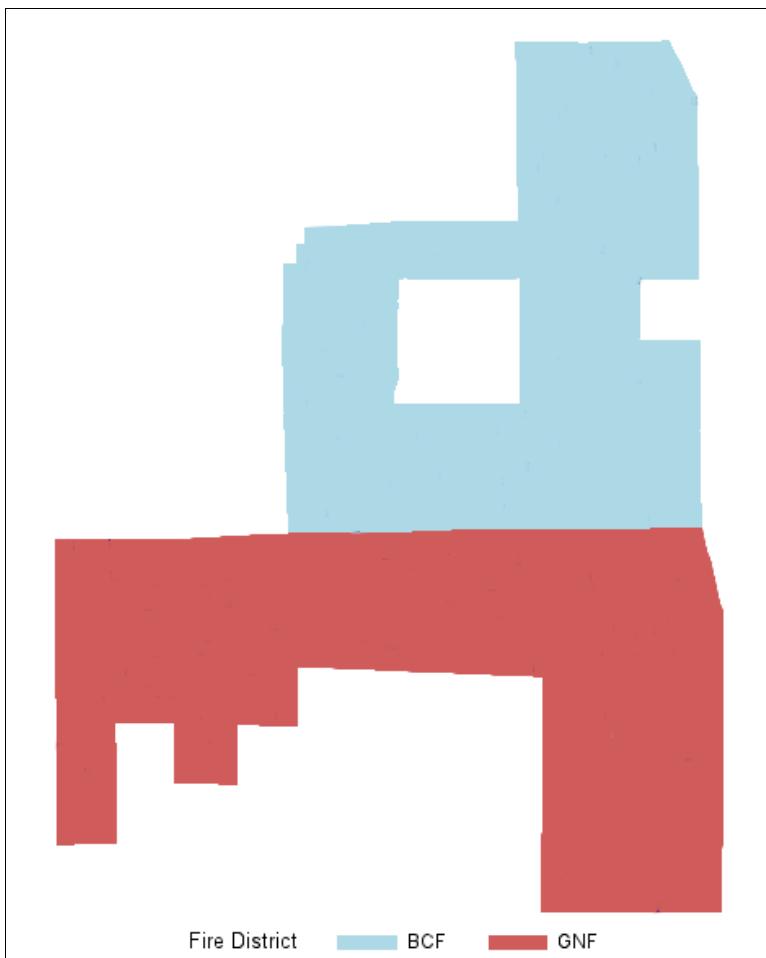


Figure 5. Fire district coverage within the proposed Golden Gate Estates municipal boundaries: North Collier Fire Control and Rescue District (BCF) and Greater Naples Fire Rescue District (GNF).

South Florida Water Management District

The South Florida Water Management District is one of five regional districts within the state of Florida and has responsibility for water quality improvement, flood control, and ecosystem restoration. In south Florida, the restoration of the Everglades is a major activity of the district.

Collier Mosquito Control District

The Collier Mosquito Control District is an independent special taxing district that provides mosquito monitoring and abatement services in much of the built-up part of Collier County, including Golden Gate Estates.

Privately Provided Services

Electricity and natural gas are provided by private companies. Electricity is provided by Florida Power and Light, which serves most of the area, and the Lee County Electric Cooperative, which serves just the northernmost part of Golden Gate Estates. Piped natural gas is provided by TECO Peoples Gas in a small part of the area.

PROPOSED PUBLIC SERVICES

As noted above, the new municipality would need to fund services such as public affairs, community development, planning and zoning, code enforcement, parks and recreation, road maintenance, landscape operations, and stormwater management. Most of these services would be covered, at least initially, through interlocal agreements with Collier County or via contracts with third parties, such as engineering or planning consulting firms. The forecast revenue streams should provide more than adequate funding for these activities, even if their cost exceeds the average per capita cost implied by the unincorporated area MSTD revenue.

POPULATION ANALYSIS

Population projections for the proposed municipality are based on the 2020 Census Redistricting Data (Public Law 94-171; available at <https://www.census.gov/programs-surveys/decennial-census/about/rdo.html>) that were released in 2021. The 2020 population was calculated by identifying all Census Tracts or parts of Census Tracts (Block Groups or Blocks) located within the boundaries of the proposed municipality and summing the population counts for those units. This yielded a 2020 population of 33,567. This was then updated for subsequent years based on assumptions about growth in the area. Using housing completions (see Figure 2 above) as an indicator of household growth, Golden Gate Estates averaged 373 new households per year in the 1990s and peaked at 766 in 2003. In the late 2000s, completions dropped dramatically due to the Great Recession, but rebounded in the late 2010s, ranging from 492 to 598 between 2018 and 2021.

The Collier County Growth Management Department (“Planning 101” presentation by Mike Bosi) reports population projections for various subareas with the county, including the “Rural Estates” subarea, which includes an area somewhat larger than the proposed municipality. The county’s

population estimates for this subarea for 2021 and 2030 imply an annual growth rate of 4.7% (of the 2021 population). For the purposes of this feasibility study, we are using more conservative assumptions based in part on the historical rates of household growth in Golden Gate Estates and in part on the recent decline in single-family building permit applications in Collier County. The latter decline reflects the national slowdown in housing starts due to the reduced demand for new housing stemming from higher mortgage interest rates.

High, moderate, and low projections were based on the development of 500 new houses (approximately 3.8% of the 2021 single-family housing stock), 300 houses, and 100 houses per year, respectively. These numbers were translated into population growth using the average household size for Collier County (from the American Community Survey 2021 1-Year Estimates, available at <https://data.census.gov>). The projections are as of the beginning of the fiscal year (i.e., the number for fiscal year 2021 is the 2020 population). The population estimates are shown in Table 2. Note that 2025 is the fiscal year during which incorporation would take place.

The 2020 Census counts indicate that the boundaries of the proposed Golden Gate Estates municipality contained 8.9% of Collier County's population at that time (see Table 3). Note that Golden Gate Estates would be by far the largest municipality in Collier County in terms of population as well as land area.

Table 2. Population projections, fiscal years 2021 through 2029.

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
High estimates									
Household growth		500	500	500	500	500	500	500	500
Household size		2.33	2.33	2.33	2.33	2.33	2.33	2.33	2.33
Population growth		1,165	1,165	1,165	1,165	1,165	1,165	1,165	1,165
Population	33,567	34,732	35,897	37,062	38,227	39,392	40,557	41,722	42,887
Moderate estimates									
Household growth		300	300	300	300	300	300	300	300
Household size		2.33	2.33	2.33	2.33	2.33	2.33	2.33	2.33
Population growth		699	699	699	699	699	699	699	699
Population	33,567	34,266	34,965	35,664	36,363	37,062	37,761	38,460	39,159
Low estimates									
Household growth		100	100	100	100	100	100	100	100
Household size		2.33	2.33	2.33	2.33	2.33	2.33	2.33	2.33
Population growth		233	233	233	233	233	233	233	233
Population	33,567	33,800	34,033	34,266	34,499	34,732	34,965	35,198	35,431

Note: Incorporation would take place during FY 2025. Source: Consultant's calculations based on 2020 U.S. Census Redistricting (P.L. 94-171) Data (for base population) and the American Community Survey 2021 1-Year Estimates (for Collier County's average household size). Population projections are as of the beginning of the relevant fiscal year, with the fiscal year 2021 estimate based on the 2020 U.S. Census counts.

Table 3. Distribution of 2020 population across municipalities and unincorporated area, Collier County.

Geographical area	Population in 2020	Percentage
Collier County	375,752	100.0%
Naples	19,115	5.1%
Marco Island	15,760	4.2%
Everglades City	352	0.1%
Unincorporated area including Golden Gate Estates	340,525	90.6%
Golden Gate Estates	33,567	8.9%
Unincorporated area excluding Golden Gate Estates	306,958	81.7%

Source: Collier County and municipal populations are from the 2020 U.S. Census (available at <https://data.census.gov>). The Golden Gate Estates population is based on the consultant's calculations using 2020 U.S. Census Redistricting (P.L. 94-171) Data.

FISCAL ANALYSIS AND ORGANIZATIONAL PLAN

Sources of Revenue

This subsection of the feasibility study focuses on the primary sources of revenue for the new municipality. Revenue sources that are likely to yield only small amounts of revenue, as well as revenues that are difficult to forecast (e.g., possible revenues from grants or franchise fees), are excluded. The five main sources of revenue discussed here are the: Ad Valorem (Property) Tax; Municipal Revenue Sharing Program; Local Government Half-Cent Sales Tax; Public Service Tax; Local Option Fuel Tax; and Communications Services Tax. The Ad Valorem Tax and the Local Government Half-Cent Sales Tax are the most important of these. The Ad Valorem Tax is the one local government revenue source that is specifically authorized by the state constitution. The Municipal Revenue Sharing Program and the Local Government Half-Cent Sales Tax both involve state-imposed taxes that are shared with local governments. The Local Option Fuel Tax is a county tax that is shared with municipalities, while the Public Service Tax and the Communications Services Tax are both optional taxes for municipalities.

The following paragraphs discuss each of these sources of revenue and the methods used to project revenues. These are not the only potential sources of revenue for the new municipality, but they are the most important ones and the ones most likely to be implemented. Further details about these and other revenue sources can be found in the *2022 Local Government Financial Information Handbook*. The reasons for excluding two of the other potential sources of revenue (Planning, Zoning, and Permitting Fees and the Local Option Infrastructure Sales Tax) from the revenue projections are discussed below.

Ad Valorem Tax

The unincorporated area of Collier County is currently subject to a 0.8069 mill Ad Valorem (Property) Tax used to cover the cost of services funded by the MSTD (mills are dollars of tax per

\$1,000 of assessed taxable value). Based on the Collier County Property Appraiser's 2022 property tax roll ("NAL" file), the total taxable property value within the proposed municipality (for purposes other than funding the school district) was \$3.497 billion. Applying the standard 5% discount for early payment and non-payment of taxes reduces the tax base to \$3.322 billion. At the MSTD millage rate, this yields revenue of \$2,680,715, or \$78 per capita (based on the fiscal year 2022 estimated moderate growth rate population from Table 2). For the entire unincorporated area, MSTD revenue is estimated by Collier County to be \$62,181,490, or \$179 per capita (*Fiscal Year 2022-23 Adopted Budget*, p. 102; the per capita calculation is based on the estimated populations reported in the *2022 Local Government Financial Information Handbook*, p. 271).

The MSTD millage rate would no longer apply to Golden Gate Estates after incorporation. The new municipality would need to set its own millage rate to cover at least part of the cost of municipal services previously covered by Collier County. Some of the costs of these services can be covered by other revenue sources that will be available to the new municipality. The primary consideration in setting a millage rate is to make certain that the municipality qualifies for state revenue sharing, which requires a minimum rate of 3 mills or equivalent in specified types of revenues (F.S. § 218.23). In the case of Golden Gate Estates, this can be achieved by setting a rate of 1.5 mills, which in combination with the local fire district millage rates yields a minimum rate of 3 mills (the Greater Naples Fire Rescue District levies a rate of 1.5 mills and the North Collier Fire Control and Rescue District levies a rate of 3.75 mills). The proposed rate of 1.5 mills is higher than the current millage rate for Naples (see Table 4), which has a much larger tax base per capita, but virtually the same as the current rate for Marco Island.

Table 4. Current unincorporated area (MSTD) and municipal millage rates and proposed rate for Golden Gate Estates.

Area	Millage rate
Unincorporated Collier County MSTD millage rate	0.8069
Naples	1.1500
Marco Island	1.4837
Everglades City	6.0754
Proposed Golden Gate Estates millage rate	1.5000

Ad Valorem Tax revenue for the new municipality is projected for future years using varying estimates of growth. The high estimate assumes that growth will be at a rate of 500 new houses per year. The moderate and low estimates both assume more conservative growth rates of 300 or 100 houses per year, respectively. These numbers are translated into population growth estimates using the average household size for Collier County of 2.33 (from the *American Community Survey 2021 1-Year Estimates*). The population estimates are multiplied by the assumed constant per capita revenue of \$148 that would be generated in 2023 if the millage rate were 1.5. Note that this method conservatively does not assume that house prices will continue

to grow, nor does it assume that house prices would fall; it simply relies upon growth in the number of houses to estimate revenue growth. While conservative, this does not seem unreasonable given current housing market conditions. Also, a large percentage of single-family houses in the proposed municipality (78%, based on Collier County Property Appraiser's property tax roll data) are Homestead properties, which limits annual increases in taxable assessed values. The projections assume that no Ad Valorem Tax revenue will be received in the first year of incorporation (fiscal year 2025). Detailed revenue projections are provided in Appendix 2.

Municipal Revenue Sharing Program

The Municipal Revenue Sharing Program (MRSP) distributes part of the net sales and use tax and the one-cent municipal fuel tax to qualified municipalities. As noted above, to qualify for revenue sharing, the municipality must levy a millage rate of at least 3 mills or generate an equivalent amount of revenue from certain other sources. Combining the proposed municipal millage rate with that for one or the other of the two fire districts (which levy taxes at rates of 1.5 and 3.75 mills) appears to satisfy this requirement.

The fuel tax portion of this revenue must be used for transportation-related expenditures. The distribution of the proceeds is based on an apportionment factor that averages the following: (1) municipal population adjusted by a population class adjustment factor; (2) the municipality's sales tax collections as a proportion of all municipalities' collections statewide; and (3) a measure of the municipality's relative ability to raise revenue from the property tax (for details, see the *2022 Local Government Financial Information Handbook*, pp. 78-80).

Due to the difficulty of accurately estimating the apportionment factor in advance, the projections used here are based in part on the per capita revenue expected to be received from this program by Marco Island and Naples during fiscal year 2023 (*2022 Local Government Financial Information Handbook*, p. 83). Based on the population estimates used for municipal revenue sharing for that fiscal year, Marco Island and Naples would have been in a lower population class than the proposed new municipality and so subject to a lower adjustment factor. This means that the projected per capita distribution for Golden Gate Estates is a conservative estimate of what the proposed municipality might receive. The average per capita MRSP distribution for Marco Island and Naples is \$49. The high, moderate, and low estimates assume that the new municipality will grow by 500, 300, or 100 households per year and that per capita revenue will remain constant at \$49. Revenues for the first fiscal year of incorporation are for three months, assuming that revenue sharing commences July 1, 2025. For the purposes of Municipal Revenue Sharing, the population estimates are lagged one year. Detailed revenue projections are provided in Appendix 3.

Local Government Half-Cent Sales Tax Program

This program delivers shares of state sales tax to local governments. It also shares revenue from the state component of the Communications Services Tax (see below for a discussion of the local component). Recipients must qualify for revenue sharing as discussed above in regard to the MRSP. As stated in the *2022 Local Government Financial Information Handbook* (p. 57):

The allocation factor for each municipal government is computed by dividing the municipality's total population by the sum of the county's total population plus two-thirds of the county's incorporated population. Each municipality's distribution is determined by multiplying the allocation factor by the sales tax monies earmarked for distribution within its respective county.

Applying this formula to 2023 population estimates (taken from the *2022 Local Government Financial Information Handbook*, p. 271, and Table 2 above, for Golden Gate Estates) implies an allocation factor of 0.0798 (or 7.98%) for Golden Gate Estates. For fiscal year 2023, the countywide total distribution for Collier County is estimated by the Florida Department of Revenue to be \$64.7 million, implying that the proposed municipality would have received about \$5.2 million had it been incorporated. In contrast, Collier County's *Fiscal Year 2022-23 Adopted Budget* (p. 87) anticipates lower revenues from this source: the county's budgeted revenue from this source is 81% of that estimated by the state. Hence, the revenues projected here assume \$5.2 million per year as the high estimate and 81% of that or about \$4.2 million as the low estimate; the average of these two values is used as the moderate estimate. These numbers are held constant throughout the forecasting period. Revenues for the first fiscal year of incorporation are for three months, assuming that revenue sharing commences July 1, 2025.

Public Service Tax

The Public Service Tax (PST) is essentially a sales tax on utilities, including: electricity; metered natural gas; metered or bottled liquefied petroleum or manufactured gas; fuel oil and kerosene; and water service. The tax rate can be up to 10% except that the tax on fuel oil cannot exceed four cents per gallon. Charter counties can levy a PST; however, Collier County is not a charter county. This means that this tax is not currently being levied in the unincorporated parts of Collier County. This feasibility study assumes that the new municipality will not want to introduce a new tax and so the revenue and expense projections reported here do not include this tax.

However, PST projections are provided in this feasibility study to give an idea of the potential revenue should the new municipality decide to introduce that tax in the future. The projections used are based in part on revenues received by Southwest Ranches, in Broward County, which has a similar rural estates type of land use and, presumably, a similar pattern of demand for utilities. Southwest Ranches taxes electricity and all three types of gas products at the maximum rate of 10% and, as is the case for Golden Gate Estates, few properties receive water service, and fuel oil and kerosene are not a significant source of energy. The projections reported in Appendix

4 assume that the new municipality could tax the same utilities and at the same rate as in Southwest Ranches. The bulk of the PST revenue (over 95%) in that municipality comes from the tax on electricity. For comparison purposes, Naples taxes the same set of utilities, but at a rate of 7%, Marco Island does not have a PST, and Everglades City taxes electricity, natural and liquefied petroleum gas, and water at a rate of 8%.

The revenues were adjusted to account for the fact that the average house in Southwest Ranches is larger than the average house in the proposed municipality (3,942 versus 2,574 square feet, based on 2022 county property tax roll data), implying lower energy usage in Golden Gate Estates and, consequently, lower tax receipts. On a per-capita basis, PST revenue in Southwest Ranches was approximately \$126; after adjusting for the smaller average house size in the proposed municipality, the estimated yield would be approximately \$82 per capita. High, moderate, and low estimates are based on different assumptions about annual growth in the numbers of households: 500, 300, and 100, respectively. Detailed revenue projections are provided in Appendix 4.

Local Option Fuel Tax

The Local Option Fuel Tax has three components, two of which are required to be shared by counties with municipalities: the 1 to 6 Cents Local Option Fuel Tax and the 1 to 5 Cents Local Option Fuel Tax. In Collier County, these taxes are levied at the maximum allowable rates of 6 and 5 cents per gallon, respectively. The 1 to 6 Cents Tax must be used for transportation maintenance and operations, while the 1 to 5 Cents Tax must be used for transportation capital improvements.

The projections used here are based on the fiscal year 2023 percentage distributions to Naples and Marco Island reported in the *2022 Local Government Financial Information Handbook* (p. 208). These percentages are 155% of the municipal population as a percentage of the county population. The distribution to the new municipality is therefore assumed to be 155% of its population percentage; the distribution also varies with assumptions about how fast the new municipality will grow relative to the county as a whole. The high estimates assume that countywide revenues for the two taxes are equal to the amounts estimated by the state for fiscal year 2023 (from the *2022 Local Government Financial Information Handbook*, p. 208) and that Golden Gate Estates grows at a rate of 500 households per year. The moderate estimates assume that countywide revenues equal the lower amounts estimated by the state for fiscal year 2022 (from the *2021 Local Government Financial Information Handbook*, p. 212) and that Golden Gate Estates grows at a rate of 300 households per year. The low estimates assume that revenues are equivalent to the fiscal year 2022 amounts less the difference between the 2023 and 2022 estimates and that Golden Gate Estates grows at a rate of 100 households per year. For all three scenarios, it is assumed that revenues remain constant throughout the forecasting period; however, the revenue estimate for fiscal year 2025 is zero because revenues are not distributed

until the first full fiscal year after incorporation (F.S. § 336.025). Detailed revenue projections are provided in Appendix 5.

Communications Services Tax

The Communications Services Tax (CST) is a sales tax on communications services, broadly defined to include any voice, data, audio, video, or other communications. The CST has a Florida component and a local component. The local tax rate can be as high as 5.22% subject to certain conditions. Collier County currently levies CST in unincorporated areas at a rate of 2.1%, as does Marco Island. Naples and Everglades City levy CST at 5.22% and 3.9%, respectively. This feasibility study assumes that the current unincorporated area tax rate of 2.1% is retained by the new municipality. Marco Island's fiscal year 2023 CST estimated revenue of approximately \$23 per capita (see *2022 Local Government Financial Information Handbook*, p. 110) was used as the basis for projecting high revenue estimates for the new municipality. Collier County's estimated revenue of approximately \$12 per capita was used as the basis for low revenue estimates and the average of the Marco Island and Collier County estimates was used as the basis for the moderate revenue estimates. High, moderate, and low estimates are also based on different assumptions about annual growth in the numbers of households in the new municipality: 500, 300, and 100, respectively. Revenues are assumed to commence on January 1, 2026, meaning that fiscal year 2026 revenues will be for nine months. Detailed revenue projections are provided in Appendix 6.

Planning, Zoning, and Permitting Fees

Initially, the new municipality will have two options: (1) continuing to rely on Collier County for processing planning, zoning, and permitting applications or (2) contracting out this function to a third party, such as an engineering or planning firm. If the former, Collier County would continue to collect application fees to cover the cost of providing this service. If the latter, the new municipality would charge fees based on the cost of the services. Either way, these fees and associated expenses would have no impact on the financial bottom line of the municipality. Consequently, this study does not include projections of fee revenue or associated expenses.

Local Option Infrastructure Sales Tax

The Local Option Infrastructure Sales Tax was approved by voters in 2018 and went into effect at the beginning of 2019. It is a 1% sales surtax that can be used to fund all types of public infrastructure as well as energy-efficiency improvements on privately-owned property. The proceeds of the tax are shared between county and municipal governments. The tax is set to expire at the end of 2025 or when \$490 million in revenue has been raised. Because revenues have accumulated faster than initially anticipated, the tax will expire before the new municipality could take advantage of it (see Collier County's *Fiscal Year 2022-23 Adopted Budget*, p. 88);

hence, it is not included in the revenue projections in this study. However, if the tax were to be renewed, it could be a major source of revenue to the new municipality.

Organizational Plan and Administrative Costs

The proposed municipality will initially operate with minimal staff. Key services will be provided through interlocal agreements with Collier County or by contracting with third parties. Initial staffing needs and costs are shown in Table 5.

Table 5. Administrative costs.

Position	Salary
Mayor and City Commission	\$ 63,000
City Manager	\$ 125,000
Assistant City Manager	\$ 100,000
Finance Director	\$ 90,000
City Clerk	\$ 60,000
Administrative Assistant	\$ 40,000
<i>Total salaries</i>	\$ 478,000
Expenses for elected officials	\$ 19,200
Benefits at 35% (appointed positions only)	\$ 145,250
<i>Total salaries and benefits</i>	\$ 623,250
Contracted professional services	Cost
Legal services	\$ 150,000
Planning and zoning services	\$ 100,000
Other professional services	\$ 120,000
<i>Total contracted services</i>	\$ 370,000
Miscellaneous administrative costs	Cost
Operating overhead (including leased space)	\$ 125,000
Insurance	\$ 75,000
Local elections (2024 only)	\$ 75,000
Miscellaneous expenses and contingency	\$ 200,000
<i>Total miscellaneous costs</i>	\$ 475,000
<i>Total administrative costs</i>	<i>\$ 1,468,250</i>

These administrative cost estimates are based on the following key assumptions:

1. Nominal salaries and limited reimbursement of expenses will be provided for the part-time Mayor and City Commissioners. No additional benefits will be provided for elected officials.
2. Initial staffing will be limited to a City Manager, Assistant City Manager, Finance Director, City Clerk, and Administrative Assistant.

3. The average cost of benefits for appointed staff positions (mainly retirement and health insurance) will be 35% of salaries.
4. Municipal Attorney, Planning and Zoning Director, and other professional service needs will be contracted out (alternatively, the Planning and Zoning Director could be a staff member given the importance of that function). Note that the bulk of the cost of planning and zoning will be covered by fees, which are not included here (see discussion above).
5. Office space for municipal staff will be leased at going rates in the area (about \$26 per square foot per year) and municipal commission and other public meetings will be held in an existing public space.
6. Collier County would initially cover the cost of the proposed March 2025 election (see Appendix 1) but may require subsequent reimbursement.

Costs of Municipal Services

This study assumes that the per capita cost of services in the new municipality would be equal to the per capita revenue for Collier County's MSTD, which is estimated to be \$179 in fiscal year 2023 (this is averaged across the entire unincorporated part of the county based on the population estimate reported in *2022 Local Government Financial Information Handbook*, p. 271). However, the low density and high road frontage per lot in Golden Gate Estates suggest that the cost of certain services would be higher there than in other parts of the unincorporated county. On the other hand, it is likely that the new municipality would seek to reduce certain types of expenditures that are covered by the MSTD. For example, a large part of MSTD revenues (over \$10 million) is used for landscaping expenses and the Golden Gate Estates leadership has indicated a desire to reduce certain of these expenses, such as for irrigated median strips.

On balance, it appears that the per capita revenue from the MSTD is a good estimate of the per capita municipal expenditures for the new municipality. This would imply an Ad Valorem millage rate of 1.8462 for the new municipality rather than the 1.5 rate proposed here. However, revenues from other sources will provide more than enough income to cover the gap in property tax receipts. The cost of municipal services reported here is projected to be 123% ($=1.8462/1.5$) of property tax revenue for each fiscal year

Because Collier County will continue to receive MSTD revenue for the first year of incorporation (fiscal year 2025), it is assumed that the county will continue to provide municipal services throughout that year. The new municipality will be responsible for providing services beginning the following fiscal year (i.e., starting October 1, 2025).

Five-Year Revenue and Expense Projections

High, moderate, and low revenue estimates are presented in Table 6 for fiscal years 2025 through 2029. The basis for these projections is discussed above and further details are provided in the

Appendices. These estimates do not differ dramatically, and each scenario would provide more than adequate revenue for the proposed municipality.

Table 7 compares the moderate revenue estimates with expenses for the same period. Administrative expenses are assumed to increase by 3% per year. The cost of providing municipal services (through interlocal agreements with Collier County and contracts with third parties) is, as noted above, assumed to be equal on a per capita basis to the revenue earned from the MSTD throughout the unincorporated part of the county. A small bridge loan may be required to cover some expenses in fiscal year 2025 that are likely to arise before any revenues are received. Alternatively, Golden Gate Estates Land Trust funds may be available for this purpose.

Table 7 shows significant reserves starting with the first year of incorporation. As these reserves grow, the new municipality could use them to build facilities (such as a municipal hall), add staff, and provide some services by the municipality itself rather than through interlocal agreements or contracting out. Additionally, reserves would give the municipality flexibility to provide or expand selected services considered to be particularly important by the community.

ALTERNATIVES AVAILABLE TO MEET POLICY CONCERNS

This feasibility study is motivated by the conviction that Golden Gate Estates will best be able to meet to needs of its residents through incorporation, which will give the community direct control over land use planning and regulation and provision of other municipal services. Golden Gate Estates is a large, distinct community that has specific circumstances and needs that could best be addressed through self-government. Currently, the community does not believe that it has much influence with the Collier County government, and this situation does not seem likely to change in the foreseeable future.

Table 6. Golden Gate Estates five-year revenue projections.

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
High estimates					
Ad Valorem Tax	\$ -	\$ 5,728,841	\$ 5,898,269	\$ 6,067,697	\$ 6,237,125
Municipal Revenue Sharing Program	\$ 456,286	\$ 1,882,516	\$ 1,939,887	\$ 1,997,259	\$ 2,054,630
Local Government Half-Cent Sales Tax	\$ 1,291,678	\$ 5,166,714	\$ 5,166,714	\$ 5,166,714	\$ 5,166,714
Public Service Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Local Option Fuel Tax	\$ -	\$ 2,683,982	\$ 2,683,982	\$ 2,683,982	\$ 2,683,982
Communications Services Tax	\$ -	\$ 666,404	\$ 914,817	\$ 941,095	\$ 967,373
<i>Total revenue</i>	\$ 1,747,965	\$ 16,128,457	\$ 16,603,669	\$ 16,856,746	\$ 17,109,823
Moderate estimates					
Ad Valorem Tax	\$ -	\$ 5,389,986	\$ 5,491,642	\$ 5,593,299	\$ 5,694,956
Municipal Revenue Sharing Program	\$ 439,075	\$ 1,790,722	\$ 1,825,145	\$ 1,859,568	\$ 1,893,990
Local Government Half-Cent Sales Tax	\$ 1,170,816	\$ 4,675,876	\$ 4,675,876	\$ 4,675,876	\$ 4,675,876
Public Service Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Local Option Fuel Tax	\$ -	\$ 2,387,952	\$ 2,387,952	\$ 2,387,952	\$ 2,387,952
Communications Services Tax	\$ -	\$ 474,691	\$ 644,858	\$ 656,795	\$ 668,732
<i>Total revenue</i>	\$ 1,609,891	\$ 14,719,226	\$ 15,025,473	\$ 15,173,489	\$ 15,321,506
Low estimates					
Ad Valorem Tax	\$ -	\$ 5,051,130	\$ 5,085,016	\$ 5,118,901	\$ 5,152,787
Municipal Revenue Sharing Program	\$ 421,863	\$ 1,698,928	\$ 1,710,402	\$ 1,721,877	\$ 1,733,351
Local Government Half-Cent Sales Tax	\$ 1,049,954	\$ 4,185,038	\$ 4,185,038	\$ 4,185,038	\$ 4,185,038
Public Service Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Local Option Fuel Tax	\$ -	\$ 2,103,989	\$ 2,103,989	\$ 2,103,989	\$ 2,103,989
Communications Services Tax	\$ -	\$ 302,126	\$ 405,537	\$ 408,240	\$ 410,942
<i>Total revenue</i>	\$ 1,471,817	\$ 13,341,211	\$ 13,489,982	\$ 13,538,044	\$ 13,586,106

Notes:

1. Ad Valorem Tax, Local Option Fuel Tax, and Communications Services Tax revenue will not be received until the second fiscal year of incorporation (FY 2026); state revenue sharing (Municipal Revenue Sharing Program and Local Government Half-Cent Sales Tax) for the first fiscal year of incorporation is for only three months of that year.
2. The projections exclude the Local Option Infrastructure Sales Tax because that tax will likely expire before the new municipality can take advantage of it.
3. Planning, zoning, and permitting fees are also excluded as they will either continue to be collected by the county or will be charged at cost and paid to a third party.
4. These projections assume that the new municipality will not initially adopt a Public Service Tax.

Table 7. Golden Gate Estates five-year revenue and expense projections (based on moderate revenue projections).

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues (moderate estimates)					
Ad Valorem Tax	\$ -	\$ 5,389,986	\$ 5,491,642	\$ 5,593,299	\$ 5,694,956
Municipal Revenue Sharing Program	\$ 439,075	\$ 1,790,722	\$ 1,825,145	\$ 1,859,568	\$ 1,893,990
Local Government Half-Cent Sales Tax	\$ 1,170,816	\$ 4,675,876	\$ 4,675,876	\$ 4,675,876	\$ 4,675,876
Public Service Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Local Option Fuel Tax	\$ -	\$ 2,387,952	\$ 2,387,952	\$ 2,387,952	\$ 2,387,952
Communications Services Tax	\$ -	\$ 474,691	\$ 644,858	\$ 656,795	\$ 668,732
<i>Total revenue</i>	<i>\$ 1,609,891</i>	<i>\$ 14,719,226</i>	<i>\$ 15,025,473</i>	<i>\$ 15,173,489</i>	<i>\$ 15,321,506</i>
Expenses					
Salaries and benefits	\$ 311,625	\$ 641,948	\$ 661,206	\$ 681,042	\$ 701,473
Contracted professional services	\$ 185,000	\$ 381,100	\$ 392,533	\$ 404,309	\$ 416,438
Miscellaneous administrative costs	\$ 275,000	\$ 566,500	\$ 583,495	\$ 601,000	\$ 619,030
Municipal services	\$ -	\$ 6,634,098	\$ 6,759,219	\$ 6,884,340	\$ 7,009,461
<i>Total expenses</i>	<i>\$ 771,625</i>	<i>\$ 8,223,646</i>	<i>\$ 8,396,453</i>	<i>\$ 8,570,691</i>	<i>\$ 8,746,402</i>
Reserves or (deficit)	\$ 838,266	\$ 6,495,581	\$ 6,629,020	\$ 6,602,798	\$ 6,575,103
Cumulative reserves	\$ 838,266	\$ 7,333,847	\$ 13,962,867	\$ 20,565,665	\$ 27,140,768

Notes:

1. Fiscal year 2025 administrative expenses (salaries and benefits, contracted professional services, and miscellaneous administrative costs) are based on half of the annual costs listed in Table 5 except that the election costs are included in full.
2. It is assumed that Collier County will continue to cover the costs of municipal services throughout FY 2025.
3. An inflation rate of 3% per year is applied to administrative expenses.
4. The per capita cost of municipal services is assumed to equal the average per capita revenue that would have been earned by Collier County from the entire Unincorporated Area MSTD.

EVIDENCE REGARDING STANDARDS FOR INCORPORATION

The standards for incorporation address the following criteria:

- *Compact, contiguous, and amenable to separate municipal government:* As shown in Figure 1, the proposed municipal boundaries enclose a relatively compact area that is contiguous and amenable to separate municipal government. The area contained within the proposed boundaries is essentially that part of the rural residential estates area (plus small areas designated for commercial use) that is either already developed or available for development.
- *Total population must be at least 5,000 persons:* As discussed above, the total population of the proposed municipality, according to the official 2020 U.S. Census, is 33,567 (see Table 3 above).
- *Average population density of 1.5 persons per acre:* The current density is approximately 0.63 persons per acre. When completely built out, the area is expected to have a population of over 54,000, with a density of about one person per acre. As one of the main goals of incorporation is to give Golden Gate Estates the ability to maintain its low-density rural estates lifestyle, a waiver of this criterion seems justified. In comparison, the Village of Indiantown, in Martin County, had a nearly identical population density when it was approved for incorporation in 2017 (as reported in the *Village of Indiantown Incorporation Feasibility Study*). Also, the Town of Southwest Ranches in Broward County, which has a similar pattern of land use, had a population density of only about 0.91 persons per acre in 2020 (based on the 2020 U.S. Census population of 7,607 divided by 8,365 acres).
- *Minimum distance of at least two miles from the boundaries of an existing municipality:* The City of Naples has the closest boundary to the proposed municipality. The straight-line distance between the nearest points on the two boundaries is approximately five miles.

In summary, the area proposed for municipal incorporation satisfies three of the four standards for incorporation, and a waiver is requested for the remaining standard.

OFFICERS SUBMITTING THIS PROPOSAL

Michael R. Ramsey, President

Aaron Zwiefel, Vice President

Jill Rosenfeld, Treasurer

Golden Gate Estates Area Civic Association

2631 4th Street NW

Naples, FL 34120

ABOUT THE CONSULTANT

Steven C. Bourassa is Chair of the Runstad Department of Real Estate at the University of Washington, Seattle. Most of the work on this feasibility study was completed while he was Chair of the Department of Urban and Regional Planning at Florida Atlantic University, where he worked for eight years. He also served simultaneously as Director of the School of Public Administration at FAU for five years. Prior to working at FAU, he was Chair of the Department of Urban and Public Affairs at the University of Louisville. He has over three decades of experience in applied urban research, including multiple studies involving the analysis of municipal data, such as property tax records. He has a Ph.D. in City and Regional Planning from the University of Pennsylvania.

APPENDICES

Appendix 1: Timeline

Date	Activity
July-August 2023	GGE Area Civic Association discusses the idea of incorporation with the local delegation of the Florida Legislature
September 2023	Local bill is presented and approved by the local delegation
January 2024	Local bill goes to Florida Legislature and is passed
March 2024	Governor signs legislation
November 2024	Incorporation referendum is held as part of general election
December 2024	Municipality becomes a legal entity
March 2025	Special elections for mayor and council
March 2025	Municipality begins to receive State Shared Revenue
April 2025	Municipality hires key staff
November 2025	Municipality begins to receive Ad Valorem Tax revenue
July 2026	Municipality begins to receive other revenues

Appendix 2: Ad Valorem (Property) Tax Revenue Projections

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
High estimates					
Household growth	500	500	500	500	500
Household size	2.33	2.33	2.33	2.33	2.33
Population growth	1,165	1,165	1,165	1,165	1,165
Population	38,227	39,392	40,557	41,722	42,887
Ad valorem tax revenue	\$ -	\$ 5,728,841	\$ 5,898,269	\$ 6,067,697	\$ 6,237,125
Moderate estimates					
Household growth	300	300	300	300	300
Household size	2.33	2.33	2.33	2.33	2.33
Population growth	699	699	699	699	699
Population	36,363	37,062	37,761	38,460	39,159
Ad valorem tax revenue	\$ -	\$ 5,389,986	\$ 5,491,642	\$ 5,593,299	\$ 5,694,956
Low estimates					
Household growth	100	100	100	100	100
Household size	2.33	2.33	2.33	2.33	2.33
Population growth	233	233	233	233	233
Population	34,499	34,732	34,965	35,198	35,431
Ad valorem tax revenue	\$ -	\$ 5,051,130	\$ 5,085,016	\$ 5,118,901	\$ 5,152,787

Notes:

1. Household size is based on American Community Survey 2021 1-Year Estimate for Collier County.
2. Revenues are discounted by 5% to account for early and non-payment of taxes.
3. Assumes a millage rate of 1.5.
4. Assumes that no revenues will be received during the first fiscal year of incorporation (FY 2025).

Appendix 3: Municipal Revenue Sharing Program Projections

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
High estimates					
Household growth	500	500	500	500	500
Household size	2.33	2.33	2.33	2.33	2.33
Population growth	1,165	1,165	1,165	1,165	1,165
Population	38,227	39,392	40,557	41,722	42,887
Per capita revenue estimate	\$ 49	\$ 49	\$ 49	\$ 49	\$ 49
Municipal Revenue Sharing projection	\$ 456,286	\$ 1,882,516	\$ 1,939,887	\$ 1,997,259	\$ 2,054,630
Moderate estimates					
Household growth	300	300	300	300	300
Household size	2.33	2.33	2.33	2.33	2.33
Population growth	699	699	699	699	699
Population	36,363	37,062	37,761	38,460	39,159
Per capita revenue estimate	\$ 49	\$ 49	\$ 49	\$ 49	\$ 49
Municipal Revenue Sharing projection	\$ 439,075	\$ 1,790,722	\$ 1,825,145	\$ 1,859,568	\$ 1,893,990
Low estimates					
Household growth	100	100	100	100	100
Household size	2.33	2.33	2.33	2.33	2.33
Population growth	233	233	233	233	233
Population	34,499	34,732	34,965	35,198	35,431
Per capita revenue estimate	\$ 49	\$ 49	\$ 49	\$ 49	\$ 49
Municipal Revenue Sharing projection	\$ 421,863	\$ 1,698,928	\$ 1,710,402	\$ 1,721,877	\$ 1,733,351

Notes:

1. These estimates assume that per capita revenue would have been approximately the same as that for Marco Island and Naples in FY 2023.

2. Population is lagged one year.

3. FY 2025 revenues are assumed to be for 3 months (starting July 1, 2025).

Appendix 4: Public Service Tax Revenue Projections

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
High estimates					
Household growth	500	500	500	500	500
Household size	2.33	2.33	2.33	2.33	2.33
Population growth	1,165	1,165	1,165	1,165	1,165
Population	38,227	39,392	40,557	41,722	42,887
Southwest Ranches per capita revenue (@ 10%)	\$ 126	\$ 126	\$ 126	\$ 126	\$ 126
Adjustment for relative size of houses	65.3%	65.3%	65.3%	65.3%	65.3%
Golden Gate Estates per capita revenue (@ 10%)	\$ 82	\$ 82	\$ 82	\$ 82	\$ 82
Public Service Tax revenue	\$ -	\$ 3,240,936	\$ 3,336,786	\$ 3,432,635	\$ 3,528,484
Moderate estimates					
Household growth	300	300	300	300	300
Household size	2.33	2.33	2.33	2.33	2.33
Population growth	699	699	699	699	699
Population	36,363	37,062	37,761	38,460	39,159
Southwest Ranches per capita revenue (@ 10%)	\$ 126	\$ 126	\$ 126	\$ 126	\$ 126
Adjustment for relative size of houses	65.3%	65.3%	65.3%	65.3%	65.3%
Golden Gate Estates per capita revenue (@ 10%)	\$ 82	\$ 82	\$ 82	\$ 82	\$ 82
Public Service Tax revenue	\$ -	\$ 3,049,238	\$ 3,106,747	\$ 3,164,257	\$ 3,221,766
Low estimates					
Household growth	100	100	100	100	100
Household size	2.33	2.33	2.33	2.33	2.33
Population growth	233	233	233	233	233
Population	34,499	34,732	34,965	35,198	35,431
Southwest Ranches per capita revenue (@ 10%)	\$ 126	\$ 126	\$ 126	\$ 126	\$ 126
Adjustment for relative size of houses	65.3%	65.3%	65.3%	65.3%	65.3%
Golden Gate Estates per capita revenue (@ 10%)	\$ 82	\$ 82	\$ 82	\$ 82	\$ 82
Public Service Tax revenue	\$ -	\$ 2,857,540	\$ 2,876,709	\$ 2,895,879	\$ 2,915,049

Notes:

1. Household size is based on American Community Survey 2021 1-Year Estimate for Collier County.
2. Assumes tax applies to electricity and gas products, but not fuel oil/kerosene or water.
3. Naples has a tax rate of 7% on electricity and gas products; Marco Island does not have a Public Service Tax; Everglades City has a tax rate of 8% on electricity, some gas products, and water.
4. These revenues are not included in Tables 6 and 7 (five-year revenue and expense projections); they are shown here just to indicated the potential revenue from this source should the municipality decide to adopt a Public Service Tax in the future. The earliest start date for this tax would be October 1, 2025 (at the beginning of FY 2026).

Appendix 5: Local Option Fuel Tax Revenue Projections

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
High estimates					
Countywide revenue 1 to 6 cents tax	\$ 10,495,099	\$ 10,495,099	\$ 10,495,099	\$ 10,495,099	\$ 10,495,099
Countywide revenue 1 to 5 cents tax	\$ 7,908,610	\$ 7,908,610	\$ 7,908,610	\$ 7,908,610	\$ 7,908,610
Total countywide revenue 1 to 6 and 1 to 5 cents tax	\$ 18,403,709	\$ 18,403,709	\$ 18,403,709	\$ 18,403,709	\$ 18,403,709
Golden Gate Estates population percentage	9.4%	9.4%	9.4%	9.4%	9.4%
Adjustment to population percentage	1.55	1.55	1.55	1.55	1.55
Adjusted percentage distribution	14.6%	14.6%	14.6%	14.6%	14.6%
Local Option Fuel Tax revenue	\$ -	\$ 2,683,982	\$ 2,683,982	\$ 2,683,982	\$ 2,683,982
Moderate estimates					
Countywide revenue 1 to 6 cents tax	\$ 9,577,467	\$ 9,577,467	\$ 9,577,467	\$ 9,577,467	\$ 9,577,467
Countywide revenue 1 to 5 cents tax	\$ 7,232,853	\$ 7,232,853	\$ 7,232,853	\$ 7,232,853	\$ 7,232,853
Total countywide revenue 1 to 6 and 1 to 5 cents tax	\$ 16,810,320	\$ 16,810,320	\$ 16,810,320	\$ 16,810,320	\$ 16,810,320
Golden Gate Estates population percentage	9.1%	9.1%	9.1%	9.1%	9.1%
Adjustment to population percentage	1.55	1.55	1.55	1.55	1.55
Adjusted percentage distribution	14.2%	14.2%	14.2%	14.2%	14.2%
Local Option Fuel Tax revenue	\$ -	\$ 2,387,952	\$ 2,387,952	\$ 2,387,952	\$ 2,387,952
Low estimates					
Countywide revenue 1 to 6 cents tax	\$ 8,659,835	\$ 8,659,835	\$ 8,659,835	\$ 8,659,835	\$ 8,659,835
Countywide revenue 1 to 5 cents tax	\$ 6,557,096	\$ 6,557,096	\$ 6,557,096	\$ 6,557,096	\$ 6,557,096
Total countywide revenue 1 to 6 and 1 to 5 cents tax	\$ 15,216,931	\$ 15,216,931	\$ 15,216,931	\$ 15,216,931	\$ 15,216,931
Golden Gate Estates population percentage	8.9%	8.9%	8.9%	8.9%	8.9%
Adjustment to population percentage	1.55	1.55	1.55	1.55	1.55
Adjusted percentage distribution	13.8%	13.8%	13.8%	13.8%	13.8%
Local Option Fuel Tax revenue	\$ -	\$ 2,103,989	\$ 2,103,989	\$ 2,103,989	\$ 2,103,989

Notes:

1. High estimates assume that (a) countywide revenues remain constant at the FY 2023 estimated distribution reported in the 2022 Local Government Financial Information Handbook, p. 208, and (b) Golden Gate Estates grows at a rate of 500 households per year.
2. Moderate estimates assume that (a) countywide revenues remain constant at the FY 2022 estimated distribution reported in the 2021 Local Government Financial Information Handbook, p. 212, and (b) Golden Gate Estates grows at a rate of 300 households per year.
3. Low estimates assume that (a) countywide revenues stabilize at the FY 2022 level less the difference between the high and moderate estimates and (b) Golden Gate Estates grows at a rate of 100 households per year.
4. The adjustment to the population percentage is based on combined Naples and Marco Island population percentages relative to the distributions those cities receive (see the 2022 Local Government Financial Information Handbook, pp. 208 and 271).
5. FY 2025 revenues are zeroed out because revenues will not be distributed to the new municipality until the fiscal year after incorporation.

Appendix 6: Communications Services Tax Revenue Projections

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
High estimates					
Household growth	500	500	500	500	500
Household size	2.33	2.33	2.33	2.33	2.33
Population growth	1,165	1,165	1,165	1,165	1,165
Population	38,227	39,392	40,557	41,722	42,887
Per capita revenue	\$ - \$	23 \$	23 \$	23 \$	23
Communications Services Tax revenue	\$ - \$	666,404 \$	914,817 \$	941,095 \$	967,373
Moderate estimates					
Household growth	300	300	300	300	300
Household size	2.33	2.33	2.33	2.33	2.33
Population growth	699	699	699	699	699
Population	36,363	37,062	37,761	38,460	39,159
Per capita revenue	\$ - \$	17 \$	17 \$	17 \$	17
Communications Services Tax revenue	\$ - \$	474,691 \$	644,858 \$	656,795 \$	668,732
Low estimates					
Household growth	100	100	100	100	100
Household size	2.33	2.33	2.33	2.33	2.33
Population growth	233	233	233	233	233
Population	34,499	34,732	34,965	35,198	35,431
Per capita revenue	\$ - \$	12 \$	12 \$	12 \$	12
Communications Services Tax revenue	\$ - \$	302,126 \$	405,537 \$	408,240 \$	410,942

Notes:

1. Household size is based on American Community Survey 2021 1-year estimate for Collier County.
2. High and low per capita revenue estimates are based on those for Marco Island and unincorporated Collier County, respectively, for fiscal year 2023 (see 2022 Local Government Financial Information Handbook, p. 110).
3. FY 2026 revenue is assumed to be for 9 months (starting January 1, 2025).