

## **EXECUTIVE SUMMARY**

**Provide information to the TDC regarding the Beaches/Inlets Revenue vs. Expense Analysis for future funding for maintaining Collier County beaches and their facilities.**

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**OBJECTIVE:** This item is provided for information only and does not require an approval and will be presented at the TDC workshop with the BCC on November 1, 2010.

**CONSIDERATIONS:** The CAC recognizes that our beaches and the visitor "beach" experience is the single most important factor in attracting visitors to Collier County. This has been consistently restated in visitor exit surveys conducted by the TDC. Keeping our beaches and the "beach experience" one that our visitors enjoy should be the most important objective of this community.

A four year analysis of Fund 195 Revenues and Expenditures indicates that TDC funds are not sufficient to meet our current level of service without additional funding. In the past, we have augmented our TDC funding with federal, state or other funding grants. Federal and state funding however is harder and harder to obtain and a successful program cannot be built or maintained by relying on unreliable, sporadic federal funding or by cutting TDC funds to maintain our beaches/park facilities.

Local communities that in the past have benefited from federal and state funding are now seeking a more reliable and consistent source of revenue. Collier County's program is now the envy of other local governments throughout the state.

Some key points to remember from our beach program are that:

1. A major renourishment reserve of \$2M and emergency reserve of \$500K is required by statute to be set aside each year to fund future beach work. Our yearly operation for Inlet maintenance, regulatory compliance, hot spot renourishments and beach maintenance does not have access to these funds to perform our required yearly operations.
2. The major beach renourishment reserve does not include any funding for Inlet Maintenance or Marco Island beach work at all.
3. Collier County maintains five inlets that are dredged for maintenance/beach renourishment on an 18 month to 5 year sequence. Funds for these activities have not been set aside.
4. Marco South Beach is renourished on a five years sequence. Set aside funds have not been allocated for this activity.
5. Major beach renourishment is based on a 10 year renourishment cycle. If a shorter cycle is required, fund allocation may be insufficient.

To have a successful beach experience we also cannot forget our beach park facilities. Our beaches must be well maintained, clean, attractive, and environmentally healthy with adequate parking access. In addition, our beach park facilities must provide water; a clean well maintained and attractive bathroom; a concession and the ability to provide

for personnel protection from lighting, storm and sun. These facilities are critical to our inland hoteliers and visitors that do not have direct access to the beach. All these items make our beach program successful. We need adequate funding to maintain our program and positive beach experience.

**ADVISORY COMMITTEE RECOMMENDATIONS:** This information was provided to the CAC at their October 14, 2010 meeting and will be present at the TDC workshop with the BCC on November 1, 2010.

**FISCAL IMPACT:** The Source of funds is from Category "A" Tourist Development Tax fund 195.

**GROWTH MANAGEMENT IMPACT:** There is no impact to the Growth Management Plan related to this action.

**LEGAL CONSIDERATIONS:** This item has been reviewed and approved by the County Attorney's Office and is legally sufficient for Board action. - CMG

**RECOMMENDATION:** This item is provided for information only and does not require an approval and will be presented at the TDC workshop with the BCC on November 1, 2010.

**PREPARED BY: Gary McAlpin, CZM**

**Fund 195 - Beaches/Inlets Revenue Vs. Expense Analysis**  
**Coastal Zone Management Department**

	<b>FY 2006/07</b>	<b>FY 2007/08</b>	<b>FY 2009/10</b>	<b>FY 2010/11</b>	<b>Four Year Avg</b>
<b>Annual Revenue From TDC</b>	<b>\$4,556,000</b>	<b>\$4,857,500</b>	<b>\$4,355,000</b>	<b>\$4,194,531</b>	<b>\$4,490,758</b>
Less Major Renourishment Reserves (\$2,000,000/yr.)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)
Less Emergency Reserves (\$500,000/yr)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)
Less Tax Collector Fee (2.5%)	(\$113,900)	(\$121,438)	(\$108,875)	(\$104,863)	(\$112,269)
Less Revenue Reserve (5%)	(\$227,800)	(\$242,875)	(\$217,750)	(\$209,727)	(\$224,538)
Less Debt Service and Transfers	(\$593,500)	\$0	\$0	\$0	(\$148,375)
<b>Revenue Remaining</b>	<b>\$1,120,800</b>	<b>\$1,993,188</b>	<b>\$1,528,375</b>	<b>\$1,379,941</b>	<b>\$1,505,576</b>
<b>Expenses</b>					
Regulatory and Permit Compliance	\$825,900	\$961,100	\$703,159	\$442,100	\$572,630
Beach/Pier Maintenance and Cleaning	\$397,000	\$241,200	\$285,000	\$340,850	\$312,925
Administrative Fee's	\$374,400	\$480,000	\$500,000	\$511,100	\$505,550
Indirect Administrative costs - County	\$0	\$0	\$0	\$117,700	\$58,850
<b>Sub-total Expenses</b>	<b>\$1,597,300</b>	<b>\$1,682,300</b>	<b>\$1,488,159</b>	<b>\$1,411,750</b>	<b>\$1,449,955</b>
<b>Revenue Remaining without any Inlet or Marco Projects</b>	<b>-\$476,500</b>	<b>\$310,888</b>	<b>\$40,216</b>	<b>-\$31,809</b>	<b>\$55,621</b>
<b>Authorized Projects less Major County Beach Renourish</b>					
Wiggins Pass Master Plan Permit/Engr			\$160,717		
Clam Pass Ebb Shoal Modeling			\$125,000		
Marco Beach Breakwater/Renourish Study			\$100,000		
Hideaway Beach Erosion Control Structures			\$1,600,000		
Sand Source permitting - Cape Romano			\$50,000		
Marco Breakwater and Doctors Jetty Rebuild			\$700,000		
Naples Drainage Study			\$50,000		
Park Shore Emergency Dredge Engineering				\$40,000	
Emergency Truck Haul - Park Shore/Doctors Pass				\$1,500,000	
Wiggins Pass Intermediate Dredge Engineering				\$20,000	
Wiggins Pass Inlet Management Plan and EIS				\$125,178	
Wiggins Pass Intermediate Dredging				\$750,000	
Clam Pass Water Quality Modeling				\$50,000	
FY12/13 Marco Beach/B <sup>h</sup> water Analysis/Design				\$150,000	
<b>Sub-total Authorized Projects</b>	<b>\$685,000</b>	<b>\$3,734,700</b>	<b>\$2,785,717</b>	<b>\$2,635,178</b>	<b>\$2,460,149</b>
<b>Revenue Remaining with Authorized Projects</b>	<b>-\$1,161,500</b>	<b>-\$3,423,813</b>	<b>-\$2,745,501</b>	<b>-\$2,666,987</b>	<b>-\$2,404,527</b>

TDC CATEGORY "A" 195 FUND PROJECTIONS

TDC CATEGORY "A" 195 FUND	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016	FY 2017	FY 2018	TOTALS
<b>A. Inlet Maintenance</b>										
Wiggins Pass Intermediate Program - Engr & Dredge	750,000									770,000
Wiggins Pass Program - Inlet Mgt Plan and EIS										125,178
Wiggins Pass Channel Straighting/Dikes/Renourish		3,500,000					750,000			4,250,000
Clam Pass Water Quality Modeling	50,000									50,000
Clam Pass Maintenance Dredge - Tidal Flush		450,000					450,000			900,000
Doctors Pass Dredging		800,000					800,000			1,600,000
Doctor's Jetty Rebuild (\$700K - FY 09/10)										0
Caxambas Pass Dredging			300,000					300,000		600,000
<b>Sub-Total</b>	<b>800,000</b>	<b>4,750,000</b>	<b>300,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,000,000</b>	<b>300,000</b>	<b>0</b>	<b>8,295,178</b>
<b>B. Beach Renourishment</b>										
Doctors/Park Shore Emergency Dredge Engineering										40,000
Emergency Truck haul - Park Shore/Doctors Pass										1,500,000
FY 12/13 Beach Analysis/Model with HS solutions	300,000									300,000
FY 12/13 Renourishment with Hot Spot solutions				20,000,000						20,000,000
Marco Island Analysis/Model with BW engineering	150,000	100,000								250,000
Marco Island Renourishment and BW Structures				4,000,000					1,000,000	5,000,000
Unencumber Hideaway Structures Funds										-400,000
<b>Sub-Total</b>	<b>450,000</b>	<b>100,000</b>	<b>0</b>	<b>24,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,000,000</b>	<b>26,690,000</b>
<b>C. Regulatory Monitoring</b>										
Physical Beach and Pass Monitoring - Entire County	260,000	267,800	275,800	284,100	292,600	301,400	310,400	319,700	329,300	2,641,100
Biological Monitoring	0	275,000	0	0	125,000	125,000	125,000	125,000	125,000	900,000
Unencumber Biological Monitoring Funds										-175,000
Sea Turtle Monitoring	164,600	167,892	171,250	174,675	178,168	181,732	185,366	189,074	192,855	1,605,612
Beach Tilling - County Wide	17,500	17,500	17,500	40,000	40,000	40,000	40,000	40,000	40,000	292,500
<b>Sub-Total</b>	<b>442,100</b>	<b>728,192</b>	<b>464,550</b>	<b>498,775</b>	<b>635,768</b>	<b>648,132</b>	<b>660,766</b>	<b>673,774</b>	<b>687,155</b>	<b>5,264,212</b>
<b>D. Beach and Pier Maintenance</b>										
Beach Cleaning - County/Marco	135,000	139,100	143,300	147,600	152,000	156,600	161,300	166,100	171,100	1,372,100
Beach Cleaning - Naples	75,850	78,100	80,400	82,800	85,300	87,900	90,500	93,200	96,000	770,050
Vegetation Repairs/Exotic Removal	75,000	75,000	80,000	80,000	80,000	80,000	85,000	85,000	85,000	725,000
Naples pier & dock maintenance	55,000	56,700	58,400	60,200	62,000	63,900	65,800	67,800	69,800	559,600
<b>Sub-Total</b>	<b>340,850</b>	<b>292,200</b>	<b>303,700</b>	<b>310,400</b>	<b>317,300</b>	<b>324,500</b>	<b>336,800</b>	<b>344,300</b>	<b>352,100</b>	<b>3,426,750</b>
<b>F. Administration Fees</b>										
Fund 195 Administration	511,100	513,100	515,100	517,100	519,100	521,100	523,100	525,100	527,100	4,671,900
Indirect Administrative Costs	117,700	119,200	120,700	122,200	123,700	125,200	126,700	128,200	129,700	1,113,300
Tax Collector / Misc.	104,900	112,500	112,500	112,500	112,500	112,500	112,500	112,500	112,500	1,004,900
<b>Sub-Total</b>	<b>733,700</b>	<b>744,800</b>	<b>748,300</b>	<b>751,800</b>	<b>755,300</b>	<b>758,800</b>	<b>762,300</b>	<b>765,800</b>	<b>769,300</b>	<b>6,790,100</b>
<b>TOTAL EXPENSES</b>	<b>2,766,650</b>	<b>6,615,192</b>	<b>1,816,550</b>	<b>25,560,975</b>	<b>1,708,368</b>	<b>1,731,432</b>	<b>3,759,866</b>	<b>2,083,874</b>	<b>2,808,555</b>	<b>50,466,240</b>

REVENUE	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016	FY 2017	FY 2018	TOTALS
Tourist Taxes - Gross	4,194,531	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	40,194,531
Revenue Reserve - 5%	(209,700)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)	-2,009,700
Renourishment Revenue				15,500,000						
Reimbursement - FEMA Hurricane Katrina/Wilma	9,775,103									9,775,103
Reimbursement - TS Gabrielle	0									
FDEP Cost Share Payment Refund	(3,400,000)									
Reimbursement - FEMA Fay				9,500,000						9,500,000
Reimbursement - FDEP	50,000	51,500	51,500	51,500	53,000	54,600	56,200	57,900	59,600	485,800
Reimbursement - Other	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	13,500
<b>TOTAL REVENUE</b>	<b>10,411,434</b>	<b>4,328,000</b>	<b>4,328,000</b>	<b>29,328,000</b>	<b>4,329,500</b>	<b>4,331,100</b>	<b>4,332,700</b>	<b>4,334,400</b>	<b>4,336,100</b>	<b>57,959,234</b>
<b>REVENUE LESS EXPENSES</b>	<b>7,644,784</b>	<b>-2,287,192</b>	<b>2,511,450</b>	<b>3,767,025</b>	<b>2,621,132</b>	<b>2,599,668</b>	<b>572,834</b>	<b>2,250,526</b>	<b>1,527,545</b>	<b>18,570,049</b>
<b>Carryforward Revenue</b>	<b>12,466,500</b>	<b>20,111,284</b>	<b>17,824,092</b>	<b>20,335,542</b>	<b>24,102,567</b>	<b>26,723,699</b>	<b>29,323,367</b>	<b>29,896,201</b>	<b>32,146,727</b>	<b>32,146,727</b>
<b>Fund Balance</b>	<b>20,111,284</b>	<b>17,824,092</b>	<b>20,335,542</b>	<b>24,102,567</b>	<b>26,723,699</b>	<b>29,323,367</b>	<b>29,896,201</b>	<b>32,146,727</b>	<b>33,674,272</b>	<b>50,716,777</b>

Mandated Reserves	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016	FY 2017	FY 2018	TOTALS
Catastrophe Reserve	4,000,000	4,500,000	5,000,000	5,500,000	6,000,000	6,500,000	7,000,000	7,500,000	8,000,000	8,000,000
Major Renourishment Reserve	9,500,000	11,500,000	13,500,000	0	2,000,000	4,000,000	6,000,000	8,000,000	10,000,000	24,000,000
Category D - Pier Reserve	79,000	77,300	75,600	73,800	72,000	70,100	68,200	66,200	64,200	65,000
<b>Total Required Reserves</b>	<b>13,579,000</b>	<b>16,077,300</b>	<b>18,575,600</b>	<b>5,573,800</b>	<b>8,072,000</b>	<b>10,570,100</b>	<b>13,068,200</b>	<b>15,566,200</b>	<b>18,064,200</b>	<b>32,065,000</b>
<b>Reserve Surplus or (Shortfall)</b>	<b>6,532,284</b>	<b>1,746,792</b>	<b>1,759,942</b>	<b>18,528,767</b>	<b>18,651,699</b>	<b>18,753,267</b>	<b>16,828,001</b>	<b>16,580,527</b>	<b>15,610,072</b>	<b>18,651,777</b>