

**PINELLAS PLANNING COUNCIL
AGENDA MEMORANDUM**

*Revised and
Redistributed
June 9, 2003*

AGENDA ITEM: III C.

MEETING DATE: April 16, 2003

SUBJECT:

Composite Annexation Update (Fiscal Years 2000/01 - 2002/03) – Final Draft/Revised

RECOMMENDATION:

Council Receive, Discuss As Determined Appropriate, and Accept Report

BACKGROUND

The Council staff's review of voluntary annexations has remained relatively unchanged since the Council began reviewing them over two years ago with the effectuation of Pinellas County Ordinance No. 00-63. However, the way in which we track and periodically update the Council on the cumulative impact of annexations has continued to evolve.

We have compiled and analyzed two groups of data that are relevant to the discussion on the cumulative impact of annexation in Pinellas County. First, there is the data compiled by way of the voluntary annexation review process each month for the Council. When the Council staff reviews the proposed annexation for compliance with the criteria described in Ordinance No. 00-63, we also record just/market value, assessed/cap value, taxable value, size of the annexation, existing use, number of dwelling units (population), annexed acreage by future land use category, and whether the annexation reduced or eliminated an enclave. Second, there is the data collected from successful referendum annexations. We have then compiled data for each fiscal year and summarized it for the Council.

In presenting the annual summary of voluntary annexations for 2002, the Council requested staff combine that information with referendum annexations and examine both types over a multi-year period. In order to accomplish this, several steps were required as outlined below.

First, in order to ascertain the impact of voluntary annexations on taxable value we converted this data in the annual summaries, which are organized by calendar year of review, to impact by fiscal year. To do this we verified with the Property Appraiser's Office that the annexations reviewed were finalized and attributed to the tax year affected.

PINELLAS PLANNING COUNCIL ACTION:

The Council received, discussed, and accepted this item. (Vote 12-0)

COUNTYWIDE PLANNING AUTHORITY ACTION:

5/06/03: The Board received and filed this item.

Second, we tabulated, and in some older cases recreated, data for annexations that occur by referendum. These types of annexations are not reviewed under Ordinance No. 00-63, but have a significant impact on taxable values for the affected jurisdictions in the county.

Next, we combined the data from these two types of annexation to provide the Council with a combined fiscal year impact on real property taxable value. This combined value is then shown in relationship to countywide, incorporated, and Municipal Service Taxing Unit values.

Lastly, several summary observations are noted and suggestions outlined for possible follow-up initiatives that would attempt to build on this information and utilize it to assist in the management of the annexation process.

The information is presented in four sections as follows:

- I. Voluntary Annexations
- II. Referendum Annexations
- III. Summary of All Annexations
- IV. Summary Observations and Suggested Follow-Up

Throughout the report we provide various types of data including taxable value, acreage, and estimated population. This data is then converted in each table to average value per-person and per-acre. These are referred to as *per-capita taxable value* (PCTV) and *per-acre taxable value* (PATV). Even though we believe that the per-acre values appear to be a better comparison tool to show the relative impact of annexations, we have calculated the per-capita value to allow some comparison with the figures that have been previously cited by the County.

Per-capita calculations may be useful on a large scale or over a longer period of time to help show the relative tax burden to residents of a large area such as at the countywide level. However, to use this as an indicator of the impact of individual or smaller areas can be misleading. The per-capita values would be helpful to show relative value of exclusively residential properties with relatively comparable populations, but are less meaningful when non-residential uses are involved. For example, if two equally valued areas are annexed, one having a large population in it and the other having no one residing in it, the per-capita values are of little comparative value. The per-acre value would be more appropriate in this instance.

I. Voluntary Annexations

The annexations tracked in this section are those that were annexed using the voluntary annexation review process included in Pinellas County Ordinance No. 00-63. The data is grouped by municipality for each fiscal year and includes data on the number of acres annexed, the taxable value of the annexed area, and the estimated population of the area. It should be noted that public right-of-way is not included in the acreage portion of the tables. It has also been removed from the sections on referendum and the summary section in order to provide a more meaningful accounting of annexation value on a per acre basis.

Table 1a
2000/01 Fiscal Year Voluntary Annexations

| Municipality | Taxable Value | Acreage | PATV | Estimated Population | PCTV |
|---------------------|----------------------|----------------|-------------------|-----------------------------|------------------|
| Clearwater | \$ 973,900 | 10.2 | \$ 95,387 | 21 | \$ 46,376 |
| Dunedin | 1,661,200 | 16.7 | 99,652 | 86 | 19,316 |
| Largo | 47,490,500 | 253.5 | 187,310 | 505 | 94,041 |
| Oldsmar | 0 | 15.6 | 0 | 0 | N/A |
| Pinellas Park | 16,160,700 | 163.6 | 98,776 | 56 | 288,584 |
| Safety Harbor | 711,100 | 6.1 | 116,957 | 21 | 33,862 |
| Seminole | 529,100 | 37.5 | 14,123 | 13 | 40,700 |
| Tarpon Springs | 600,300 | 7.5 | 80,040 | 4 | 150,075 |
| TOTAL | \$ 68,126,800 | 510.7 | N/A | 706 | N/A |
| WEIGHTED AVG | N/A | N/A | \$ 133,399 | N/A | \$ 96,497 |

Table 1b
2001/02 Fiscal Year Voluntary Annexations

| Municipality | Taxable Value | Acreage | PATV | Estimated Population | PCTV |
|---------------------|-----------------------|----------------|-------------------|-----------------------------|-------------------|
| Clearwater | \$ 14,809,400 | 37.6 | \$ 394,286 | 52 | \$ 284,796 |
| Dunedin | 1,494,900 | 9.3 | 160,742 | 30 | 49,830 |
| Largo | 106,010,900 | 329.4 | 321,811 | 36 | 2,944,747 |
| Oldsmar | 97,400 | 0.5 | 183,774 | 2 | 48,700 |
| Pinellas Park | 17,252,000 | 139.3 | 123,821 | 410 | 42,744 |
| Safety Harbor | 429,700 | 4.4 | 97,882 | 6 | 71,617 |
| Seminole | 728,900 | 2.5 | 286,969 | 26 | 28,035 |
| St. Petersburg | 656,800 | 20.9 | 31,381 | 0 | N/A |
| Tarpon Springs | 429,600 | 24.4 | 17,614 | 0 | N/A |
| TOTAL | \$ 141,909,600 | 568.3 | N/A | 562 | N/A |
| WEIGHTED AVG | N/A | N/A | \$ 249,709 | N/A | \$ 252,508 |

Table 1c
2002/03 Fiscal Year Voluntary Annexations

| Municipality | Taxable Value | Acreage | PATV | Estimated Population | PCTV |
|---------------------|----------------------|----------------|-------------------|-----------------------------|------------------|
| Clearwater | \$3,434,200 | 18.9 | \$ 182,089 | 64 | \$ 53,659 |
| Dunedin | 4,788,300 | 15.8 | 302,483 | 49 | 97,720 |
| Kenneth City | 205,700 | 1.5 | 138,054 | 0 | N/A |
| Largo | 20,272,000 | 89.1 | 227,622 | 535 | 37,892 |
| Oldsmar | 0 | 25.0 | N/A | 0 | N/A |
| Pinellas Park | 18,177,800 | 169.4 | 107,313 | 84 | 216,402 |
| Safety Harbor | 2,587,800 | 33.5 | 77,363 | 21 | 123,229 |
| St. Petersburg | 1,661,100 | 86.9 | 19,117 | 32 | 51,909 |
| Tarpon Springs | 61,700 | 23.3 | 2,644 | 0 | N/A |
| TOTAL | \$51,188,600 | 463.4 | N/A | 785 | N/A |
| WEIGHTED AVG | N/A | N/A | \$ 110,463 | N/A | \$ 65,208 |

Table 1d
Summary of Voluntary Annexations – By Fiscal Year

| Fiscal Year | Taxable Value | Acreage | PATV | Estimated Population | PCTV |
|---------------------|-----------------------|----------------|-------------------|-----------------------------|-------------------|
| 2000/01 | \$ 68,126,800 | 510.7 | \$ 133,339 | 706 | \$ 96,497 |
| 2001/02 | \$ 141,909,600 | 568.3 | \$ 249,709 | 562 | \$ 252,508 |
| 2002/03 | \$ 51,188,600 | 463.4 | \$ 110,463 | 785 | \$ 65,208 |
| TOTAL | \$ 261,225,000 | 1,542.4 | N/A | 2,053 | N/A |
| AVG PER YEAR | \$ 87,075,000 | 514.1 | N/A | 684 | N/A |
| WEIGHTED AVG | N/A | N/A | \$ 169,363 | N/A | \$ 127,241 |

This table shows:

- An average of 514 acres have been annexed each year during the three year period.
- An average of 684 persons were affected by annexation each year during the three-year period.
- The average PATV was \$169,363 and the average PCTV was \$127,241.
- The second year of the three-year period shows a significant increase in the overall value of annexations, with the third year being lower than the previous two years.
- All of this occurred while the number of people and the number of acres annexed remained fairly steady.
- Comparing this overall value to the population and acres for each year annexed shows that significantly higher valued voluntary annexations, per acre and per person, occurred in the second fiscal year as compared to the first and third years.

II. Referendum Annexations

The annexations tracked in this section are those that were annexed by referendum as controlled by Chapter 171, Florida Statutes. This is the process by which an area may be annexed through a vote of the registered electors in the area proposed for annexation.

Taxable value of the areas annexed is tabulated at the time the transfer of jurisdiction is recorded by the Property Appraiser’s Office. These values are then compared to the population and acreage for each area annexed to calculate a per-capita and per-acre taxable value.

**Table 2a
Fiscal Year 2000/01 Referendum Annexations**

| Municipality | Taxable Value | Acreage | PATV | Estimated Population | PCTV |
|-----------------------|-----------------------|----------------|-------------------|----------------------|------------------|
| Seminole ¹ | \$ 128,955,000 | 536.2 | \$ 240,498 | 1,283 | \$ 100,511 |
| Seminole ² | 49,044,900 | 391.0 | 125,435 | 1,894 | 25,895 |
| Seminole ³ | 42,245,800 | 168.2 | 251,164 | 709 | 59,585 |
| TOTAL | \$ 220,245,700 | 1,095.4 | N/A | 3,886 | N/A |
| AVERAGE | \$ 73,415,233 | 365.1 | N/A | 1,295 | N/A |
| WEIGHTED AVG | N/A | N/A | \$ 201,064 | N/A | \$ 56,677 |

**Table 2b
Fiscal Year 2001/02 Referendum Annexations**

| Municipality | Taxable Value | Acreage | PATV | Estimated Population | PCTV |
|-----------------------|----------------------|-------------|-------------------|----------------------|------------------|
| Seminole ⁴ | 8,969,900 | 25.0 | \$358,796 | 396 | \$22,651 |
| Seminole ⁵ | 15,926,000 | 52.9 | 301,059 | 367 | 43,395 |
| TOTAL | \$24,895,900 | 77.9 | N/A | 763 | N/A |
| AVERAGE | \$ 12,447,950 | 39.0 | N/A | 382 | N/A |
| WEIGHTED AVG | N/A | N/A | \$ 319,588 | N/A | \$ 32,629 |

**Table 2c
Fiscal Year 2002/03 Referendum Annexations Approved**

| Municipality | Taxable Value | Acreage | PATV | Estimated Population | PCTV |
|-----------------------|---------------------|-------------|-------------------|----------------------|------------------|
| Seminole ⁶ | \$ 2,721,800 | 17.8 | \$152,910 | 64 | \$ 42,528 |
| Seminole ⁷ | 11,525,700 | 35.7 | 322,849 | 275 | 41,912 |
| TOTAL | \$14,247,500 | 53.5 | N/A | 339 | N/A |
| AVERAGE | \$ 7,123,750 | 26.8 | N/A | 170 | N/A |
| WEIGHTED AVG | N/A | N/A | \$ 266,308 | N/A | \$ 42,028 |

¹ Seminole Lakes (AN 00-07)

² The Gardens (AN 00-08)

³ Woodbridge (AN 00-09)

⁴ Area "A" (AN 01-01)

⁵ Area "C" (AN 01-02)

⁶ Area "A" (AN 01-04)

⁷ Area "B" (AN 01-05)

Table 2d
Summary of Referendum Annexations

| Fiscal Year | Taxable Value | Acreage | PATV | Estimated Population | PCTV |
|--------------------|----------------------|----------------|-------------|-----------------------------|-------------|
| 2000/01 | \$ 220,245,700 | 1,095.4 | \$ 201,264 | 3,886 | \$ 56,677 |
| 2001/02 | \$ 24,895,900 | 77.9 | \$ 319,588 | 763 | \$ 32,629 |
| 2002/03 | \$ 14,247,500 | 53.5 | \$ 266,308 | 339 | \$ 42,028 |
| TOTAL | \$ 259,389,100 | 1,226.8 | N/A | 4,988 | N/A |
| AVG PER YEAR | \$ 86,463,033 | 408.9 | N/A | 1,663 | N/A |
| WEIGHTED AVG | N/A | N/A | \$ 211,436 | N/A | \$ 52,003 |

This table shows:

- An average of 409 acres have been annexed each year during the three year period.
- An average of 1,663 persons were affected by annexation each year during the three-year period.
- The PATV averaged \$211,436, while the PCTV was \$52,003 on average
- Seminole Lakes, annexed in FY 2000-01, was by far the largest of the seven referendums, both in terms of value and size.
- The overall value, size, and population annexed decreased in each subsequent year of the three-year period.

A comparison of the summary tables for voluntary and referendum annexations illustrates the following:

- Voluntary annexations in total reflect a slightly higher taxable value and acreage than annexation by referendum, while referendum annexations have included a significantly greater population and correspondingly, a significantly lower per capita valuation.
- The per-acre taxable values are higher for referendums.

III. Summary of All Annexations

**Table 3a
All Annexations for 2000/01 Fiscal Year⁸**

| Municipality | Taxable Value | Acreage | PATV | Estimated Population | PCTV |
|---------------------|----------------------|----------------|-------------------|-----------------------------|------------------|
| Clearwater | \$ 973,900 | 10.2 | \$ 95,387 | 21 | \$ 43,376 |
| Dunedin | 1,661,200 | 16.7 | 99,652 | 86 | 19,316 |
| Largo | 47,490,500 | 253.5 | 187,310 | 505 | 94,041 |
| Oldsmar | 0 | 15.6 | 0 | 0 | N/A |
| Pinellas Park | 16,160,700 | 163.6 | 98,776 | 56 | 288,584 |
| Safety Harbor | 711,100 | 6.1 | 116,957 | 21 | 33,862 |
| Seminole | 220,774,800 | 1,132.9 | 194,884 | 3,899 | 56,623 |
| Tarpon Springs | 600,300 | 7.5 | 80,040 | 4 | 150,075 |
| TOTAL | \$288,372,500 | 1,606.1 | N/A | 4,592 | N/A |
| WEIGHTED AVG | N/A | N/A | \$ 179,548 | N/A | \$ 62,799 |

**Table 3b
All Annexations for 2001/02 Fiscal Year**

| Municipality | Taxable Value | Acreage | PATV | Estimated Population | PCTV |
|---------------------|----------------------|----------------|-------------------|-----------------------------|-------------------|
| Clearwater | \$ 14,809,400 | 37.6 | \$ 394,286 | 52 | \$ 284,796 |
| Dunedin | 1,494,900 | 9.3 | 160,742 | 30 | 49,830 |
| Largo | 106,010,900 | 329.4 | 321,811 | 36 | 2,944,747 |
| Oldsmar | 97,400 | 0.5 | 183,774 | 2 | 48,700 |
| Pinellas Park | 17,252,000 | 139.3 | 123,821 | 410 | 42,078 |
| Safety Harbor | 429,700 | 4.4 | 97,882 | 6 | 71,617 |
| Seminole | 25,624,800 | 80.4 | 318,558 | 789 | 32,478 |
| St. Petersburg | 656,800 | 20.9 | 31,381 | 0 | N/A |
| Tarpon Springs | 429,600 | 24.4 | 17,614 | 0 | N/A |
| TOTAL | \$166,805,500 | 646.2 | N/A | 1,325 | N/A |
| WEIGHTED AVG | N/A | N/A | \$ 258,133 | N/A | \$ 125,891 |

⁸ Tables 3a, 3b, and 3c include those annexations that were finalized at the local level in time to appear on the annexing municipality's tax roll in the fiscal year indicated.

**Table 3c
All Annexations for 2002/03 Fiscal Year**

| Municipality | Taxable Value | Acreage | PATV | Estimated Population | PCTV |
|---------------------|----------------------|----------------|-------------------|-----------------------------|------------------|
| Clearwater | \$3,434,200 | 18.9 | \$ 182,089 | 64 | \$ 53,659 |
| Dunedin | 4,788,300 | 15.8 | 302,483 | 49 | 97,720 |
| Kenneth City | 205,700 | 1.5 | 138,054 | 0 | N/A |
| Largo | 20,272,000 | 89.1 | 227,622 | 535 | 37,892 |
| Oldsmar | 0 | 25.0 | N/A | 0 | N/A |
| Pinellas Park | 18,177,800 | 169.4 | 107,313 | 84 | 216,402 |
| Safety Harbor | 2,587,800 | 33.5 | 77,363 | 21 | 123,229 |
| Seminole | 14,247,500 | 53.5 | 266,308 | 339 | 42,028 |
| St. Petersburg | 1,661,100 | 86.9 | 19,117 | 32 | 51,909 |
| Tarpon Springs | 61,700 | 23.3 | 2,644 | 0 | N/A |
| TOTAL | \$65,436,100 | 516.9 | N/A | 1,124 | N/A |
| WEIGHTED AVG | N/A | N/A | \$ 126,593 | N/A | \$ 58,217 |

**Table 3d
Summary of All Annexations – By Fiscal Year**

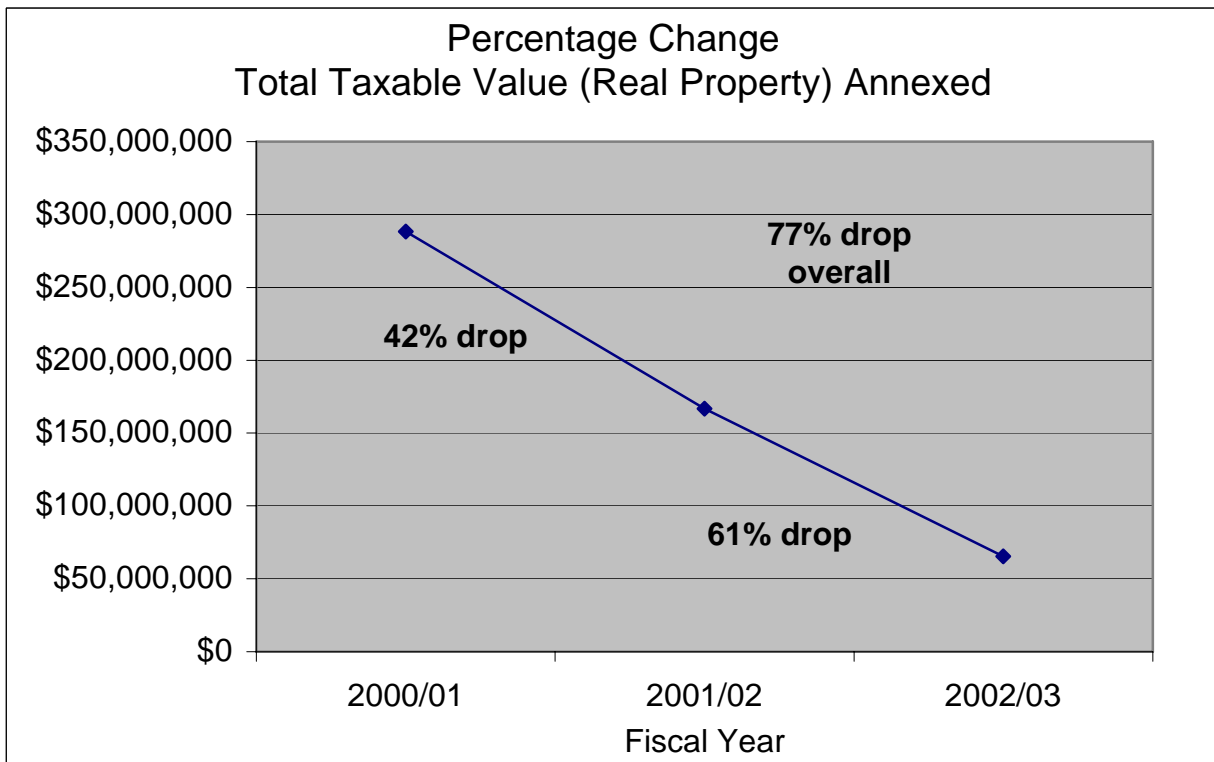
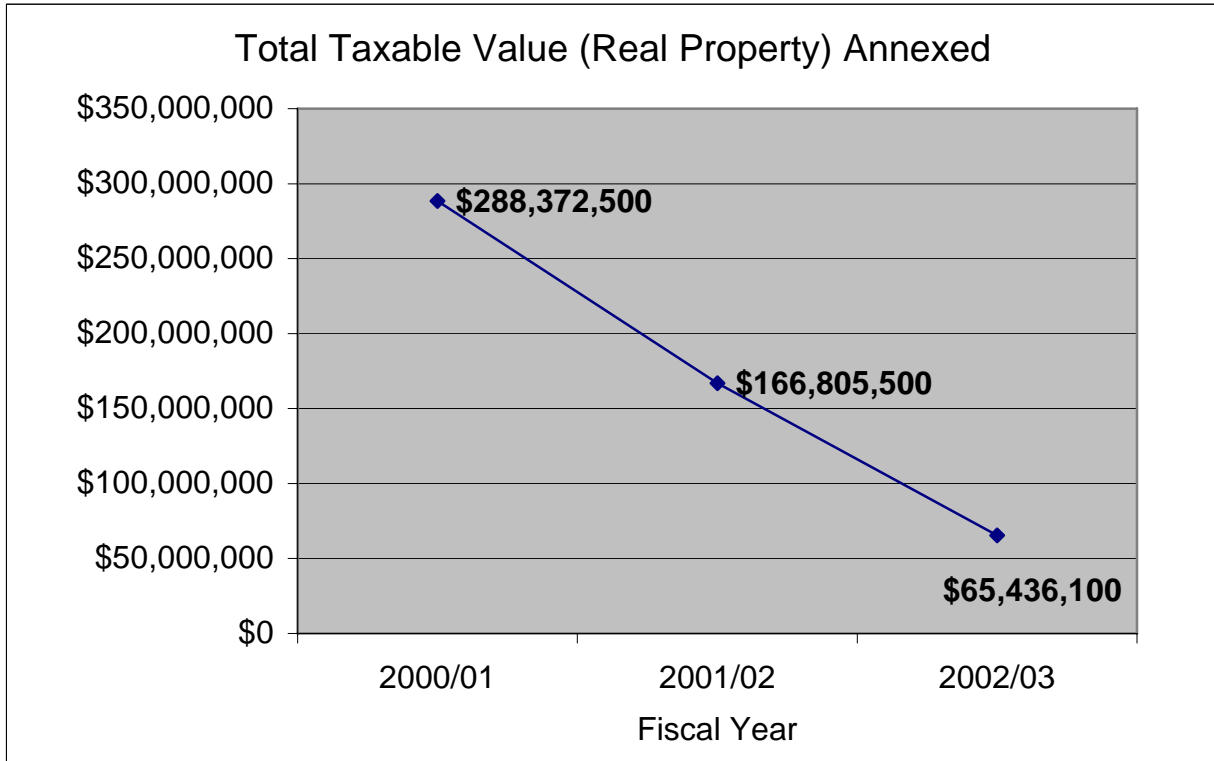
| Fiscal Year | Taxable Value | Acreage | PATV | Estimated Population | PCTV |
|---------------------|-----------------------|----------------|-------------------|-----------------------------|------------------|
| 2000/01 | \$ 288,372,500 | 1,606.1 | \$ 179,548 | 4,592 | \$ 62,799 |
| 2001/02 | \$ 166,805,500 | 646.2 | \$ 258,133 | 1,325 | \$ 125,891 |
| 2002/03 | \$ 65,436,100 | 516.9 | \$ 126,593 | 1,124 | \$ 58,217 |
| TOTAL | \$ 520,614,100 | 2,769.2 | N/A | 7,041 | N/A |
| AVG PER YEAR | \$ 173,538,033 | 923 | N/A | 2,347 | N/A |
| WEIGHTED AVG | N/A | N/A | \$ 188,002 | N/A | \$ 73,940 |

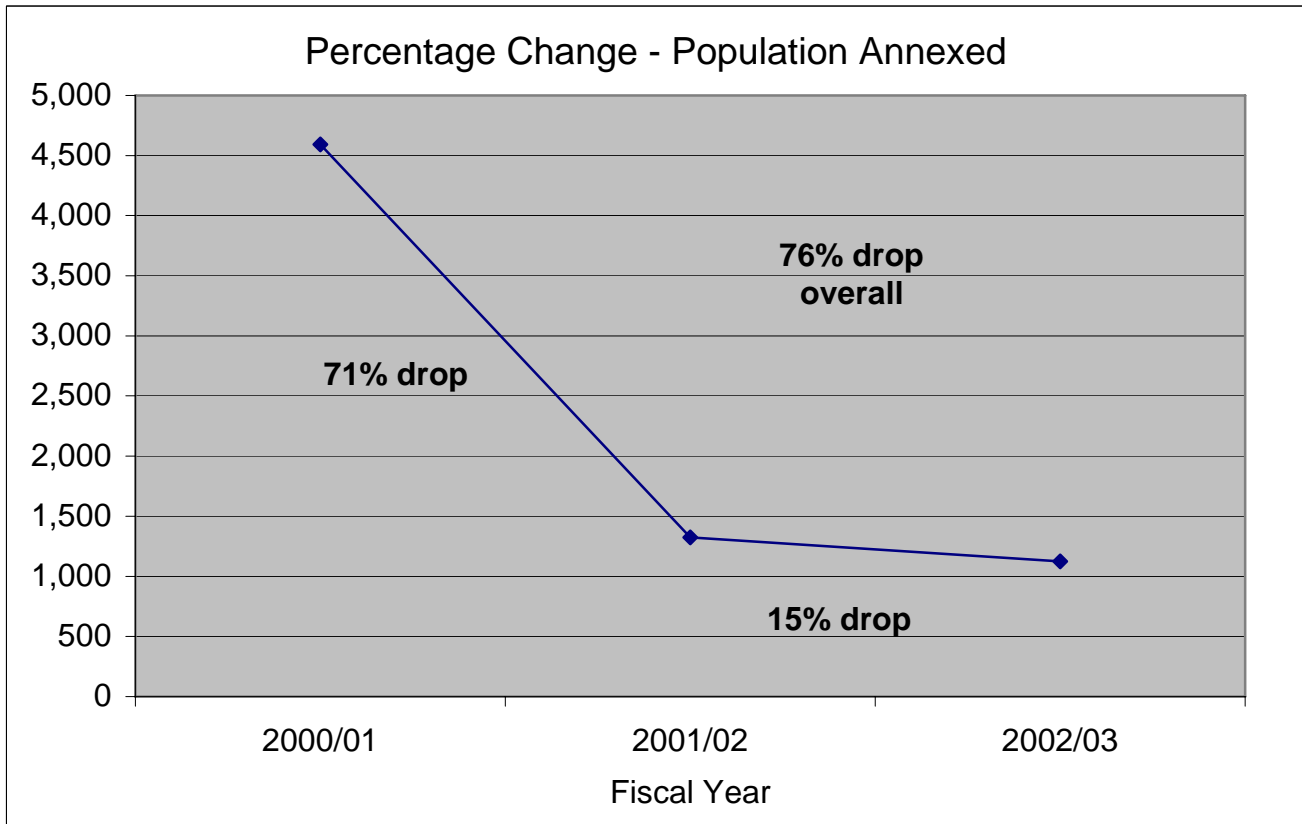
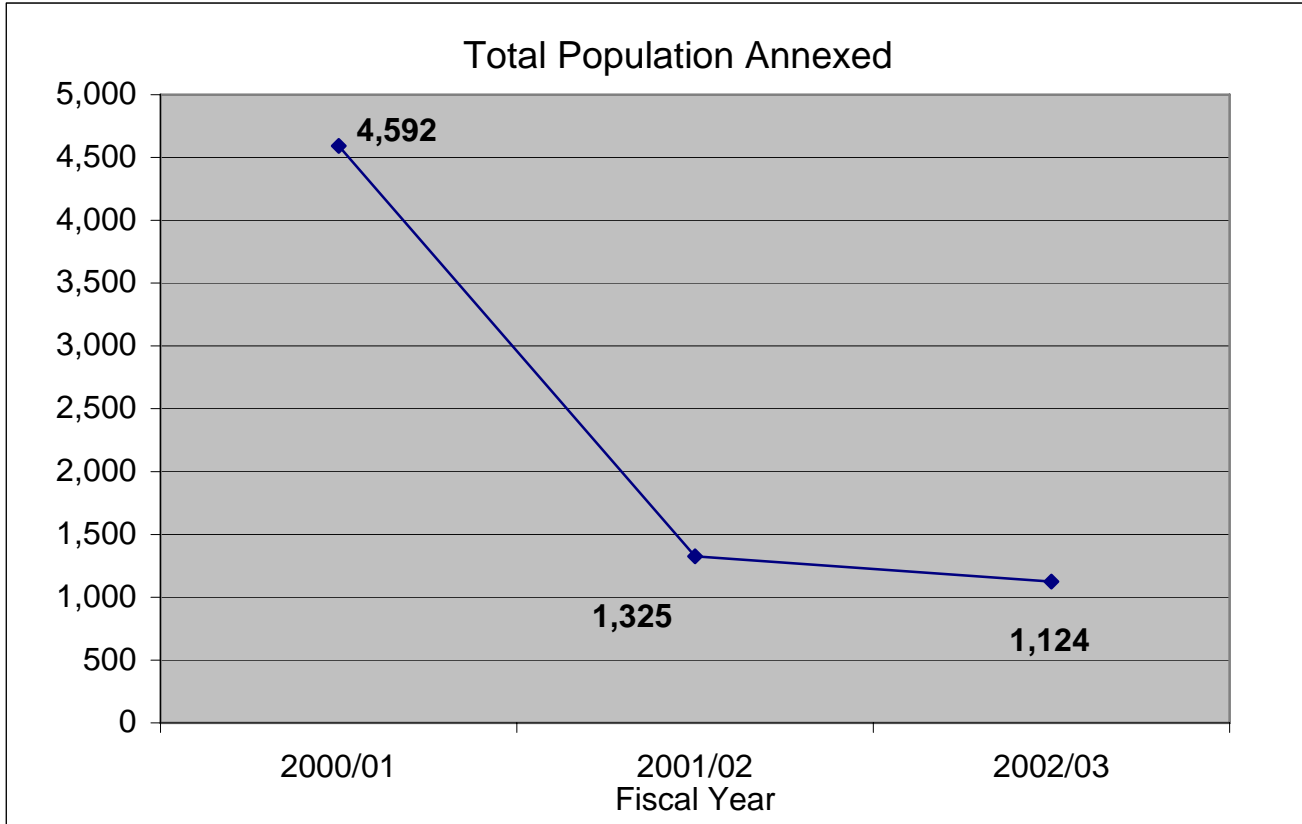
This table shows:

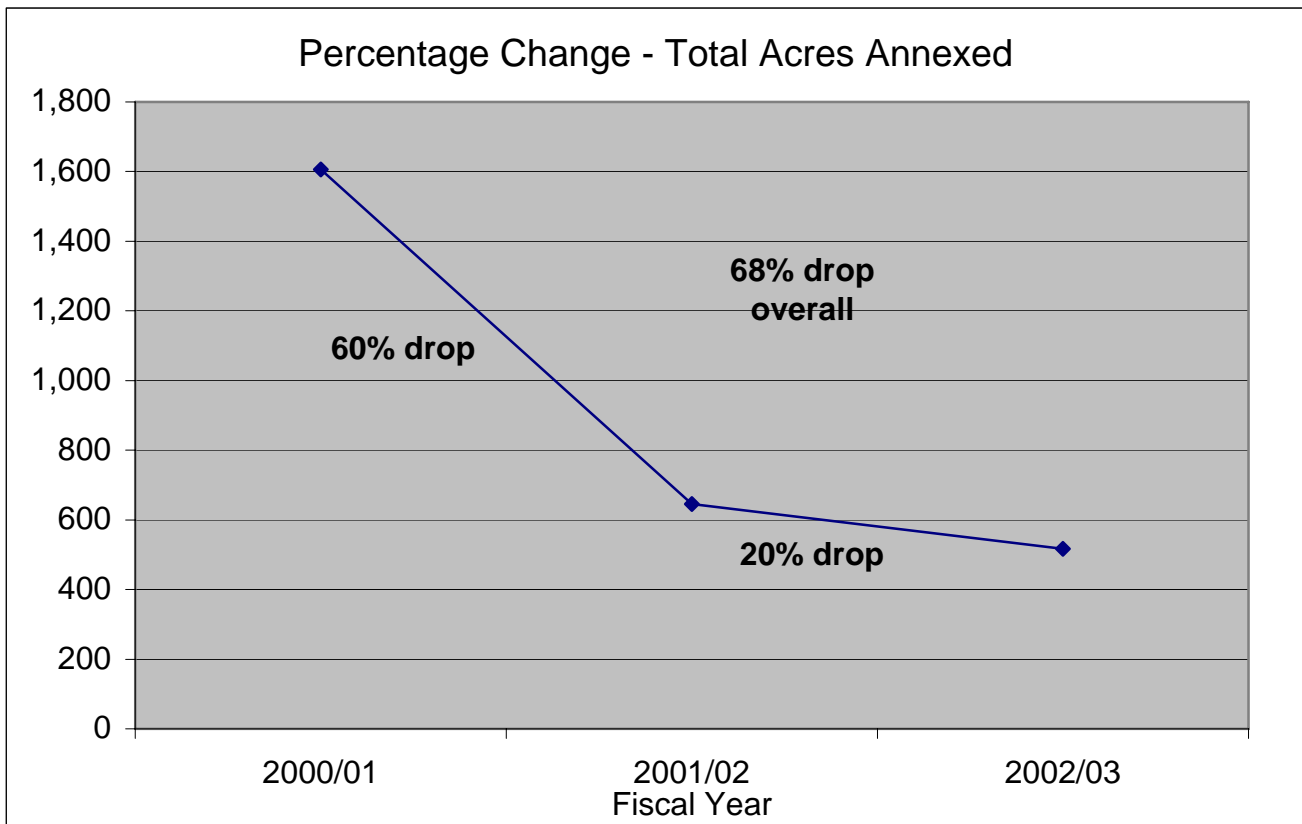
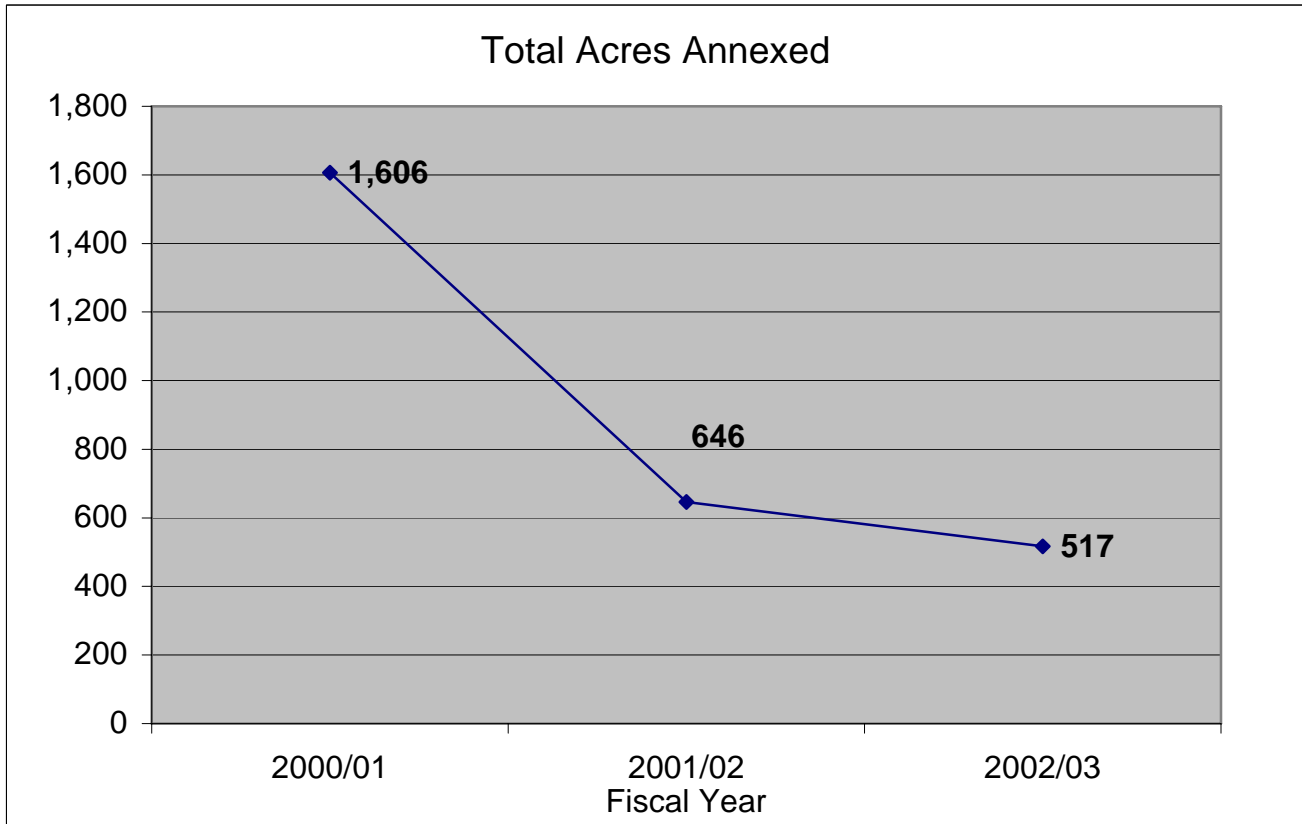
- An average of 923 acres have been annexed each year during the three year period.
- An average of 2,347 persons were annexed each year during the three year period.
- The combined forms of annexation have shown a decline each year in terms of overall value, population, and acreage.
- Taxable value of areas annexed declined by 42% between the first and second years and 61% between the second and third years, representing a 77% drop overall.

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- Population annexed declined by 71% between the first and second years, and 15% between the second and third, representing a 76% drop overall.
- Acres annexed declined by 60% between the first and second years, and 20% between the second and third, representing a 68% drop overall.







Total Annexations Compared to Countywide Incorporated, and Municipal Service Taxing Unit (MSTU)

The following tables (3e, 3f, 3g, 3h, and 3i) relate all annexations that occurred over the three-year period to Countywide, Incorporated, and MSTU values. Per-capita and per-acre taxable values have been calculated in order to relate the four categories (Annexations, Countywide, Incorporated, MSTU) to each other. The second-to-last column in the following tables, “MSTU Before Annexations,” attempts to display how the MSTU would have fared if no annexations occurred.

**Table 3e
Annexation Comparison for 2000/01 Fiscal Year**

| | Taxable Value | Acreage | PATV | Estimated Population | PCTV |
|------------------------|----------------------|----------------|-------------|-----------------------------|-------------|
| Annexations | \$ 288,372,500 | 1,606.1 | \$ 179,548 | 4,592 | \$ 62,799 |
| Countywide | \$ 34,363,584,750 | 152,000.0 | \$ 226,076 | 921,495 | \$ 37,291 |
| Incorporated | \$ 23,883,624,300 | 87,232.0 | \$ 273,794 | 633,529 | \$ 37,699 |
| MSTU Before Annexation | \$ 10,768,332,920 | 66,374.0 | \$ 162,237 | 292,544 | \$ 36,809 |
| MSTU After Annexation | \$ 10,479,960,420 | 64,768.9 | \$ 161,808 | 287,952 | \$ 36,395 |

This table shows that as a function of annexation for this fiscal year:

- 1.6% of the population in the MSTU was annexed.
- 2.5% of the acreage in the MSTU was annexed.
- 2.8% of taxable value in the MSTU was annexed.
- Per-acre taxable values of the property annexed were 20.6% lower than the Countywide average, 34.4% lower than the Incorporated average, and 10.7% higher than the MSTU’s average (before annexation).
- Per-capita taxable values of the property annexed were 68.4% higher than the Countywide average, 66.6% higher than the Incorporated average, and 70.6% higher than the MSTU’s average (before annexation).
- Annexations caused a slight decrease in the per-acre and per-capita values in the MSTU.

**Table 3f
Annexation Comparison for 2001/02 Fiscal Year**

| | Taxable Value | Acreage | PATV | Estimated Population | PCTV |
|------------------------|----------------------|----------------|-------------|-----------------------------|-------------|
| Annexations | \$ 166,805,500 | 646.2 | \$ 258,133 | 1,325 | \$ 125,891 |
| Countywide | \$ 37,671,431,940 | 152,000.0 | \$ 247,838 | 926,733 | \$ 40,650 |
| Incorporated | \$ 26,587,006,640 | 88,838.0 | \$ 299,275 | 643,026 | \$ 41,347 |
| MSTU Before Annexation | \$ 11,240,650,000 | 63,808.0 | \$ 176,164 | 285,032 | \$ 39,436 |
| MSTU After Annexation | \$ 11,073,844,500 | 63,162.8 | \$ 175,325 | 283,707 | \$ 39,033 |

This table shows that as a function of annexation for this fiscal year:

- 0.5% of the population in the MSTU was annexed.
- 1.0% of the acreage in the MSTU was annexed.
- 1.5% of taxable value in the MSTU was annexed.
- Per-acre taxable values of the property annexed were 4.2% higher than the Countywide average, 13.8% lower than the Incorporated average, and 46.5% higher than the MSTU's average (before annexation).
- Per-capita taxable values of the property annexed were 209.7% higher than the Countywide average, 204.5% higher than the Incorporated average, and 219.2% higher than the MSTU's average (before annexation).
- Annexations caused a slight decrease in the per-acre and per-capita values in the MSTU.

**Table 3g
Annexation Comparison for 2002/03 Fiscal Year**

| | Taxable Value | Acreage | PATV | Estimated Population | PCTV |
|------------------------|----------------------|----------------|-------------|-----------------------------|-------------|
| Annexations | \$ 65,436,100 | 517.9 | \$ 126,593 | 1,124 | \$ 58,217 |
| Countywide | \$ 41,167,093,480 | 152,000.0 | \$ 270,836 | 934,938 | \$ 44,032 |
| Incorporated | \$ 29,298,304,245 | 89,484.0 | \$ 327,414 | 649,587 | \$ 45,103 |
| MSTU Before Annexation | \$ 11,923,555,680 | 63,033.0 | \$ 189,164 | 286,475 | \$ 41,622 |
| MSTU After Annexation | \$ 11,858,119,580 | 62,516.1 | \$ 189,681 | 285,351 | \$ 41,556 |

This table shows that as a function of annexation for this fiscal year:

- 0.4% of population in the MSTU was annexed.
- 0.8% of the acreage in the MSTU was annexed.
- 0.6% of taxable value in the MSTU was annexed.

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- Per-acre taxable values of the property annexed were 53.3% lower than the Countywide average, 61.3% lower than the Incorporated average, and 33.1% lower than the MSTU’s average (before annexation).
- Per-capita taxable values of the property annexed were 32.2% higher than the Countywide average, 29.1% higher than the Incorporated average, and 39.9% higher than the MSTU’s average (before annexation).
- Annexations caused a slight increase in the per-acre values and a slight decrease in the per-capita values in the MSTU.

One common misconception is that the taxable value of the MSTU decreases overall as a result of annexations. A more accurate statement would be that because of annexation, the value of the MSTU increases at a slower rate than if no annexations occurred. This is shown in Tables 3e, 3f, and 3g where the MSTU’s total taxable value increased from approximately \$10.5 billion in FY 2000/01, to \$11.1 billion in FY 2001/02, and finally \$11.9 billion in FY 2002/03, despite three years worth of voluntary and referendum annexations.

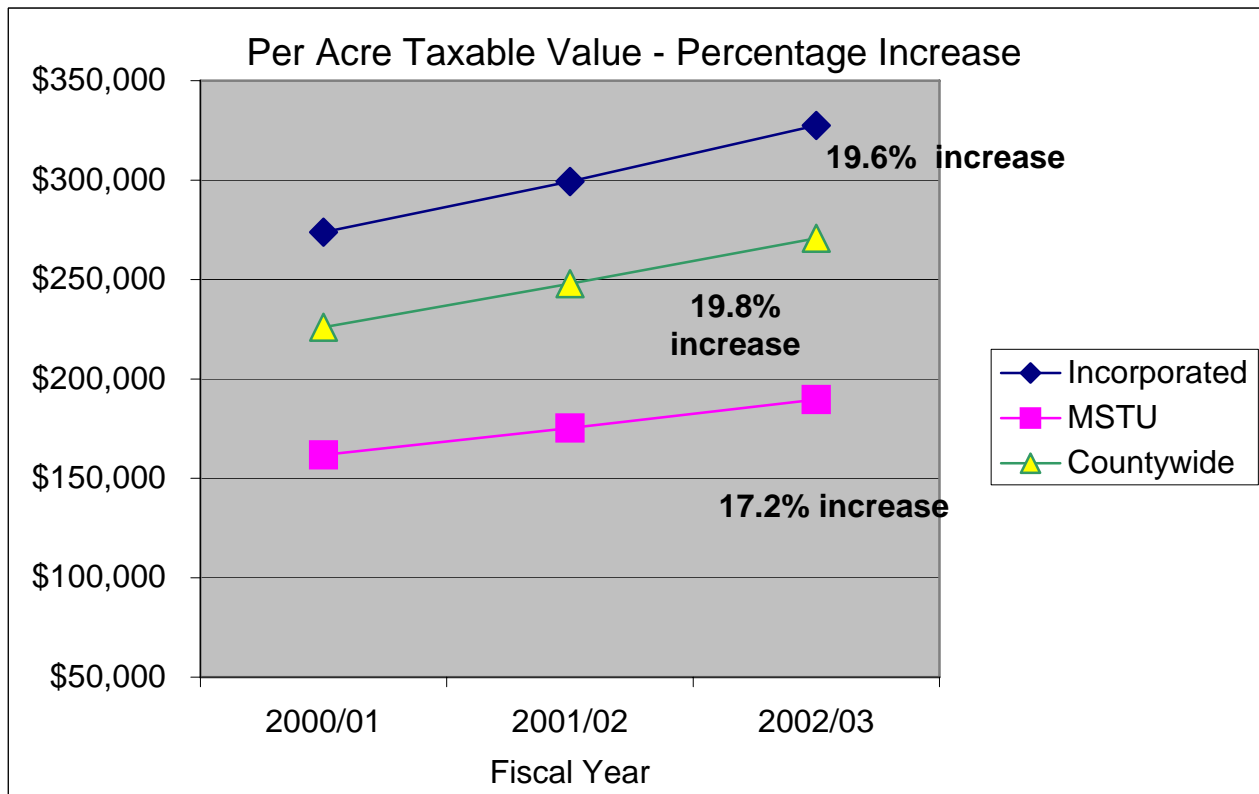
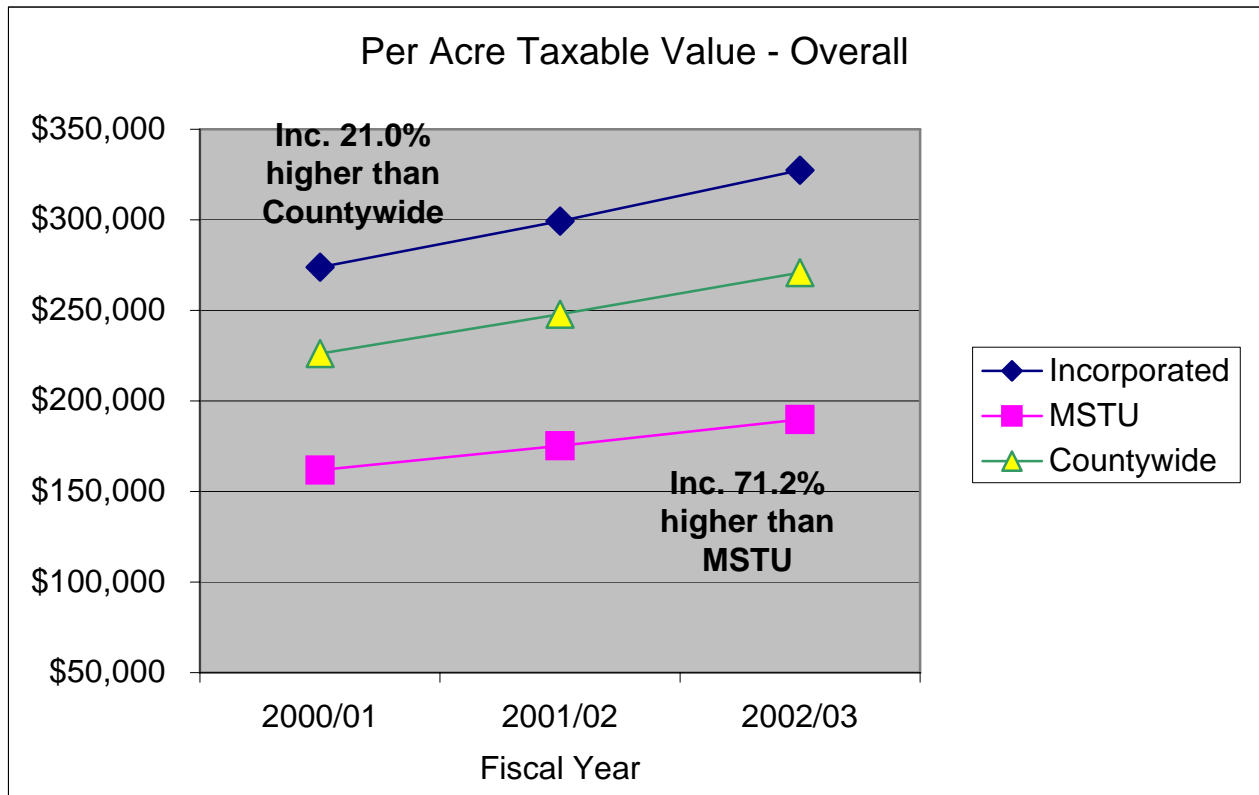
Also, these tables show the value and number of residents annexed voluntarily and by referendum has decreased over the three years examined.

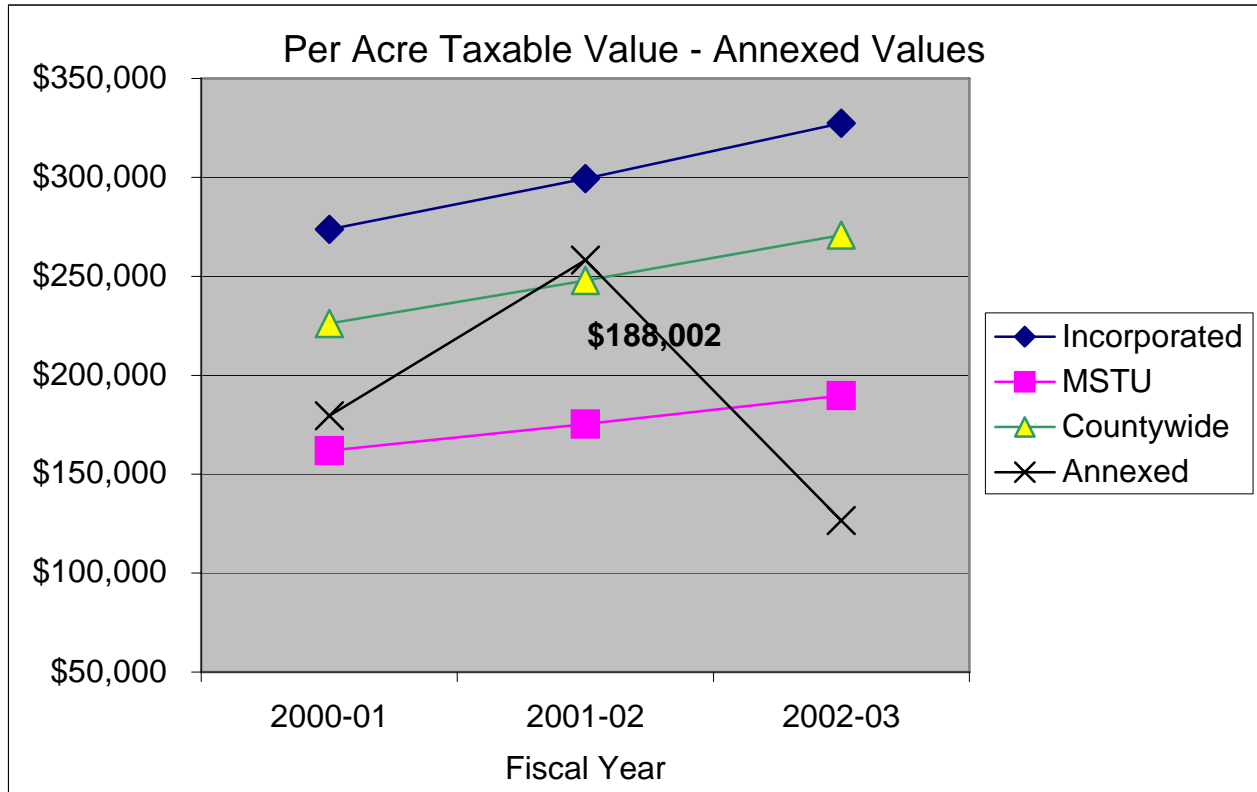
Table 3h
Annexation Per Acre Taxable Value Comparison

| | Incorporated | MSTU | Countywide | Annexed |
|---------------------|---------------------|-------------------|-------------------|-------------------|
| 2000/01 | \$ 273,794 | \$ 161,808 | \$ 226,076 | \$ 179,548 |
| 2001/02 | \$ 299,275 | \$ 175,324 | \$ 247,838 | \$ 258,133 |
| 2002/03 | \$ 327,414 | \$ 189,681 | \$ 270,836 | \$ 126,593 |
| WEIGHTED AVG | \$ 300,387 | \$ 175,441 | \$ 248,250 | \$ 188,002 |

This table shows that:

- The incorporated area per acre averages are 71.2% higher than the average value of the MSTU and 21.0% higher than the average per acre value countywide.
- The incorporated area increased in per acre value over the three-year study period by 19.6%, the MSTU by 17.2%, and the countywide average by 19.8%.
- The per acre value of all annexations fell below the incorporated values for the three years. The average per acre value of annexations was 37.4% lower than the incorporated area, 7.2% higher than the MSTU, and 24.3% lower than the countywide average.



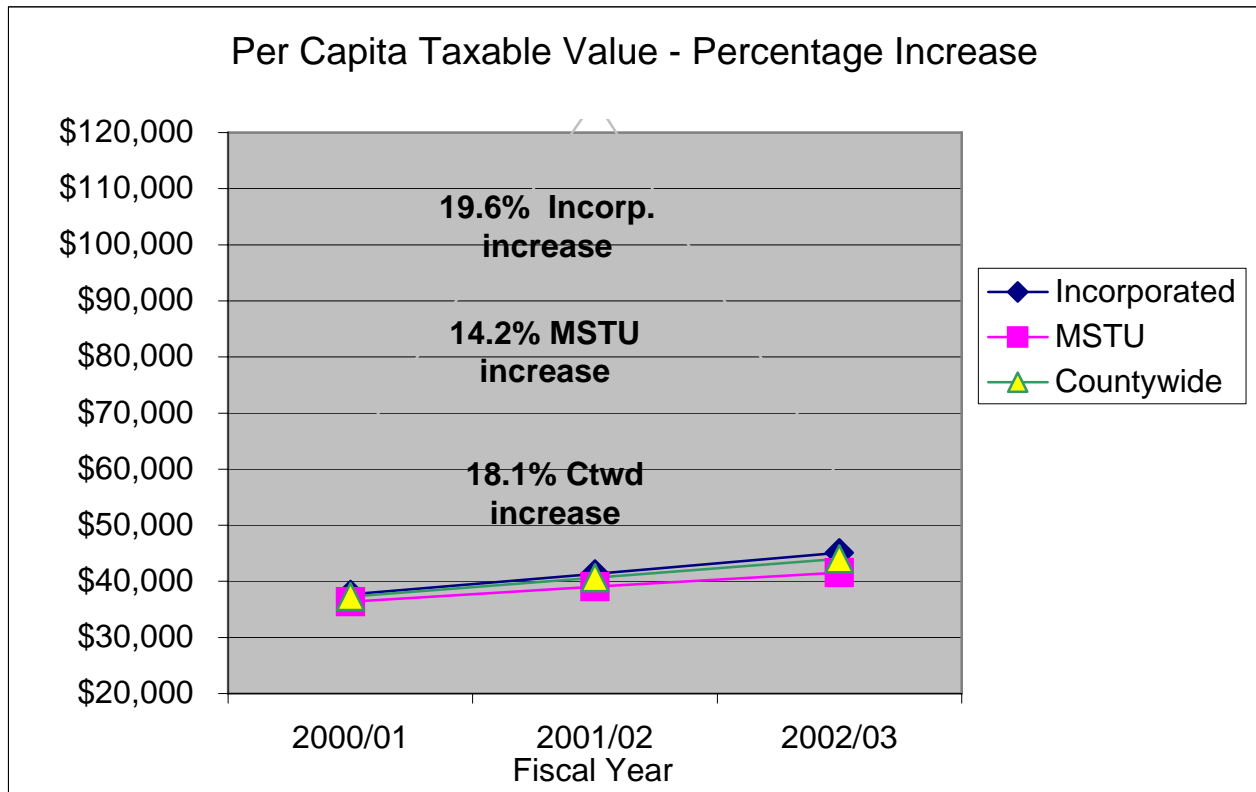
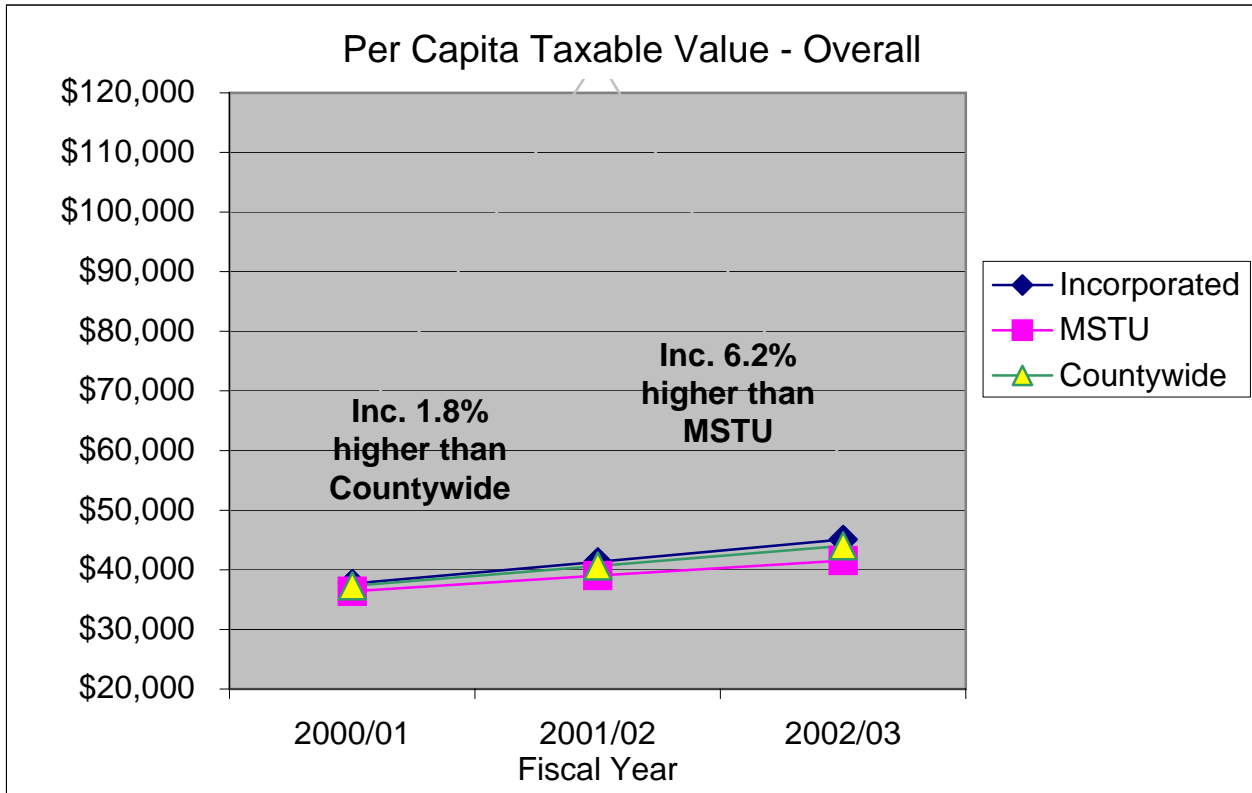


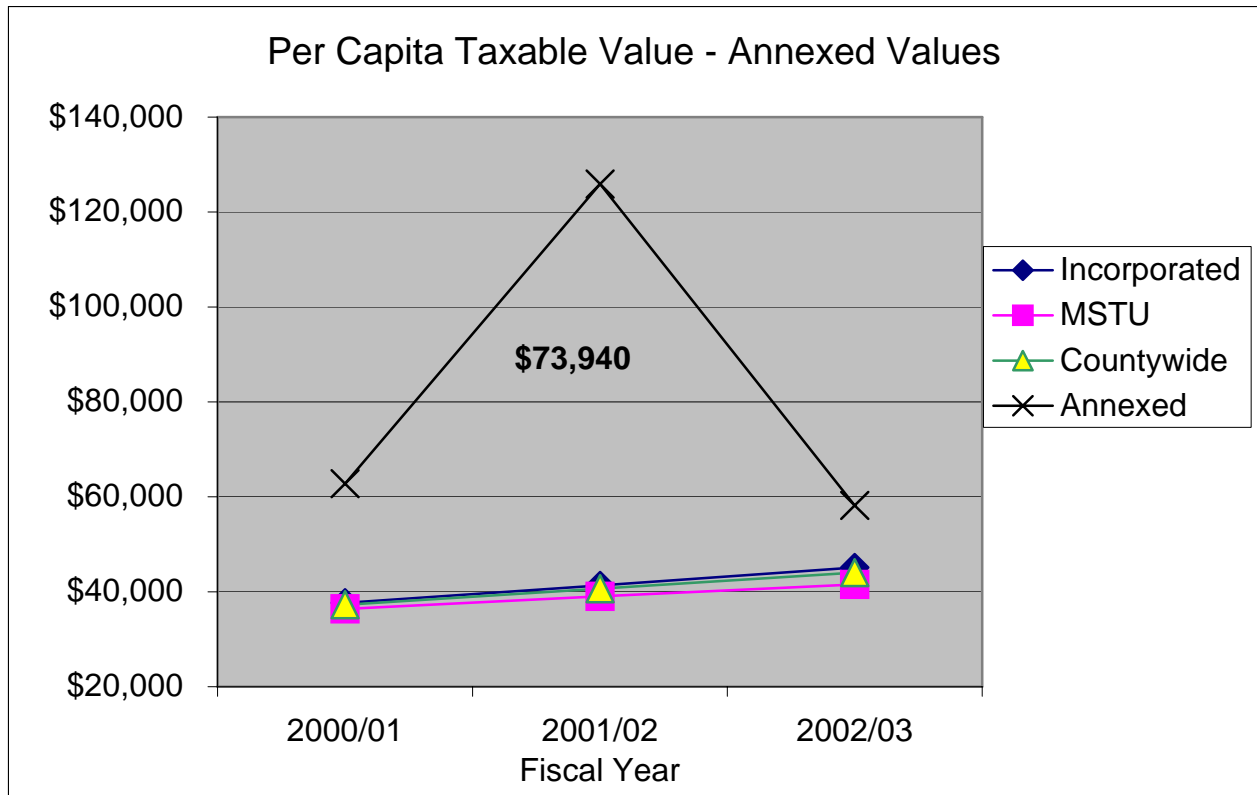
**Table 3i
Annexation Per Capita Taxable Value Comparison**

| | Incorporated | MSTU | Countywide | Annexed |
|---------------------|---------------------|------------------|-------------------|------------------|
| 2000/01 | \$ 37,699 | \$ 36,395 | \$ 37,291 | \$ 62,799 |
| 2001/02 | \$ 41,347 | \$ 39,033 | \$ 40,650 | \$ 125,891 |
| 2002/03 | \$ 45,103 | \$ 41,556 | \$ 44,032 | \$ 58,217 |
| WEIGHTED AVG | \$ 41,414 | \$ 38,987 | \$ 40,674 | \$ 73,940 |

This table shows that:

- The incorporated area per capita averages are 6.2% higher than the average value of the MSTU and 1.8% higher than the average per capita value countywide.
- The incorporated area increased in per capita value over the three-year study period by 19.6%, the MSTU by 14.2%, and the countywide average by 18.1%.
- The per capita value of all annexations was significantly above the value in the incorporated area, MSTU, and countywide areas. The average value of \$73,940 was 78.5% higher than the incorporated area, 89.7% higher than the MSTU, and 81.8% higher than the countywide average.





IV. Summary Observations and Suggested Follow-Up

Without repeating the specific data set forth in the foregoing tabulations, several basic observations are worth noting as follows:

- Given the wide variations in the taxable value, acreage, and affected population annexed in each of the three years examined, combined with the relatively short time period for which we have data, it would be premature to draw definitive conclusions as to any meaningful trends.
- To the extent that any trend is observable, it appears that the per acre taxable values for annexed areas provide a more relevant tool for comparison with the overall values for the Countywide, Incorporated, and MSTU value to which it is compared – as contrasted with the per capita taxable value indices.
- This foregoing compilation simply provides raw data and data comparisons – it does not provide meaningful information that allows the data to be used to better interpret long term implications of, or to manage, the annexation process.

For example, it deals primarily with real property taxable value added or lost, in relationship to the number of people or acres affected. It does not begin to address how this relates to the marginal benefit or cost of providing services to either the annexing jurisdiction or the jurisdiction from which it was annexed.

- Perhaps a useful follow-up suggestion for the Council to consider would be to propose a joint project, with county and city staff participation, that would attempt to develop a framework for better understanding and ultimately managing the annexation process in relationship to the benefits and costs attendant to annexation. This would not be a simple undertaking and would require considerable effort just to establish and get agreement on an acceptable methodology.

For example, determining the relative values of distinct types of land use (residential, commercial/industrial, public/semi-public) in the annexing city and the county, in relationship to the distinct cost of providing services attendant to each, could begin to establish a mechanism to determine, and thus to allocate in an equitable fashion, the benefit/cost factors associated with annexation.

If the Council desires to pursue such additional information and analysis, it is suggested the PPC staff work with the County Administrator's Office to develop a proposed project approach, scope, timetable and budget that could then be considered by the Council and the County.