



REVENUE ANALYSIS

TECHNICAL MEMORANDUM

2035 Long Range Transportation Plan Update

LAKE-SUMTER MPO
1616 South 14th Street
Leesburg, FL 34748

FEBRUARY 2010

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Section 1: Introduction

In preparation for TRANSPORTATION 2035, the Lake~Sumter MPO (MPO) Long Range Transportation Plan (LRTP) Update, MPO evaluated the existing and alternative funding sources potentially available to fund transportation projects in each County's respective 2035 Needs Plan. To complete this analysis a review of the most recent budget documents and capital improvement programs available for the Counties and selected municipalities included in this analysis was completed. The funding sources and expenditure trends included in these documents were used for the basis of developing the baseline revenue projections for the 2035 LRTP, which encompasses the 2014-2035 timeframe. Projections for TRANSPORTATION 2035 include revenues available for the following types of expenditures:

- "Capacity Programs" refer to major programs that expand the capacity of roads, provide intersection improvements, public transportation infrastructure and service, new sidewalks, etc.
- "Operating" and "Maintenance" refers to capitalized maintenance for roads, including resurfacing, signals, mowing, potholes, etc. For transit, the term "operating" refers to the revenues associated with operating the transit system.
- "Enhancements" refers to programs that enhance the transportation system, such as the provision of bicycle/pedestrian facilities, provision of safety activities, landscaping, etc and.

The baseline and enhanced (from alternative funding sources) revenues projected to be available during the 2014-2035 period will help determine the funding available to each County and the cost feasibility of the 2035 LRTP. This technical memorandum summarizes the baseline and enhanced revenue analysis for Lake County, Sumter County, and selected municipalities. The remainder of this document is organized in the following sections.

Section 2 provides a discussion of the existing baseline revenues available for funding transportation projects in Sumter County and selected municipalities, including Bushnell and Wildwood. Baseline revenues are summarized by mode and expenditure type.

Section 3 provides the potential enhanced revenue options available to Sumter County and selected municipalities for the 2035 LRTP.

Section 4 provides a discussion of the existing baseline revenues available for funding transportation projects in Lake County and selected municipalities, including Clermont, Eustis, Lady Lake, Leesburg, Minneola, Mt. Dora, and Tavares. Baseline revenues are summarized by mode and expenditure type.

Section 5 provides the potential enhanced revenue options available to Lake County and selected municipalities for the 2035 LRTP. These enhanced revenue options were chosen from a selection of revenue options developed by the Lake County Alternative Funding Transportation Task Force.

Section 2: Baseline Revenues – Sumter County

Sumter County uses revenues collected from road impact fees, gas taxes and ad valorem taxes to fund local transportation capacity expansion and maintenance improvements. Some local funds are used to match State and Federal grants for transit service in Sumter County. Due to the county's rural nature, Sumter County does not routinely dedicate funds for sidewalk improvements that are not a part of roadway widening or new road construction projects. Instead, sidewalk project sites are identified on an "as needed" basis and funding is secured through any grants that may be available at the time.

SIS Highways/FIHS Program

The Florida Department of Transportation (FDOT) takes the lead in identifying planned projects on the Strategic Intermodal System (SIS) and Florida Intrastate Highway System (FIHS). Based on the FDOT 2035 SIS/FIHS Long Range Highway Capacity Plan, there are no planned SIS/FIHS projects in Sumter County.

State/Federal Revenue Sources

Based on FDOT revenue projections, Sumter County will have approximately \$80.2 million of "Other Arterial" construction/right-of-way (ROW) funds available to fund roadway capacity expansion projects that are not designated as part of the SIS or FIHS. It should be noted that Sumter County is receiving federal stimulus revenue from the 2009 American Recovery and Reinvestment Act (ARRA), but this revenue will be expended prior to 2014 and is not included in the 2035 LRTP revenue analysis.

County Revenue Sources

Road impact fees are a revenue source that is used exclusively for capacity expansion projects. Sumter County adopted new impact fees at 50 percent of the calculated rate with an effective date of October 12, 2009. Consistent with typical methodologies for calculating future impact fees, the revenues are based on future population projections. The year 2035 population projection for Sumter County is based on the midpoint between the "Medium" and "High" population projections published in March 2008 by

the Bureau of Economic and Business Research's (BEBR), as shown in shown in Exhibit 2-1. This future population projection is consistent with the population data in the transportation model. Note that the projected growth rate in 2010 has been flattened to reflect the current economic slowdown. This growth rate is projected to gradually increase to achieve the projected 2035 population. The US Census Bureau rate of 2.27 persons per household is used to determine how many new homes will be necessary to accommodate the population growth.

For purposes of projecting baseline impact fees, the recently adopted impact fee rates are assumed to remain constant through 2035. Between 2014 and 2035, it is estimated that road impact fees will generate approximately \$186.7 million of capacity revenue.

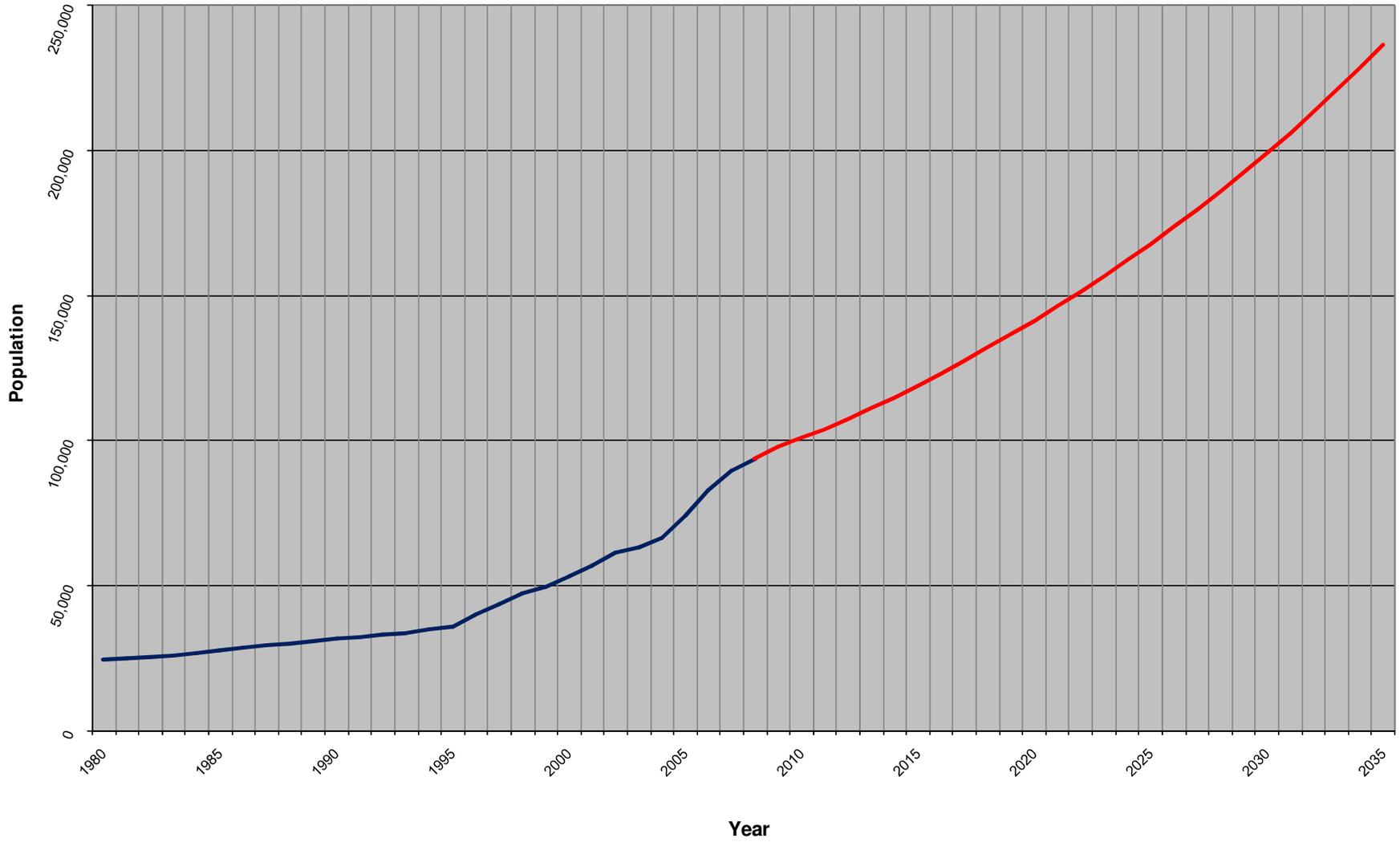
The County Transportation Trust fund (CTT) is a revenue source comprised of 20 percent of the constitutional gas tax, as well as the county, local option, and ninth-cent gas taxes, and ad valorem taxes generated through a dedicated millage. Based on the County's FY 2010 CIP¹, it is estimated that 16 percent of the CTT is available for roadway capacity expansion and 16 percent is available for maintenance projects, while the remaining funds are used for departmental operational costs and are not included in the revenue. Between 2014 and 2035, the CTT will generate approximately \$19.1 million for capacity and \$19.3 million for maintenance in Sumter County.

The Secondary Trust fund (ST) is a reoccurring revenue source comprised of the remaining 80 percent of constitutional gas tax revenue. Based on the FY 2010 CIP, of the total ST revenue, 25 percent is available for capacity expansion and 75 percent is available for maintenance projects. It is assumed that all ST funds are used for roadways, but these revenues could potentially be used to fund other modes (i.e., bicycle/pedestrian). Between 2014 and 2035, the ST will generate approximately \$6.1 million for capacity and \$18.5 million for maintenance in Sumter County.

In summary, local revenues for capacity include \$186.7 million from impact fees, \$19.1 million from the CTT, and \$6.1 million from the ST for a total of \$212 million. Local revenues for maintenance include \$19.3 million from the CTT, and \$18.5 million from the ST for a total of \$37.8 million.

¹ Sumter County Proposed FY 2010 Capital Improvements Plan refers the document provided as of August 27, 2009.

Exhibit 2-1: Sumter County Population (1980-2035)



Combined Revenue Sources

Roads

Table 2-1 presents the total local, state and federal funds available for capacity projects in Sumter County from 2014 to 2035. Table 2-2 summarizes the funds available for maintenance.

**Table 2-1
Sumter County Baseline Revenues for Capacity
(2014-2035)**

Time Period	Local ⁽¹⁾	State/Federal ⁽²⁾	SIS/FIHS ⁽³⁾	Total
2014 - 2015	\$13,880,000	\$5,220,000	\$0	\$19,100,000
2016 - 2020	\$38,620,000	\$16,050,000	\$0	\$54,670,000
2021 - 2025	\$45,050,000	\$18,100,000	\$0	\$63,150,000
2026 - 2030	\$52,690,000	\$19,500,000	\$0	\$72,190,000
2031 - 2035	\$61,800,000	\$21,350,000	\$0	\$83,150,000
Total	\$212,040,000	\$80,220,000	\$0	\$292,260,000

(1) Includes road impact fees, gas taxes (constitutional, county, 1st local option, and ninth-cent), and ad valorem taxes

(2) Source: Other Arterial construction/ROW revenues provided by FDOT

(3) Source: 2035 FDOT SIS Cost Affordable Plan, August 2008.

**Table 2-2
Sumter County Baseline Revenues for Maintenance
(2014-2035)**

Time Period	Local ⁽¹⁾	State/Federal ⁽²⁾	SIS/FIHS ⁽²⁾	Total
2014 - 2015	\$3,260,000	n/a	n/a	\$3,260,000
2016 - 2020	\$8,260,000	n/a	n/a	\$8,260,000
2021 - 2025	\$8,460,000	n/a	n/a	\$8,460,000
2026 - 2030	\$8,720,000	n/a	n/a	\$8,720,000
2031 - 2035	\$9,050,000	n/a	n/a	\$9,050,000
Total	\$37,750,000	n/a	n/a	\$37,750,000

(1) Includes gas taxes (constitutional, county, 1st local option, and ninth-cent), and ad valorem taxes

(2) FDOT does not provide specific amount for maintenance. FDOT will provide documentation to address maintenance on the State Highway System.

Transit

Sumter County receives state and federal funds to aid in covering transit capital and operating expenses. FDOT provided revenue forecasts for state and federal funds anticipated to be available for Lake County, totaling approximately \$46.6 million for the period from 2014 to 2035. In addition, Sumter County applies between \$200,000 and \$300,000 per year as the local match for State and Federal funds. Table 2-3 summarizes the funds available for transit.

**Table 2-3
Sumter County Baseline Revenues for Transit
(2014-2035)**

Time Period	State/Federal	Local	Total
2014 - 2015	\$3,350,000	\$500,000	\$3,850,000
2016 - 2020	\$9,090,000	\$1,250,000	\$10,340,000
2021 - 2025	\$10,220,000	\$1,250,000	\$11,470,000
2026 - 2030	\$11,410,000	\$1,250,000	\$12,660,000
2031 - 2035	\$12,480,000	\$1,250,000	\$13,730,000
Total	\$46,550,000	\$5,500,000	\$52,050,000

Enhancements

A portion of the total state and federal revenues for capacity projects are allocated to Enhancement Programs as defined by SAFETEA-LU. The revenues listed in Table 2-4 do not include the associated Enhancement Revenues. A total of \$7.1 million in Enhancement funds are estimated to be available from 2014 to 2035.

**Table 2-4
Sumter County Baseline Revenues for Enhancements
(2014-2035)**

Time Period	State/Federal
2014 - 2015	\$580,000
2016 - 2020	\$1,540,000
2021 - 2025	\$1,630,000
2026 - 2030	\$1,670,000
2031 - 2035	\$1,680,000
Total	\$7,100,000

Combined Revenues

Table 2-5 presents the total baseline county, state and federal funds available for transportation projects by mode in Lake County from 2014 to 2035. A total \$345.9 million dollars are estimated to be available for projects from 2014 to 2035.

**Table 2-5
Sumter County Revenues by Mode (2014-2035)**

Time Period	Roads	Transit	Enhancements	Total
2014 - 2015	\$19,100,000	\$3,850,000	\$580,000	\$23,530,000
2016 - 2020	\$54,670,000	\$10,340,000	\$1,540,000	\$66,550,000
2021 - 2025	\$63,150,000	\$11,470,000	\$1,630,000	\$76,250,000
2026 - 2030	\$72,190,000	\$12,660,000	\$1,670,000	\$86,520,000
2031 - 2035	\$83,150,000	\$13,730,000	\$1,680,000	\$98,560,000
Total	\$292,260,000	\$52,050,000	\$7,100,000	\$351,410,000

Section 2.1: Baseline Revenues – City of Bushnell

The City of Bushnell uses a portion of the local option gas tax, ninth-cent gas tax, revenue sharing, and general fund revenue (only as needed) to fund the local roadway maintenance improvements. No federal revenues are available for city transportation projects and, currently, the City does not provide any revenues for capital expansion projects, transit, or bicycle/pedestrian improvements.

Local Revenue Sources

Gas taxes are a reoccurring revenue source that the City of Bushnell uses to fund roadway maintenance projects. Based on a review of historical expenditure data, approximately 50 percent of the City's local option gas tax revenues and 10 percent of City's ninth-cent gas tax revenues are used on an annual basis for capitalized maintenance expenditures (i.e., road paving, widening of shoulders, and pot hole filling, etc.). For purposes of revenue projections, it is assumed that these historical expenditure trends will continue. As presented in Table 2-2, between the years 2014 and 2035, the City of Bushnell is estimated to have approximately \$1.2 million available for funding capitalized maintenance projects.

Per the Florida Revenue Sharing Act of 1972, the Revenue Sharing Trust Fund for Municipalities receives 1.3409 percent of sales and use tax collections, 12.5 percent of the state alternative gas user decal fee collections, and the net collections from the one-cent municipal gas tax. Between the years 2014 and 2035, the City of Bushnell will receive approximately \$0.8 million for transportation maintenance projects, based on a historical review of the City's municipal revenue sharing collections.

Table 2-6 presents the baseline revenues available for transportation projects in the City of Bushnell from 2014 to 2035. Since the City of Bushnell uses ad valorem only on an as-needed basis, no ad valorem revenue is assumed to be available on a consistent basis. A total of \$2.1 million is estimated from 2014 to 2025, consisting of \$1.24 million in gas taxes and \$825,000 in municipal revenue sharing.

Table 2-6
City of Bushnell Baseline Revenues for Maintenance (2014-2035)

Time Period	Local⁽¹⁾
2014-2015	\$187,704
2016-2020	\$469,260
2021-2025	\$469,260
2026-2030	\$469,260
2031-2035	\$469,260
Total	\$2,064,744

(1) Source: Includes gas taxes (local option and ninth-cent) and municipal revenue sharing

Section 2.2: Baseline Revenues – City of Wildwood

The City of Wildwood uses local option gas tax, the ninth-cent gas tax, and the general fund (as needed) to fund public works department operational expenditures. Based on a review of the City budgets, a very small amount of revenue is used to fund maintenance. Maintenance expenditures vary by year, depending on need and available revenue and, with no improvements budgeted for FY 2010, it is assumed that none of the revenue sources will be available to fund maintenance expenditures in the 2035 LRTP.

Section 3: Enhanced Revenues – Sumter County

In order to fund projects in the 2035 Lake-Sumter MPO LRTP, Sumter County will likely need to explore alternative funding sources. Of all the potential enhanced revenues, the following two options were found to be the most feasible: enacting up to five pennies of the 2nd local option gas tax (LOGT) and phasing of the current transportation impact fee.

Section 3.1: Enhanced Revenue Option 1 – 2nd Local Option Gas Tax (Five Pennies)

Sumter County has not currently implemented any of the five pennies of the 2nd local option gas tax (LOGT). To estimate revenues for this option, the value per penny of the 1st LOGT is used as a proxy to estimate the value per penny for the 2nd LOGT. In addition, it is assumed that the 2nd LOGT revenues will be distributed between the Sumter County BOCC and the municipalities using the same percentages as the 1st LOGT. The County could adopt up to the five maximum pennies of 2nd LOGT. For purposes of illustrating the revenue potential for this option, Table 3-1 presents the potential revenue that could be generated for Sumter County, the City of Bushnell and the City of Wildwood if all five pennies of the 2nd LOGT were adopted and effective starting in 2014. It should be noted that there is no annual increase in gas tax revenue assumed as it is anticipated any decrease in gas tax revenue due to increased fuel efficiency will be offset by increases in federal, state, or local gas taxes. In addition, no assumption is made as to the effect the increased gas tax revenue would have on the impact fee revenue credit. From 2014-2035, it is estimated that \$50 million could be available for the Sumter County BOCC, \$1.9 million for the City of Bushnell, and \$4 million for the City of Wildwood for a total of \$55.8 million.

Table 3-1
Sumter County Enhanced Revenue Option 1
Five Pennies of 2nd Local Option Gas Tax (2014-2035)

Time Period	Sumter County BOCC ⁽¹⁾	Bushnell ⁽²⁾	Wildwood ⁽³⁾	Total
2014 - 2015	\$4,540,000	\$170,000	\$360,000	\$5,070,000
2016 - 2020	\$11,354,200	\$430,000	\$900,000	\$12,684,200
2021 - 2025	\$11,350,000	\$430,000	\$900,000	\$12,680,000
2026 - 2030	\$11,350,000	\$430,000	\$900,000	\$12,680,000
2031 - 2035	\$11,350,000	\$430,000	\$900,000	\$12,680,000
Total	\$49,960,000	\$1,900,000	\$3,950,000	\$55,810,000

- (1) Based on the distribution of the 1st LOGT, the Sumter County BOCC would be entitled to approximately 90 percent of the 2nd LOGT revenues
- (2) Based on the distribution of the 1st LOGT, the City of Bushnell would be entitled to approximately 2.5 percent of the 2nd LOGT revenues
- (3) Based on the distribution of the 1st LOGT, the City of Wildwood would be entitled to approximately 5.3 percent of the 2nd LOGT revenues

Section 3.2: Enhanced Revenue Option 2 – Additional Road Impact Fee Revenues

This option estimates the revenues for Sumter County resulting from the periodic phasing of the road impact fee. Currently, the county has adopted the calculated impact fee rate at 50 percent. Option 2 assume a 15 percent increase in the adopted fees every five years until the adopted rates are equal to 100 percent of the calculated rate, as illustrated below:

- FY 2016 – Increase adoption percentage to 65%
- FY 2021 – Increase adoption percentage to 80%
- FY 2026 – Increase adoption percentage to 95%
- FY 2031 – Increase adoption percentage to 100%

Table 3-2 illustrates the additional impact fee revenues that could be available if the County decides to phase the road impact fee as discussed above. Based on these assumptions, between 2014 and 2035, it is estimated that Sumter County could potentially generate an additional \$131.3 million in road impact fee revenue. It should be noted that the impact fee projections do not assume any change to the rate other than increasing the adoption percentage of the currently calculated single family rate.

Table 3-2
Sumter County Enhanced Revenue Option 2
Estimated Additional Revenues from Phased Road Impact Fee (2014-2035)

Time Period	Adoption Percentage ⁽¹⁾	Single Family Fee ⁽²⁾	Additional Impact Fee Revenue ⁽³⁾
2014-2015	50%	\$2,600	\$0
2016-2020	65%	\$3,380	\$9,950,000
2021-2025	80%	\$4,160	\$23,640,000
2026-2030	95%	\$4,940	\$42,120,000
2031-2035	100%	\$5,200	\$55,580,000
Total			\$131,290,000

(1) Recommended phasing schedule based on discussions with County staff

(2) Single family residential fee rate based on the phased adoption percentages

(3) Additional impact fee revenues collected as a result of phasing

Section 4: Baseline Revenues – Lake County

Lake County uses revenues collected from road impact fees, gas taxes, local discretionary sales surtax (sales tax), and MSTU (ad valorem taxes) to fund local capacity expansion and maintenance improvements. The County also has a fixed-route transit system whose capital and operating expenses are funded through a combination of federal, state, and local sources, as demonstrated in the 2008 Lake County Transit Development Plan (TDP). In addition, Lake County dedicates a portion of its local sales tax revenues to fund sidewalk improvements.

SIS Highway/FIHS Program

The FDOT takes the lead in identifying planned projects on the SIS and FIHS. Based on the FDOT 2035 SIS/FIHS Long Range Highway Capacity Plan, between 2014 and 2035 approximately \$69.0 million will be available to fund the following SIS projects along US 27 in Lake County:

- Improvements to the interchange of US 27 at SR 50; and,
- Widening US 27 from Lake Louisa Road to north of Cluster Oaks Drive.

State/Federal Revenue Sources

Based on FDOT revenue projections, Lake County will have approximately \$197.4 million of “Other Arterial” construction/ROW funds available for state roadway capacity expansion projects that are not designated as part of the SIS or FIHS. Per FDOT, no metropolitan estimates for non-capacity programs (i.e. maintenance) have been developed. Consistent with the document entitled “Financial Guidelines for MPO Long Range Plans,” adopted in October 2007 by the Metropolitan Planning Organization Advisory Council (MPOAC), the Department will prepare a summary of these program estimates and state objectives for inclusion in the documentation of the metropolitan long rang plan and provide the Appendix to each respective MPO. Similar to Sumter County, Lake County is receiving federal stimulus revenue from the 2009 ARRA, but this revenue will be expended prior to 2014 and is not included in the TRANSPORTATION 2035 revenue analysis.

A total of \$17.5 million from 2014 to 2035 for the Enhancement Program are available for activities such as the provision of bicycle and pedestrian facilities.

County Revenue Sources

Road impact fees are a revenue source that is used exclusively for capacity expansion projects. Lake County adopted new impact fees at 50 percent of the calculated rate with an effective date of October 12, 2009. For purposes of projecting impact fees, the recently adopted impact fee rates are assumed to remain constant through 2035.

Consistent with typical methodologies for calculating future impact fees, the revenues are based on future population projections. The population projections, as shown in Exhibit 4-1, assume a lower initial growth rate that increases over time. The year 2035 population projection is consistent with the “Medium” projection in the Bureau of Economic and Business Research’s (BEBR) *Florida Statistical Abstract*.

The existing rate of 2.34 persons per household, as reported by the US Census Bureau, is used to determine how many new homes will be necessary to accommodate the population growth. Recognizing that Lake County has an existing inventory of approximately 5,000 dwelling units, it is anticipated that a portion of the initial population growth will move into existing units. This portion of the population growth will not generate new impact fee revenues. This trend will likely continue until a stable level of inventory is achieved. After the housing inventory becomes stable, impact fees from new permits will be generated consistently with the population growth. To provide a conservative analysis, it is assumed that Lake County will reach a stable level of inventory by year 2015. The calculation of total dwelling units and occupied dwelling units is shown graphically in Exhibit 4-2. Note that the line of Total DU’s approaches the line of Occupied DU’s until a stable level of inventory is achieved. Table 4-1 summarizes historic and projected future impact fees on an annual basis. As shown in the table, fees projected for years 2010 and 2011 are considerably less than the fees collected in year 2009. Fees that are consistent with year 2008 are not expected to be generated until year 2020, while fees consistent with year 2007 are not expected until year 2031.

Exhibit 4-1: Lake County Population (1980-2035)

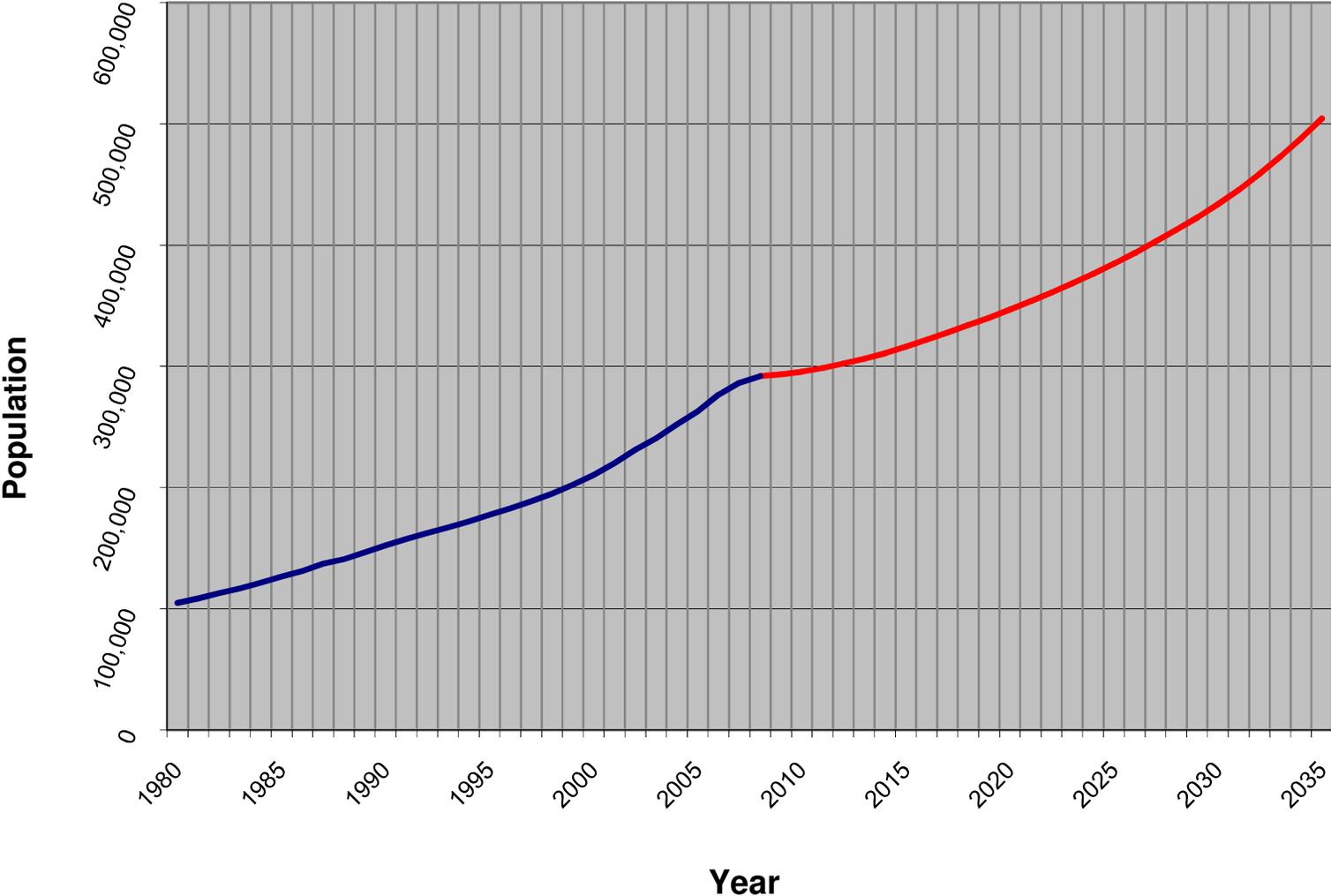
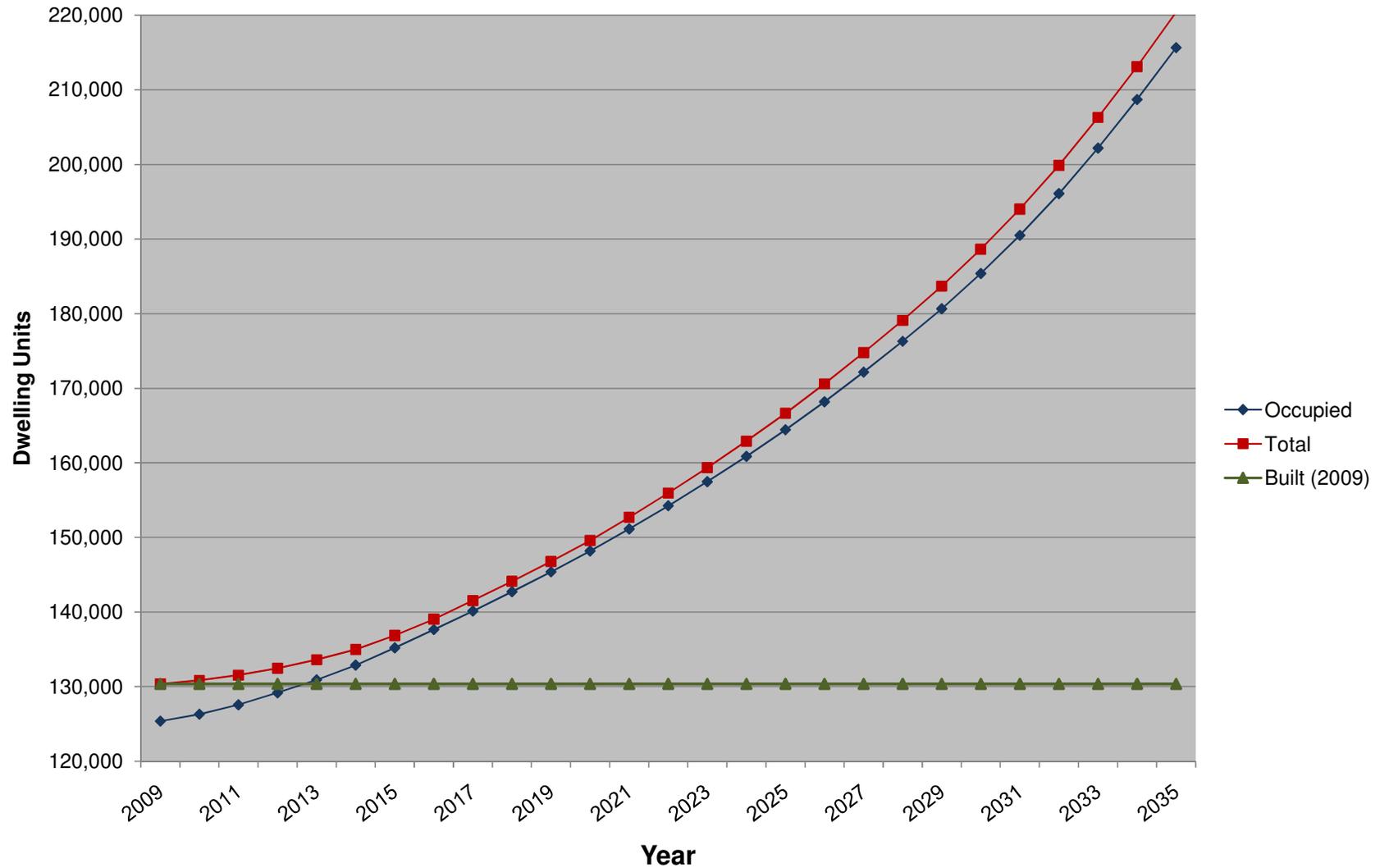


Exhibit 4-2: Future Permits and Dwelling Units (2009-2035)



Note: New Permits are represented by the space between the DU's built by 2009 and the Total DU's.
 Fluctuation of available inventory is represented by the space between the Total DU's and the Occupied DU's

**Table 4-1
Lake County Historic and Projected Impact Fee Revenues
(2014-2035)**

Year	Historic Revenue	Projected Revenue	By Planning Period	
2006	\$15,190,000		N/A	
2007	\$12,270,000			
2008	\$8,170,000			
2009	\$2,280,000			
2010		\$1,340,000		
2011		\$1,800,000		
2012		\$2,500,000		
2013		\$2,980,000		
2014		\$3,350,000		\$9,970,000
2015		\$6,620,000		
2016		\$6,930,000	\$36,900,000	
2017		\$7,090,000		
2018		\$7,340,000		
2019		\$7,600,000		
2020		\$7,940,000		
2021		\$8,860,000	\$48,080,000	
2022		\$9,260,000		
2023		\$9,220,000		
2024		\$10,120,000		
2025		\$10,620,000		
2026		\$11,200,000	\$62,010,000	
2027		\$11,910,000		
2028		\$11,760,000		
2029		\$13,060,000		
2030		\$14,080,000		
2031		\$15,290,000	\$90,430,000	
2032		\$16,680,000		
2033		\$18,280,000		
2034		\$19,390,000		
2035		\$20,790,000		
Total			\$247,390,000	

Between 2014 and 2035, it is estimated that road impact fees will generate approximately \$247 million in capital revenues for Lake County.

The County Transportation Trust fund (CTT) is a revenue source comprised of all gas tax revenues (i.e., constitutional, county, local option, and ninth-cent). Based on the FY 2010 Budget and discussions with County staff, 30 percent of CTT revenues are available for capitalized maintenance projects, while no CTT revenues are dedicated to capital projects. From 2014 to 2035, it is estimated that \$63.5 million will be generated in CTT funds.

Lake County has implemented a one-cent local discretionary sales tax, of which the County's portion is one-third. Of the County's portion of the sales tax revenue, 50 percent is spent on transportation-related expenditures. Of new sales tax revenue to be expended for transportation, the County distributes 20 percent for capital road construction, 20 percent for capital equipment, 50 percent for resurfacing, and 10 percent for sidewalks and trails. The current sales tax is effective until December 31, 2017; however, for purposes of projecting baseline revenues, it is assumed that the sales tax will be reauthorized and the County will continue to receive one-third of the total revenue and the distribution of transportation-related expenditures will continue as described above. From 2014 to 2035, it is estimated that \$18.3 million for capacity and \$45.7 million for maintenance will be generated by sales tax revenues.

Lake County has enacted an MSTU of 0.4984 mills that funds stormwater, parks, and transportation expenditures. Of the total MSTU revenue, approximately 20 percent is allocated for transportation and is spent on maintenance expenditures as follows: 80 percent for resurfacing and the remaining 20 percent for micro-sealing existing roads and other capitalized road maintenance as needed. From 2014 to 2035, it is estimated that \$29.5 million will be generated by MSTU funds.

The Impact Fee (\$247.4 million) and Sales Tax projections (\$18.3 million) combine for a total of \$265.7 million in anticipated capacity revenue. The Gas Tax (\$63.5 million), Sales Tax (\$45.7 million), and MSTU funds (\$29.5 million) combine for a total of \$138.7 million in anticipated maintenance revenue.

Combined Revenue Sources

Roads

Table 4-2 presents the total local, state and federal funds available for capacity projects in Lake County from 2014 to 2035. Local (\$265.7 million), State/Federal (\$197.4 million), and SIS/FIHS (\$69 million) revenues combine for an estimated \$532.1 million in revenue for Capacity.

Table 4-3 summarizes the funds available for maintenance, totaling \$138.7 million from 2014 to 2035.

**Table 4-2
Lake County Revenues for Capacity (2014-2035)**

Time Period	Local ⁽¹⁾	State/Federal ⁽²⁾	SIS/FIHS ⁽²⁾	Total
2014 - 2015	\$11,310,000	\$12,840,000	\$0	\$24,150,000
2016 - 2020	\$40,460,000	\$39,550,000	\$0	\$80,010,000
2021 - 2025	\$52,010,000	\$44,550,000	\$0	\$96,560,000
2026 - 2030	\$66,420,000	\$47,950,000	\$38,000,000	\$152,370,000
2031 - 2035	\$95,490,000	\$52,500,000	\$31,000,000	\$178,990,000
Total	\$265,690,000	\$197,390,000	\$69,000,000	\$532,080,000

(1) Includes impact fees and sales tax funds.

(2) Source: Other arterials for construction/ROW from FDOT

(3) Source: 2035 FDOT SIS/FIHS Cost Affordable Plan, August 2008

**Table 4-3
Lake County Revenues for Maintenance (2014-2035)**

Time Period	Local ⁽¹⁾	State/Federal ⁽²⁾	SIS/FIHS ⁽²⁾	Total
2014 - 2015	\$11,250,000	n/a	n/a	\$11,250,000
2016 - 2020	\$29,030,000	n/a	n/a	\$29,030,000
2021 - 2025	\$30,540,000	n/a	n/a	\$30,540,000
2026 - 2030	\$32,580,000	n/a	n/a	\$32,580,000
2031 - 2035	\$35,350,000	n/a	n/a	\$35,350,000
Total	\$138,750,000	n/a	n/a	\$138,750,000

(1) Includes gas taxes, sales tax and MSTU funds.

(2) FDOT does not provide specific amount for maintenance. FDOT will provide documentation to address maintenance on the State Highway System.

Transit

Lake County receives state and federal funds to aid in covering transit capital and operating expenses. FDOT provided revenue forecasts for state and federal funds anticipated to be available for Lake County, totaling approximately \$114.6 million from 2014 to 2035.

Lake County 2008 Transit Development Plan (TDP) identifies projected revenues from State and Federal sources from year 2009 to 2020. For projection purposes, local operating revenues are assumed to grow by 2.5 percent annually from 2021 through 2035. It should be noted that the State and Federal revenues estimated in the TDP are significantly higher than the State and Federal revenue forecasts developed by FDOT, as shown in Table 4-4. FDOT estimates that State and Federal sources will account for \$114.6 million between 2014 and 2035 while the TDP estimates that the State and Federal sources will account for \$276.8. The revenues identified in the TDP are assumed to be more accurate since it is based on more detailed estimates specific to Lake County.

**Table 4-4
State/Federal Revenues for Transit (2014-2035)**

Time Period	State/Federal	
	Source: FDOT	Source: Lake County TDP
2014 - 2015	\$8,250,000	\$37,700,000
2016 - 2020	\$22,360,000	\$91,080,000
2021 - 2025	\$25,160,000	\$43,390,000
2026 - 2030	\$28,090,000	\$49,090,000
2031 - 2035	\$30,730,000	\$55,540,000
Total	\$114,590,000	\$276,800,000

The selected alternative in the TDP, Alternative 1, estimates that Lake County will generate \$111.4 million in local transit revenues. It should be noted that Alternative 1 includes capital and operating costs associated with the Northwest Commuter Rail, which is anticipated to run from Orlando to Mount Dora. Table 4-5 summarizes the projected revenues available for transit in Lake County. Local and State/Federal funds combine to total an estimated \$388.2 million from 2014 to 2035.

Using the financial analysis of the preferred alternative in the TDP, an annual gap of approximately \$4.5 million will need to be covered by additional local revenues.

**Table 4-5
Lake County Revenues for Transit (2014-2035)**

Time Period	Local ⁽¹⁾	State/Federal ⁽²⁾	Total
2014 - 2015	\$7,210,000	\$37,700,000	\$44,910,000
2016 - 2020	\$20,950,000	\$91,080,000	\$112,030,000
2021 - 2025	\$24,390,000	\$43,390,000	\$67,780,000
2026 - 2030	\$27,590,000	\$49,090,000	\$76,680,000
2031 - 2035	\$31,220,000	\$55,540,000	\$86,760,000
Total	\$111,360,000	\$276,800,000	\$388,160,000

(1) - Includes local funds and fares

(2) - Source: Lake County TDP

Sidewalks

As previously mentioned, the Lake County local discretionary sales surtax dedicates 10 percent of its proceeds to sidewalks and trails. It is estimated that 9.2 million will be available from 2014 to 2035,

Enhancements

A portion of the total state and federal revenues for capacity projects are allocated to Enhancement Programs as defined by SAFETEA-LU. The State/Federal revenues for enhancement projects total \$17.5 million for the period from 2014 to 2035.

Combined Revenues

Table 4-6 presents the total baseline county, state and federal funds available for transportation projects by mode in Lake County from 2014 to 2035. It is anticipated that \$532.1 million will be available for roads, \$388.2 million for transit, and \$26.6 million for enhancements and sidewalks for a total of \$946.9 million.

**Table 4-6
Lake County Revenues by Mode (2014-2035)**

Time Period	Roads	Transit	Enhancements & Sidewalks	Total
2014 - 2015	\$24,150,000	\$44,910,000	\$2,100,000	\$71,160,000
2016 - 2020	\$80,010,000	\$112,030,000	\$5,570,000	\$197,610,000
2021 - 2025	\$96,560,000	\$67,780,000	\$5,970,000	\$170,310,000
2026 - 2030	\$152,370,000	\$76,680,000	\$6,320,000	\$235,370,000
2031 - 2035	\$178,990,000	\$86,760,000	\$6,670,000	\$272,420,000
Total	\$532,080,000	\$388,160,000	\$26,630,000	\$946,870,000

Municipalities

The remainder of Section 4 presents the baseline revenues for the selected municipalities in Lake County. To develop the TRANSPORTATION 2035 revenue projections for each of these municipalities, the most recent budget and finance information available was utilized. The following is a list of the annual budgets used to develop revenue projections for each municipality included in the analysis:

- City of Clermont (proposed FY 2009-10)
- City of Eustis (adopted FY 2008-09)
- City of Lady Lake (proposed FY 2009-10)
- City of Leesburg (proposed FY 2009-10)
- City of Minneola (adopted FY 2008-09)
- City of Mount Dora (proposed FY 2009-10)
- City of Tavares (proposed FY 2009-10)

Of the seven municipalities listed above, five allocate funding for either transportation capital or maintenance or a combination thereof. The remainder of this section includes a discussion of the baseline revenue sources for these five municipalities.

Section 4.1: Baseline Revenues – City of Clermont

Based on the proposed FY 2010 budget, the City of Clermont uses a portion of the sales tax to fund the local roadway maintenance improvements and sidewalk improvements. Of the City’s portion of the sales tax, approximately 18 percent is spent on roadway maintenance and 3 percent on sidewalk improvements. This trend is assumed to continue for the duration of the 2035 LRTP. No state or federal revenues are available for city transportation projects and, currently, the City does not provide any revenues for capital expansion projects or for transit improvements. City gas tax revenues are not used for any capitalized maintenance, but instead are used towards departmental operational expenses.

Approximately \$507,000 is anticipated for road maintenance and \$83,000 is anticipated for sidewalk capacity improvements for a total of \$590,000. Table 4-7 presents the total local revenues (capital and maintenance) estimated to be available for transportation projects in the City of Clermont from 2014 to 2035.

**Table 4-7
City of Clermont Baseline Revenues (2014-2035)**

Time Period	Local ⁽¹⁾		Total
	Roads	Sidewalks	
2014 - 2015	\$37,000	\$6,000	\$43,000
2016 - 2020	\$99,000	\$16,000	\$115,000
2021 - 2025	\$109,000	\$18,000	\$127,000
2026 - 2030	\$122,000	\$20,000	\$142,000
2031 - 2035	\$140,000	\$23,000	\$163,000
Total	\$507,000	\$83,000	\$590,000

(1) Source: Includes sales tax revenues. Based on a review of the City’s FY 2010 Budget, approximately 18 percent is dedicated to roadway maintenance and 3 percent is dedicated to sidewalk improvements.

Section 4.2: Baseline Revenues – City of Eustis

The City of Eustis uses gas tax and sales tax revenues to fund the local roadway maintenance expenditures, which includes sidewalk improvements. Based on a review of the City's adopted FY 2009-10 Budget and discussions with City staff, approximately 38 percent of gas tax revenue and 50 percent of sales tax revenue is available for maintenance expenditures. No state or federal revenues are available for city transportation projects and currently, the City does not provide any revenues for capital expansion projects or for transit improvements.

Approximately \$2.9 million is estimated through the Local Option Gas Tax, with an additional \$2.2 million from the 9th cent gas tax. It is estimated that approximately \$19.4 million will be available from sales tax revenue. Table 4-8 presents the total local maintenance revenues estimated to be available for transportation projects in the City of Eustis from 2014 to 2035.

Table 4-8
City of Eustis Baseline Revenues (2014-2035)

Time Period	Local ⁽¹⁾
2014 - 2015	\$1,880,000
2016 - 2020	\$4,940,000
2021 - 2025	\$5,330,000
2026 - 2030	\$5,830,000
2031 - 2035	\$6,520,000
Total	\$24,500,000

(1) Source: Includes gas tax and sales tax revenues

Section 4.3: Baseline Revenues – City of Leesburg

The City of Leesburg uses gas tax revenues to fund the local roadway maintenance improvements and sidewalk improvements. Based on a review of the proposed FY 2010 Budget, 90 percent of the available gas tax revenue is available for maintenance expenditures. The remaining 10 percent of the available gas tax revenue is expended on sidewalk improvements. No state or federal revenues are available for city transportation projects and currently, the City does not provide any revenues for capital expansion projects or for transit improvements.

Table 4-9 presents the total local revenues (capital and maintenance) estimated to be available for transportation projects in the City of Leesburg from 2014 to 2035. Approximately \$15.2 million is anticipated for road maintenance and \$1.7 million is anticipated for sidewalk capacity improvements, for a total of \$16.9 million.

Table 4-9
City of Leesburg Baseline Revenues (2014-2035)

Time Period	Local ⁽¹⁾		Total
	Roads	Sidewalks	
2014 - 2015	\$1,380,000	\$150,000	\$1,530,000
2016 - 2020	\$3,450,000	\$380,000	\$3,830,000
2021 - 2025	\$3,450,000	\$380,000	\$3,830,000
2026 - 2030	\$3,450,000	\$380,000	\$3,830,000
2031 - 2035	\$3,450,000	\$380,000	\$3,830,000
Total	\$15,180,000	\$1,670,000	\$16,850,000

(1) Source: Includes gas tax revenues

Section 4.4: Baseline Revenues – City of Mount Dora

The City of Mount Dora uses sales tax revenue to fund maintenance improvements, including road resurfacing, curbs and sidewalks. Based on the City’s proposed FY 2010 Budget, approximately 16 percent of the City’s sales tax revenues are used for this purpose. No state or federal revenues are available for City transportation projects and currently, the city does not provide any revenues for capital expansion projects or for transit and improvements.

Table 4-10 presents the total local maintenance revenue, totaling \$4 million, estimated to be available for transportation projects in the City of Mount Dora from 2014 to 2035.

Table 4-10
City of Mount Dora Baseline Revenues (2014-2035)

Time Period	Local ⁽¹⁾
2014 - 2015	\$290,000
2016 - 2020	\$790,000
2021 - 2025	\$870,000
2026 - 2030	\$970,000
2031 - 2035	\$1,110,000
Total	\$4,030,000

(1) Source: Assumes that 16 percent of the estimated annual sales tax revenues for Mt. Dora are dedicated to roadway maintenance

Section 4.5: Baseline Revenues – City of Tavares

Based on the proposed FY 2010 Budget, the City of Tavares uses approximately 3 percent of sales tax revenue to fund sidewalk improvements. It should be noted that the City is also currently repaying debt service with sales tax, a portion of which funded capitalized maintenance projects. No state or federal revenues are available for city transportation projects and currently, the City does not provide any revenues for road capital expansion or projects maintenance expenditures or for transit improvements.

Table 4-11 presents the total local capacity revenue, totaling \$830,000, estimated to be available for transportation projects in the City of Tavares from 2014 to 2035.

**Table 4-11
City of Tavares Baseline Revenues (2014-2035)**

Time Period	Local ⁽¹⁾
2014 - 2015	\$60,000
2016 - 2020	\$160,000
2021 - 2025	\$180,000
2026 - 2030	\$200,000
2031 - 2035	\$230,000
Total	\$830,000

- (1) Source: Sales tax revenues.
Approximately 3 percent of sales tax revenues are dedicated to sidewalk improvements

Section 5: Enhanced Revenues – Lake County

In October 2007, the Lake County Board of County Commissioners (BOCC) created the Transportation Alternative Funding Task Force (referred to hereinafter as the Task Force) to review budget and planning information and make transportation funding recommendations accordingly. Following a series of meetings, the Task Force issued a report in December 2008 documenting a series of potential funding solutions for both road capital and maintenance. Of the options included in the 2008 Task Force Report, the following four options were found to be the most feasible for inclusion in the TRANSPORTATION 2035 revenue analysis. For reference purposes, the number and title of these four options correlate to the Task Force's December 2008 Report. It should be noted that no assumptions have been made as to the effect the increased revenues from these four options would have on the impact fee revenue credit or the impact fee rate. It is assumed that, of the four revenue options, only Task Force Option 7 (enacting the 2nd Local Option Gas Tax) would provide enhanced revenues to the municipalities. The remaining three Task Force Options will generate revenue on a countywide basis; however, it is assumed that revenue for these options would be allocation through Lake County.

Section 5.1: Task Force Option 2 - Ad Valorem Property Tax

Task Force Option 2 assumes a percentage of general fund revenues will be dedicated to roadway maintenance. Consistent with the Task Force's recommendation, the percentage of general fund dedicated to countywide transportation maintenance is initially two percent in Year 1 and increases to four percent in Year 3 and eight percent in Year 4, remaining at 8 percent thereafter.

Table 5-1 presents the total ad valorem revenues of approximately \$189.9 million projected to be generated for countywide transportation maintenance projects in Lake County from 2014 to 2035 under this revenue option.

Table 5-1
Task Force Option 2: Countywide Ad Valorem Revenues
(2014-2035)

Time Period	General Fund Revenue
2014 - 2015	\$13,720,000
2016 - 2020	\$36,590,000
2021 - 2025	\$40,400,000
2026 - 2030	\$45,950,000
2031 - 2035	\$53,270,000
Total	\$189,930,000

Source: Based on the General Fund Revenue estimated in the Lake County Tentative FY 2010 Budget, ad valorem revenues were projected through 2035 using a conservative inflation rate.

Section 5.2: Task Force Option 4b - Commercial New Growth Ad Valorem Property Tax

Task Force Option 4b includes using new property taxes from new commercial development (for a period of five years) on transportation capacity projects. After the five-year period, the tax revenue would go into the general fund. To develop this scenario, a review of the taxable value of new commercial development since 2005 was undertaken, based on information provided by the Lake County Property Appraiser. During this period, the annual tax revenue from new commercial development averaged \$68 million. For purposes of projecting tax revenues, the existing millage rate of 4.6511 is assumed to remain constant through 2035. Under this option, it is assumed that the revenues are allocated to transportation beginning in year 2014.

Table 5-2 presents the total commercial new growth ad valorem revenues of \$39.3 million that could be available for transportation capacity projects in Lake County from 2014 to 2035.

**Table 5-2
Commercial New Growth Ad Valorem Revenues (2014-2035)**

Time Period	Taxable Value of New Commercial Construction	Dedicated to Transportation Capacity
Total (2014-2015)	\$137,988,000	\$961,000
Total (2016-2020)	\$368,051,000	\$7,316,000
Total (2021-2025)	\$406,358,000	\$9,087,000
Total (2026-2030)	\$462,200,000	\$10,177,000
Total (2031-2035)	\$535,817,000	\$11,756,000
Total (2014-2035)	\$1,910,414,000	\$39,297,000

Source: Lake County Property Appraiser for Historical New Commercial Annual Taxable Values.

Section 5.3: Task Force Option 5a - Countywide MSTU

As previously discussed, Lake County currently dedicates a portion of its MSTU to fund transportation maintenance expenses. Task Force Option 5a provides for a countywide MSTU dedicated solely to roadway maintenance. The Task Force recommendation did not provide a specific millage for the transportation MSTU; therefore, several scenarios were developed based on 0.25-mills, 0.5-mills, 0.75-mills, and 1-mill. It is assumed that, should this option be chosen, the portion of the current stormwater/parks/transportation MSTU revenue used for transportation will be replaced by the Countywide Transportation MSTU. As such, this option takes into account the existing MSTU revenues dedicated to roadway maintenance and calculates the net increase in MSTU revenue that would be available to fund roadway capacity and maintenance. This option, because it is a countywide MSTU, would require interlocal agreements to be signed with all the municipalities in Lake County.

Table 5-3 presents the total countywide MSTU revenues available for transportation capacity and maintenance projects in Lake County from 2014 to 2035 under the various millage options previously discussed, which could generate revenues from \$104.8 million to \$507.8 million.

**Table 5-3
Enhanced Countywide MSTU Revenues (2014-2035)**

Time Period	1/4 - mill	1/2 - mill	3/4 - mill	1 - mill
2014 - 2015	\$7,570,000	\$17,270,000	\$26,980,000	\$36,680,000
2016 - 2020	\$20,200,000	\$46,070,000	\$71,950,000	\$97,830,000
2021 - 2025	\$22,300,000	\$50,870,000	\$79,440,000	\$108,010,000
2026 - 2030	\$25,360,000	\$57,860,000	\$90,360,000	\$122,850,000
2031 - 2035	\$29,400,000	\$67,070,000	\$104,750,000	\$142,420,000
Total	\$104,830,000	\$239,140,000	\$373,480,000	\$507,790,000

Source: Based on the countywide taxable value used in the Lake County FY 2010 Budget. Ad valorem revenues were projected through 2035 using a conservative inflation rate.

Section 5.4: Task Force Option 7 - Gas Taxes

This option estimates the potential revenues for both the Lake County BOCC and municipalities resulting from adoption of five pennies of the 2nd LOGT. To estimate revenues for this option, the value per penny of the 1st LOGT is used as a proxy to estimate the value per penny for the 2nd LOGT. In addition, it is assumed that the 2nd LOGT revenues will be distributed between the Lake County BOCC and the municipalities using the same percentages as the 1st LOGT. The County could adopt up to the five maximum pennies of 2nd LOGT. For purposes of illustrating the revenue potential for this option, Table 5-4 presents the potential revenue that could be generated for Lake County BOCC and the selected municipalities if all five pennies of the 2nd LOGT were adopted and effective starting in 2014. It should be noted that there is not annual increased in gas tax revenue assumed as it is anticipated any decrease in gas tax revenue due to increased fuel efficiency will be offset by increases in federal, state, or local gas taxes. A total of \$89.4 million could be generated from 2014 to 2035 if the five penny maximum of the LOGT is adopted.

**Table 5-4
2nd LOGT (5 pennies) Revenues (2014-2035)**

Time Period	Lake County	Clermont	Eustis	Lady Lake	Leesburg	Minneola	Mt. Dora	Tavares	Total
2014-15	\$5,696,514	\$311,926	\$586,998	\$142,900	\$671,060	\$52,548	\$355,806	\$307,574	\$8,125,326
2016-20	\$14,241,285	\$779,815	\$1,467,495	\$357,250	\$1,677,650	\$131,370	\$889,515	\$768,935	\$20,313,315
2021-25	\$14,241,285	\$779,815	\$1,467,495	\$357,250	\$1,677,650	\$131,370	\$889,515	\$768,935	\$20,313,315
2026-30	\$14,241,285	\$779,815	\$1,467,495	\$357,250	\$1,677,650	\$131,370	\$889,515	\$768,935	\$20,313,315
2031-35	\$14,241,285	\$779,815	\$1,467,495	\$357,250	\$1,677,650	\$131,370	\$889,515	\$768,935	\$20,313,315
Total	\$62,661,654	\$3,431,186	\$6,456,978	\$1,571,900	\$7,381,660	\$578,028	\$3,913,866	\$3,383,314	\$89,378,586

Source: The distribution of gas tax revenues is from the 2009-2010 Florida LCIR document. Revenue estimates for the 2nd LOGT are based on the value per penny of the 1st LOGT based on the FY 2009-10 distribution between the Lake BOCC and the municipalities. For purposes of this projection, it is assumed that gas tax revenues will remain constant through 2035.