

The logo for BJM Consulting, Inc. features the letters "BJM" in white on a blue square background, followed by the words "Consulting, Inc." in green. A thin blue horizontal line is positioned below the text.

BJM Consulting, Inc.

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November 3, 1998

Mr. Hal Brenner
President, Board of Directors
Bonita Springs Incorporation Committee, Inc.

Dear Mr. Brenner,

The following report is the update to the incorporation study of November 5, 1997 for the proposed incorporation of Bonita Springs.

The format of the report is in two sections. The first part will address the changed conditions that exist due to a new set of boundaries that are being proposed. The second part is laid out to follow and answer the issues raised in the Florida Legislature's Legislative Committee on Intergovernmental Relations, and Office of Economic and Demographic Research staff's review of the original study.

It should be noted that if a copy of the draft charter and map of the area being proposed for incorporation accompanied the study many of the questions would have been answered up front.

Sincerely,

Joe Mazurkiewicz, Jr.
BJM Consulting, Inc.

**Update to the Bonita Springs Incorporation Study
for the
Bonita Springs Incorporation Committee, Inc.**

Prepared By
BJM Consulting, Inc.
November 3, 1998

This report is an Update to the original study prepared by BJM Consulting, Inc. for the Bonita Springs Chamber of Commerce completed November 5, 1997. The format of the report is in two sections. The first part will address the changed conditions that exist due to a new set of boundaries that have been proposed since the original study was completed. The second part is laid out to follow and answer the issues raised in the Florida Legislature's Legislative Committee on Intergovernmental Relations, and Office of Economic and Demographic Research staff's review of the original study.

There have been some major changes in the study area since it was completed in November 1997. The area of the proposed incorporation has been reduced by approximately 36 square miles. This reduction in size has lowered the permanent population to 23,186. The impact of this reduction has been very positive to many of the projections in the original study.

The first area of concern is the impact the proposed reduction in area will have on the fiscal forecast. Using the State Shared Revenue (SSR) estimated for FY 98/99 for Bonita Springs, in the State's Department of Revenue memorandum to Lisa C. Cervenka, dated August 31, 1998, the SSR is projected to be \$2,277,529 for a population of 26,300. This works out to be \$86.60 / permanent resident.

The Lee County Division of Community Development Estimates the permanent population of the proposed incorporation area is 23,186. The new projected amount of SSR for Bonita Springs is \$2,007,857. This is a reduction of \$127,068 to the first year revenues.

There are corresponding reductions in the cost associated with contracting for services with Lee County. Using a cost of service per resident of \$130 based on the original study's projections, there is a decrease in the County's contract of \$157,820 in the first year. Since all the numbers are estimates and the difference adds only \$30,752 to the balance in the year 2000, the recommendation is that the original five year fiscal forecast is still valid.

A second area of concern in the original study was the major unfunded liabilities in the area infrastructure (drainage and local roads) that were not funded by any taxing authority. The reduced area now being considered for incorporation has fewer unfunded liabilities in its infrastructure, since most of the concerns for drainage improvements and unpaved residential streets were East of I-75 and have been eliminated from the proposal. This will have a positive impact on the financial viability of the new community being able to meet its short term capital project needs.

Response to questions raised by the Legislative Committee on Intergovernmental Relations' memorandum to Joan Highsmith-Smith, dated August 14, 1998.

1) The new area of consideration for the proposed incorporation is approximately 33 +/- square Miles, or 21,120 +/- acres (See Map). The Lee County Department of Community Development estimates the present permanent population for this area at 23,186. This equates to a population density of 1.1 per acre, and does not meet the minimum density requirement of 1.5 persons per acre. The proposed Charter will have to ask for a waiver from this requirement in the statutes.

The proposed area is compact, contiguous, and amenable to a separate municipal government (See Map). The Northwest corner of the area comes within a third of a mile from the Southern most tip of the Town of Fort Myers Beach. The point where the two areas are too close to meet the State requirement is between barrier islands. The proposal to separate the two incorporated communities by using the geographical boundaries of barrier islands is common along Florida's coast, and needs to be addressed in the form of a waiver in the Charter.

2) The population of 23,186 and projections for growth are from the Lee County Department of Community Development, and the Bonita Springs Fire and Rescue District. Annual reports, 20 year plans and staff interviews were all reviewed to determine the population numbers.

Population growth was projected forward based on five years of historical data from the fire district. The number of new residential units were tracked, and it was determined that there was an average of 1000 units being built each year. The total number of residential units presently in the district was divided into the population of the district to determine the permanent residents per residential units. It was determined that there are 1.2 permanent residents per unit. Multiplying 1.2 residents times 1000 units per year lead to the growth projection of 1200 new residents per year.

3) Answered above

1. State Shared Revenues. To meet the three mill minimum of local taxes to be eligible for SSR the following ad valorem tax revenue sources were used: 1.1604 City of Bonita Springs Tax, 1.8090 Bonita Springs Fire and Rescue District Tax, and .0715 Bonita Lighting District Tax. These local service providers would remain in effect if incorporation became a reality, together their local millage is 3.0409 mills which exceeds the requirement.

The issue of the timing of the SSR to the new town of Bonita Springs will be addressed in the Charter.

2. Contracting for Services. The proposal to contract for services with Lee County and the Southwest Florida Regional Planning Council is based on the existing success of such relationship already working in Lee County with the town of Fort Myers Beach (See copies of agreements).

4) N/A

5) Once again the existing positive experience between the Town of Fort Myers Beach and Lee County is the basis for this recommendation. (See copy of agreements)

**Proposed Fiscal Year 2001 Budget for Municipal Services
for
The Community of Bonita Springs**

Revenues

City Ad Valorem Tax	\$ 3,156,945
State Shared Revenue	2,159,925
Fire District Taxes and Fees	7,354,713
Franchise Fees	149,303
Community Development Fees	2,095,000
Mobil Home License Fees	25,000
Investment Income	39,000
Gas Tax	750,000
Lighting District Ad Valorem	75,000
Total	\$15,804,886

Expenses

Administration	364,620
General Government Services (Lee County)	3,283,220
Fire District Services	7,354,713
Contract Professional Services	110,000
Community Development Costs	2,095,000
Right of Way Maintenance	750,000
Lighting District Costs	75,000
Total	\$14,032,553

**Proposed Fiscal Year 2001 Millage for Municipal Services
for
The Community of Bonita Springs**

The following chart is an example of how the new City of Bonita Springs could meet the State of Florida, Department of Revenue's three mill match for local municipal services necessary to participate in all State Shared Revenues.

City of Bonita Springs	1.1604 mills
Bonita Springs Fire and Rescue District	1.6097 mills
Bonita Springs Lighting District	.0581 mills
Solid Waste MSTU	<u>.5000 mills</u>
Total	3.3282 mills

The numbers above were developed as follows:

The proposed City millage replaces, at no change, the existing Lee County unincorporated MSTU.

The Fire District, and Lighting District Millage are the same as the existing adopted millage for FY99.

The Solid Waste MSTU is an estimated number based on changing the existing Lee County Solid Waste MSBU of \$182.54 per residential unit to a MSTU spread over the entire tax base of the community. This change is based on action taken by the City of Cape Coral to lessen the cost to residents for solid waste infrastructure.