



THE FLORIDA LEGISLATURE

OFFICE OF ECONOMIC AND DEMOGRAPHIC RESEARCH



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State Affairs Committee
Local Administration, Federal Affairs & Special Districts Subcommittee
209 House Office Building
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Mr. Darden:

At the Subcommittee's request, the Office of Economic and Demographic Research (EDR) evaluated the *Town of Perdido: Incorporation Feasibility Study – August 2023*, with regard to the requirements and standards expressed in Chapter 165, F.S. EDR also considered whether the Study's methodologies, findings, projections, and recommendations accurately reflect the feasibility of municipal incorporation.

After analyzing the data and information submitted in this Feasibility Study (hereinafter, "the Study") and other available data, EDR believes that the proposed municipality of Perdido (hereinafter, "Perdido") violates two of the six statutory standards of incorporation (i.e., Standard 1: area must be compact and contiguous; Standard 3: average population density of at least 1.5 persons per acre). Additionally, EDR has identified several concerns or deficiencies with respect to the Study's 11 required elements, particularly Element 8 regarding evidence of fiscal capacity and Element 9 regarding data and analysis to support the conclusions that incorporation is necessary and financially feasible.

This response consists of two parts. Part One is EDR's evaluation with respect to the elements of a feasibility study expressed in s. 165.041(1)(b), F.S. Part Two is EDR's evaluation with respect to the standards for municipal incorporation expressed in s. 165.061(1), F.S.

Part One: EDR's Evaluation of the Feasibility Study

Pursuant to s. 165.041(1)(b), F.S., a feasibility study, which is prepared to inform the Florida Legislature on the feasibility of a proposed municipal incorporation, shall contain 11 elements. This section addresses each of these elements.

Element 1

The location of territory subject to boundary change and a map of the area which identifies the proposed change. *Section 165.041(1)(b)1., F.S.*

Staff Analysis: The Study's Legislative Summary (p.1) states: "Perdido, Florida, is an unincorporated coastal community (population 23,154) in Escambia County (population 329,192). It includes both Perdido Key (south of the Intracoastal Waterway) and the mainland area to the north along Perdido Bay. Located on the Florida state line between Orange Beach, Alabama, and Pensacola, Florida. Perdido is the true 'Western gate to the Sunshine State.'" The Study's Appendix 4 includes a map of the proposed area

of incorporation, which also shows the area divided by the current Escambia County voting districts. Additionally, the map shows two supplemental study areas, which are outside of the proposed boundaries. ***The review of the proposed municipality's legal description and maps for both accuracy and legal sufficiency is outside EDR's purview. In its October 4, 2023 letter to the Study's proponents (pp.1-2), the Local Administration, Federal Affairs & Special Districts Subcommittee (hereinafter, "the Subcommittee") asked for additional clarification of the map's proposed boundaries in relation to the county's voting districts as well as the additional study areas. In its October 18, 2023 response to the Subcommittee (pp.1-2), BJM Consulting, Inc., (hereinafter, "the Consultant") clarified that all of the Study's figures, projections, and estimates correspond only to the map's proposed boundaries and exclude the additional study areas. The voting precinct areas were included on the map for reference purposes only. Furthermore, the Consultant submitted an updated Appendix 4 map of the proposed boundaries, which excludes the voting precinct areas.***

Element 2

The major reasons for proposing the boundary change. Section 165.041(1)(b)2., F.S.

Staff Analysis: The Study (pp.2-3) lists the following primary goals of Perdido's community leaders who are exploring the viability of incorporation.

1. "Home Rule" which would allow area residents to control the future destiny of their community.
2. Preservation of the present quality of life.
3. Return a greater share of their Escambia County tax dollars to the community.
4. Build a community-centered plan to meet the future needs of the area's residents.
5. Ensure the "Western Gate to the Sunshine State" puts forth the best possible image for visitors to the state, and at the same time address ongoing impacts this tourism has on the local community.

Additionally, the Study (pp.5-23) includes an Executive Summary of a SWOT (i.e., Strengths, Weaknesses, Opportunities, and Threats) Analysis prepared by the Consultant and Proponents (i.e., the 'We Are Perdido' community organization). ***An assessment of the validity and reasonableness of the provided discussion is more appropriate for policymakers.***

Element 3

The following characteristics of the area: (a) a list of the current land use designations applied to the subject area in the county comprehensive plan; (b) a list of the current county zoning designations applied to the subject area; (c) a general statement of present land use designations of the area; and (d) a description of development being proposed for the territory, if any, and a statement of when actual development is expected to begin, if known. Section 165.041(1)(b)3., F.S.

Staff Analysis: The Study (p.25) states that present land use characteristics within the proposed area of incorporation "include residential, commercial, conservation, public facilities, and institutional designations with some industrial areas mixed in." The Study's Appendix 2 provides a future land use map for 2030; Appendix 3 provides a listing of existing county land use designations and zoning descriptions; and Appendix 7 provides a listing of nine pending land use cases. ***Whether or not the map and discussions are sufficient is outside EDR's purview. The Subcommittee's letter (p.2) noted that Appendix 7 contains a list of pending developments but contains no information concerning the proposed dates that development is expected to begin. The Subcommittee asked for proposed dates or a statement indicating that the proposed dates are unknown. The Consultant's response (p.2) clarified that these proposed dates were not available from the county and are all unknown. Furthermore, the***

Consultant stated that the proponents plan to provide an updated list of proposed development when the remaining updates are made to the report. Therefore, it appears that this element has not yet been completely satisfied.

Element 4

A list of all public agencies, such as local governments, school districts, and special districts, whose current boundary falls within the boundary of the territory proposed for the change or reorganization. Section 165.041(1)(b)4., F.S.

Staff Analysis: The Study (p.24) provides a list of public agencies that currently provide services within the proposed area of incorporation. ***The Subcommittee’s letter (p.2) noted that the Study lists some public agencies, but does not discuss special districts. The Subcommittee asked for clarification on whether there are any special districts operating within the proposed municipal boundaries. After further research, the Consultant’s response (p.2) stated that none of the county’s four special districts collect any taxes or other revenues from the proposed area of incorporation, and there are no special taxing districts within the proposed area of incorporation. With the submission of this additional information, it is assumed that this element has been satisfied.***

The Study (p.25) states: “It is projected after incorporation, most governmental services would continue to be provided by current agencies. The method of paying for these services would be changed to utilize revenues collected by the new local government.” Since the staff analyses of Elements 5 and 6 below are related, they are addressed together.

Element 5

A list of current services being provided within the proposed incorporation area, including, but not limited to, water, sewer, solid waste, transportation, public works, law enforcement, fire and rescue, zoning, street lighting, parks and recreation, and library and cultural facilities, and the estimated costs for each current service. Section 165.041(1)(b)5., F.S.

Element 6

A list of services to be provided within the proposed incorporation area, and the estimated cost of such proposed services. Section 165.041(1)(b)6., F.S.

Staff Analysis: The Study (p.24) states: “Perdido is currently receiving services from Escambia County Government.” These services include the following:

Services Provided by Escambia County Government

- Fire & emergency medical services (EMS)
- Rights-of-way maintenance
- Parks
- Development services
- Code enforcement
- Library
- Recreation and cultural services
- Other general governmental services

Services Provided by Escambia County Sheriff’s Office

- Law enforcement

Services Provided by Emerald Coast Utilities Authority (ECUA) and Peoples Water Services Co.
Water and sewer services
Solid waste hauling and disposal (ECUA only)

The Study (p.24) also states: “Presently the area pays three additional millages for Sheriff, Escambia Children Trust and Library.” Furthermore, the Study (p.26) states: “The Town would not be the provider of services, rather it would establish levels of service, prioritize capital and maintenance projects, and be a resource for all community groups. There will be no change in cost for all governmental and public utility services to the residents of Perdido if it were to incorporate.” However, the Study (p.27) confirms that the increased cost to Perdido residents for town administration will be \$2,590,598 or \$112 per resident.

In reference to Element 5, the Subcommittee’s letter (p.2) noted that a list of current services is provided; however, there are no cost estimates for the provision of current services. The Subcommittee asked that such cost estimates be provided. The Consultant’s response (pp.2-3) provided the following three cost estimates.

- | | |
|---|---------------------|
| 1. County General Fund: | \$22,133,534 |
| <i>To fund sheriff (partial), parks and recreation, roads (partial), stormwater, and general government internal departments</i> | |
| 2. County MSTU Funds: | \$4,952,198 |
| <i>To fund sheriff, library, and Escambia Children Trust</i> | |
| 3. County MSBU Funds & Hauling Fee: | \$5,067,597 |
| <i>To fund residential fire and residential solid waste</i> | |
| Total Cost: | \$32,153,329 |

In reference to Element 6, the Subcommittee’s letter (p.2) noted that a list of proposed services is provided; however, there are no cost estimates for the provision of proposed services. The Subcommittee asked that such cost estimates be provided. The Consultant’s response (pp.2-3) provided the following four cost estimates.

- | | |
|---|---------------------|
| 1. County General Fund: | \$22,133,534 |
| <i>To fund sheriff (partial), parks and recreation, roads (partial), stormwater, and general government internal departments</i> | |
| 2. Town General Fund: | \$4,952,198 |
| <i>To fund sheriff, library, and Escambia Children Trust</i> | |
| 3. Town Special Assessment: | \$5,067,597 |
| <i>To fund residential fire and residential solid waste</i> | |
| 4. Local Government Cost: | \$2,590,698 |
| <i>To fund the municipality’s administrative costs</i> | |
| Total Cost: | \$34,743,927 |

As directed by Elements 5 and 6, the Study fails to provide the estimated costs of each current service and proposed service. The Consultant’s response to the Subcommittee’s request for additional cost estimates is only marginally helpful. Rather than providing the cost for each service individually, each cost estimate reflects the costs of two or more services. Additionally, the Study mentions the three separate millages for sheriff, children’s trust, and library services, yet fails to provide the estimated

revenues generated from each millage that would be used to pay for the cost of those services. The Study also identifies two funds (i.e., county general fund and town general fund) that will be used to pay for sheriff's law enforcement service, but it fails to specify how much from each fund is being allocated to fund that service. Furthermore, the Study identifies the county general fund as a partial funding source for roads, but does not identify which fund is covering the remaining portion of transportation services. Consequently, it does not appear that this element has been adequately addressed. Contrary to the Study's statement (p.26) that costs will not increase for the residents of Perdido after incorporation, the current and proposed governmental cost estimates provided by the Consultant, and summarized above, suggest that costs will increase by \$2.59 million.

Element 7

The names and addresses of three officers or persons submitting the proposal. Section 165.041(1)(b)7., F.S.

Staff Analysis: The Study's Legislative Summary (p.6) provides the names, mailing addresses, and phone numbers of the three individuals submitting the incorporation proposal. ***EDR did not attempt to contact these individuals for the purpose of verifying this information.***

Element 8

Evidence of fiscal capacity and an organizational plan as it relates to the area seeking incorporation that, at a minimum, includes: (a) existing tax bases, including ad valorem taxable value, utility taxes, sales and use taxes, franchise taxes, license and permit fees, charges for services, fines and forfeitures, and other revenue sources, as appropriate; and (b) a 5-year operational plan that, at a minimum, includes proposed staffing, building acquisition and construction, debt issuance, and budgets. Section 165.041(1)(b)8., F.S.

Staff Analysis: The Study (pp.28-59) includes discussions of evidence of fiscal capacity and the Five-Year Operational Plan for Perdido.

EDR has the following comments.

- 1. The Study (p.28) includes an incorporation and revenue timeline, which specifies actual or anticipated dates (i.e., month & year) of activities critical to Perdido's formation and organization as well as the receipt of ad valorem taxes and state revenue sharing. The inclusion of such a timeline assists local citizens and state reviewers in better understanding this proposal.***
- 2. In the five-year operational plan scenarios (pp.57-59), the Study's presentation of revenues and expenditures does not utilize the Uniform Accounting System's Chart of Accounts, which is the format used by local governments when submitting their Annual Financial Reports (AFRs) to the State pursuant to s. 218.32, F.S. The use of such a format provides a more accurate presentation of revenues and expenditures by type or functional category and allows for comparisons between proposed municipal incorporations and existing municipalities. For purposes of this analysis, EDR staff converted the Study's reported revenues and expenditures into the corresponding revenue and expenditure categories used in the AFR.***
- 3. The Study (p.32) states that property owners within the proposed area of incorporation currently pay county MSTU millage totaling 1.4805 mills (i.e., sheriff/law enforcement, 0.6850 mills; Escambia Children Trust, 0.4365 mills; and county library services, 0.3590 mills). These millage***

rates currently paid by residents in the unincorporated area were verified by the Escambia County Tax Collector's office, via the following link.

<https://escambiataxcollector.com/property-tax/millage-rate-detail/>

The Study (p.32) contemplates that area residents would continue to pay for these services the same way after incorporation. Consequently, Perdido's initial operating millage will be 1.4805 mills. Since the Florida Department of Revenue (DOR) is one of the named agencies asked to evaluate this Study, its comments on the validity of Perdido's proposed millage and projected ad valorem taxable value and tax revenue will be of great significance. This is a critical determination since the Ad Valorem Tax is Perdido's second largest revenue source, constituting approximately 30% of FY 2024-25 revenues.

- 4. The Study (pp.31-43) states that a number of local revenue streams (e.g., utility services tax, user fees, and charges for services) typically seen in new municipal incorporations will not be implemented as these revenue sources will not be needed to fund Perdido's operations. The Study notes that future implementation of such revenue sources could produce additional revenues to support programs or reduce ad valorem taxes. Both the Study (p.38) and proposed municipal charter (p.30 of 32) contemplate the use of state revenue sharing. This is a critical revenue source since State Revenue Sharing is Perdido's third largest revenue source, constituting approximately 18% of FY 2024-25 revenues.*

The Study (p.53) assumes 3% annual revenue growth. To evaluate this growth rate assumption for state shared revenues, EDR staff calculated several compound annual growth rates (CAGR) of historical Local Half-cent Sales Tax Program (LHC) and Municipal Revenue Sharing (MRS) distributions for the existing municipalities in the county (i.e. Century and Pensacola). Between 2010 and 2022, the CAGR for the sum total of LHC Ordinary distributions to Century and Pensacola was 5.38%. During this same period, the CAGR for the sum total of MRS distributions was 2.65%. These figures may suggest that the Study's 3% annual growth rate assumption is too conservative for LHC revenues but reasonable for the MRS revenues.

- 5. The Study (pp.33, 57-59) outlines the expected revenues originating from the Franchise Fee (FF) presently levied by the county on utility services. The Subcommittee letter (p.2) noted that the Study does not provide the methodology used to estimate franchise fees and provides estimates that appear to be overly optimistic. The Consultant's response (p.4) stated that the original fee revenue calculation was made in error and provided a revised figure of \$1.39 million that was approximately half of the original amount.*

In an attempt to verify the Study's FF revenue projections, EDR used an alternative methodology. Perdido's proportional share of Escambia County's unincorporated population in 2022 was calculated and multiplied by the county's FY 2022-23 FF revenues as reported in its FY 2023-24 Approved Budget, available online via the following link.

https://escambiacountyfl.opengov.com/transparency/#/56851/accountType=revenuesVersusExpenses&embed=n&breakdown=types¤tYearAmount=cumulative¤tYearPeriod=years&graph=bar&legendSort=coa&proration=true&saved_view=null&selection=5691109F7ED8004E71EF8EB94E5BADED&projections=null&projectionType=null&highlighting=null&highlightingVariance=null&year=2024&selectedDataSetIndex=null&fiscal_start=2016&fiscal_end=latest

*Perdido's Percentage of Escambia County's 2022 Unincorporated Population:
(23,154/273,100) = 8.48%.*

Escambia County's FY 2022-23 FF Revenues, as reported:

Electric:	\$12,794,927
Gas:	\$1,585,663
Solid Waste:	\$2,293,857
Other:	\$218
Total:	\$16,674,665

Perdido's Estimated Share of the County's FY 2022-23 FF Revenues:

Total: $\$16,674,665 * 8.48\% = \$1,413,714$

Since EDR's calculations reflect hypothetical FY 2022-23 revenues, the total revenue figure could be grown into the Study's five-year operational plan window (i.e., FY 2023-24 to FY 2027-28) using a compound annual growth rate (CAGR) calculated from the county's actual FF collections. Based on EDR calculations, the CAGR in the county's FF revenue collections for 2014-15 through 2022-23 was 1.21%. [Note: Escambia County's reported FF revenues were \$15,140,194 in 2014-15 and \$16,674,665 in 2022-23.] Consequently, Perdido's FY 2024-25 FF revenue forecast would be \$1,448,248 using this alternative methodology, which is 51% of the Study's middle case scenario figure of \$2,866,543. Consequently, EDR believes the Study's FF revenues reflected in its five-year operational plan scenarios are overstated, and the annual revenue growth rate assumption of 3% is too optimistic. The validity of this estimate is important since Franchise Fees are Perdido's fourth largest revenue source and constitute nearly 18% of FY 2024-25 revenues.

- 6. The same data source and methodology, as previously described above, can also be used to evaluate the Study's Special Assessments (SA) estimates, which the Subcommittee's letter did not address.*

Perdido's Percentage of Escambia County's 2022 Unincorporated Population:

$(23,154/273,100) = 8.48\%$.

Escambia County's FY 2022-23 SA Revenues, as reported:

Capital:	\$540,190
Service Charges:	\$47,306,496
Total:	\$47,846,686

Perdido's Estimated Share of the County's FY 2022-23 SA Revenues:

Total: $\$47,846,686 * 8.48\% = \$4,056,544$

Since EDR's calculations reflect hypothetical FY 2022-23 revenues, the total revenue figure could be grown into the Study's five-year operational plan window (i.e., FY 2023-24 to FY 2027-28) using a compound annual growth rate (CAGR) calculated from the county's actual SA collections. Based on EDR calculations, the CAGR in the county's SA revenue collections for 2014-15 through 2022-23 was 14.88%. [Note: Escambia County's reported SA revenues were \$15,768,278 in 2014-15 and \$47,846,686 in 2022-23.] Consequently, Perdido's FY 2024-25 SA revenue forecast would be \$5,353,935 using this alternative methodology, which is 106% of the Study's middle case scenario figure of \$5,067,597. Consequently, EDR believes the Study's SA revenues reflected in its five-year operational plan scenarios are reasonable; however, the annual revenue growth rate assumption of 3% appears to be too conservative. The validity of this estimate is very important since Special Assessments are Perdido's largest revenue source and constitute 31% of FY 2024-25 revenues.

- 7. Again, the same data source and methodology can also be used to evaluate the Study's Communications Services Tax (CST) estimates, which the Subcommittee's letter did not address.**

Perdido's Percentage of Escambia County's 2022 Unincorporated Population:
 $(23,154/273,100) = 8.48\%$.

Perdido's Estimated Share of the County's FY 2022-23 CST Revenues:
Total: $\$2,154,192 * 8.48\% = \$182,637$

Since EDR's calculations reflect hypothetical FY 2022-23 revenues, the total revenue figure could be grown into the Study's five-year operational plan window (i.e., FY 2023-24 to FY 2027-28) using a compound annual growth rate (CAGR) calculated from the county's actual CST collections. Based on EDR calculations, the CAGR in the county's CST revenue collections for 2014-15 through 2022-23 was (2.95%). [Note: Escambia County's reported CST revenues were \$2,737,529 in 2014-15 and \$2,154,192 in 2022-23.] Consequently, Perdido's FY 2024-25 CST revenue forecast would be \$172,017 using this alternative methodology, which is 64% of the Study's middle case scenario figure of \$268,735. Consequently, EDR believes the Study's CST revenues reflected in its five-year operational plan scenarios are overstated, and the annual revenue growth rate assumption of 3% is too optimistic.

- 8. The Study (pp.42-43) states: "Escambia County presently charges an Infrastructure Surtax and shares the revenue collected with the cities within the County. This is done through an existing formula. The use of the funds is limited by law and would not be available to support general fund expenditures. Based on estimates from Florida DOR staff this revenue would produce an annual revenue of \$4,980,083 for the Town to use on allowable capital expenses."**

The Subcommittee's letter (p.3) noted that the Study states the Town will receive approximately \$4.9 million in surtax revenues, but it does not account for this revenue and any associated expenditures in its five-year operational plans. The Consultant's response (p.4) stated that the surtax-related expenditures will be added to the budget with the disclaimer of the fund's limited use.

Furthermore, it should be noted that Escambia County's existing Local Government Infrastructure Surtax levy is scheduled to expire on December 31, 2028. Although county electors have previously voted to extend this surtax levy in 2007 and 2017, any future reauthorization cannot be guaranteed.

- 9. The proposed municipal charter (pp. 30-31 of 32) states: "Gas tax revenues. To the extent provided by section 336.025, Florida Statutes, or as agreed to by applicable interlocal agreement to the contrary, the town shall be entitled to receive local option gas tax revenues beginning January 1, 2025. These revenues shall be distributed in accordance with any applicable existing effective interlocal agreements with Escambia County and municipalities located within the county, until said agreement(s) may be modified, or pursuant to section 336.025. These revenues shall be distributed to the town as a fully eligible incorporated municipality of the county in accordance with the distribution formula initially established and adopted on, as part of any applicable local option gasoline tax revenue tax distribution formula or interlocal agreement, as amended, or otherwise."**

The Study (p.42) states: “Based on the existing law and the interlocal agreements Florida Counties have established with the cities within the counties the ability to share this tax, it is not clear exactly what formula was used. It is clear the distribution of this revenue is developed through political negotiations and trying to estimate what the area of Perdido portion would be, at best, more art than science. With this understanding this study decided to project the Local Option Gas Tax revenues in our revenue projection for the area of Perdido. Local Option Gas Tax of \$1,191,480 to be used for major road maintenance. Of course, this decision will ultimately be determined by the newly elected Town council and the Escambia County Commissioners.” However, the Study does not account for this revenue and any associated expenditures in its five-year operational plans. Furthermore, the Subcommittee’s letter does not address the exclusion of this revenue source.

According to the Department of Revenue (see linked document below), Escambia County currently levies the following local option fuel taxes: the 1 cent Ninth-Cent Fuel Tax, the full 6 cents of the 1-6 Cents Local Option Fuel Tax, and 4 cents of the 1-5 Cents Local Option Fuel Tax. Consequently, the county levies 11 cents of a total possible 12 cents of local option fuel tax.

<http://edr.state.fl.us/Content/local-government/data/county-municipal/2023LOFTrates.pdf>

Under current law, county governments are not required to share the proceeds of the Ninth-Cent Fuel Tax with their respective municipalities. Furthermore, as indicated in the FY 2023-24 revenue estimates, the \$5.4 million proceeds of Escambia County’s 4 cents levy of the 1-5 Cents Local Option Fuel Tax will be distributed 100% to the county pursuant to an interlocal agreement (see Page 3 of 10 in the linked document below).

<http://edr.state.fl.us/Content/local-government/data/county-municipal/LOFT23-24R1.pdf>

Consequently, Perdido may not be eligible to receive proceeds of these two local option fuel taxes. However, as contemplated by the Study and proposed charter, Perdido should be eligible to receive proceeds of the 1-6 Cents Local Option Fuel Tax, which are currently distributed to the county government, Century, and Pensacola. Consequently, the five-year operational plans should account for this revenue source and associated expenditures.

- 10. The Study (p.47) states Perdido will have five full-time equivalent (FTE) employees: Town Manager, Assistant Town Manager/Contract Specialist, Finance Director/Comptroller, Town Clerk/Treasurer, and Administrative Assistant. The Subcommittee’s letter (p.3) states the Study “... does not include any projections concerning the number of staff to be employed.” The Consultant’s response (p.5) states: “The Study does not contemplate any additional staff for the first five years.”***

Using financial data reported by municipal governments pursuant to s. 166.241, F.S., EDR reviewed the number of regular or permanent positions projected in their respective FY 2022-23 final adopted budgets. Comparing Perdido’s figure of five budgeted positions to the figures reported by the other similarly-populated municipalities, EDR found that all other comparison cities reported significantly more budgeted positions than Perdido, ranging from the low of 181 in Groveland to the high of 344 in Jacksonville Beach. EDR acknowledges that all the comparison cities were incorporated prior to 2000 and have therefore been in existence for long periods of time. However, it does raise the question if Perdido’s five budgeted positions will be sufficient to

support its goal of “municipal incorporation under the fiscally responsible government lite model” (Legislative Summary, p.6).

- 11. The Study (p.49) states: “To increase the reserves during the initial years of the new local government and cover any initial short falls in startup cash the new municipality would have to take out a \$1 million Bridge Loan @ 3% and pay it back during the first 5 years.” The Subcommittee’s letter (p.3) stated: “This assumed interest rate does not appear to be realistic at the present time.” The Consultant’s response (p.4) states: “The current prime rate as of today is 8.5%. It is our understanding that these ‘Bridge Loans’ are normally issued at a sub-prime rate. If acceptable we will use a 7.5% interest rate in the updated draft of the study.” Consequently, in an updated study, loan repayment expenditures will increase.**

Element 9

Data and analysis to support the conclusions that incorporation is necessary and financially feasible, including population projections and population density calculations, and an explanation concerning methodologies used for such analysis. Section 165.041(1)(b)9., F.S.

Staff Analysis: The Study (pp.31-59) provides a discussion of the data and analysis to support its conclusion that incorporation is necessary and financially feasible, including the methodologies used for such analysis.

EDR has the following comments.

- 1. The Study (p.2) states: “The proposed Town of Perdido 2022 population is estimated to be over 23,154 based on the 2022 US Census and existing utility accounts, with seasonal residents increasing that number. For this study, we use the very conservative number of 23,154 stated in the 2022 US Census.” Furthermore, the Study (p.51) states: “The growth in population is projected to increase at an annual rate of 2% to 25,066 in FY 2028, with a service population of 34,000. This projection is consistent with recent growth patterns in the area.” The Subcommittee’s letter (p.3) asked for additional explanation of the Study’s population growth rate assumption of 2%. The Consultant’s response (p.5) states: “The growth projection of 2% is very conservative the area has recently been growing at a rate of 3% to 5% as shown by the census numbers in Florida Demographics for the area identified as Perdido.”**

EDR’s analysis of unincorporated Escambia County’s population estimates resulted in a CAGR of 0.97% for the period of 2010 – 2023 and a CAGR of 1.33% for the period of 2020 – 2023. Furthermore, EDR’s analysis of Pensacola’s population estimates resulted in a CAGR of 0.46% for the period of 2010 – 2023 and a CAGR of 0.48% for the period of 2020 – 2023. Using Perdido’s 2022 population of 23,154 and assuming the Study’s 2% annual growth, the area’s 2028 population should be 26,075 rather than the stated figure of 25,066. Assuming Perdido’s future population growth rate matches the more favorable, unincorporated county CAGR of 1.33%, the Town’s 2028 population would be 25,071, which is 1,004 less than the corrected 2028 figure of 26,075. Based on this alternative methodology, the Study’s assumed annual growth rate of 2.0% may be too optimistic.

- 2. The Study’s five-year operational plan (Middle Case Scenario, p.59) indicates Perdido’s revenue and expenditure projections will increase 3.2% annually between FY 2024-25 and FY 2027-28. EDR analyzed the sum total of reported revenues and expenditures for Escambia County municipalities (i.e., Century and Pensacola), between FY 2014-15 and 2020-21 and calculated CAGRs of 7.2% and**

2.9%, respectively. This may suggest that the Study's expenditure growth rate assumption is reasonable. However, the Study's revenue growth rate assumption may be too conservative.

- 3. The Study (pp.53-55) assumes a 3% annual growth in forecasted revenues and expenditures. To evaluate Perdido's 3% annual growth rate assumption for ad valorem tax revenues, EDR staff calculated several compound annual growth rates (CAGR) of historical and forecasted changes in the county's taxable values. Between 2010 and 2022, the CAGR for the county's taxable value was 4.95%. During this same period, the CAGR for the sum total of municipalities' taxable values (i.e., Century and Pensacola) was 4.75%. Furthermore, the CAGR for the county's taxable value during the period between 2020 through 2029, as determined by the Legislature's August 2023 Ad Valorem Estimating Conference, was 8.19%. These figures may suggest that the Study's 3% annual growth rate assumption for ad valorem tax revenues is too conservative.***
- 4. Annual rates of revenue and expenditure growth can vary significantly from one municipality to another due to a variety of factors. Therefore, it may be instructive to compare Perdido's expected revenues and expenditures to the most recently reported revenues and expenditures of an identified cohort group of similarly-populated municipalities as well as the most recently incorporated municipalities. Please refer to the discussion in the Additional Supplemental Material section, as well as the attached spreadsheets.***

Element 10

Evaluation of the alternatives available to the area to address its policy concerns. Section 165.041(1)(b)10., F.S.

Staff Analysis: The Subcommittee's letter (p.3) states: "The feasibility study briefly discusses whether to remain unincorporated or incorporated without further elaboration or explanations. Suggested resolution: Please explain why remaining unincorporated or incorporated are the only viable options for the area." The Consultant's response (p.5) states: "The reasons why not remaining as part of unincorporated Escambia County are listed throughout the Weakness and Threats sections of the SWOT analysis and the reasons for taking a look at incorporation are also listed in the Strengths and Opportunities section of the SWOT analysis. It is clear the citizens believe they are under-served by the County and do not see much change moving forward. There is no option for annexation as no other city is contiguous to the area proposed for incorporation. Any County overlay district might help with the land use issues, but it will not deal with the lack of services from the County." ***An assessment of the validity and reasonableness of the provided discussion is more appropriate for policymakers.***

Element 11

Evidence that the proposed municipality meets the requirements for incorporation pursuant to s. 165.061. Section 165.041(1)(b)11., F.S.

Staff Analysis: Section 165.061(1), F.S., enumerates six standards that must be met in the area proposed for incorporation. EDR's analysis of whether Perdido has satisfied each of these six standards is addressed below in Part Two of this letter.

Part Two: EDR's Evaluation of the Study with Respect to the Standards of Incorporation

Pursuant to s. 165.061(1), F.S., six standards must be met in the area proposed for incorporation. This section addresses each of these six standards.

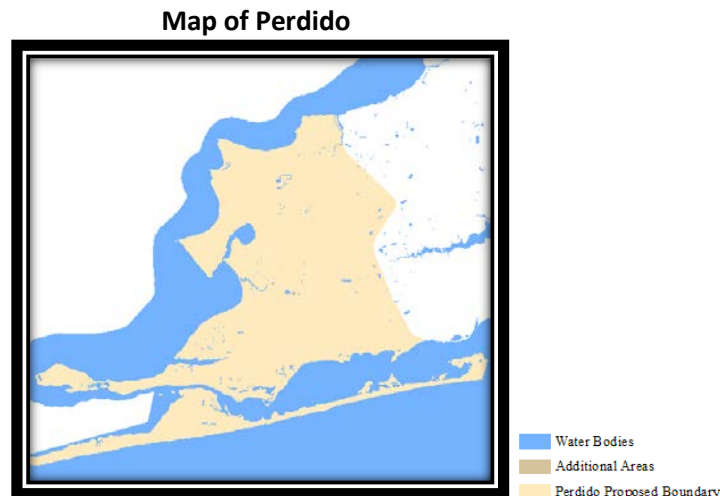
Standard 1

It must be compact and contiguous and amenable to separate municipal government. Section 165.061(1)(a), F.S.

Staff Analysis: This section of Florida law does not provide statutory definitions of compact or contiguous. However, the Merriam-Webster dictionary defines *compact*, in part, to mean *occupying a small volume by reason of efficient use of space*. Furthermore, *contiguous* is defined, in part, to mean *touching or connected throughout in an unbroken sequence*.

The Study’s Appendix 4 displays a map entitled *Town of Perdido: Proposed Boundaries*, which includes the areas labeled as ‘Proposed Boundaries’ as well as ‘Additional Areas Under Consideration.’ EDR analyzed only the Proposed Boundaries because, as previously mentioned, the Consultant’s response (pp.1-2) clarified that the Study’s figures, projections, and estimates exclude the Additional Areas Under Consideration.

EDR created a map that approximates Perdido’s proposed boundaries utilizing census blocks. This map was utilized for EDR’s analyses of Standards 1-4.

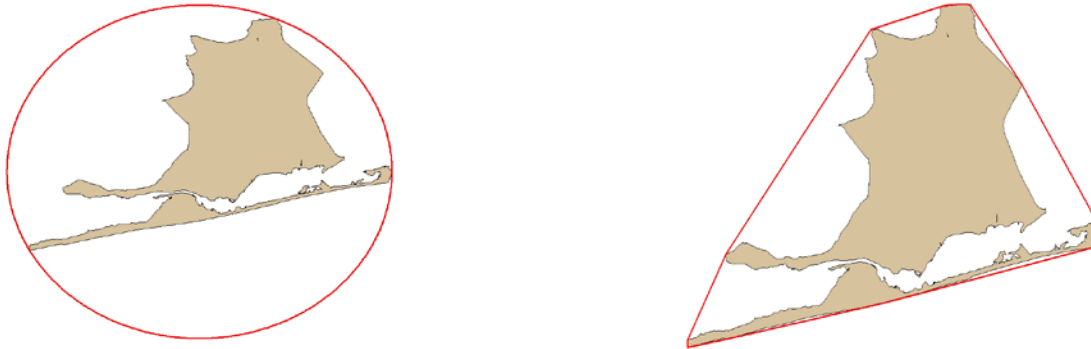


In the context of state legislative district boundaries, quantitative geometric measures of compactness have been used. In fact, there is commonly used redistricting software that includes tools designed to measure compactness. These procedures include the Reock method and the Area/Convex Hull method. The Reock method (i.e., circle-dispersion measurement) measures the ratio between the area of the district and the area of the smallest circle that can fit around the district. The Area/Convex Hull method measures the ratio between the area of the district and the area of the smallest convex polygon that can enclose the district. The range of the measures is from 0 to 1, with a score of 1 representing the highest level of compactness.

The following maps reflect the application of these measures of compactness to Perdido and illustrate: 1) the smallest circle that can fit around the proposed municipal boundaries, in order to calculate the Reock score; and 2) the smallest convex polygon that can fit around the proposed municipal boundaries, in order to calculate the Area/Convex Hull score. For Perdido’s proposed boundary, the Reock score is

0.226, while the Area/Convex Hull score is 0.512. As previously mentioned, the closer the score is to 1, the higher the level of compactness.

Perdido - Reock (Circle) and Area/Convex Hull Representations



To put these scores in perspective, EDR prepared Area/Convex Hull scores for the other municipalities within Escambia County and neighboring Santa Rosa County, which are shown in the following table.

Closest Municipal Governments	Area/Convex Hull Score
Century (in Escambia County)	0.669
Pensacola (in Escambia County)	0.834
Gulf Breeze (in Santa Rosa County)	0.861
Jay (in Santa Rosa County)	0.849
Milton (in Santa Rosa County)	0.695

The Study (p.25) states: “As a key and adjoining mainland bordered by the Gulf of Mexico to the South, Perdido Bay to the West and North, US 98 on the Northeast, Dog Track Road and Blue Angel Parkway on the East the proposed area is compact, contiguous, and amenable to a separate municipal government.”

When considering the issue of compactness, it may be useful to review the purposes of municipal formation. Section 165.021(1), F.S., states that municipal formation should “allow orderly patterns of urban growth and land use.” In the context of municipal incorporation, compactness increases the likelihood of the efficient delivery of municipal services. In reviewing the Perdido boundary map, the area does not have any enclaves; however, the compactness scores are lower than the scores of the municipalities in Escambia County and neighboring Santa Rosa County. Additionally, EDR’s analysis suggests that the Perdido map is not contiguous due to the physical separation of the barrier island from the mainland.

Standard 2

It must have a total population, as determined in the latest official state census, special census, or estimate of population, in the area proposed to be incorporated of at least 1,500 persons in counties with a population of 75,000 or less, and of at least 5,000 persons in counties with a population of more than 75,000. *Section 165.061(1)(b), F.S.*

Staff Analysis: The most recent official population estimate (i.e., April 1, 2023) for Escambia County is 333,452, and the county’s 2020 Census population count was 321,905. Consequently, any new incorporation within the county would be required to have a minimum population of 5,000. The Study (pp.2,25,31,51) states the proposed municipal population as 23,154.

EDR’s population estimates of the proposed incorporation area were based on 2020 Decennial Census data and 2021 American Community Survey (ACS) data. EDR’s population estimates from the 2020 data used the Census Bureau’s smallest reporting unit of data (i.e., blocks). The table below details EDR’s estimates of population.

Area	2020 Census	2021 Estimate based on ACS
Perdido	19,662	20,864

Based on both the Study’s estimate and EDR’s approximation, Perdido has a population above the minimum population of 5,000 required in a county with a total population of more than 75,000. Therefore, Perdido satisfies the minimum total population standard.

Standard 3

It must have an average population density of at least 1.5 persons per acre or have extraordinary conditions requiring the establishment of a municipal corporation with less existing density. Section 165.061(1)(c), F.S.

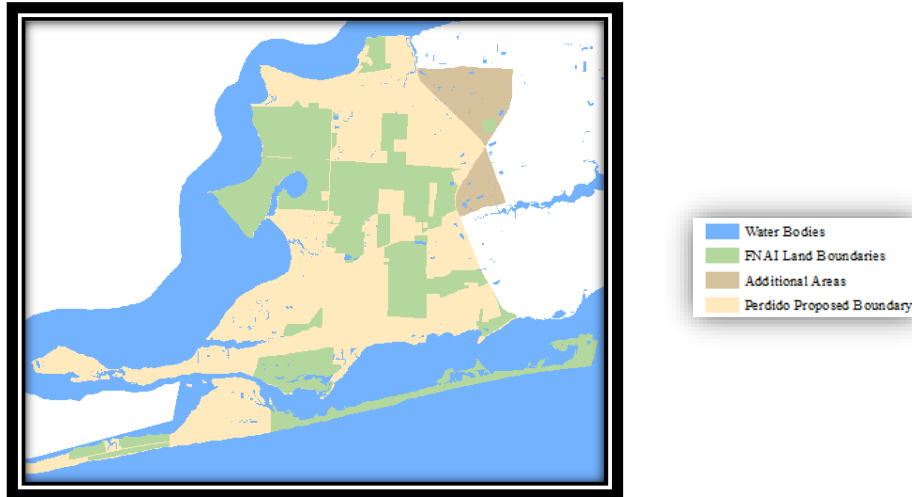
Staff Analysis: EDR’s map representation of Perdido reflects an area of approximately 20,854 total acres or 19,701 land acres. Perdido’s land acres are equivalent to 30.78 square miles.

The Study (p.25) states: “The area considered for the proposed incorporation is approximately 33.3+/- square miles, or 21,314 +/- acres (See Map Appendix 4). The estimated permanent population for this area at 23,154, this equates to a population density of 1.09 persons per acre which is less than the minimum density requirement of 1.5 persons per acre required by the statutes for incorporation. The Charter will request a waiver to this requirement base on the amount of acreage made up of the waters of the Gulf of Mexico, Old River and Perdido Bay, State and National preserves and federal lands (7,906+/-). When these areas are removed the density is 1.73 persons per acre which exceeds the 1.5 persons per acre requirement.”

Based on EDR’s land area estimates stated above, Perdido’s population density (i.e., population per acre) is estimated to be 1.00 in 2020 and 1.06 in 2021. If state and national preserves and federal lands are excluded, Perdido’s 2021 population density increases to 1.71. The excluded state and national preserves and federal lands were identified from the Florida Natural Areas Inventory (FNAI) and are listed and shown in the following table and map.

Area	Area Name
Perdido	Big Lagoon State Park
Perdido	Blue Angel Recreation Park
Perdido	Bronson Outlying Landing Field
Perdido	Gulf Islands National Seashore
Perdido	Naval Air Station Pensacola
Perdido	Perdido Bay/Crown Pointe Preserve
Perdido	Perdido Key State Park
Perdido	Tarkiln Bayou Preserve State Park

Proposed Boundaries with FNAI Lands



Based on both the Study’s estimates and EDR’s approximation, the minimum population density requirement of at least 1.5 persons per acre is not met unless state and national preserves and federal lands are excluded. Consequently, it appears that Perdido will need to request a waiver for the population density standard.

Standard 4

It must have a minimum distance of any part of the area proposed for incorporation from the boundaries of an existing municipality within the county of at least 2 miles or have an extraordinary natural boundary which requires separate municipal government. *Section 165.061(1)(d), F.S.*

Staff Analysis: The Study (p.25) states: “There are no existing municipalities within the 2-mile buffer required by State Statutes.” ***After reviewing an area map, EDR concurs with this statement. The nearest existing municipality is the City of Pensacola, which is 5.12 miles to the east of Perdido. The only other municipality within the county, Century, is at least 40 miles from the nearest boundary of Perdido. Consequently, this standard has been satisfied.***

Standard 5

It must have a proposed municipal charter which: (1) prescribes the form of government and clearly defines the responsibility for legislative and executive functions, and (2) does not prohibit the legislative body of the municipality from exercising its powers to levy any tax authorized by the Constitution or general law. *Section 165.061(1)(e), F.S.*

Staff Analysis: A proposed municipal charter was included in the Study. ***The review of the proposed municipal charter for legal sufficiency is outside EDR’s purview, and the determination that this standard has been properly satisfied is better suited to the legal staffs of the Florida Department of Commerce, Florida Department of Revenue, and House Local Administration, Federal Affairs & Special Districts Subcommittee.***

Standard 6

In accordance with s. 10, Art. I of the State Constitution, the plan for incorporation must honor existing solid-waste contracts in the affected geographic area subject to incorporation. However, the plan for incorporation may provide for existing contracts for solid-waste-collection services to be honored only for 5 years or the remainder of the contract term, whichever is less, and may require that a copy of the pertinent portion of the contract or other written evidence of the duration of the contract, excluding any automatic renewals or evergreen provisions, be provided to the municipality within a reasonable time after a written request to do so. *Section 165.061(1)(f), F.S.*

Staff Analysis: Section 9.10. Contractual Services and Facilities of the proposed municipal charter (p.31 of 32) states: “Contractual services for police, emergency management, public works, parks and recreation, planning and zoning, building inspection, development review, animal control, library services, and solid waste collection may be supplied by an interlocal agreement or contract between the town and Escambia County, special districts, municipalities, or private enterprise until such time as the council establishes such independent services. However, existing solid waste contracts shall be honored as required by Florida Statutes [F.S. §165.061(1)(f)] and s.10, Article 1 of the State Constitution.” ***The proposed municipal charter affirmatively states that the municipality will honor existing solid-waste contracts in the affected geographic area as required by law. Consequently, it appears that this standard has been satisfied.***

Conclusion

EDR has identified concerns or deficiencies with several of the required elements of the Study, particularly Element #8 regarding evidence of fiscal capacity and Element #9 regarding data and analysis to support the conclusions that incorporation is necessary and financially feasible. Furthermore, EDR concludes that Perdido violates two of the six standards for municipal incorporation. However, it should be noted that the Florida Legislature could exercise its option to waive the standards in order for this incorporation proposal to proceed forward.

Additional Supplementary Material

In addition to its review of the Feasibility Study, EDR prepared separate tables that compare Perdido’s estimated FY 2024-25 revenues and expenditures, which are labeled in the Study’s five-year operational plan as the first full fiscal year of municipal operations, to those of ten similarly-populated Florida municipalities and recently incorporated Florida municipalities. Except as noted, the comparison cities’ fiscal data are for the 2021-22 fiscal year and reflect the latest available data submitted by these municipal governments via their Annual Financial Reports to the Florida Department of Financial Services.

Although the reported revenues and expenditures of these municipalities reflect different fiscal years, this comparison may be instructive in illustrating how Perdido’s proposed first full fiscal year revenues and expenditures compare to existing municipalities having similar populations or to municipalities that have recently incorporated. On a per capita basis, Perdido’s total revenues and expenditures are significantly lower than all of the other comparison cities having similar populations. Furthermore, Perdido’s total revenues and expenditures on a per capita basis are less than all of the municipalities incorporated since 2000, with the exception of Grant-Valkaria’s expenditures. These findings might be expected given Perdido’s initial limited scope of operations. However, these findings could also be an indication of the Study’s failure to accurately forecast revenues and expenditures. Assuming incorporation occurs, how long Perdido’s per capita revenues and expenditures remain that low will ultimately depend on the future demands of its citizens and future actions taken by its governing body.

Please let us know if you have any questions regarding this review.

Sincerely,

A handwritten signature in cursive script that reads "Amy J. Baker".

Amy J. Baker
Coordinator

cc: Elizabeth Ryon, Staff Director, Senate Committee on Community Affairs

Attachment

Proposed Municipal Incorporation of Perdido

Comparison of the Proposed Municipality's Projected Revenues and Expenditures to Those of Other Similarly-Populated Municipalities

Other Similarly-Populated Municipalities (Sorted by Population: High to Low)

Municipality	Wildwood	Jacksonville Beach	Edgewater	Eustis	DeBary	Perdido (Proposed)	Hialeah Gardens	Sunny Isles Beach	Groveland	Fort Walton Beach	Tavares
	Sumter	Duval	Volusia	Lake	Volusia	Escambia	Miami-Dade	Miami-Dade	Lake	Okaloosa	Lake
2023 Population Estimate	30,327	24,204	24,334	23,918	23,750	-	23,065	22,783	22,760	21,120	21,003
2022 Population Estimate	24,681	24,112	23,855	23,595	23,336	23,154	23,076	22,756	21,633	21,011	20,296
2021 Population Estimate	20,909	24,075	23,310	23,407	23,014	-	23,055	22,655	20,197	20,948	19,600
2020 Population Census	15,730	23,800	23,097	23,189	22,260	-	23,068	22,342	18,505	20,922	19,003
Year of Incorporation	1877	1937	1924	1881	1993	2024	1948	1997	1923	1941	1925
Total Revenues by Category											
General Government Taxes	\$ 16,771,278	\$ 28,719,113	\$ 12,973,023	\$ 15,372,498	\$ 10,069,448	\$ 5,314,990	\$ 10,453,778	\$ 31,202,972	\$ 9,000,274	\$ 14,378,360	\$ 10,757,991
Permits, Fees, and Special Assessments	\$ 5,125,299	\$ 1,602,266	\$ 4,676,814	\$ 3,792,024	\$ 6,328,408	\$ 7,934,140	\$ 2,881,864	\$ 11,698,353	\$ 8,004,582	\$ 4,578,563	\$ 7,949,465
Intergovernmental Revenue	\$ 2,366,310	\$ 8,935,228	\$ 13,904,224	\$ 3,531,222	\$ 13,272,767	\$ 2,981,353	\$ 4,923,067	\$ 8,945,229	\$ 11,153,898	\$ 8,775,027	\$ 7,080,100
Charges for Services	\$ 14,698,867	\$ 148,002,338	\$ 27,022,239	\$ 13,386,172	\$ 2,225,016	\$ -	\$ 8,125,302	\$ 7,544,549	\$ 11,640,609	\$ 21,345,629	\$ 18,284,200
Judgments, Fines, and Forfeits	\$ 31,978	\$ 347,667	\$ 95,977	\$ 317,536	\$ 98,243	\$ -	\$ 27,108	\$ 1,145,494	\$ 107,223	\$ 117,291	\$ 29,841
Miscellaneous Revenues	\$ 284,670	\$ (14,939,385)	\$ (4,119,526)	\$ 10,520,336	\$ 747,176	\$ 25,000	\$ 5,850,447	\$ (119,936)	\$ 3,033,011	\$ (12,914,873)	\$ (3,230,975)
Other Sources	\$ 19,427,783	\$ 11,327,750	\$ 3,979,657	\$ 8,383,095	\$ 910,586	\$ -	\$ -	\$ 1,579,317	\$ 14,447,956	\$ 4,249,347	\$ 17,695,419
Total - All Revenue Accounts	\$ 58,706,185	\$ 183,994,977	\$ 58,532,408	\$ 55,302,883	\$ 33,651,644	\$ 16,255,483	\$ 32,261,566	\$ 61,995,977	\$ 57,387,553	\$ 40,529,344	\$ 58,566,041
Per Capita Revenues by Category											
General Government Taxes	\$ 680	\$ 1,191	\$ 544	\$ 652	\$ 431	\$ 230	\$ 453	\$ 1,371	\$ 416	\$ 684	\$ 530
Permits, Fees, and Special Assessments	\$ 208	\$ 66	\$ 196	\$ 161	\$ 271	\$ 343	\$ 125	\$ 514	\$ 370	\$ 218	\$ 392
Intergovernmental Revenue	\$ 96	\$ 371	\$ 583	\$ 150	\$ 569	\$ 129	\$ 214	\$ 393	\$ 516	\$ 418	\$ 349
Charges for Services	\$ 596	\$ 6,138	\$ 1,133	\$ 567	\$ 95	\$ -	\$ 352	\$ 332	\$ 538	\$ 1,016	\$ 901
Judgments, Fines, and Forfeits	\$ 1	\$ 14	\$ 4	\$ 13	\$ 4	\$ -	\$ 1	\$ 50	\$ 5	\$ 6	\$ 1
Miscellaneous Revenues	\$ 12	\$ (620)	\$ (173)	\$ 446	\$ 32	\$ 1	\$ 254	\$ (5)	\$ 140	\$ (615)	\$ (159)
Other Sources	\$ 787	\$ 470	\$ 167	\$ 355	\$ 39	\$ -	\$ -	\$ 69	\$ 668	\$ 202	\$ 872
Total - All Revenue Accounts	\$ 2,379	\$ 7,631	\$ 2,454	\$ 2,344	\$ 1,442	\$ 702	\$ 1,399	\$ 2,724	\$ 2,653	\$ 1,929	\$ 2,886
Total Expenditures by Category											
General Government Services	\$ 4,556,971	\$ 12,440,176	\$ 15,964,415	\$ 7,553,367	\$ 2,382,434	\$ 2,883,955	\$ 10,256,829	\$ 14,809,450	\$ 5,597,989	\$ 14,720,383	\$ 6,687,908
Public Safety	\$ 4,912,367	\$ 17,131,182	\$ 9,982,528	\$ 11,572,371	\$ 7,795,845	\$ 3,990,513	\$ 6,781,194	\$ 14,688,376	\$ 14,426,041	\$ 14,633,814	\$ 10,043,494
Physical Environment	\$ 6,414,610	\$ 116,986,261	\$ 15,345,044	\$ 10,243,494	\$ 5,186,583	\$ 3,369,952	\$ 7,805,785	\$ 20,678,987	\$ 10,154,094	\$ 16,414,956	\$ 14,626,194
Transportation	\$ 7,151,513	\$ 2,154,844	\$ 1,068,675	\$ 2,593,212	\$ 3,710,927	\$ -	\$ 1,420,362	\$ 6,762,506	\$ 11,123,176	\$ 1,495,589	\$ 3,334,349
Economic Environment	\$ 295,017	\$ 4,458	\$ -	\$ 980,403	\$ -	\$ -	\$ 151,929	\$ -	\$ 911,800	\$ 1,073,146	\$ 531,386
Human Services	\$ 61	\$ 79,666	\$ -	\$ -	\$ 81,005	\$ 1,460,898	\$ 481,111	\$ -	\$ -	\$ -	\$ -
Culture / Recreation	\$ 2,199,931	\$ 10,572,965	\$ 1,774,280	\$ 1,960,711	\$ 1,633,405	\$ 1,198,432	\$ 1,781,237	\$ 8,311,308	\$ 3,086,449	\$ 6,892,037	\$ 4,037,637
Other Uses and Non-Operating	\$ 21,836,678	\$ 22,806,154	\$ 3,767,348	\$ 5,267,367	\$ 910,586	\$ -	\$ 206,725	\$ 1,579,317	\$ 2,100,161	\$ 4,003,098	\$ 13,145,419
Total - All Expenditure Accounts	\$ 47,367,148	\$ 182,175,706	\$ 47,902,290	\$ 40,170,925	\$ 21,700,785	\$ 12,903,750	\$ 28,885,172	\$ 66,829,943	\$ 47,399,710	\$ 59,233,023	\$ 52,406,387
Per Capita Expenditures by Category											
General Government Services	\$ 185	\$ 516	\$ 669	\$ 320	\$ 102	\$ 125	\$ 445	\$ 651	\$ 259	\$ 701	\$ 330
Public Safety	\$ 199	\$ 710	\$ 418	\$ 490	\$ 334	\$ 172	\$ 294	\$ 645	\$ 667	\$ 696	\$ 495
Physical Environment	\$ 260	\$ 4,852	\$ 643	\$ 434	\$ 222	\$ 146	\$ 339	\$ 909	\$ 469	\$ 781	\$ 721
Transportation	\$ 290	\$ 89	\$ 45	\$ 110	\$ 159	\$ -	\$ 62	\$ 297	\$ 514	\$ 71	\$ 164
Economic Environment	\$ 12	\$ 0	\$ -	\$ 42	\$ -	\$ -	\$ 7	\$ -	\$ 42	\$ 51	\$ 26
Human Services	\$ 0	\$ 3	\$ -	\$ -	\$ 3	\$ 63	\$ 21	\$ -	\$ -	\$ -	\$ -
Culture / Recreation	\$ 89	\$ 438	\$ 74	\$ 83	\$ 70	\$ 52	\$ 77	\$ 365	\$ 143	\$ 328	\$ 199
Other Uses and Non-Operating	\$ 885	\$ 946	\$ 158	\$ 223	\$ 39	\$ -	\$ 9	\$ 69	\$ 97	\$ 191	\$ 648
Total - All Expenditure Accounts	\$ 1,919	\$ 7,555	\$ 2,008	\$ 1,703	\$ 930	\$ 557	\$ 1,253	\$ 2,937	\$ 2,191	\$ 2,819	\$ 2,582

Proposed Municipal Incorporation of Perdido

Comparison of the Proposed Municipality's Projected Revenues and Expenditures to Those of Other Similarly-Populated Municipalities

Notes:

- 1) The revenues and expenditures of the comparison municipalities, except Hialeah Gardens, are obtained from Annual Financial Reports (AFRs) for FY 2021-22 (i.e., most recent fiscal year data currently available) submitted to the Florida Department of Financial Services. The calculations of per capita revenues and expenditures are made using each respective municipality's 2022 population estimate since it corresponds to the AFR fiscal year data. Because the FY 2021-22 revenue and expenditure data for Hialeah Gardens are not yet available, the FY 2020-21 data and the corresponding 2021 population estimate are used.
- 2) This analysis uses Perdido's proposed Middle Case Scenario - first full fiscal year (i.e., LFY 2024-25) revenues and expenditures, which are summarized in the Feasibility Study (p.59). The calculations of per capita revenues and expenditures are made using the Study's 2022 population estimate of 23,154.
- 3) Perdido's General Government Taxes of \$5,314,990 is the sum total of Ad Valorem Taxes of \$4,952,198, Communication Services Tax of \$268,735, and Local Business Tax of \$94,057. The Permits, Fees, and Special Assessments amount of \$7,934,140 is the sum total of Franchise Fees of \$2,866,543 and Special Assessments for Fire and Solid Waste of \$5,067,597. The Intergovernmental Revenues amount of \$2,981,353 is the State Shared Revenue figure. The Miscellaneous Revenue amount of \$25,000 is the Interest/Earnings figure.
- 4) Perdido's General Government Services of \$2,883,955 is the sum total of Perdido Local Government of \$2,668,315 and Loan Payment of \$215,640. The Public Safety amount of \$1,697,645 (assumption: 33.5% of MSBU) and Law Enforcement of \$2,292,868 (assumption: 46.3% of MSTU). The Physical Environment amount is Solid Waste of \$3,369,952 (assumption: 66.5% of MSBU). The Human Services amount is Children Trust of \$1,460,898 (assumption: 29.5% of MSTU). The Culture/Recreation amount is Libraries of \$1,198,432 (assumption: 24.2% of MSTU).

Proposed Municipal Incorporation of Perdido

Comparison of the Proposed Municipality's Proposed Revenues and Expenditures to Those of Municipalities Incorporated Since 2000

Municipality	Miami Lakes	Southwest Ranches	Palmetto Bay	Doral	Miami Gardens	Cutler Bay	West Park	Grant-Valkaria	Lowahatchee Groves	Estero	Westlake	Indiantown	Perdido (Proposed)
Respective County	Miami-Dade	Broward	Miami-Dade	Miami-Dade	Miami-Dade	Miami-Dade	Broward	Brevard	Palm Beach	Lee	Palm Beach	Martin	Escambia
2023 Population Estimate	30,902	7,747	25,064	81,318	115,299	45,472	15,249	4,996	3,373	37,507	4,694	6,664	-
2022 Population Estimate	30,905	7,716	25,041	81,182	115,053	45,545	15,243	4,677	3,375	37,842	2,981	6,590	23,154
2020 Population Estimate	30,857	7,675	24,499	80,703	112,508	45,478	15,229	4,612	3,379	37,213	1,757	6,580	-
2020 Population Census	30,467	7,607	24,439	75,874	111,640	45,425	15,130	4,509	3,355	36,939	906	6,560	-
2019 Population Estimate	31,523	7,704	24,341	70,420	114,284	45,411	15,197	4,346	3,404	32,412	380	6,728	-
2018 Population Estimate	31,118	7,706	24,144	68,244	113,628	45,373	14,985	4,260	3,384	31,806	29	6,707	-
2017 Population Estimate	30,586	7,614	24,138	64,167	113,201	45,222	14,912	4,142	3,321	30,945	5	-	-
2016 Population Estimate	30,456	7,572	23,962	59,304	111,998	44,901	14,768	4,073	3,271	30,565	-	-	-
Year of Incorporation	2000	2000	2002	2003	2003	2005	2005	2006	2006	2014	2016	2017	2024
Total Revenues by Category													
General Government Taxes	\$ 13,994,190	\$ 8,457,740	\$ 13,324,032	\$ 55,297,062	\$ 56,460,188	\$ 13,322,016	\$ 7,081,095	\$ 884,193	\$ 1,968,232	\$ 7,256,749	\$ 2,148,987	\$ 3,667,795	\$ 5,314,990
Permits, Fees, and Special Assessments	\$ 4,578,263	\$ 7,439,896	\$ 5,054,577	\$ 18,776,570	\$ 21,386,651	\$ 4,509,518	\$ 5,751,571	\$ 1,048,229	\$ 2,816,483	\$ 5,799,905	\$ 3,035,392	\$ 716,846	\$ 7,934,140
Intergovernmental Revenue	\$ 8,379,032	\$ 2,991,914	\$ 7,158,639	\$ 14,697,001	\$ 41,372,877	\$ 10,574,991	\$ 2,809,711	\$ 894,916	\$ 744,418	\$ 9,609,848	\$ 379,163	\$ 3,502,052	\$ 2,981,353
Charges for Services	\$ 2,643,030	\$ 1,693,810	\$ 1,047,405	\$ 3,861,838	\$ 8,347,046	\$ 1,377,247	\$ 1,160,794	\$ 638,252	\$ 479,185	\$ 535,531	\$ 241,562	\$ 2,585,449	\$ -
Judgments, Fines, and Forfeits	\$ 176,789	\$ 556,258	\$ 193,593	\$ 2,072,045	\$ 4,708,104	\$ 198,536	\$ 590,710	\$ -	\$ -	\$ 330	\$ -	\$ -	\$ -
Miscellaneous Revenues	\$ 384,301	\$ 293,892	\$ 311,010	\$ (2,953,211)	\$ 3,262,641	\$ 329,757	\$ (59,884)	\$ 63,227	\$ 93,871	\$ 1,003,355	\$ 1,097,456	\$ 58,711	\$ 25,000
Other Sources	\$ 3,743,490	\$ 2,467,701	\$ 1,378,820	\$ 3,407,673	\$ 35,965,176	\$ 2,951,011	\$ -	\$ -	\$ 1,919,645	\$ 19,778,472	\$ -	\$ 985,642	\$ -
Total - All Revenue Accounts	\$ 33,899,095	\$ 22,377,211	\$ 28,463,076	\$ 95,158,978	\$ 171,502,683	\$ 33,263,076	\$ 16,733,997	\$ 3,528,817	\$ 8,021,834	\$ 43,984,190	\$ 6,902,560	\$ 11,553,458	\$ 16,255,483
Per Capita Revenues by Category													
General Government Taxes	\$ 453	\$ 1,096	\$ 532	\$ 681	\$ 491	\$ 293	\$ 465	\$ 189	\$ 582	\$ 192	\$ 721	\$ 557	\$ 280
Permits, Fees, and Special Assessments	\$ 148	\$ 964	\$ 202	\$ 231	\$ 186	\$ 99	\$ 378	\$ 224	\$ 834	\$ 153	\$ 1,018	\$ 109	\$ 343
Intergovernmental Revenue	\$ 271	\$ 388	\$ 286	\$ 181	\$ 360	\$ 232	\$ 145	\$ 191	\$ 220	\$ 254	\$ 127	\$ 531	\$ 129
Charges for Services	\$ 86	\$ 22	\$ 42	\$ 48	\$ 73	\$ 30	\$ 76	\$ 136	\$ 142	\$ 14	\$ 81	\$ 392	\$ -
Judgments, Fines, and Forfeits	\$ 6	\$ 72	\$ 8	\$ 26	\$ 41	\$ 4	\$ 39	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Revenues	\$ 12	\$ 38	\$ 12	\$ (36)	\$ 313	\$ 7	\$ (4)	\$ 14	\$ 28	\$ 27	\$ 368	\$ 9	\$ 1
Other Sources	\$ 121	\$ 320	\$ 55	\$ 42	\$ 213	\$ 65	\$ -	\$ -	\$ 568	\$ 523	\$ -	\$ 150	\$ -
Total - All Revenue Accounts	\$ 1,097	\$ 2,900	\$ 1,137	\$ 1,172	\$ 1,491	\$ 730	\$ 1,099	\$ 755	\$ 2,374	\$ 1,162	\$ 2,316	\$ 1,753	\$ 702
Total Expenditures by Category													
General Government Services	\$ 6,187,368	\$ 4,314,258	\$ 4,647,295	\$ 26,800,961	\$ 49,758,060	\$ 11,476,259	\$ 2,620,081	\$ 863,605	\$ 1,298,744	\$ 21,003,324	\$ 3,904,748	\$ 2,850,559	\$ 2,883,955
Public Safety	\$ 10,709,253	\$ 9,205,391	\$ 11,850,733	\$ 32,184,270	\$ 47,783,382	\$ 10,204,217	\$ 9,383,423	\$ 352,425	\$ 1,119,128	\$ 1,315,941	\$ 650,002	\$ -	\$ 3,990,513
Physical Environment	\$ 2,633,448	\$ 1,444,112	\$ 830,535	\$ 2,676,562	\$ 3,038,325	\$ -	\$ 255,487	\$ 590,856	\$ 4,067,782	\$ 359,372	\$ 656,430	\$ 1,841,106	\$ 3,369,952
Transportation	\$ 3,493,341	\$ 3,568,072	\$ 2,120,975	\$ 9,863,554	\$ 8,425,760	\$ -	\$ 2,290,485	\$ 459,732	\$ -	\$ 5,151,752	\$ -	\$ 2,565,496	\$ -
Economic Environment	\$ -	\$ -	\$ -	\$ -	\$ 8,862	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,246	\$ -	\$ -
Human Services	\$ -	\$ -	\$ -	\$ -	\$ 1,006,947	\$ -	\$ -	\$ -	\$ -	\$ 41,972	\$ -	\$ -	\$ 1,460,898
Culture / Recreation	\$ 3,309,523	\$ 581,892	\$ 2,844,912	\$ 22,850,133	\$ 19,028,046	\$ 2,573,585	\$ 979,550	\$ 39,656	\$ -	\$ 4,367,853	\$ -	\$ 519,342	\$ 1,198,432
Other Uses and Non-Operating	\$ 3,153,928	\$ 2,465,087	\$ 1,219,655	\$ 3,107,673	\$ 28,820,439	\$ 2,951,011	\$ -	\$ -	\$ 1,919,645	\$ 19,778,472	\$ -	\$ 394,666	\$ -
Total - All Expenditure Accounts	\$ 29,496,861	\$ 21,578,812	\$ 23,514,105	\$ 97,483,153	\$ 157,869,821	\$ 27,205,072	\$ 15,529,026	\$ 2,306,274	\$ 8,405,299	\$ 52,018,686	\$ 5,264,426	\$ 8,171,169	\$ 12,903,750
Per Capita Expenditures by Category													
General Government Services	\$ 201	\$ 559	\$ 186	\$ 330	\$ 432	\$ 252	\$ 172	\$ 185	\$ 384	\$ 555	\$ 1,310	\$ 433	\$ 125
Public Safety	\$ 347	\$ 1,193	\$ 473	\$ 396	\$ 415	\$ 224	\$ 616	\$ 75	\$ 331	\$ 35	\$ 218	\$ -	\$ 172
Physical Environment	\$ 85	\$ 187	\$ 33	\$ 33	\$ 26	\$ -	\$ 17	\$ 126	\$ 1,204	\$ 9	\$ 220	\$ 279	\$ 146
Transportation	\$ 113	\$ 462	\$ 85	\$ 121	\$ 73	\$ -	\$ 150	\$ 98	\$ -	\$ 136	\$ -	\$ 389	\$ -
Economic Environment	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18	\$ -	\$ -
Human Services	\$ -	\$ -	\$ -	\$ -	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ 63
Culture / Recreation	\$ 107	\$ 75	\$ 114	\$ 281	\$ 165	\$ 57	\$ 64	\$ 8	\$ -	\$ 115	\$ -	\$ 79	\$ 52
Other Uses and Non-Operating	\$ 102	\$ 319	\$ 49	\$ 38	\$ 250	\$ 65	\$ 568	\$ -	\$ 568	\$ -	\$ -	\$ 60	\$ -
Total - All Expenditure Accounts	\$ 954	\$ 2,797	\$ 939	\$ 1,201	\$ 1,372	\$ 597	\$ 1,020	\$ 493	\$ 2,488	\$ 1,375	\$ 1,766	\$ 1,240	\$ 557

Proposed Municipal Incorporation of Perdido Comparison of the Proposed Municipality's Proposed Revenues and Expenditures to Those of Municipalities Incorporated Since 2000

Notes:

- 1) The revenues and expenditures of the comparison municipalities, except Loxahatchee Groves and West Park, are obtained from Annual Financial Reports (AFRs) for FY 2021-22 (i.e., most recent fiscal year data currently available) submitted to the Florida Department of Financial Services. The calculations of per capita revenues and expenditures are made using each respective municipality's 2022 population estimate since it corresponds to the AFR fiscal year data. Because the FY 2021-22 revenue and expenditure data for Loxahatchee Groves and West Park are not yet available, the FY 2020-21 data and the corresponding 2021 population estimates are used.
- 2) This analysis uses Perdido's proposed Middle Case Scenario - first full fiscal year (i.e., FY 2024-25) revenues and expenditures, which are summarized in the Feasibility Study (p.59). The calculations of per capita revenues and expenditures are made using the Study's 2022 population estimate of 23,154.
- 3) Perdido's General Government Taxes of \$5,314,990 is the sum total of Ad Valorem Taxes of \$4,952,198, Communication Services Tax of \$268,735, and Local Business Tax of \$94,057. The Permits, Fees, and Special Assessments amount of \$7,934,140 is the sum total of Franchise Fees of \$2,866,543 and Special Assessments for Fire and Solid Waste of \$5,067,597. The Intergovernmental Revenues amount of \$2,981,353 is the State Shared Revenue figure. The Miscellaneous Revenue amount of \$25,000 is the Interest Earnings figure.
- 4) Perdido's General Government Services of \$2,883,955 is the sum total of Perdido Local Government of \$2,668,315 and Loan Payment of \$215,640. The Public Safety amount of \$3,990,513 is the sum total of Fire Control of \$1,697,645 (assumption: 33.5% of MSBU) and Law Enforcement of \$2,292,868 (assumption: 46.3% of MSTU). The Physical Environment amount is Solid Waste of \$3,369,952 (assumption: 66.5% of MSBU). The Human Services amount is Children Trust of \$1,460,898 (assumption: 29.5% of MSTU). The Culture/Recreation amount is Libraries of \$1,198,432 (assumption: 24.2% of MSTU).