

**HOUSE OF REPRESENTATIVES  
FINAL BILL ANALYSIS**

<b>BILL #:</b>	CS/CS/HB 1373	<b>FINAL HOUSE FLOOR ACTION:</b>	
<b>SPONSOR(S):</b>	State Affairs Committee; Local & Federal Affairs Committee; Rodrigues, R.	115 Y's	3 N's
<b>COMPANION BILLS:</b>	N/A	<b>GOVERNOR'S ACTION:</b>	Approved

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**SUMMARY ANALYSIS**

CS/CS/HB 1373 passed the House on April 25, 2014, and subsequently passed the Senate on April 29, 2014.

The bill provides a charter for the Village of Estero. This charter provides for the following:

- Corporate name; purpose of the charter; creation and establishment of the Village of Estero;
- Powers of the village; council-manager form of government;
- Corporate boundaries;
- Village council, mayor, and vice mayor; powers and duties, composition, eligibility, terms, compensation, council meetings, vacancies, forfeitures, judge of qualifications, and investigations;
- Administration by a village manager, village attorney, and village clerk;
- Departments; personnel; planning;
- Ordinances and resolutions;
- Financial management, including budget administration and amendment; capital program; public records; annual audits; shortfalls;
- Nominations and qualifications; nonpartisan elections; boundaries of seven council districts;
- Powers of initiative and referendum;
- Code of ethics; amendments to the charter; severability; and
- Referendum election; initial council election; transition provisions; eligibility for state-shared revenues; local revenue sources; local option gas tax revenues; contractual services and facilities, including existing solid waste contracts; independent special districts; and elimination of transitional elements from charter.

According to the Economic Impact Statement, the projected cost of funding the village government and municipal services will be \$3,033,065 for Fiscal Year 2014-2015 and \$5,538,130 for Fiscal Year 2015-2016. Anticipated sources of combined local and state funding are projected to be \$4,747,750 for Fiscal Year 2014-2015 and \$8,310,301 for Fiscal Year 2015-2016. This Economic Impact Statement does not reflect the amended boundaries.

The bill was approved by the Governor on May 12, 2014, and will become effective only upon approval of a majority of the qualified electors residing within the corporate limits of the proposed Village of Estero.

## I. SUBSTANTIVE INFORMATION

### A. EFFECT OF CHANGES:

#### **Municipal Incorporation Provisions of Law**

##### *Constitutional Provisions*

The Florida Constitution provides that municipalities<sup>1</sup> may be established or abolished and their charters amended pursuant to general or special law. Municipalities are constitutionally granted all governmental, corporate, and proprietary powers necessary to conduct municipal government, perform municipal functions, and render municipal services. Additionally, municipalities are constitutionally authorized to exercise any power for municipal purposes except when expressly prohibited by general or special law. The power to tax can be granted only by general law. The legislative body of a municipal government is constitutionally required to be elected.

##### *Municipal Home Rule Powers Act<sup>2</sup>*

The Municipal Home Rule Powers Act acknowledges the constitutional grant of municipal powers and authorizations. However, s. 166.021(4), F.S., provides that nothing in this Act may be construed to permit any change in a special law or municipal charter without approval by referendum<sup>3</sup> if the change affects any of the following:

- The exercise of extraterritorial powers;
- An area that includes lands within and without a municipality;
- The creation or existence of a municipality;
- The terms of elected officers and their manner of election, except for the selection of election dates and qualifying periods for candidates and for changes in terms necessitated by change in election dates;
- The distribution of powers among elected officers;
- Matters prescribed by charter relating to appointive boards;
- Any change in form of government; or
- Any rights of municipal employees.

##### *Formation of Municipalities Act<sup>4</sup>*

Florida law governing the formation and dissolution of municipal governments is found in the Formation of Municipalities Act. The stated purpose of this Act is to provide standards, direction, and procedures for the incorporation, merger, and dissolution of municipalities so as to achieve the following:

- Orderly patterns of urban growth and land use;
- Adequate quality and quantity of local public services;
- Financial integrity of municipalities;
- The elimination or reduction of avoidable and undesirable differentials in fiscal capacity among neighboring local governmental jurisdictions; and
- Equity in the financing of municipal services.

Under this Act, the only way to establish a municipal government where no such government exists is for the Legislature to adopt the municipal charter by special act upon determination that the appropriate standards have been met.<sup>5</sup>

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<sup>1</sup> Article VIII, Sec. 2 of the Florida Constitution. A municipality is a local government entity, located within a county that is created to perform additional functions and provide additional services for the particular benefit of the population within the municipality. The term “municipality” can be used interchangeably with the terms “city,” “town,” and “village.”

<sup>2</sup> Chapter 166, F.S.

<sup>3</sup> As provided in s. 166.031, F.S.

<sup>4</sup> Chapter 165, F.S.

<sup>5</sup> An exception to this rule exists in Miami-Dade County where the board of county commissioners has been granted the exclusive power to create cities through the Florida Constitution and its home rule powers. *See* s. 165.022, F.S., and s. 6(e), Art. VIII of the State Constitution. Adopted in 1957, the Miami-Dade Home Rule Charter provides for the creation of new municipalities at section 5.05.

## Physical Requirements for Municipal Incorporation<sup>6</sup>

The area proposed for incorporation must meet the following conditions in order to be eligible for incorporation:

- Be compact, contiguous, and amenable to separate municipal government.
- Have a total population, as determined in the latest official state census, special census or estimate of population, of at least 1,500 persons in counties with a population of less than 75,000, and of at least 5,000 persons in counties with a population of more than 75,000.
- 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.
- Have a minimum distance of at least two miles from the boundaries of an existing municipality within the county. Alternatively, it must have an extraordinary natural boundary that requires separate municipal governments.
- Have a proposed municipal charter that prescribes the form of government and clearly defines the responsibility for legislative and executive functions, and does not prohibit the legislative body from exercising its power to levy any tax authorized by the Florida Constitution or general law.
- Have a plan for incorporation honoring existing contracts for solid waste collection services in the affected areas for the shorter of five years or the remainder of the contract term.<sup>7</sup>

## Procedural Requirements for Municipal Incorporation

### *Special Act*

A special act is a law that applies to a limited geographic area. A proposed special act is filed by a member of the Legislature in the form of a local bill. For incorporation purposes, the special act must include a proposed municipal charter that prescribes the form of government and clearly defines the legislative and executive functions of city government. The special act may not prohibit or limit tax levies otherwise authorized by law.

Special acts must meet the constitutional requirement<sup>8</sup> that notice of intent to file a proposed special act be published in the manner provided by general law<sup>9</sup> or that the act be conditioned to become effective only upon approval by qualified electors. The Legislature has required special acts creating municipal incorporations to be subject to a referendum. A bill proposing creation of a municipality will be reviewed based on standards for municipal incorporation established in s. 165.061, F.S.

### *Local Bill Process*

In addition, as a local bill, a proposed municipal incorporation must meet the House of Representatives' Local Bill Policy, which provides that no local bill may be considered by the Local & Federal Affairs Committee – or other House committees or subcommittees – prior to the receipt of an original Economic Impact Statement and a Local Bill Certification Form.<sup>10</sup> The Economic Impact Statement should assess the cost of implementation, state who will bear such cost, and identify who will benefit from the passage of the special act. The Local Bill Certification Form certifies that the bill cannot be accomplished locally, a public hearing has been held, all statutory and constitutional requirements have been met, and a majority of the local legislative delegation approves the bill.

### *Feasibility Study*

Submittal of a feasibility study and a local bill that proposes the local government charter is required for consideration of incorporation. The feasibility study is a survey of the proposed area to be incorporated.

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<sup>6</sup> Section 165.061, F.S.

<sup>7</sup> In accordance with s. 10, Art. I of the Florida Constitution.

<sup>8</sup> Article III, Sec. 10 of the Florida Constitution.

<sup>9</sup> Section 11.02, F.S., specifies that the publication of notice must occur one time, at least 30 days prior to introduction of the local bill.

<sup>10</sup> Florida House of Representatives, Local & Federal Affairs Committee, Local Bill Policies and Procedures Manual (Tallahassee, Florida: The Florida House of Representatives, published annually) and Florida House of Representatives, Bill Drafting Service, Drafting Local Legislation in Florida (Tallahassee, Florida: The Florida House of Representatives, 1998).

The purpose of the study is to enable the Legislature to determine whether (1) the area meets the statutory requirements for incorporation, and (2) incorporation is financially feasible. The feasibility study must be completed and submitted to the Legislature no later than the first Monday after September 1 of the year before the regular legislative session during which the municipal charter would be enacted.<sup>11</sup>

In 1999, the Legislature revised s.165.041, F.S., by adding new, detailed requirements for the preparation of the required feasibility study for any area requesting incorporation. Specifically, the study must include:

- The general location of territory subject to a boundary change and a map of the area that identifies the proposed change.
- The major reasons for proposing the boundary change.
- The following characteristics of the area:
  - A list of the current land use designations applied to the subject area in the county comprehensive plan.
  - A list of the current county zoning designations applied to the subject area.
  - A general statement of present land use characteristics of the area.
  - A description of development being proposed for the territory, if any, and a statement of when actual development is expected to begin, if known.
- A list of all public agencies, such as local governments, school districts, and special districts, whose current boundaries fall within the boundary of the territory proposed for the change or reorganization.
- 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.
- A list of proposed services to be provided within the proposed incorporation area, and the estimated cost of such proposed services.
- The names and addresses of three officers or persons submitting the proposal.
- Evidence of fiscal capacity and an organizational plan that, at a minimum, includes:
  - 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.
  - A five-year operational plan that, at a minimum, includes proposed staffing, building acquisition and construction, debt issuance, and budgets.
- Data and analysis to support the conclusion that incorporation is necessary and financially feasible, including population projections and population density calculations, and an explanation concerning methodologies used for such analysis.
- Evaluation of the alternatives available to the area to address its policy concerns.
- Evidence that the proposed municipality meets the standards for incorporation in s. 165.061, F.S.

In counties that have adopted a municipal overlay for municipal incorporation,<sup>12</sup> such information must also be submitted to the Legislature. This information should be used to evaluate the feasibility of a proposed municipal incorporation in the geographic area.

## **Municipal Formation Activity in Florida**

### *Successful Municipal Incorporations*

From 1972 to date, 28 municipalities have been established, with 19 municipalities created by special act (Bonita Springs, DeBary, Deltona, Destin, Fort Myers Beach, Grant-Valkaria, Islamorada, Jacob

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<sup>11</sup> Section 165.041(1)(b), F.S. For any proposed incorporations to be considered during the 2014 Legislative Session, this deadline fell on September 2, 2013.

<sup>12</sup> Pursuant to s. 163.3217, F.S.

City, Lake Mary, Loxahatchee Groves, Marathon, Marco Island, Midway, Palm Coast, Sanibel, Southwest Ranches, Wellington, West Park, and Weston). During this time, one municipality was recreated by special act after previous incorporation under authority of general law in effect prior to 1974 (Seminole). The cities of Aventura, Cutler Bay, Doral, Key Biscayne, Miami Gardens, Miami Lakes, Palmetto Bay, Pinecrest, and Sunny Isles Beach were created under the provisions of Miami-Dade County's charter.

#### *Failed Attempts at Municipal Incorporation*

Since 1980, Floridians have rejected the formation of municipal governments by voting down the incorporation efforts of 14 proposed municipalities.

#### **The Proposed Village of Estero**

The residential community of Estero is located in Lee County between the cities of Fort Myers to the north and Bonita Springs to the south. It is approximately 30 square miles, with the developed community existing between ecologically sensitive land to the east, and Estero Bay to the west. It is composed of several gated communities, destination retail, historic areas, older neighborhoods, and mobile home parks. The driving economic force is a mix of retail, business, construction, and tourism. The community has most of the necessary infrastructure (water, sewer, roads, and parks) in place. The 2010 census set the Estero population at 25,112 permanent residents, while the seasonal population grows to an excess of 37,000 people.

In response to growing concerns over annexation efforts by Bonita Springs, the Estero Council of Community Leaders (ECCL) initiated incorporation measures in June 2013.

#### *Annexation Conflict with Bonita Springs*

The charter of Bonita Springs forbids the city from annexing any part of Estero for the first five years of incorporation. As that provision expired on December 31, 2004, Bonita Springs initiated annexation efforts in late 2004. Estero residents rejected the annexation, which would have included a destination shopping complex and several affluent, gated communities.

In 2007, Bonita Springs and Estero community leaders agreed that there would be no further annexation efforts unless both parties agreed. This agreement was honored until June 19, 2013, when the Bonita Springs City Council adopted a series of motions to implement annexation procedures, despite ECCL's urging otherwise. This annexation effort included two gated communities and 130 acres of conservation lands. Nine days later, ECCL responded by scheduling a resolution for incorporation so as to prevent the annexation efforts of Bonita Springs. The resolution was adopted on July 12, 2013.

On February 25, 2014, Bonita Springs held a referendum vote on annexation of a contiguous section of unincorporated Lee County, part of the Pelican Landing community. The referendum failed by a margin of 54 votes, with 286 residents voting against annexation and 232 in favor.<sup>13</sup> These residents will now be able to vote on the incorporation of Estero should this bill be enacted.

To support their incorporation efforts, ECCL is soliciting donations for their Defense and Planning Fund, which will be used to finance the goal of a November 2014 referendum. ECCL estimates that it will cost \$90,000 in legal, consulting, and surveyor fees, and printing and electronic communications costs. ECCL's website notes that as "the ECCL's revenue from annual membership dues is less than \$12,000, additional community financial support is critical. Therefore, the ECCL is requesting donations from local communities, civic and business organizations and individuals."<sup>14</sup>

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<sup>13</sup> "Annexation Election Results February 25, 2014," Lee County Supervisor of Elections, available at <http://leeelections.com/bonannex14.html>.

<sup>14</sup> Estero Today, Estero Council of Community Leaders: Contribute to the Cause, available at <http://esterotoday.com/about-eccl/contribute-to-the-cause/>.

## Feasibility Study Deficiencies and Addenda

The Legislature received the Estero proposed incorporation feasibility study on August 30, 2013, as required by ch. 165, F.S., with the proposed charter. This study and charter were reviewed by the Department of Revenue (DOR), Department of Economic Opportunity (DEO), Office of Economic and Demographic Research (EDR), and staff of the Local & Federal Affairs Committee. Much of the information is poorly analyzed and discussed so as to make the study's compliance with statutory requirements questionable.

The August 30<sup>th</sup>, timely submitted study contained several notable deficiencies, including lacking the following:

- A constitutionally required provision honoring existing solid waste contracts;<sup>15</sup>
- An itemized list of current and proposed services accompanied by the estimated costs of each (ss. 165.041(1)(b)5 and 165.041(1)(b)6, F.S.);
- Evidence of fiscal capacity including existing tax base (s. 165.041(1)(b)8a, F.S.);
- A clear five-year operational plan (s. 165.041(1)(b)8b, F.S.); and
- Data analysis showing that incorporation is necessary and financially feasible, including the projected population density calculations and methodology (s. 165.041(1)(b)9, F.S.).

Additionally, the proposed boundaries in the original study were altered before the Lee County Delegation voted to allow the incorporation to continue. Therefore, the study submitted by the deadline is no longer accurate. Although an addendum to the study has been provided, updating the study after the submission deadline is not provided for statutorily.

On December 9, 2013, committee staff received an addendum to the study, dated November 20, 2013. This addendum updated the study to reflect the removal of an approximately one square mile neighborhood from the proposed boundaries. This neighborhood, Eldorado Acres, resisted incorporation and so the delegation removed the area from the proposed boundaries. As Eldorado Acres is not located on the periphery of the proposed boundaries, its elimination created an enclave.<sup>16</sup>

On March 3, 2014, committee staff received a second addendum to the study, dated February 26. This addendum addressed two of the abovementioned deficiencies by providing the costs and estimated costs of current and proposed services. The study preparers were notified of all deficiencies at once, but only this one was addressed.

## Feasibility Study Agency Review

### *The Department of Revenue Review*

The DOR submitted their analysis of the feasibility study and proposed charter in a memorandum dated January 23, 2014.

Regarding revenue sharing, the DOR noted that the charter documents entitled the village to immediate participation upon the date of incorporation.<sup>17</sup> This is problematic for two reasons. First, such early participation conflicts with the statutory definition of "municipality" in s. 218.21(3), F.S., which requires that a revenue-sharing eligible municipality already have elected and established its legislative body. The Estero legislative body will not be in place until the Council's first meeting, scheduled for March 17, 2015. Therefore, although revenue sharing can start to accrue upon incorporation, the funds cannot be distributed until after the March election.

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<sup>15</sup> This issue was corrected as existing solid waste contracts were provided for by the strike-all amendment adopted by the Local & Federal Affairs Committee on March 27, 2014. See "IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES," below.

<sup>16</sup> Creation of the enclave was avoided by the strike-all amendment adopted by the Local & Federal Affairs Committee on March 27, 2014. See "IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES," below.

<sup>17</sup> These issues were corrected by the strike-all amendment adopted by the Local & Federal Affairs Committee on March 27, 2014. See "IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES," below.

Second, the study provides for the beginning date of revenue sharing participation to be December 31, 2014. Since revenue sharing distributions are calculated by the month, starting participation on the last day of the month will unnecessarily complicate the calculations. Distributions to all counties and municipalities would have to be calculated for December 1 through December 30 without Estero, and then recalculated for December 31 with Estero. The DOR recommends that the first day of revenue sharing participation be April 1, 2015 (the first day of the first month after the initial Council meeting) or the first of any month thereafter.<sup>18</sup>

Regarding the half-cent sales tax, the DOR notes that the village must meet the requirements for revenue sharing<sup>19</sup> and all the criteria for incorporation,<sup>20</sup> including population density and minimum buffer distance.

Regarding the local communications services tax, the DOR notes that the village will not be eligible to impose this tax until January 1, 2016, although the study mistakenly includes such tax revenues for 2015. In order to begin on January 1, 2016, before September 1, 2015, the village must (1) adopt such an ordinance and (2) notify the DOR of its intent to collect the tax and provide updated service addresses and boundaries. Additionally, the DOR suggests that the charter be amended to include whether this revenue is to be shared by Lee County and the village, as well as a method to allocate such revenue prior to the effective date if the village is imposing the tax. The DOR review did not consider the addenda.

#### *Department of Economic Opportunity*

The DEO submitted their analysis of the feasibility study and proposed charter in a memorandum dated January 22, 2014. Regarding the statutory requirements for incorporation of ch. 165, F.S., the DEO noted that the study did not sufficiently address the proposed services and their estimated costs;<sup>21</sup> did not include a density calculation for the projected population;<sup>22</sup> and did not provide evidence that the proposed municipality meets s. 165.061, F.S., requirements.<sup>23</sup> The DEO review did not consider the addenda.

#### *Office of Economic and Demographic Research*

The EDR submitted their analysis of the feasibility study and proposed charter in a memorandum dated January 31, 2014. The EDR noted that the village does not meet the minimum distance requirements. Discussing the proposed expenditures presented in the study, the EDR commented that the reasonableness for the following expenses is difficult to ascertain: contract for general government services with Lee County or private sector vendors; local elections; and one-time capital equipment. Given the lack of specificity for some of the proposed expenditures, the likelihood of a positive bottom line is difficult to substantiate; however, the amount set aside for the proposed reserve should cover any shortfall. Comparing the village's revenues and expenditures on a per capita basis to those of nearby municipalities, the village's first year's revenues and expenditures are well below the others as would be expected given the village's limited scope of operations. For how long these revenues and expenditures remain low would be the responsibility of the governing body. The EDR did take the first addendum into consideration for their review.

## **Charter Review**

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<sup>18</sup> This recommendation was included in the strike-all amendment adopted by the Local & Federal Affairs Committee on March 27, 2014. See "IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES," below.

<sup>19</sup> Section 218.63(1), F.S., pursuant to s. 218.23, F.S.

<sup>20</sup> Pursuant to s. 165.061, F.S.

<sup>21</sup> Pursuant to s. 165.041(1)(b)6, F.S.

<sup>22</sup> Pursuant to s. 165.041(1)(b)9, F.S.

<sup>23</sup> Pursuant to s. 165.041(1)(b)11, F.S. Specifically, the study did not meet the minimum density requirement or minimum distance requirement, and did not address the solid waste contracts. These issues were corrected by the strike-all amendment adopted by the Local & Federal Affairs Committee on March 27, 2014. See "IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES," below.

### *Noncompliance with the Formation of Municipalities Act*<sup>24</sup>

The area proposed for the Village of Estero did not meet two of the six statutory requirements of an area proposed for incorporation,<sup>25</sup> described below.

- Population density
  - Areas to be incorporated must have (1) an average population density of at least 1.5 persons per acre, or (2) extraordinary conditions so as to allow an exception. The area originally proposed for incorporation has an average population density of 1.4 persons per acre.<sup>26</sup> The density must be recalculated once the final proposed boundaries are known and all annexation efforts have been initiated. Then it will be determined if a waiver of s. 165.061(1)(c), F.S., is required.
- Municipal buffer
  - Areas to be incorporated must have a minimum distance of at least two miles from the boundaries of an existing municipality within the county or an extraordinary natural boundary that requires separate municipal governments. A compliant buffer would start at Williams Road and include the Coconut Point mall, the future Hertz global corporate headquarters, and The Brooks residential communities. No extraordinary natural boundaries exist. Approximately 1/3 of the originally proposed village does not meet the buffer requirement as four miles of that southern boundary are adjacent to the Bonita Springs corporate boundary. The buffer must be reexamined once the final proposed boundaries are known and all of the annexation efforts have been initiated. However, it is very likely that the buffer will not be met by the final boundaries and therefore a waiver of s. 165.061(1)(d), F.S., will be required.

As enacted, CS/CS/HB 1373 grants two exceptions to general law to address these deficiencies. The proposed charter is compliant with the other four requirements for municipal incorporation provided by s. 165.061(1), F.S.

## **Review of Financial Elements**

### *State-Shared Revenue*

Section 12(8) of the proposed charter entitles the village to participate in all Florida revenue sharing programs effective April 1, 2015. Additionally, the charter as drafted requires a waiver of the provisions of s. 218.23(1), F.S., for the purpose of conducting audits and financial reporting through Fiscal Year 2014-2015. These include financial reporting, providing for an annual audit, levying certain taxes, certifying certain law enforcement and firefighter employee qualifications, and providing for dependent special districts audits.

The Economic Impact Statement estimates that state-shared revenue sources will provide \$1,777,799 in Fiscal Year 2014-2015 and \$2,370,399 in Fiscal Year 2015-2016. This Economic Impact Statement does not reflect the amended boundaries.

If the village participates in state shared revenues, the other Lee County municipalities will receive reduced amounts of these funds. According to the Economic Impact Statement, successful incorporation of the village would result in the following losses in annual revenues: Lee County, \$1,614,416; Bonita Springs, \$80,091; Cape Coral, \$250,391; Fort Myers, \$103,836; and Fort Myers Beach, \$9,632.

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<sup>24</sup> Chapter 165, F.S.

<sup>25</sup> Section 165.061, F.S.

<sup>26</sup> However, 5,699 acres within the originally proposed boundaries are classified as wetlands and will never support any type of development. If the wetlands are taken into consideration, the population density is 1.99 persons per acre of the originally proposed boundaries.

### Local Revenue Sources

Section 12(9) of the proposed charter entitles the village to all local revenue sources available. This includes the local communications services tax.<sup>27</sup> The Economic Impact Statement estimates that local revenue sources will generate \$2,969,951 in Fiscal Year 2014-2015 and \$5,939,902 in Fiscal Year 2015-2016. This includes ad valorem property taxes, franchise fees, and the local communications services taxes.

Section 12(10) of the proposed charter entitles the village to local option gas tax revenues beginning October 1, 2015, if such an interlocal agreement is executed before June 1, 2015. If it is not executed before that date, the distributions will follow the lane mile formula.<sup>28</sup>

### Comparison to Lee County Municipalities

Table 1. Total Revenues and Expenditures of the Proposed Village of Estero and Existing Lee County Municipalities<sup>29</sup>

<b>Municipality</b>	<b>2013 Estimated Population</b>	<b>Total Revenues</b>	<b>Total Expenditures</b>
Bonita Springs	45,229	\$49,197,093	\$46,359,148
Cape Coral	161,069	\$397,469,156	\$353,976,294
Fort Myers	67,081	\$278,957,147	\$256,263,630
Fort Myers Beach	6,323	\$10,402,094	\$9,057,599
Sanibel	6,497	\$47,690,629	\$42,876,929
<i>Estero (Proposed)</i>	<i>26,344</i>	<i>\$8,309,965</i>	<i>\$5,184,130</i>

### Comparison to Similarly-Populated Municipalities

The EDR compared the revenue and expenditure estimates of the village with “similarly-populated” municipalities in Florida and with the other Lee County municipalities. The revenues and expenditures of the comparison municipalities reflect those reported in Annual Financial Reports for the local fiscal year that ended in 2012 (most recent data available), as submitted to the Florida Department of Financial Services.

Table 2. Total Revenues and Expenditures of the Proposed Village of Estero and Similarly-Populated Municipalities<sup>30</sup>

<b>Municipality</b>	<b>2013 Estimated Population</b>	<b>Total Revenues</b>	<b>Total Expenditures</b>
Clermont	30,201	\$45,041,859	\$39,089,178
Miami Lakes	29,978	\$24,216,788	\$26,838,580
DeLand	28,436	\$61,789,679	\$47,274,089
Winter Park	28,184	\$155,167,771	\$140,188,720
Casselberry	27,057	\$46,686,420	\$39,397,683

<sup>27</sup> Section 202.19, F.S.

<sup>28</sup> Section 336.025(4)(b)1., F.S.

<sup>29</sup> Figures provided by the Office of Economic and Demographic Research.

<sup>30</sup> Figures provided by the Office of Economic and Demographic Research.

<i>Estero (Proposed)</i> <sup>31</sup>	26,344	\$8,309,965	\$5,184,130
Parkland	25,576	\$25,543,178	\$24,153,250
Rockledge	25,309	\$28,278,134	\$24,297,048
Temple Terrace	25,307	\$51,413,839	\$47,148,955
Key West	24,583	\$138,805,413	\$113,815,844
Tarpon Springs	23,935	\$54,071,892	\$42,916,257
AVERAGE	26,810	\$58,120,449	\$50,027,612

### **Exemptions to General Law**

The bill creates an exemption to s. 218.23(1), F.S., regarding state revenue sharing eligibility requirements. Depending on the outcome of the voluntary annexation efforts initiated by Bonita Springs on or before April 1, 2014, the bill also may create exemptions to the following general laws:

- Section 165.061(1)(c), F.S., regarding density requirements; and
- Section 165.061(1)(d), F.S., regarding minimum distance requirements.

### Effect of the Bill

This bill creates the Village of Estero subject to a referendum. This bill provides the charter of the proposed village, including the following:

- Corporate name;
- Purpose of the charter;
- Powers and form of government;
- Boundaries;
- Village council, village manager, village attorney, and village clerk;
- Departments, personnel, and planning;
- Ordinances and resolutions;
- Financial management;
- Elections;
- Initiative and referendum;
- General provisions;
- Referendum election and transition; and
- Referendum.

## **II. FISCAL ANALYSIS, ECONOMIC IMPACT STATEMENT, & NOTICE/REFERENDUM**

### **A. FISCAL IMPACT ON STATE GOVERNMENT:**

#### 1. Revenues:

None.

#### 2. Expenditures:

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<sup>31</sup> Estero's proposed revenues and expenditures are from the Development of Revenue Analysis (pp. 21-34) and the Development of Expenditure Analysis (pp. 35-39) sections of the study dated August 26, 2013. Although the study prorates the projected first year (Fiscal Year 2015) revenue and expenditure amounts to reflect the assumption that Estero becomes a legal entity as of December 31, 2014, the revenue and expenditure amounts listed here reflect full fiscal year totals in order to compare with the other municipalities listed in this table.

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. ECONOMIC IMPACT STATEMENT FILED?      Yes     No

According to the Economic Impact Statement, the projected cost of funding the village government and municipal services will be \$3,033,065 for Fiscal Year 2014-2015 and \$5,538,130 for Fiscal Year 2015-2016. Anticipated sources of combined local and state funding are projected to be \$4,747,750 for Fiscal Year 2014-2015 and \$8,310,301 for Fiscal Year 2015-2016. This Economic Impact Statement does not reflect the amended boundaries.

D. NOTICE PUBLISHED?    Yes     No

E. REFERENDUM(S) REQUIRED?    Yes     No

IF YES, WHEN?      November 4, 2014