



CITY OF MARCO ISLAND

To: Marco Island City Council

From: Casey Lucius, Interim City Manager

Date: January 20, 2026

Re: Discussion and Decisions Regarding Proposed Capital Bonds

Background

On December 1, 2025 the City Council held a workshop to discuss future capital projects and options for funding those projects. The Council has been discussing the possibility of putting one or more general obligation bonds on the August 18, 2026 ballot to fund major capital projects. At the December 1 meeting, Council narrowed the list of capital projects to four main categories: 1) transportation, 2) water quality, 3) community enhancements, and 4) City facilities and parks. On December 12, 2025, Carol McDermott and I spoke to the City's bond counsel and received feedback on these four categories. First, they clarified that road paving *can* be considered capital for bond purposes. They also recommended placing median work, bike lanes, and shared use paths in the "transportation" category rather than community enhancement. Finally, shade in parks should be included in the "city facilities and parks" category. As a result of this guidance, the following represents a summary of potential bond issues:

1. Transportation bond: intersection improvements (\$8.5M), paving (\$25M), 2 bridge replacements (\$15M), medians, bike lanes, and shared used paths (\$8.5M) for a total of \$57M.
2. City parks/facilities bond: space analysis and remodel of Mackle Park and MIPD (\$3M), park upgrades and shade (\$4M) for a total of \$7M.
3. Water quality bond: Tidal flushing match (\$1.9M and swale exfiltration (\$2.2M) for a total of \$4.2M.

Other funding options:

The City Council may consider special assessments for water quality, specifically for swales and tidal flushing. The City may assess homes on canals that would benefit from this work. Additionally, if the Council decides to replace the Caxambas Bridge, the City could levy a special assessment on the homes that use the bridge since there are no public amenities on the residential side of the Caxambas Court Bridge. This is a common practice in municipalities throughout Florida.

Next steps:

City Council should solidify the categories of capital projects and decide which specific project to “keep or delete” from these lists. For the projects that the City would like to complete and fund through a bond, the City staff will then obtain more accurate pricing.

Given the Critical Events Schedule from Bryant Miller Olive (BMO), we want to have final costs to present to City Council at the March 2nd meeting (deadline for that meeting agenda is February 20). Once final decisions are made based on those costs, BMO will present a draft referendum resolution at the City Council meeting on March 20th.

The City Council will then decide whether you prefer to approve the referendum questions via Resolution or Ordinance. The Ordinance requires two readings. In either case, the final question/wording will be presented to Council for approval beginning April 6th.

Decision Points:

1. Does the City Council wish to tentatively move forward with a transportation bond?
 - If yes, which specific capital projects would you like to include?
 - Would you like to explore alternative funding for Caxambas bridge replacement?
2. Does the City Council wish to tentatively move forward with a Water Quality bond?
 - If yes, which specific projects would you like to include?
 - Would you like to explore alternative funding for water quality projects?
3. Does the City Council wish to tentatively move forward with a parks and MIPD facilities bond?

If yes, which specific projects would you like to include:

- MIPD space analysis and remodel
- Mackle Park space analysis and remodel
- Shade for Veterans Community Park
- Shade for Mackle Park bocce
- Upgrades to tot lot and playground
- Racquet Center upgrades

- Other parks or city facility projects

Recommendation: Direct staff to obtain specific pricing on the projects identified and bring back a finalized list of projects and costs to City Council on March 2nd.