BUSINESS IMPACT ESTIMATE

This form should be included in agenda packet for the item under which the proposed ordinance is to be considered and must be posted on the County's website by the time notice of the proposed ordinance is published.

Proposed ordinance's title/reference: AN ORDINANCE OF ESCAMBIA COUNTY, FLORIDA, DIRECTING THE SUPERVISOR OF ELECTIONS TO PLACE A REFERENDUM QUESTION ON THE GENERAL ELECTION BALLOT OF ESCAMBIA COUNTY ON NOVEMBER 3, 2026 TO EXTEND, PURSUANT TO SECTION 212.055, FLORIDA STATUTES, THE AUTHORITY TO LEVY THE ONE-CENT LOCAL OPTION SALES TAX IMPOSED BY ORDINANCE 2014-32 FOR TEN YEARS; PROVIDING THAT, SUBJECT TO APPROVAL BY REFERENDUM OF THE VOTERS OF THE COUNTY ON NOVEMBER 3, 2026, THE LEVY WILL BE EFFECTIVE FROM JANUARY 1, 2029 THROUGH DECEMBER 31, 2038; PROVIDING BALLOT LANGUAGE; DIRECTING THE CLERK TO THE BOARD OF COUNTY COMMISSIONERS TO ADVERTISE NOTICE OF SUCH REFERENDUM ELECTION IN ACCORDANCE WITH FLORIDA LAW; PROVIDING FOR DISTRIBUTION OF PROCEEDS TO THE COUNTY AND MUNICIPALITIES PURSUANT TO LAW OR INTERLOCAL AGREEMENT; PROVIDING FOR USE OF REVENUES; PROVIDING FOR NOTICES TO THE DEPARTMENT OF REVENUE; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

As indicated below, the County has determined that the following exception(s) to the Business Impact Estimate requirement apply to the above-referenced proposed ordinance.

☒ The proposed ordinance is required for compliance with federal or state law or regulation;

☐ The proposed ordinance relates to the issuance or refinancing of debt;

☒ The proposed ordinance relates to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget;

☐ The proposed ordinance is required to implement a contract or an agreement, including, but not limited to, any federal, state, local, or private grant, or other financial assistance accepted by the County;

☐ The proposed ordinance is an emergency ordinance;

☐ The proposed ordinance relates to procurement; or

☐ The proposed ordinance is enacted to implement the following:

a. Development orders and development permits, as those terms are defined in Section 163.3164, Florida Statutes, and development agreements, as authorized by the Florida Local Government Development Agreement Act pursuant to §§ 163.3220-163.3243;
b. Comprehensive plan amendments and land development regulation amendments initiated by an application by a private party other than the county;
c. Sections 190.005 and 190.046, Florida Statutes, regarding community development districts;
d. Section 553.73, Florida Statutes, relating to the Florida Building Code; or
e. Section 633.202, Florida Statutes, relating to the Florida Fire Prevention Code.

Notwithstanding the application of the exemption(s) noted above, or in the absence of any applicable exemption, the County hereby publishes the following information in accordance with the provisions of Section 125.66(3), Florida Statutes:

1. Summary of the proposed ordinance, including a statement of the public purpose, such as serving the public health, safety, morals, and welfare: N/A

2. Estimate of direct economic impact of the proposed ordinance on private, for-profit businesses in the County, including, if any, the following: N/A

a) Estimate of direct compliance costs that businesses may reasonably incur: N/A

b) Any new charge or fee imposed on businesses or for which businesses will be responsible: N/A

c) Estimate of the County's regulatory costs, including estimated revenues from any new charges or fees to cover such costs: N/A

3. A good faith estimate of the number of businesses likely to be impacted by the proposed ordinance: N/A

4. Additional information, if any, which may include the methodology used to derive the information above, such as soliciting comments from businesses in the County regarding the potential impact, and any efforts to reduce the potential impact on businesses. If applicable, may also state the proposed ordinance applies to all similarly situated persons (individuals and businesses) and, therefore, does not only impose costs upon businesses.

N/A

Approved as to form and legal sufficiency.

By/Title:

Date: 6/11/21

Haas Center
UNIVERSITY of WEST FLORIDA

Escambia County Local Option Sales Tax (LOST) Economic Impact Analysis

May 19, 2026

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About Us

The UWF Haas Center supports the region and the state with workforce and survey research, economic impact modeling, and industrial innovation. We partner with UWF students, faculty, and external experts to deliver optimal results to our customers. We tell stories centered around economic data and human experience.

We are known for the breadth and depth of our data resources and have been for 30 years. We provide textured, meaningful analysis to an array of customers from the public and non-profit sectors to private industry, including manufacturing.

An immersive public manufacturing laboratory, Sea3D in Pensacola's Historic District, showcases what is possible when creative minds intersect with industry leaders in additive and advanced manufacturing.

To learn more about our services, please visit our website: haas.uwf.edu

Escambia County
Local Option Sales Tax (LOST)
Economic Impact Analysis

Monday 19 May 2026

The Escambia County Board of County Commissioners retained researchers at the University of West Florida Haas Center to (1) evaluate the economic and fiscal impacts of LOST-funded expenditures across the county using input-output modeling, (2) develop a ten-year revenue forecast based on sales tax data from the Florida Department of Revenue and the Escambia County Tax Collector, and (3) estimate the number of jobs these expenditures support.

This analysis accounts for historical trends, seasonal patterns, and anticipated growth in countywide sales to produce an informed outlook on future LOST revenues. Lastly researchers estimate the contribution of tourism and recreation revenue collections.

Beyond Florida's base sales and use tax, Florida counties have the authority to add an extra local tax known as a discretionary sales surtax (or local option sales tax). Businesses are required to collect both the state sales tax and any applicable surtax at the point of sale and remit the combined amount to the Florida Department of Revenue. The Department then distributes the proceeds to the counties that levied it, where the funds are used to support approved local projects. Surtax dollars are then used to fund projects like infrastructure repairs, construction of roadways, public safety improvements, parks and stormwater drainage. Escambia County, FL collects a one-percent infrastructure surtax in place since 1992 and continuing through 2028, though it is scheduled for another vote in 2026.

Key Findings:

- Projects funded with surtax revenues are estimated to support an average of **4,200 jobs**.
- Approximately **84.7 percent** of LOST revenue is allocated to the county, with the remaining shares being distributed among the municipalities of the City of Pensacola and the Town of Century.
- Total Economic Impact of LOST funded projects in Escambia County is **$2.1 billion**.

Methodology: Expenditures are organized into stages to align with the timing of surtax collections. Stages III and IV reflect projects that have been completed or are encumbered. Stage III covers the period from 2009 to 2018, while Stage IV began in 2019 and remains in effect through 2028. Stage V represents the next set of projects to be funded with surtax revenues. This stage is scheduled for voter approval in 2026 and, if approved, will take effect from 2029 through 2038.

Inputs: Within each stage, total expenditures are divided by ten to estimate the average annual spending over a ten-year period. County expenditures were aggregated across all categories, and Stage V is estimated using the average of expenditures from Stages III and IV. This average serves as a proxy for potential regional impacts if the surtax is approved for the next period. Stage III reflects approximately $44.4 million in annual spending from 2009 to 2018, while Stage IV reflects approximately $61.4 million annually from 2019 to 2028.

Cumulative Impacts

The period of analysis for this study includes the previous, ongoing, and potential investment activity for the infrastructure sales tax. This period runs from 2009 through 2038 with expenditures organized into phases to align with the timing of surtax collections. Stages III and IV reflect projects that have been completed or are encumbered. With Stage III covering 2009 through 2018 and Phase IV beginning in 2019 and continuing through 2028. Stage V represents the next set of projects to be funded and is scheduled for voter approval in 2026, and if approved will take effect from 2029 through 2038.

Table 1 displays the results of the IMPLAN model of LOST-funded projects in Escambia County between the fiscal years 2009 and 2028 (Phases III & IV). Only the values for approved expenditures (Phases III & IV) are listed and future activities within Phase V were omitted from the cumulative results since these are yet to be voted upon.

***Table 1**: Economic Impact of LOST-Funded Projects Completed in Escambia County from FY2009 to FY2028*

	Labor Income	GRP	Output
Direct	$515.7M	$731.6M	$1.4B
Indirect	$109.3M	$226.4M	$362.7M
Induced	$98.1M	$206.1M	$328.5M
	$723M	**$1.2B**	**$2.1B**

***Economic Impact Key Terms**:*

***Direct** – input values for the project expenses that are considered the "starting point" of the model. The cost of construction in this case.*

***Indirect** – business-to-business transactions, or purchases made between entities somewhere in the supply chain. This is considered the purchases for materials and other items that occur locally and otherwise would not be present without the LOST construction projects.*

***Induced** – these are the effects stemming from personal spending by individuals who are employed because of a LOST investment. An example might be if a construction manager enrolls her son in math tutoring. The income spent on tutoring services represents induced spending and otherwise not present without the county's LOST investment.*

It is also important to note that these are construction-related expenditures, and the resulting jobs are therefore concentrated within the construction sector. IMPLAN uses a dynamic I-O model that calculates multipliers from the region and current industry presence to measure the effects of economic events taking place. Researchers model the project activity in the supply chain based on resource allocation and general production.

The economic cycle includes tax revenues that stem from consumer spending and property taxes paid to Escambia County by individuals employed with contractors serving on LOST funded projects. Haas Center analysts estimate that these generate approximately $16 million in additional revenue for Escambia County between 2009 and 2028.

Job Creation

The economic impact analysis identifies the major industries influenced through construction and infrastructure changes resulting from LOST investments. Naturally, the largest employment gains are in **Maintenance, Repair, and Construction** of highways, streets, and bridges indicating a large wave of construction jobs through government expenditures. The second largest impact is employment within **Retail** for building materials and garden equipment & supplies, meaning there are local suppliers that contribute to a materials pipeline for LOST investments.

In **Table 2**, the economic impacts of each Phase are individually reported. As mentioned, Phase V is hypothetical and the input values are an average of the two Phases previously reported (III & IV). The "cumulative" results in the previous section of the report excludes Phase V, but it is inclusive below for predictive economic impact. On average, each phase of construction sustains 4,200 jobs. Some of these jobs may be duplicated among Phases. All dollars reported represent 2026 dollars.

***Table 2**: Economic Impact of Each 10-year Phase*[1]

	Years	Jobs*	Labor Income	GRP	Output
Phase III	*2009-2018*	4,872	$365.8M	$588.9M	$1.1B
Phase IV	*2019-2028*	4,759	$357.2M	$575.2M	$1.1B
Phase V	*2029-2038*	3,079	$231.2M	$372.2M	$679.5M

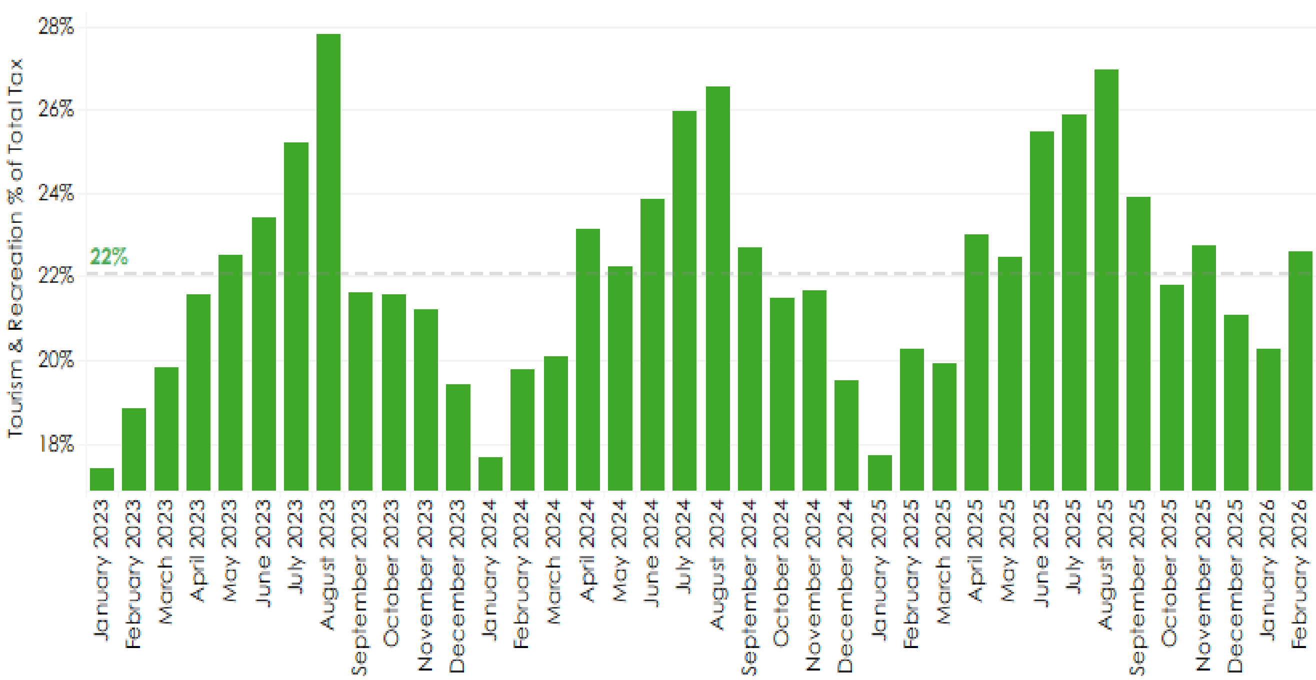
Tourism Spending

County-level project funding becomes more attainable when municipalities and government agencies distribute the tax burden across both residents and visitors through local option surtaxes. Because the Local Option Sales Tax is applied to all taxable transactions, tourists contribute directly to funding local infrastructure and capital improvements. In turn, these investments can reinforce economic activity by supporting

[1] Phase III represents $44.4M input annually from 2009-2018. Phase IV represents $61.4M a year from 2019-2028. Finally, the average between these two helps us project Phase V, which represents $60.2M a year.

continued growth in tourism and recreation-related spending. Using form 11S "Florida Taxable Sales Breakout" from the Florida Department of Revenue, monthly total taxable sales for Escambia can be measured with the county's tourism and recreation sales. The tourism and recreation sales "refer to spending on entertainment and leisure, including hotels, theme parks, movie theatres, mini-golf courses, restaurants, and periodicals." The monthly data is a measure of tourism funded sales as a total percent of the taxable sales. **Figure 1** exhibits January 2023 to February 2026 for tourism and recreational sales as a percent of total taxable sales.

Figure 1: *Percent of Tax Revenue from Tourism & Recreation Spending*



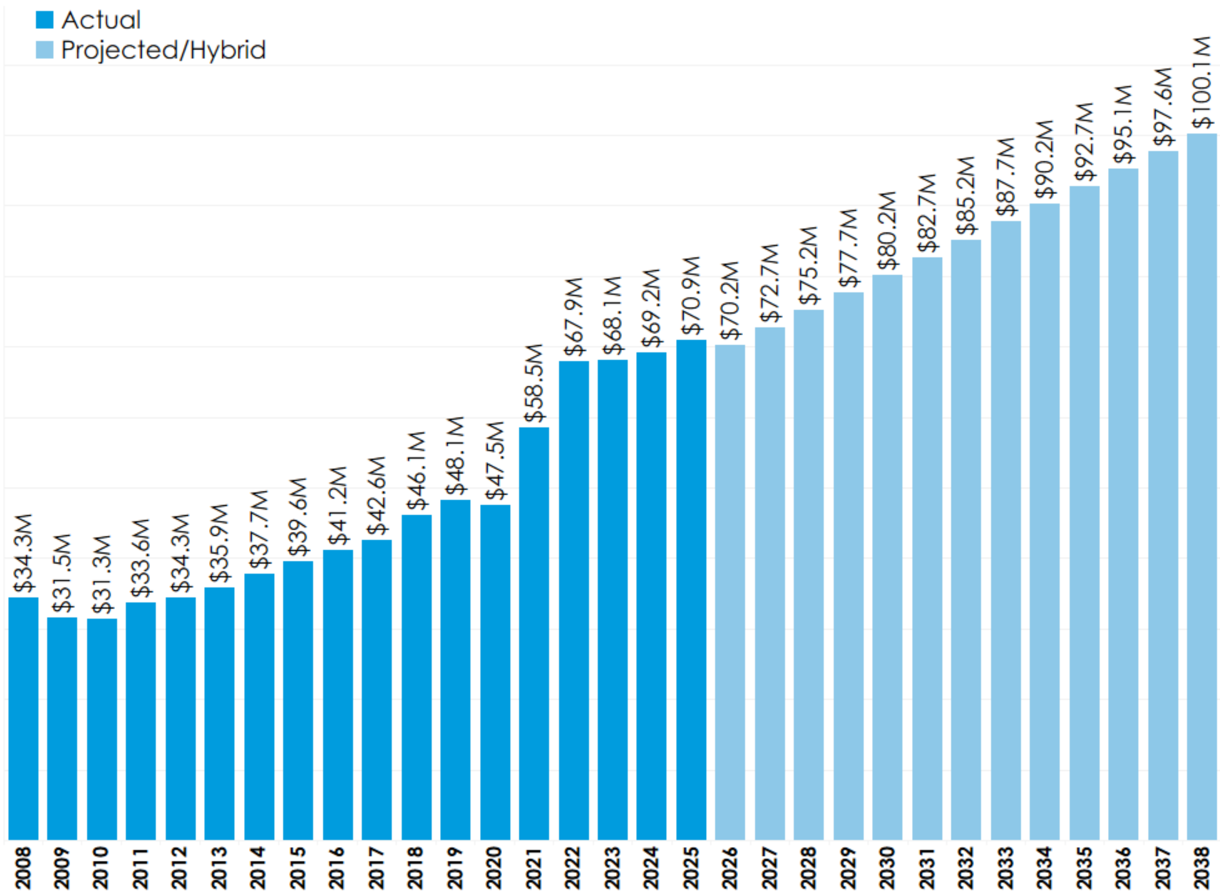
In Escambia County, the peak periods include July and August with almost 28 percent of the total taxable sales coming from tourism and recreational sales. In contrast, January typically has the lowest level of tourism, with contributions falling as low as 17 percent. Tourism and recreation still have ample influence in the county, with an average contribution of 22 percent between the January 2023 and February 2026 timeframe.

Future Revenue Forecast

This analysis assumes that retailers continue to invest in face-to-face point-of-sale options to attract and grow local business. The model relies on historical data to project future behavior.

Figure 2 presents infrastructure surtax collections for the years 2008 through 2038, with the period from 2026 to 2038 representing forecasted values. The forecast is generated using a Time Series Linear Model (TSLM), which analyzes historical data to identify two key components: long-term trends and cyclical patterns. By combining these elements, the model provides a structured outlook for future collections. As shown in **Figure 2**, collections are expected to reach approximately $70.2 million by the end of 2026.

Figure 2: *LOST Infrastructure Collections in Escambia County, FL*



Although this value is slightly lower than the $70.9 million collected in 2025, researchers predict an annual rise of 3.0 percent. The "dip" reflects the disruption observed in 2020 during the COVID period, when fewer retail purchases resulted in lower surtax collections. The linear trend captures the underlying pattern in the data. Because 2025 deviates from the linear trend, projections beginning in 2026 align with the underlying trend line. The final year the surtax remains in effect is 2028, with collections reaching $75.2 million in that year. Extending the surtax through 2038 yields an estimated $889.2 million in total revenue, including $100.1 million in 2038.

LOST Funded Projects

The projects funded by LOST revenue for phases III and IV are spread across 20 years, with an average annual expense of $44.4 million in phase III and $61.4 million in phase IV. LOST funds are a substantial driver for the county's infrastructure. Some completed projects included the Carpenter Creek Headwaters (**front cover**), Beulah Fire Station (**Figure 3**), Olive Road, Perdido Key Beach, Beulah Park, and John R. Jones Athletic Complex (**Figure 4**). If LOST is not renewed, other revenue sources will need to be considered to cover the infrastructure funding shortfall.

Figure 3: *Beulah Fire Station*

Figure 4: Sample LOST Funded Projects

Conclusion

The analysis of Escambia County's LOST infrastructure surtax demonstrates the program's importance to generating measurable economic and fiscal impacts. The surtax has provided a stable and growing revenue source for infrastructure investments. Surtax collections continue to maintain a positive trend even with an estimated collection of $70.2 million in FY2026 and further projections showing revenues reaching $100.1 million by FY2038 if the surtax is reapproved. This makes LOST a significant and dependable source of funding for Escambia County infrastructure.

Approved surtax funded projects through FY2028 show substantial effects throughout the county with an estimated generation of $2.1 billion in total economic impact which includes $1.2 billion to GRP and increased personal income of $723 million. The projects supported an average of 4,200 jobs. These findings confirm that infrastructure spending provided by the surtax not only helps maintain and build infrastructure but also helps to boost employment, business-to-business interactions, and household spending.

Continuation of the surtax would allow for a predicted revenue collection of $889.2 million through the years 2029 to 2038. Which would help to sustain infrastructure improvements without shifting the fiscal burden to alternative revenue sources.

Acknowledgements

Data and insights provided by Escambia County Director of the Office of Management and Budgets, Stephan D. Hall. Model and report produced by Haas Center Staff Mariah Kill, Yahvdiel Mendez Rosario, and Angela Sanders. All comments and inquiries may be directed to the UWF Haas Center's Executive Director, Nicole Gislason, nicole@uwf.edu.

Calculated by the Florida Department of Revenue's Office of Tax Research

Local Discretionary Sales Surtax

Revenue Estimates for the Local Fiscal Year Ending September 30, 2026

Refer to the Table Notes for Instructions on Using These Estimates

	1% Tax Rate - Default Formula		1% Tax Rate - Interlocal Agreement	
Local Government	**Distribution Percentage**	**Estimated Distribution**	**Distribution Percentage**	**Estimated Distribution**
Fort White	0.863509	$ 134,257		
Lake City	15.759357	$ 2,450,239		
Countywide Total	100.000000	$ 15,547,835		
DESOTO BOCC	**79.838048**	**$ 4,473,817**		
Arcadia	20.161952	$ 1,129,798		
Countywide Total	100.000000	$ 5,603,615		
DIXIE BOCC	**89.213915**	**$ 1,848,473**		
Cross City	9.894528	$ 205,010		
Horseshoe Beach	0.891556	$ 18,473		
Countywide Total	100.000000	$ 2,071,956		
JACKSONVILLE-DUVAL	**95.747107**	**$ 256,748,347**	**96.880000**	**$ 259,786,228**
Atlantic Beach	1.236532	$ 3,315,791	0.970000	$ 2,601,080
Baldwin	0.130450	$ 349,805	0.110000	$ 294,968
Jacksonville Beach	2.223781	$ 5,963,126	1.500000	$ 4,022,289
Neptune Beach	0.662130	$ 1,775,520	0.540000	$ 1,448,024
Countywide Total	100.000000	$ 268,152,589	100.000000	$ 268,152,589
ESCAMBIA BOCC	**84.744118**	**$ 71,084,659**		
Century	0.440384	$ 369,401		
Pensacola	14.815499	$ 12,427,466		
Countywide Total	100.000000	$ 83,881,526		
FLAGLER BOCC	**45.581911**	**$ 10,067,592**		
Beverly Beach	0.235139	$ 51,935		
Bunnell	1.940481	$ 428,591		
Flagler Beach (part)	2.594476	$ 573,037		
Marineland (part)	0.005610	$ 1,239		
Palm Coast	49.642383	$ 10,964,421		
Countywide Total	100.000000	$ 22,086,815		
FRANKLIN BOCC	**70.757266**	**$ 2,556,911**	**100.000000**	**$ 3,613,637**
Apalachicola	16.278916	$ 588,261	0.000000	$ -
Carrabelle	12.963817	$ 468,465	0.000000	$ -
Countywide Total	100.000000	$ 3,613,637	100.000000	$ 3,613,637
GADSDEN BOCC	**68.032509**	**$ 5,320,086**		
Chattahoochee	3.723197	$ 291,151		
Greensboro	0.836589	$ 65,421		
Gretna	2.553103	$ 199,651		
Havana	3.385924	$ 264,776		
Midway	6.939542	$ 542,666		
Quincy	14.529136	$ 1,136,166		
Countywide Total	100.000000	$ 7,819,917		
GILCHRIST BOCC	**84.173752**	**$ 1,842,929**		
Bell	2.493340	$ 54,590		
Fanning Springs (part)	2.933623	$ 64,230		
Trenton	10.399285	$ 227,686		
Countywide Total	100.000000	$ 2,189,434		
GLADES BOCC	**88.085801**	**$ 1,135,521**	**80.000000**	**$ 1,031,286**
Moore Haven	11.914199	$ 153,587	20.000000	$ 257,822
Countywide Total	100.000000	$ 1,289,108	100.000000	$ 1,289,108
GULF BOCC	**67.903151**	**$ 3,119,290**	**33.951575**	**$ 1,559,645**
Port St. Joe	20.239019	$ 929,727	10.119510	$ 464,863
Wewahitchka	11.857830	$ 544,717	5.928915	$ 272,359
*** County ***	0.000000	$ -	50.000000	$ 2,296,867
Countywide Total	100.000000	$ 4,593,733	100.000000	$ 4,593,733

July 1, 2025

Calculated by the Florida Department of Revenue's Office of Tax Research

Local Discretionary Sales Surtax

Revenue Estimates for the Local Fiscal Year Ending September 30, 2026

Refer to the Table Notes for Instructions on Using These Estimates

Local Government	1% Tax Rate - Default Formula		1% Tax Rate - Interlocal Agreement	
	Distribution Percentage	Estimated Distribution	Distribution Percentage	Estimated Distribution

Notes:

1) This table is designed to provide local governments with an estimate of possible revenues from the hypothetical imposition of a 1% local option sales surtax. Currently, there are nine statutorily-authorized local option sales surtaxes: the Charter County and Regional Transportation System Surtax, the Local Government Infrastructure Surtax, the Small County Surtax, the Indigent Care and Trauma Center Surtax, the County Public Hospital Surtax, the School Capital Outlay Surtax, the Voter-Approved Indigent Care Surtax, the Emergency Fire Rescue Services and Facilities Surtax, and the Pension Liability Surtax. Of the nine, only three surtaxes, the Local Government Infrastructure Surtax, the Small County Surtax, and the Emergency Fire Rescue Services and Facilities Surtax, require the proceeds to be shared with municipalities.

2) Of the nine statutorily-authorized surtaxes, the two most utilized surtaxes for county governments are the Local Government Infrastructure Surtax with 27 counties levying and the Small County Surtax with 30 counties levying. Both the Local Government Infrastructure Surtax and Small County Surtax require the proceeds to be shared with municipalities, either by interlocal agreement or by default formula methodology (i.e., Local Government Half-cent Sales Tax Program formula). This table lists the estimated distributions to individual local governments assuming a 1% levy of either the Local Government Infrastructure Surtax or Small County Surtax.

3) The distribution percentages and estimated distributions listed under the heading "1% Tax Rate - Default Formula" reflect the use of the default formula methodology. Estimated distributions are provided for every jurisdiction even though some counties do not currently impose a local discretionary sales surtax. For those counties that currently do not levy a surtax, these estimated distributions can assist local officials considering a future levy.

4) For those jurisdictions where the distribution of local discretionary sales surtax proceeds is governed by an interlocal agreement, the distribution percentages per the agreement as well as the estimated distributions are listed in the column labeled "1% Tax Rate - Interlocal Agreement". The amounts and percentages are presented in the fashion that the interlocal agreement directs the Department of Revenue to distribute the proceeds. The percentages used are those that the Department understands will be in effect for the 2025-26 local fiscal year.

5) If a county imposes a surtax that does not require the proceeds to be shared (i.e., Charter County and Regional Transportation System Surtax, Indigent Care and Trauma Center Surtax, County Public Hospital Surtax, School Capital Outlay Surtax, and Voter-Approved Indigent Care Surtax), then county or school district officials should refer to the estimated countywide total. If the imposed surtax is levied at a rate other than 1%, then the estimated countywide total should be adjusted accordingly (e.g., multiplying the countywide total by 0.5 for a School Capital Outlay Surtax levy).

6) If the reader is uncertain which surtax(es) is/are imposed in a particular county, please refer to the EDR table entitled "2025 Local Discretionary Sales Surtax Rates in Florida's Counties".

7) Revenue estimates published in this table are based on the $5,000 cap on transactions, and the dollar figures represent a 100 percent distribution of estimated monies.