

WEST OLDSMAR ANNEXATION FEASIBILITY STUDY

Prepared for the City of Oldsmar by the
Pinellas Planning Council

WEST OLDSMAR ANNEXATION FEASIBILITY STUDY

Oldsmar City Council

Mayor Jerry Beverland
Vice-Mayor Donald B. Bohr
Councilmember Jim Ronecker
Councilmember Suzanne Vale
Councilmember Janice Miller

Prepared by the Pinellas Planning Council

**Received by the Oldsmar City Council
June 1, 2004**

TABLE OF CONTENTS

I.	Introduction	1
	A. Study Background.....	1
	B. Purpose of the Study.....	1
II.	Annexation Process and Laws	3
	A. Voluntary Annexation.....	3
	B. Annexation by Referendum.....	3
	C. Contiguity and Compactness.....	6
	D. Urban Attributes.....	7
III.	Study Area Characteristics	9
	A. Relationship to Surrounding Communities.....	9
	B. Land Use.....	9
	C. Demographics.....	13
IV.	Public Services and Facilities	15
	A. Overview of Responsibilities.....	15
	B. Services and Facilities.....	16
V.	Effect on the City	23
	A. Revenue.....	24
	B. Expenditures.....	27
	C. Value-per-Acre Comparison: Oldsmar vs. West Oldsmar.....	28
	D. Summary.....	29
VI.	Effect on Residents and Property Owners	31
VII.	Key Findings	33

LIST OF TABLES

Table 1: Existing Uses of Land and Percentage Distribution.....	9
Table 2: Number of Dwelling Units by Type.....	11
Table 3: Countywide Future Land Use Distribution	13
Table 4: Population Estimates and Projections	14
Table 5: Jurisdictional Responsibilities: Unincorporated and if Annexed	15
Table 6: New Revenue for the City from West Oldsmar if Annexed	24
Table 7: Taxable Real Estate Value: West Oldsmar	25
Table 8: Ad Valorem Tax Revenue for the City if West Oldsmar were Annexed ..	26
Table 9: City of Oldsmar Franchise Fee, Utility Tax, and Service Tax Rates.....	26
Table 10: Selected State and Municipal Revenue Estimates: West Oldsmar if Annexed.....	27
Table 11: Estimated Cost to Serve West Oldsmar	28
Table 12: Summary Comparison of Revenue per Acre: Oldsmar vs. West Oldsmar.....	29
Table 13: Estimated Net Annual Revenue for the City from West Oldsmar if Annexed.....	29
Table 14: Estimated Difference in Annual Costs for Residents and Property Owners	31
Table 15: Details of Selected State and Municipal Revenue Estimates: West Oldsmar if Annexed.....	A-1
Table 16: Supplementary Data for Revenue Estimate Calculations in Table 15 ..	A-2
Table 17: Detailed Comparison of Revenue per Acre: Oldsmar vs. West Oldsmar.....	B-1
Table 18: Residential and Nonresidential Land Area: Oldsmar and West Oldsmar	B-2
Table 19: Estimated Annual Cost Difference: Taxable Value \$75,000	C-1
Table 20: Estimated Annual Cost Difference: Taxable Value \$125,000	C-1
Table 21: Estimated Annual Cost Difference: Taxable Value \$175,000	C-2

LIST OF EXHIBITS AND APPENDICES

Exhibit 1: West Oldsmar Location Map	2
Exhibit 2: West Oldsmar Annexation Study Area.....	8
Exhibit 3: Aerial View of West Oldsmar.....	10
Exhibit 4: Future Land Use: West Oldsmar.....	12
Exhibit 5: West Oldsmar Area (Utility Infrastructure)	18
Appendix A.....	A-1
Appendix B	B-1
Appendix C.....	C-1

I. INTRODUCTION

A. Study Background

On January 6, 2004, the Oldsmar City Council requested the assistance of Pinellas Planning Council staff to identify the costs and benefits of annexing the unincorporated community long known as “West Oldsmar.” In response to the City’s request, on January 21, 2004, the Pinellas Planning Council entered into an Interlocal Agreement with the City authorizing the Planning Council staff to perform an annexation feasibility study of West Oldsmar as a special planning project.

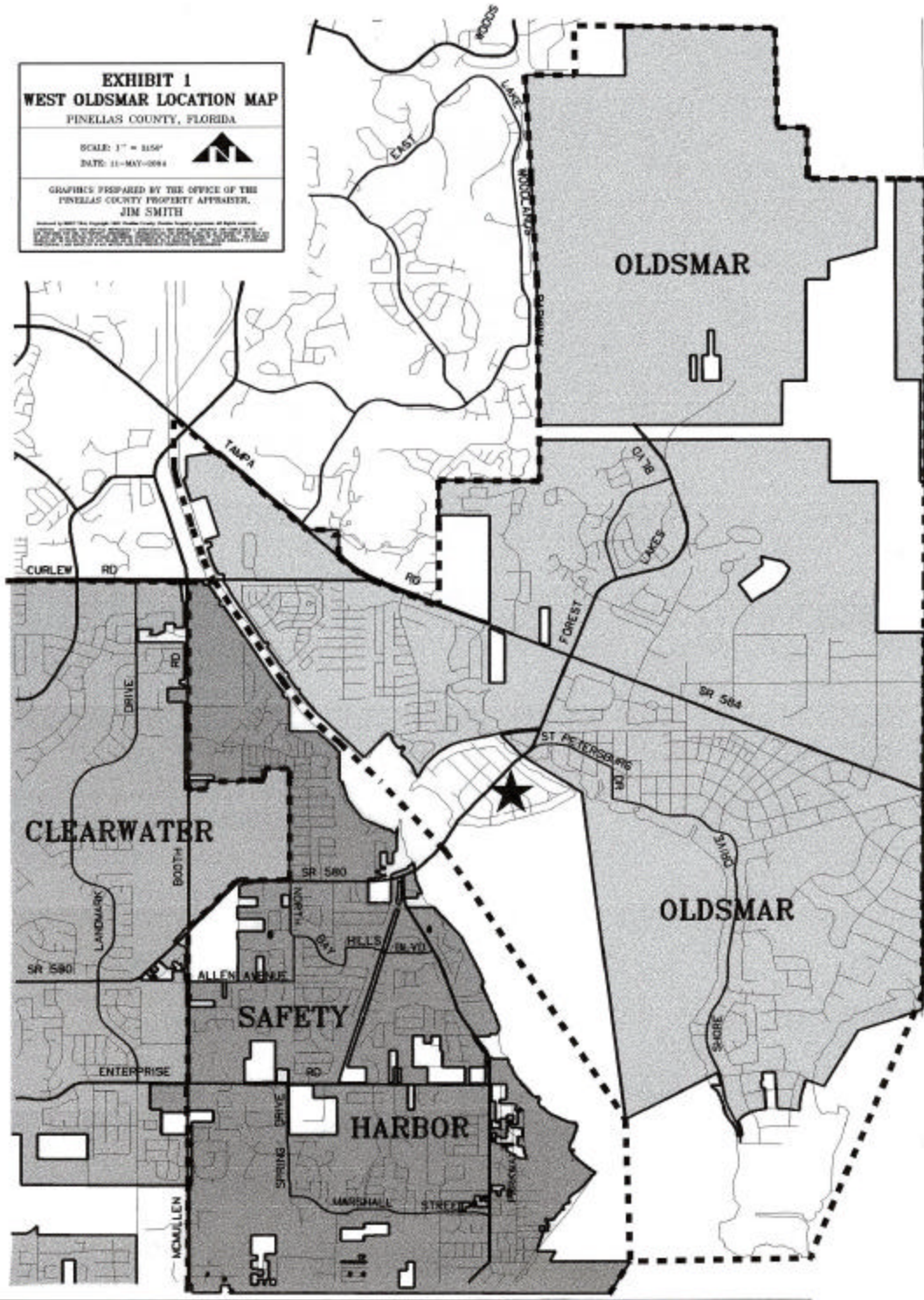
West Oldsmar is a mostly residential community roughly a quarter square mile in area. It shares its north and east boundaries with the westerly portion of the City of Oldsmar. It is bounded on the north by the CSX Railroad right-of-way and on the east by the Moccasin Branch Creek. The western and southern boundaries are defined by the shoreline of Old Tampa Bay and Safety Harbor Bay. It is bisected by State Road 580, which furnishes the only means of roadway access to and from this community.

This is not the first time the City of Oldsmar has considered annexing West Oldsmar. In 1988 the City Council approved an ordinance on first reading to proceed with annexation by scheduling an annexation referendum. Subsequently, City officials held a meeting in West Oldsmar to discuss annexation with some of the affected area residents. At this meeting residents expressed opposition of a magnitude that caused City officials to withdraw from any further action related to the proposed annexation.

B. Purpose of the Study

The purpose of this study is to provide the City of Oldsmar with an examination of the feasibility of expanding its corporate limits to include West Oldsmar. It will provide research and analysis of the projected fiscal impacts on the City as well as the fiscal impacts on the residents, businesses, and property owners of West Oldsmar. It is intended that this study be used to evaluate the advantages and disadvantages of annexation, both for City officials and affected area residents and property owners. It is further intended that this study help the City determine whether to proceed with a public outreach program designed to provide residents and property owners with additional information regarding annexation, and also help the City determine whether to proceed with an urban services report which will be necessary to fulfill the ability-to-serve requirements of the Florida Statutes and the Pinellas Planning Council.

Exhibit 1 displays the West Oldsmar annexation study area.



II. ANNEXATION PROCESS AND LAWS

Chapter 171, Florida Statutes, governs annexations in Florida, including both voluntary annexation and annexation by referendum (what is sometimes referred to as “involuntary” annexation). As authorized by Florida Statutes and approved by a referendum of Pinellas County voters in November 2000, voluntary annexation in Pinellas County is governed locally by Pinellas County Ordinance Number 00-63.

A. Voluntary Annexation

Land within West Oldsmar is eligible for voluntary annexation into the City of Oldsmar. According to Pinellas County Ordinance No. 00-63 and the planning area map attendant thereto, West Oldsmar is situated within Oldsmar’s planning area. Land within the designated planning areas is eligible for annexation into municipalities as specified on the planning area map. Moreover, land within the planning areas qualifies for annexation by voluntary petition, that is, by petition or application to the governing body of the municipality by individual property owners. The governing body could in turn consider each voluntary petition in an ordinance at a public hearing and annex the area described in the petition if it meets the criteria in Ordinance No. 00-63.

This method of annexation is not being considered by the City of Oldsmar as the primary form of annexation in favor of annexation by referendum. Voluntary annexation would not yield a cohesively annexed area for many years to come, if ever. Experience has shown that some parcel owners will readily annex, while others choose not to. This can leave many unincorporated lots and/or blocks adjacent to newly annexed city areas, often proving difficult to serve, and confusing service providers and the public regarding which jurisdiction a particular area is in.

B. Annexation by Referendum

Annexation by referendum is used to annex larger areas in a cohesive fashion and is based on a vote of the registered electors (voters) in an area proposed for annexation. That is, the majority of the persons registered to vote and living in the area that choose to vote in a referendum will decide whether or not the entire area can be annexed. Of course, if the majority votes yes, then the city would still be required to adopt an annexation ordinance before the area could become part of the city.

Two sections of the Florida Statutes contain prerequisites to any annexation by referendum. Sections 171.0413(5)¹ and (6)² state that 30% or more of the land in an area proposed to be annexed by referendum must be owned by registered electors residing at such properties (“owner/voter”); and conversely, not more than 70% of the land in an area proposed to be annexed by referendum must be owned by individuals, corporations, or legal entities that are not registered electors at such properties (“non-owner/voter”), unless the owners of more than 50% of the land in the area proposed for annexation consent to annexation prior to the referendum.

This provision is commonly referred to as the “30/70 area requirement.” In order for an area to qualify for annexation by referendum under the 30/70 area requirement, registered electors residing at such properties must own at least 30% of the parcels, exclusive of public rights of way. West Oldsmar, therefore, with 103 acres included within parcels, must consist of at least 31 acres owned by registered electors residing at their West Oldsmar properties.

After review and comparison of the Pinellas County Property Appraiser’s records for parcel ownership with the Supervisor of Election’s records for voter registrations, and determining the parcel acreage using the County’s Geographic Information System, it was determined that as of February 2004 West Oldsmar does not meet the qualifications of the 30/70 area requirement.

The comparison revealed that less than 28 acres, or approximately 27% of the area, fits within the “owner/voter” requirement, leaving approximately 73% of the area “owned by individuals, corporations, or legal entities that are not registered electors at such owned property,” or “non-voter/owners.” The latter are typically renter-occupied residential units, vacant parcels, and parcels used for non-residential purposes. Most notably, the roughly eight-acre Anchor North Bay Mobile Home Park owned by a corporation (CP Limited Partnership) and the approximately five-acre railroad right-of-way owned by a legal entity (CSX Transportation, Inc.) fall within the “non-voter/owner” category. Within the mobile home park, for example, there are residents registered to vote in this

¹ If more than 70 percent of the land in an area proposed to be annexed is owned by individuals, corporations, or legal entities which are not registered electors of such area, such area shall not be annexed unless the owners of more than 50 percent of the land in such area consent to such annexation. Such consent shall be obtained by the parties proposing the annexation prior to the referendum to be held on the annexation.

² Notwithstanding subsections (1) and (2), if the area proposed to be annexed does not have any registered electors on the date the ordinance is finally adopted, a vote of electors of the area proposed to be annexed is not required. In addition to the requirements of subsection (5), the area may not be annexed unless the owners of more than 50 percent of the parcels of land in the area proposed to be annexed consent to the annexation. If the governing body does not choose to hold a referendum of the annexing municipality pursuant to subsection (2), then the property owner consents required pursuant to subsection (5) shall be obtained by the parties proposing the annexation prior to the final adoption of the ordinance, and the annexation ordinance shall be effective upon becoming a law or as otherwise provided in the ordinance.

area, but they do not own the property on which they live, and are therefore considered “non-owner/voters.”

SUMMARY OF “VOTER/OWNER” STATISTICS FOR WEST OLDSMAR
• The land area of West Oldsmar is 103.3 acres. ³
• There are 27.8 acres in the “voter/owner” ⁴ category where at least 31 acres are required for annexation by referendum.
• The 27.8 acres represent 27% of the area for voter/owners where at least 30% is required for annexation by referendum.
• The remaining area – 75.5 acres – is in the “non-voter/owner” ⁵ category.
• The 75.5 acres represent 73% of the area for non-voter/owners where no more than 70% is allowed for annexation by referendum.

For an area that does not qualify for annexation by referendum using the 30/70 area requirement there remains an additional method of annexation as outlined in Section 171.0413(5), Florida Statutes. This provision would require the consent of owners of more than 50% of the area proposed for annexation, or approximately 52 acres. The number of owners needing to consent to annexation cannot be precisely specified at this time since the parcels vary substantially in size.

Further, Section 171.0413(3), Florida Statutes, states that parcels “shall not be severed, separated, divided, or partitioned...” by the annexation, unless the owner of such property waives “...the requirements of this subsection if such owner does not desire all of the tract or parcel included in such annexation...” In this instance, the railroad right-of-way parcel extends in a southwesterly direction from the Oldsmar city limits on the east across Safety Harbor Bay, terminating on land near the City of Safety Harbor. For the purposes of this study this parcel has been considered severed and includes approximately five acres, whereby the full railroad parcel is almost ten acres in size. Annexing the entire 10-acre parcel would create a “finger area” as discussed below. Not annexing the railroad right-of-way would leave a “pocket,” again discussed below.

Before West Oldsmar could qualify for annexation, the owner of the railroad parcel would have to waive the requirements of the section of Florida Statutes as shown above. This could be accomplished either through a letter to the City from CSX Transportation, Inc., or through the property owner’s submission of a voluntary petition for annexation of

³ Any quantity of land whether public or private, as identified by a parcel identification number (PIN) by the Pinellas County Property Appraiser’s Office. For the purpose of this definition, a parcel may be comprised of multiple lots containing any combination of uplands, submerged lands (water bodies), wetlands, or private roadways, but shall not include areas designated by the Pinellas County Property Appraiser as publicly dedicated right-of-way, submerged lands, or wetlands without a PIN.

⁴ A registered elector at such owned property.

⁵ Owned by individuals, corporations, or legal entities that are not registered electors at such owned property.

a portion of the larger parcel. Upon so doing, the railroad parcel would be removed from consideration in an annexation referendum, thus changing the 30/70 calculations to an overall area of 98.2 acres, comprised of 28% voter/owners and 72% non-voter/owners.

Three other avenues exist to qualify the area for annexation by referendum using the 30/70 area requirement, either separately or in combination: 1) reduce the size of the subject area so that it consists of at least 30% owner/voters, (as discussed regarding the railroad parcel); 2) obtain voluntary annexation petitions from “non-voter/owner” parcels which would reduce the proportion of “non-voter/owner” parcels (again, as was discussed regarding the railroad parcel); and/or 3) cause additional resident land owners to register to vote.

The merits of the aforementioned three methods will not be discussed in detail because they are outside the purview of this study; however, it should be noted that reduction of the area proposed for annexation might leave pockets of unincorporated land that could prove difficult to serve and lead to confusion among service providers and the public. Any new configuration must also be compact and contiguous, as required by Section 171.0413(1), Florida Statutes.

C. Contiguity and Compactness

The definitions included in Florida Statutes for “contiguous”⁶ and “compactness”⁷ are lengthy, but as summarized require that a substantial part of the annexation area must be coterminous with existing city limits and that the annexation must be concentrated in a single area. Also, the annexation cannot create enclaves,⁸ pockets, or finger areas in serpentine patterns.

⁶ "Contiguous" means that a substantial part of a boundary of the territory sought to be annexed by a municipality is coterminous with a part of the boundary of the municipality. The separation of the territory sought to be annexed from the annexing municipality by a publicly owned county park; a right-of-way for a highway, road, railroad, canal, or utility; or a body of water, watercourse, or other minor geographical division of a similar nature, running parallel with and between the territory sought to be annexed and the annexing municipality, shall not prevent annexation under this act, provided the presence of such a division does not, as a practical matter, prevent the territory sought to be annexed and the annexing municipality from becoming a unified whole with respect to municipal services or prevent their inhabitants from fully associating and trading with each other, socially and economically. However, nothing herein shall be construed to allow local rights-of-way, utility easements, railroad rights-of-way, or like entities to be annexed in a corridor fashion to gain contiguity; and when any provision or provisions of special law or laws prohibit the annexation of territory that is separated from the annexing municipality by a body of water or watercourse, then that law shall prevent annexation under this act.

⁷ "Compactness" means concentration of a piece of property in a single area and precludes any action which would create enclaves, pockets, or finger areas in serpentine patterns. Any annexation proceeding in any county in the state shall be designed in such a manner as to ensure that the area will be reasonably compact.

⁸ "Enclave" means: (a) Any unincorporated improved or developed area that is enclosed within and bounded on all sides by a single municipality; or (b) Any unincorporated improved or developed area that is enclosed within and

The study area shown on Exhibit 2 is substantially contiguous to the City of Oldsmar on the east and north. It does not create any enclaves, pockets, or finger areas in serpentine patterns. Further, the annexation of the railroad right-of-way on the north will eliminate a pocket that exists in the northeast portion of the subject area.

D. Urban Attributes

Section 171.043(2), Florida Statutes,⁹ states that part or all of the area to be annexed must be developed for urban purposes. An area developed for urban purposes is defined as an area that meets any one of three outlined standards. The standards pertain to population density and lot sizes in the subject area.

Even though an annexation area need only qualify for one of these criteria, West Oldsmar can meet all three, specifically:

- West Oldsmar has a residential density of three units per acre (including acreage for right-of-way, four units per acre without right-of-way included), where only two units per acre are required;
- 96% of the total number of lots and tracts in West Oldsmar are one acre or less in size, where only 60% is required; and
- 76% of the lots and tracts are used for urban purposes in West Oldsmar, where only 60% is required, and more than 94% of the total acreage, not counting nonresidential acreage, consists of lots 5 acres or less in size in West Oldsmar, where a minimum of 60% is required.

The issues discussed above are the significant provisions in the Florida Statutes relating to annexation by referendum applying to the subject area.

bounded by a single municipality and a natural or manmade obstacle that allows the passage of vehicular traffic to that unincorporated area only through the municipality.

⁹ Part or all of the area to be annexed must be developed for urban purposes. An area developed for urban purposes is defined as any area which meets any one of the following standards: (a) It has a total resident population equal to at least two persons for each acre of land included within its boundaries; (b) It has a total resident population equal to at least one person for each acre of land included within its boundaries and is subdivided into lots and tracts so that at least 60 percent of the total number of lots and tracts are 1 acre or less in size; or (c) It is so developed that at least 60 percent of the total number of lots and tracts in the area at the time of annexation are used for urban purposes, and it is subdivided into lots and tracts so that at least 60 percent of the total acreage, not counting the acreage used at the time of annexation for nonresidential urban purposes, consists of lots and tracts 5 acres or less in size.

III. STUDY AREA CHARACTERISTICS

A. Relationship to Surrounding Communities

West Oldsmar is located in northeast Pinellas County on the northernmost shore of Old Tampa Bay. It is contiguous to the City of Oldsmar on its north and east boundaries. It is located approximately one-third mile northeast of the City of Safety Harbor, separated by Safety Harbor Bay.

B. Land Use

West Oldsmar is predominantly residential. Two-thirds of the net land area (“net” meaning less public rights-of-way and submerged land) is developed with residential buildings. One-quarter is presently vacant and available for development. The remaining land area is either railroad right-of-way or developed with commercial structures.

The land south of State Road 580 is developed mostly with single-family homes. Some commercial development, consisting of a convenience store, auto garage, warehouse and strip stores, is located adjacent to the south side of State Road 580. Duplexes and an aging mobile home park are the prevailing land uses north of State Road 580. A number of triplexes can also be found north of State Road 580. In addition, the privately owned CSX Railroad right-of-way traverses the northernmost portion of West Oldsmar. Table 1 shows the existing use of land in West Oldsmar and the percentage distribution:

Table 1
Existing Uses of Land and Percentage Distribution

Use of Land	Net Acres*	Percentage
Single family	38.4	37.2%
Mobile home	8.0	7.7%
Duplex	13.2	12.8%
Triplex	9.2	8.9%
Commercial	3.2	3.1%
Railroad	5.1	4.9
Vacant	26.2	25.4%
Total	103.3	100%

Source: Pinellas County Property Appraiser, January 2004

*Net acres does not include public rights-of-way and submerged land

Exhibit 3 displays an aerial view of West Oldsmar.



EXHIBIT 3
Aerial View of West Oldsmar



NOT TO SCALE

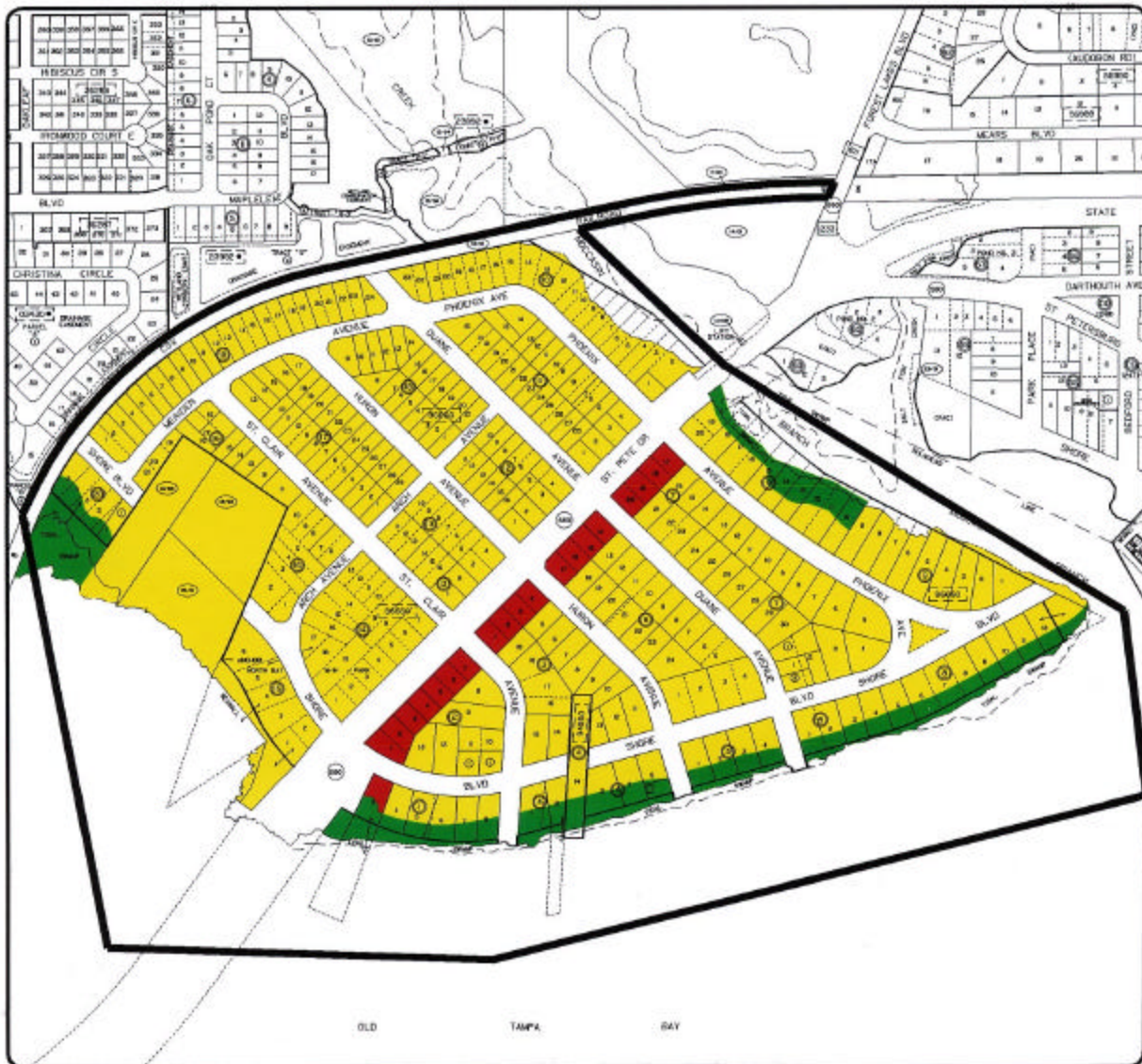
Pinellas County Property Appraiser records reflect the existence of 411 dwelling units in West Oldsmar. The housing stock is comprised of detached single-family homes, mobile homes, duplexes, and triplexes. There is a relatively even mix of these units. Duplex units are most common; almost one-third of the units in West Oldsmar are duplex units. Single-family units comprise approximately one-quarter of the total housing stock, as do mobile homes. Table 2 shows the number of units by type and the percentage distribution.

Table 2
Number of Dwelling Units by Type

Type of Dwelling Unit	Number of Units	Percentage
Single family detached	101	24.6%
Mobile homes	97	23.6%
Duplex	126	30.6%
Triplex	87	21.2%
Total	411	100.0%

Source: Pinellas County Property Appraiser, February 2004

According to the Countywide Future Land Use Plan, land in West Oldsmar is categorized in three land use classifications: Residential Urban, Commercial General, and Preservation. The preponderance of land is categorized Residential Urban, the application of which closely coincides with the existing residential development pattern. Most of the land abutting the south side of State Road 580 is categorized as Commercial General. In low-lying areas adjoining Old Tampa Bay, Safety Harbor Bay, and the Moccasin Branch Creek, land is designated Preservation. Exhibit 4 displays the designations for West Oldsmar according to the Countywide Future Land Use Plan.



RESIDENTIAL		MIXED USE		COMMERCIAL		PUBLIC/SEMI-PUBLIC		SPECIAL DESIGNATION			
	RESIDENTIAL RURAL		RESIDENTIAL LOW MEDIUM		RESIDENTIAL/OFFICE LIMITED		COMMERCIAL NEIGHBORHOOD		PRESERVATION		WATER/ DRAINAGE FEATURE
	RESIDENTIAL ESTATE		RESIDENTIAL MEDIUM		RESIDENTIAL/OFFICE GENERAL		COMMERCIAL LIMITED		RECREATION/ OPEN SPACE		SCENIC/ NON-COMMERCIAL CORRIDOR
	RESIDENTIAL SUBURBAN		RESIDENTIAL HIGH		RESIDENTIAL/OFFICE/RETAIL		COMMERCIAL RECREATION		INSTITUTIONAL		ACTIVITY CENTER/ PRIMARY SECONDARY
	RESIDENTIAL LOW		RESIDENTIAL VERY HIGH		RESORT FACILITIES OVERLAY		COMMERCIAL GENERAL		TRANSPORTATION/ UTILITY		COMMUNITY DEVELOPMENT DISTRICT
	RESIDENTIAL URBAN				RESORT FACILITIES MEDIUM						CENTRAL BUSINESS DISTRICT
					RESORT FACILITIES HIGH						
						INDUSTRIAL					
							INDUSTRIAL LIMITED				
							INDUSTRIAL GENERAL				

**EXHIBIT 4
FUTURE LAND USE
WEST OLDSMAR**

PINELLAS PLANNING COUNCIL
 GRAPHICS PREPARED BY THE OFFICE OF THE
 PINELLAS COUNTY PROPERTY APPRAISER, JIM SMITH
 GRAPHICS PREPARED USING MEDIT VERSION 2.1 ©

SCALE 1" = 600'

Table 3 shows the amount of land in West Oldsmar in each Future Land Use Plan category:

Table 3
Countywide Future Land Use Distribution

Land Use Plan Category	Acres
Residential Urban	87.0
Commercial General	4.3
Preservation	9.7
Road rights-of-way (undesignated)	35.9
Railroad right-of-way (undesignated)	5.1 ¹⁰
Total	142.0

Source: Pinellas Planning Council, January 2004

There is considerable potential for future development in West Oldsmar. There exists 26.2 acres of vacant land, 23.0 acres of which are available for future development. The vast majority of vacant land is planned for residential development. There are 43 vacant residential parcels. If this land is developed to its capacity, 163 new dwelling units may be constructed. There is also a limited amount of vacant commercial property available for development. One parcel with a land use designation of Commercial General, owned by the State of Florida Department of Transportation, is used for stormwater retention and, for the purposes of this study, is not considered available for development. The other vacant commercial parcel, with an area of 0.8 acre, is available for commercial development.

C. Demographics

According to the 2000 U.S. Census data, there is an average of 1.87 persons per residential unit in Pinellas County.¹¹ Applying this average to the 411 units that exist in West Oldsmar, the current population can be estimated at 769 persons.

It is anticipated that the population will continue to grow in coming years as dwellings are built on undeveloped land. According to the Property Appraiser's records, 14 new units were constructed in West Oldsmar from 1994 to 2003. This equates to a 3.5 percent increase in dwelling units during this preceding decade. If assumed that the unit count increases at a steady rate, and the occupancy rate and average persons-per-unit remains

¹⁰ For the purpose of computing the area of the railroad right-of-way, the limits of the right-of-way were set on the east at Forest Lakes Blvd. and on the west at the west city limit line of Oldsmar.

¹¹ This figure is derived by multiplying the average number of persons per occupied residential unit (2.17) times the occupancy rate (86.2%).

fixed, the population would increase by 26 persons in the next 10 years and 54 persons in the next 20 years. Table 4 shows these population estimates and projections.

Table 4
Population Estimates and Projections

Year	Population*
2004 (estimate)	769
2014 (projection)	795
2024 (projection)	823

*Current population estimate is derived by multiplying the number of dwelling units times the average number of persons per occupied unit times the occupancy rate. Future projections assume a constant construction growth rate, a fixed occupancy rate, and a fixed average-persons-per-unit count.

IV. PUBLIC SERVICES AND FACILITIES

A. Overview of Responsibilities

West Oldsmar residents currently receive public services from several different sources. In the event West Oldsmar is annexed by the City of Oldsmar, many of these services would become the responsibility of the City, but some will remain unchanged. In a few cases, the service provider does not change, but the fees and charges do. Table 5 displays a summary listing of public services, including jurisdictional responsibility now and if annexation were to occur.

Table 5
Jurisdictional Responsibilities: Unincorporated and if Annexed

Public Service	Current Responsibility	Responsibility if Annexed
Administrative (planning, building inspection, code enforcement, finance, budgeting)	Pinellas County	Oldsmar
Emergency Medical Service (EMS)	Oldsmar*	Oldsmar
Fire Service – building inspections Fire Service – emergency response	Safety Harbor Oldsmar*	Oldsmar Oldsmar
Law Enforcement	Pinellas County Sheriff	Oldsmar to contract with Pinellas County Sheriff
Library	Library Cooperative	Oldsmar
Natural Gas	No service	No service
Potable Water	Oldsmar	Oldsmar
Recreation	Pinellas County	Oldsmar
Recycling	Resident	Oldsmar
Sanitary Sewer	Oldsmar	Oldsmar
Solid Waste Collection	Resident must contract	Oldsmar to contract
Stormwater Drainage	Pinellas County	Oldsmar
Transportation – local roads Transportation – State Road 580	Pinellas County FDOT	Oldsmar FDOT

*West Oldsmar is located within the Safety Harbor Fire District; however, Oldsmar is the designated “first responder.”

B. Services and Facilities

1. Law Enforcement

The Pinellas County Sheriff's Department provides law enforcement service to both West Oldsmar and the City of Oldsmar. This service is currently funded in unincorporated Pinellas County utilizing proceeds from the Municipal Services Taxing Unit, an ad valorem tax collected from property owners in the unincorporated portion of Pinellas County. In the City of Oldsmar, the service is provided through an annual contract between the City and Sheriff's Department. The service is funded in the City utilizing City taxes.

2. Fire/Emergency Medical Service

Pinellas County is responsible for fire service in West Oldsmar and contracts with the City of Safety Harbor to provide it. As part of the Safety Harbor Fire District, West Oldsmar property owners pay a special assessment to the District. There are numerous fire districts in Pinellas County with similar contracts and payment plans, however the entity that actually provides emergency response to an area varies depending upon proximity or distance to the area. The nearest fire station to West Oldsmar within the Safety Harbor Fire District is located at 3095 McMullen Booth Road, approximately two and one-quarter miles distant. This is not the nearest fire station to West Oldsmar however. The nearest station is in the City of Oldsmar at 225 Pine Ave. North, approximately one mile distant. Thus, the City of Oldsmar is the nearest service provider and is the designated "first responder" in the event of a call for fire or emergency medical service. In the event West Oldsmar is annexed into the City of Oldsmar, the Oldsmar Fire Department will continue to provide fire and emergency medical services to West Oldsmar. However, West Oldsmar property owners would no longer be part of the Safety Harbor Fire District and, consequently, would no longer pay the special assessment to the District. Instead, West Oldsmar property owners would pay municipal taxes to the City of Oldsmar, which would include the cost for fire service.

Emergency medical service will be largely unaffected by annexation. The service will continue to be funded by Pinellas County from taxes collected on a countywide basis and apportioned to the various service providers. Emergency response will continue to be provided by the City of Oldsmar. Additional responsibilities transferring to Oldsmar after annexation include commercial and residential building inspections and permit review, completion of required "run cards," and hydrant testing.

3. Potable Water

The City of Oldsmar provides potable and fire protection water service to West Oldsmar through a City-owned water distribution system. The system in West Oldsmar consists of a network of water lines and 15 fire hydrants, including several placed by the City in recent months through a cooperative agreement with Safety Harbor and Pinellas County. The City is responsible for maintaining the lines and hydrants within public rights-of-way. Private property owners are responsible for maintaining individual service lines within their property boundaries. The existing system is adequate to provide consistent, on-demand potable and fire protection water service.

Since the water system is in place, there will be no change in actual service in the event West Oldsmar is annexed. Water revenue, however, will change. Customers in unincorporated areas of Oldsmar's water service area pay a 25% surcharge on their utility bill. Upon annexation, this surcharge would no longer be applicable.

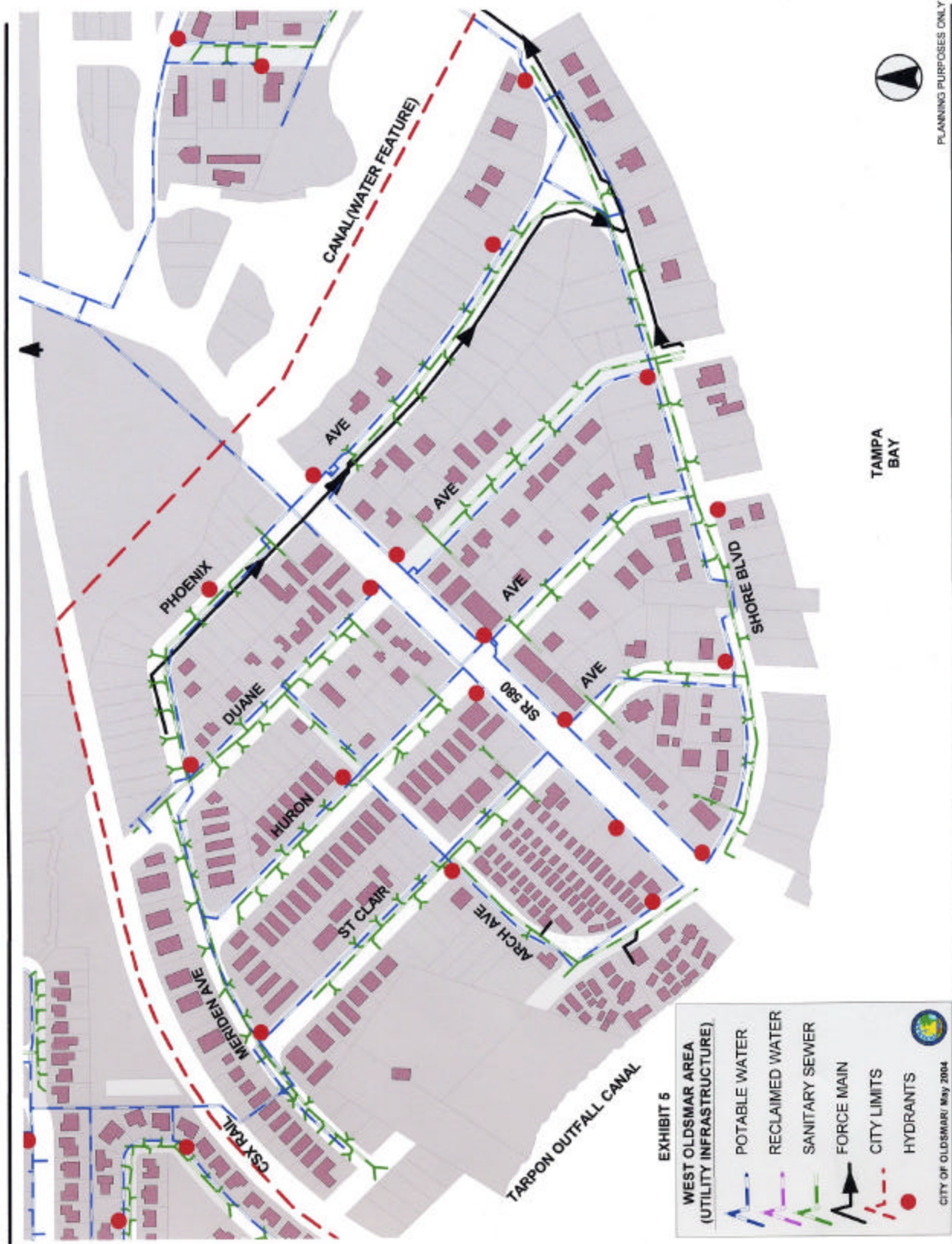
Exhibit 5 displays the distribution network of potable water lines in West Oldsmar, as well as other utility infrastructure furnished by the City of Oldsmar.

4. Wastewater Collection and Treatment

The City of Oldsmar provides wastewater collection and treatment for West Oldsmar. A wastewater collection system owned by the City consisting of gravity lines and force mains is located throughout West Oldsmar. Almost all West Oldsmar properties are connected to this system. The City installs, maintains, and replaces the infrastructure within public rights-of-way as necessary to provide adequate, efficient, and reliable service. Private property owners are responsible for maintaining individual sewer lines within their property boundaries.

Wastewater is treated at the Wastewater Treatment Facility located 352 Lafayette Blvd. Plant capacity is 2.25 million gallons per day. It is presently operating at an average of 1.8 million gallons per day.

Since the wastewater collection and treatment system is in place, there will be no change in the actual service to residents if West Oldsmar is annexed. Surplus capacity of the Treatment Facility will not be affected either. Wastewater revenue, however, will change. Customers in unincorporated areas of Oldsmar's sewer service area pay a 25% surcharge on their utility bill. Upon annexation, this surcharge would no longer be applicable.



Many cities, including Oldsmar, treat and disinfect domestic wastewater so that it can be safely used for irrigation and other non-potable purposes. Quantity and availability is limited, however, and the City does not make reclaimed water service available to customers outside of the City limits. While no plans exist to serve West Oldsmar, should annexation occur, residents will be afforded the opportunity to petition the City to expand the system into their community.

5. Solid Waste Collection and Disposal/Recycling

Residents and businesses in West Oldsmar must contract with private haulers for solid waste collection and disposal. If recycling is desired, they may also contract for collection of recyclable waste, or transport it to the County's waste-to-energy facility themselves. The City currently provides these services to its residents and businesses by awarding a contract to a private hauler through a competitive bidding process. In the event West Oldsmar is annexed, solid waste collection and disposal and collection of recyclable waste will eventually become the responsibility of the City. Before the City can assume this responsibility, however, existing private waste contracts must be allowed to run for a period of five years or the term of the contract, whichever is less. In the event West Oldsmar is annexed, the City will assume responsibility for this service on a date to be determined. The current monthly charge to City residents for solid waste collection and disposal and collection of recyclable waste is \$12.70.

6. Library

Residents of West Oldsmar are able to use any library within the Pinellas County Library Cooperative.¹² The nearest libraries in the Cooperative are located in Oldsmar at 101 State Street West and in Safety Harbor at 101 Second Street North. An architectural firm is under contract to design a new library in Oldsmar to be located on St. Petersburg Drive. To underwrite library privileges, West Oldsmar and all other unincorporated property owners pay 0.5 mil to the Library Cooperative. Library availability will not be affected if West Oldsmar is annexed. However, property owners will no longer be subject to the 0.5 mil property tax. Instead, property owners will pay municipal taxes to the City that will be used in part to support the Oldsmar library.

¹² This was established to provide unincorporated residents with library services through the use of municipal libraries. Pinellas County does not provide library facilities.

7. Parks and Recreation

Organized recreational programs are not presently provided by Pinellas County to West Oldsmar residents. If participation in such programs is desired, residents must turn to municipalities for these privileges, for which nonresident fees are normally charged. Pinellas County has recently begun a reimbursement program available to unincorporated residents to cover these non-resident fees.

There are no existing public parks or recreation facilities within West Oldsmar. However, there are numerous parks and facilities nearby. Two Pinellas County parks are within short commute. Philippi Park, located at 2525 Philippi Parkway in Safety Harbor, is situated just over one mile to the south. It features picnic facilities, play areas, a view of Old Tampa Bay along a mile of shoreline, a boat launching facility and fishing. John Chestnut, Sr. Park, located at 2200 East Lake Road in Palm Harbor, is situated approximately four miles to the north. It is adjacent to Lake Tarpon and features nature trails, wildlife, an historic spring, picnic facilities, and play areas. The Pinellas Trail, which is also part of the Pinellas County park system, is at its closest point located approximately six miles to the west. The Trail provides opportunities for walking, jogging, cycling and skating. In addition, numerous public parks are available nearby in the City of Oldsmar. For example, R.E. Olds Park, located approximately one mile to the east at 107 Shore Drive, is a waterfront park on Old Tampa Bay that features a fishing pier, picnic facilities and 12,000 square foot Friendship Playground.

8. Drainage/Stormwater Management

Stormwater drains adequately in West Oldsmar without flooding. In the area north of State Road 580, land is drained utilizing an underground piping system. South of State Road 580, open ditches are used to collect and divert stormwater. Stormwater collected by the system is discharged into Moccasin Branch Creek or Safety Harbor Bay.

Drainage for State Road 580 is the responsibility of the State of Florida Department of Transportation and would not change upon annexation. Drainage and stormwater management for the local streets and areas in unincorporated West Oldsmar is under Pinellas County's jurisdiction. Maintenance of the existing local drainage system is funded in the unincorporated County through the Municipal Services Taxing Unit. In the event West Oldsmar is annexed, the responsibility for local drainage and stormwater management, including responsibility for the existing infrastructure, would transfer to the City. The City charges a monthly stormwater fee of \$3.00 per residential customer, and \$3.00 per equivalent residential unit for commercial customers. Revenue generated from monthly fees is placed in an enterprise fund, which is a self-supporting fund where the revenue

funds the expense of stormwater management. In addition, some general fund revenue is also used to fund drainage maintenance work.

9. Streets and Roads

With the exception of State Road 580, which is the responsibility of the State of Florida Department of Transportation, streets and roads in West Oldsmar are the responsibility of Pinellas County. The local roadway system and its improvements reflect the absence of through access roads and fast-paced urban activity. While sidewalks are installed on both sides of S.R. 580, there are no sidewalks along the neighborhood streets. Few streetlights exist in West Oldsmar; most are intermittently placed north of State Road 580. North of State Road 580, most roadways are paved to provide for two-way traffic and include curb and gutter. South of State Road 580, streets are also hard-surfaced, but lack curbs and are narrower in order to accommodate open drainage ditches within the rights-of-way. Within the last year, several West Oldsmar roads were improved by Pinellas County with overlays and chip sealing. The existing local roadway system is adequately constructed to handle its low volume neighborhood usage.

Construction and maintenance of county roads are funded through the Municipal Services Taxing Unit. In the event West Oldsmar is annexed by the City of Oldsmar, all roads that are currently the responsibility of the County would become the responsibility of the City. Construction and upkeep of the roads would then be funded through municipal taxes.

10. Various Administrative and Management Functions

Building inspection, code enforcement, planning, economic development, finance, budgeting, and other administrative and management functions are presently performed by Pinellas County. These functions are funded through the Municipal Services Taxing Unit. In the event West Oldsmar is annexed, the responsibility for these functions will become the responsibility of the City and will be funded through municipal taxes.

This page intentionally left blank.

V. EFFECT ON THE CITY

This section will establish the basis upon which to evaluate the fiscal feasibility of expanding Oldsmar's corporate limits to include West Oldsmar; that is, to provide a reliable measure by which to gauge the merit or liability of annexation. To do this, this study compares revenue estimates, which are developed from the most current available data and assume incorporation, with servicing costs. In addition, this study will provide some insight on the relative value of West Oldsmar by comparing revenue generated in West Oldsmar with that generated in the City on a dollars per acre basis.

For the purpose of estimating revenue and developing comparisons, this study will focus only on revenue that is affected by annexation and is relevant to the City's determination regarding whether or not to pursue annexation; in particular:

- Ad valorem taxes.
- Sales and use taxes.
- Franchise fees.
- Utility taxes and surcharges.
- Service taxes.
- Other revenue, including license fees, permit and inspection fees, zoning fees, penalties, fines, and forfeitures.

It is important to note that not all sources of revenue in the above categories will provide meaningful comparisons. For example, the local infrastructure tax (Penny for Pinellas) is a sales tax that is apportioned according to a formula that employs a static population count. Consequently, it will neither be affected by annexation nor be relevant to the City's financial determination regarding annexation. The half-cent sales tax, on the other hand, is apportioned based on a current population count and is therefore pertinent to the City's deliberation.

In addition to distributions based on static population formulas, other revenue that does not provide meaningful comparisons and is excluded from the purview of this study includes:

- Non-recurring revenue, such as grants, which is difficult to predict from year-to-year and may skew comparisons if included.
- Revenue that is placed in self-supporting funds, such as stormwater utility fees.
- Revenue that supports a specific program and is used exclusively to fund that program, such as the water/sewer impact fee and the transportation impact fee.

- Future revenue, such as revenue based on an increased population, since the revenue estimates and comparisons presented in this study are based on the latest available current data.

To gain some advance perspective, approximately \$7.5 million of the City’s annual revenue is generated from sources affected by annexation and relevant to the City’s determination regarding annexation. This constitutes approximately one-third of the City’s \$23.7 million total revenue budgeted for the 2003/04 fiscal year.

A. Revenue

Based on latest available data, if West Oldsmar were annexed, the City could expect approximately \$233,000 in new revenue; that is, revenue from sources affected by annexation and relevant to the City’s determination regarding annexation. Table 6 shows the new revenue by source. The revenue from each source is discussed in greater detail in the pages that follow.

Table 6
New Revenue for the City from West Oldsmar if Annexed

Revenue Source (Year)	Revenue
Ad Valorem Taxes (2003)	\$121,453
Sales Taxes, Utility Taxes, Franchise Fees and Other Revenue (FY 2003/04)	\$169,748
Utility Surcharge (FY 2002/03)	(\$58,053)
Total	\$233,148

1. Taxable Value and Ad Valorem Tax Revenue

According to the Pinellas County Property Appraiser’s records, the 2003 taxable real estate value for West Oldsmar was \$25,673,000. Approximately 85% of this value is derived from developed residential properties. Notwithstanding the historical trend of appreciating real estate values, the overall value can be expected to increase in coming years as vacant properties develop and existing developed properties redevelop. Specifically, it was noted earlier that almost one-quarter of the land area in West Oldsmar – a total of 23.0 acres – is vacant and available for development. While this vacant land accounts for one-quarter of the land area of West Oldsmar, it accounts for only 11% of the taxable value. As new buildings are constructed on these properties, taxable values will inevitably increase. Also, it can be expected that the aging 7.8 acre mobile home park, which is under single ownership, will experience mounting redevelopment pressure with time, and may one day have a considerably greater taxable value when redevelopment occurs.

Table 7 displays 2003 taxable real estate values by existing use.

Table 7
Taxable Real Estate Value: West Oldsmar

Existing Use of Land	Assessed Taxable Real Estate Value (2003)
Single family	\$10,223,700
Mobile home	\$1,787,600
Duplex	\$6,377,200
Triplex	\$3,455,400
Commercial	\$1,009,900
Vacant	\$2,819,200
Total	\$25,673,000

Source: Pinellas County Property Appraiser, February 2004

The City of Oldsmar 2003 millage rate applicable to real estate is 4.65 mils. Applying this rate to West Oldsmar's 2003 taxable real estate value, West Oldsmar would produce \$119,379 in real estate ad valorem tax revenue for the City if incorporated.

In addition to real estate, ad valorem taxes are levied against tangible personal property, also referred to as tangible property. Officials in the Pinellas County Property Appraiser's office indicate that tangible property taxes in West Oldsmar are collected almost exclusively from businesses on furniture, fixtures, equipment and leasehold improvements. They further indicate that a conservative estimate of the 2003 tangible property value in West Oldsmar is \$445,990. Like real estate, the municipal 2003 millage rate applicable to tangible property is 4.65 mils. Applying this rate to West Oldsmar's 2003 taxable tangible property value, West Oldsmar would produce \$2,074 in tangible property ad valorem tax revenue if incorporated.

Table 8 displays the revenue generated from West Oldsmar if annexed using 2003 taxable values and millage rates. A more specific analysis of the difference in revenue that would result from incorporation will be made available to local residents and property owners as part of the outreach program in Phase II of this feasibility study, should the City elect to proceed to that step.

Table 8
Ad Valorem Tax Revenue for the City if West Oldsmar were Annexed

Type of Tax	Taxable Value (2003)	City Millage Rate (2003)	Revenue
Real Estate Tax	\$25,673,000	4.65 mils	\$119,379
Tangible Tax	\$445,990	4.65 mils	\$2,074
Total	\$26,118,990	4.65 mils	\$121,453

2. Revenue from State and Municipal Taxes and Fees

In addition to ad valorem taxes, municipalities receive revenue from other sources, including sales taxes, utility taxes and franchise fees. Sales taxes are collected by the State of Florida and distributed to municipalities. Other revenue sources, such as utility taxes, franchise fees, and permit and license fees are set and collected by municipalities. Table 9 displays franchise fee, utility tax, and service tax rates in the City of Oldsmar:

Table 9
City of Oldsmar Franchise Fee, Utility Tax, and Service Tax Rates

Tax / Fee	Rate (2003)
Electricity - Franchise	6%
Gas – Franchise*	4.5%
Solid Waste - Franchise	15% for residential; commercial varies based on collections and container size
Electricity - Utility	9%
Gas – Utility*	9%
Propane - Utility	9%
Communications Service Tax	5.82%

*Natural gas is not presently available in West Oldsmar.

Sales and utility tax, franchise fee and other selected revenue that would come to the City if West Oldsmar were annexed were estimated in this study by selecting budgeted revenue for the City of Oldsmar in fiscal year 2003/04 and calculating the amount that would be generated in West Oldsmar. The total revenue produced by West Oldsmar from these selected taxes and fees was found to be approximately \$170,000. The revenue estimates are displayed in an abridged fashion in Table 10, with details available in Appendix A.

Table 10
Selected State and Municipal Revenue Estimates: West Oldsmar if Annexed

Revenue Source	Estimated Revenue (FY 2003/04)
Sales and Use Taxes	\$47,841
Franchise Fees	\$36,653
Utility Taxes	\$36,861
Service Tax	\$28,699
Miscellaneous Municipal Fees	\$19,694
Total	\$169,748

3. Utility Surcharge Revenue

The City of Oldsmar provides water and sewer services to West Oldsmar. The City applies a 25% surcharge to unincorporated areas for these services. In the 2002/03 fiscal year, the City collected \$58,053 from West Oldsmar for these services. If annexed, this surcharge would no longer be applicable and this revenue stream would be lost.

B. Expenditures

As previously discussed in this study, many public services and facilities are already funded, furnished and available to West Oldsmar by the City of Oldsmar, including water, sewer, fire protection, emergency medical service, parks, and the City library. Also, the existing infrastructure is in good condition with no upgrades presently scheduled. Although the City estimates that it can provide most services using existing staff and equipment, some additional costs can be expected. City officials estimate the additional annual cost to provide public service to West Oldsmar will be approximately \$129,500. The cost estimate contemplates an increase of approximately \$50,100 to the contract with the Pinellas County Sheriff's Department for law enforcement service, approximately \$18,000 to cover 50% of the personnel cost for a new code enforcement officer, approximately \$2,000 to cover fire administration tasks (such as completion of run cards, commercial inspections, testing hydrant flows, and building permit reviews), approximately \$28,100 to cover 100% of the personnel cost for a new street maintenance operator, approximately \$6,300 for selected sidewalk and streetlight installation, and approximately \$25,000 to cover additional operating costs for street and drainage ditch maintenance. Table 11 shows the estimated cost to provide West Oldsmar with public services if annexed.

Table 11
Estimated Cost to Serve West Oldsmar

Cost Center	Cost
Increase in Sheriff's contract	\$50,127
Code enforcement officer (1/2 full time equivalent)	\$17,981
Fire administration	\$2,000
Street maintenance operator (1 full time equivalent)	\$28,088
Sidewalk / streetlight installation	\$6,305
Streets /drainage ditch maintenance	\$25,000
Total	\$129,501

C. Value-per-Acre Comparison: Oldsmar vs. West Oldsmar

In addition to comparing revenue and costs, another means to assess the relative value of West Oldsmar is to compare the revenue generation rate of West Oldsmar with that of Oldsmar. To do this, this study compares the estimated West Oldsmar revenue with the corresponding revenue generated in Oldsmar for the same period. This revenue is then expressed as a ratio to the land area from which it is principally derived, meaning residential and nonresidential properties, but excluding preservation areas, open spaces, water bodies, and street and railroad rights of way.

As stated earlier in this section, the new revenue from West Oldsmar, assuming incorporation, would be approximately \$233,000. According to the Countywide Future Land Use Plan, there are 91.3 acres of residential and nonresidential properties in West Oldsmar. Therefore, West Oldsmar would produce approximately \$2,550 of revenue per acre of land if annexed. By comparison, Oldsmar, with 2,290 acres of residential and nonresidential land, produced \$7,517,925 of revenue for the same period, yielding approximately \$3,280 per acre. Consequently, West Oldsmar's revenue production, if annexed, would be approximately \$730 (or 22.2%) less per acre than Oldsmar.

This \$730 dollar per acre difference between West Oldsmar and Oldsmar can be attributed in part to the greater number of vacant acres in West Oldsmar, resulting in a lower overall tax value per acre. In addition, natural gas utility taxes and franchise fees are not charged to the area since no service exists, the 25% water and sewer service surcharge that Oldsmar charges unincorporated areas in their water and sewer service area would be eliminated upon annexation, and electricity utility and franchise fees as well as and communications service taxes generate less revenue than Oldsmar.

A comparison of the revenue generation rates is displayed in a condensed manner in Table 12, with additional data and detail available in Appendix B.

Table 12
Summary Comparison of Revenue per Acre: Oldsmar vs. West Oldsmar

Community	Revenue Generated (FY 2003/04)	Acres	Revenue Per Acre
Oldsmar	\$7,517,925	2,290	\$3,283
West Oldsmar	\$233,149	91.3	\$2,554
Difference	N/A	N/A	\$729

D. Summary

Annexation of West Oldsmar would produce increased ad valorem taxes, sales taxes, utility taxes, franchise fees and other revenue for the City, but would eliminate the 25% utility surcharge. In all, annexation would produce approximately \$233,000 in new annual revenue for the City; that is, revenue from sources affected by annexation and relevant to the City’s determination regarding annexation. However, this new revenue would be offset in part by expenditures necessary to provide additional public services. City officials estimate that new expenditures of approximately \$130,000 would be necessary to provide services such as law enforcement, code enforcement and street maintenance in West Oldsmar. Accounting for all known factors, the City could expect to receive approximately \$103,000 in net annual revenue by annexing West Oldsmar. Table 13 shows in summary form the estimated net annual revenue that would come to the City if West Oldsmar were annexed.

Table 13
Estimated Net Annual Revenue for the City from West Oldsmar if Annexed

Revenue / Cost Source	Net Revenue / Cost
Ad Valorem Taxes	\$121,453
Sales Taxes, Utility Taxes, Franchise Fees and Other Revenue	\$169,748
Utility Surcharge (water / sewer)	(\$58,053)
Expenditures	(\$129,501)
Total	\$103,647

This page intentionally left blank.

VI. EFFECT ON RESIDENTS AND PROPERTY OWNERS

Annexation could produce several benefits for residents of West Oldsmar, including increased local government accessibility, curbside recycling, and more attentive code enforcement. Costs, however, will vary from household to household due to a number of factors, including whether the resident owns the property, the taxable real estate value, and the amount of water, sewer, and electric usage. To determine the exact effect on any household, a detailed examination of cost factors specific to that household would be necessary. Nonetheless, some general statements can be made regarding the cost effects of annexation:

- Renters are likely to experience marginal savings.
- Owners of lower valued properties are likely to experience moderate savings.
- Owners of higher valued properties are likely to experience considerable savings.

Reduced real estate taxes would constitute a significant source of savings for West Oldsmar property owners. The aggregate 2003 real estate millage rate for land in the unincorporated county is 23.2771 mils. At this rate, real estate in West Oldsmar produces \$597,593 in ad valorem tax revenue. By comparison, the aggregate 2003 real estate millage rate in the City of Oldsmar is 21.9821 mils. If Oldsmar's aggregate millage rate were applied to West Oldsmar's taxable value, the tax would be \$564,346, or \$33,247 less than in unincorporated West Oldsmar.

Table 14 shows the estimated difference in annual costs for residents and property owners. Cost estimates assume average power usage (1,200 kilowatt hours/month), an average cable, phone and cell phone bill of \$85/month (before taxes), an average water bill of \$20.99/month (before the surcharge), an average sewer bill of \$24.82/month (before the surcharge), and a solid waste collection bill of either \$20.03 or \$22.25/month.

Table 14
Estimated Difference in Annual Costs for Residents and Property Owners

Residency / Ownership	Taxable Real Estate Value	Annual Difference in Real Estate Tax	Annual Difference in Franchise Fees, Utility Taxes, and Other Costs*	Total Annual Difference*
Resident / Non-owner	N/A	N/A	\$11 to \$38 decrease	\$11 to \$38 decrease
Resident / Owner	\$75,000	\$97 decrease	\$11 to \$38 decrease	\$108 to \$135 decrease
	\$125,000	\$162 decrease	\$11 to \$38 decrease	\$173 to \$200 decrease
	\$175,000	\$227 decrease	\$11 to \$38 decrease	\$238 to \$265 decrease
Non-resident / Owner	\$75,000	\$97 decrease	N/A	\$97 decrease
	\$125,000	\$162 decrease	N/A	\$162 decrease
	\$175,000	\$227 decrease	N/A	\$227 decrease

*The range in annual costs is caused by different solid waste collection rates in the unincorporated county, depending on the contracted hauler. BFI charges \$20.03/month and Waste Management charges \$22.25/month. By comparison, the City charges \$12.70/month for solid waste collection.

Additional detail on the basis for the preceding cost estimates can be found in Appendix C.

VII. KEY FINDINGS

30/70 Area Requirements. According to the Florida Statutes, at least 30% of West Oldsmar’s land area must be owned by registered electors residing at their West Oldsmar property to hold an annexation referendum. As of the date of this study, West Oldsmar does not meet this qualification. Only 27% of West Oldsmar (27.8 acres) meets this “voter/owner” stipulation. As an alternative, West Oldsmar would qualify for an annexation referendum if the owners of more than 50% of West Oldsmar’s land area (52 acres) agreed to annexation. Other alternatives include altering the “voter/owner” balance to achieve the 30% “voter/owner” requirements by reducing the area to be annexed, obtaining voluntary annexation petitions from “non-voter/owners”, and/or causing additional resident land owners to register to vote.

Effect of Development Potential on Taxable Value. Ad valorem tax revenue from West Oldsmar should rise markedly in the future. Notwithstanding the historical trend of appreciating real estate values, the overall real estate value of West Oldsmar can be expected to increase as vacant properties develop and existing developed properties redevelop. Almost one-quarter of the land area in West Oldsmar – a total of 23.0 acres – is vacant and available for development. Though this vacant property accounts for one-quarter of the land area, it also accounts for only 11% of the taxable value. Additionally, it can be expected that the aging 7.8 acre mobile home park, which is under single ownership, will experience mounting redevelopment pressure with time, and may one day have a considerably greater taxable value when redevelopment occurs.

Real Estate Taxes. West Oldsmar property owners would pay less real estate tax if annexed into the City of Oldsmar. The 2003 taxable real estate value for West Oldsmar is \$25,673,000. The aggregate 2003 real estate millage rate in unincorporated West Oldsmar is 23.2771 mils. At this rate, real estate produces \$597,593 in tax revenue. By comparison, the aggregate 2003 real estate millage rate in the City of Oldsmar is 21.9821 mils. If Oldsmar’s millage rate were applied to West Oldsmar, the tax revenue would be \$564,346, or \$33,247 less than in unincorporated West Oldsmar.

Value-per-Acre Comparison. In comparing the generation rates of annual revenue affected by annexation and relevant to the City’s determination regarding annexation, West Oldsmar, if annexed, would produce approximately \$730 (or 22.2%) less per acre than City of Oldsmar. Specifically, West Oldsmar would produce approximately \$2,550 of revenue per acre of land if annexed, compared with \$3,280 of revenue per acre generated in the City of Oldsmar.

Savings for Residents and Property Owners. West Oldsmar residents would likely experience savings if annexed into the City of Oldsmar. Though residents would

experience new or greater franchise fees, utility taxes and stormwater fees, these costs should be outweighed by savings in solid waste collection fees, and eliminated water and sewer surcharges. Property owners can also expect savings due to lower real estate ad valorem taxes.

New Revenue for the City. If West Oldsmar were annexed, new revenue for the City would outweigh new servicing costs. This is largely attributable to economies of scale in servicing West Oldsmar by the City. Estimated new annual revenue – specifically, that affected by annexation and relevant to the City’s determination regarding annexation – would total approximately \$233,000. The new annual cost to the City to serve West Oldsmar is estimated at approximately \$130,000. Consequently, the City could expect to receive approximately \$103,000 in net annual revenue by annexing West Oldsmar. As West Oldsmar further develops, this amount can be expected to increase because higher taxable values will generate more revenue for the City while servicing costs remain somewhat more constant.

APPENDIX A

Sales and utility tax, franchise fee and other selected revenue that would come to the City if West Oldsmar were annexed is estimated in this study utilizing a three-step process: (1) identifying budgeted revenue for the City of Oldsmar for the 2003/04 fiscal year that is affected by annexation, (2) identifying a quantitative measure for each revenue source, such as population or units, and (3) estimating the revenue from West Oldsmar based on the proportionate or actual share of the applicable measure. Table 15 shows the revenue sources that are affected by annexation, the selected unit measure for each source that serves as the basis upon which to estimate revenue, the revenue per unit measure in Oldsmar, and the estimated revenue by source for West Oldsmar. Table 16 quantifies the unit measures in Oldsmar and West Oldsmar that are the basis for the revenue estimate calculations in Table 15.

Table 15
Details of Selected State and Municipal Revenue Estimates: West Oldsmar if
Annexed (FY 2003/04)

Revenue Source (Oldsmar, FY 2003/04)	Revenue (Oldsmar, FY 2003/04)	Unit Measure	Revenue Per Unit Measure (Oldsmar, FY 2003/04)	Estimated Revenue (West Oldsmar)
Sales and Use Taxes				
Half Cent Sales Tax	\$616,465	Population	\$45.60	\$35,049
State Revenue Sharing	\$225,000	Population	\$16.64	\$12,792
Franchise Fees				
Electric – Franchise Fee	\$850,000	Dwelling units; nonresidential acres	\$67.88 per dwelling unit; \$435.73 per nonresidential acre	\$29,772
Solid Waste – Franchise Fee	\$235,000	Acres	\$72.07 per residential acre; \$142.14 per nonresidential acre	\$6,881
Utility Taxes				
Electric – Utility Tax	\$871,050	Acres	\$82.82 per residential acre; \$365.34 per nonresidential acre	\$35,610
Propane – Utility Tax	\$22,000	Population	\$1.63	\$1,251
Service Tax				
Communications Service Tax	\$844,610	Dwelling units; nonresidential acres	\$65.15 per dwelling unit; \$447.05 per nonresidential acre	\$28,699

Other				
Occupational Licenses	\$145,000	Businesses	\$37.00 - \$99.00; depending on business	\$1,350
Permit and Inspection Fees	\$139,800	Population	\$10.34	\$7,948
Mobile Home Licenses	\$1,500	Mobile homes	\$2.86	\$278
Alcoholic Beverage Licenses	\$12,000	Alcoholic beverage establishments	\$91.20 for Hess convenience store	\$91
Zoning Fees, etc.	\$37,500	Population	\$2.77	\$2,132
Penalties (Solid Waste)	\$35,000	Accounts	\$8.65	\$2,914
Fines & Forfeitures	\$75,000	Acres	\$119.75	\$4,299
Violation of Local Ordinance	\$12,000	Population	\$0.89	\$682
Total	\$5,404,875	---	---	\$169,748

**Table 16
Supplementary Data for Revenue Estimate Calculations in Table 15**

Unit Measure	Oldsmar	West Oldsmar
Population	13,518 persons	769 persons
Area	2,290.0 acres	91.3 acres
Residential	1,291.6 acres	87.0 acres
Nonresidential	998.4 acres	4.3 acres
Rights of way	626.3 acres	35.9 acres
Dwelling Units	6,113 units	411 units
Mobile Homes	524 units	97 units
Solid Waste Accounts	4,048 accounts	337 accounts
Businesses	N/A	21 businesses
Alcoholic Beverage Establishments	N/A	1 establishment

APPENDIX B

The data displayed in this appendix was used to compute estimated revenue per acre for Oldsmar and West Oldsmar. Table 17 provides an account of the revenue estimates by source. It also identifies the revenue per acre for each source in both Oldsmar and West Oldsmar, including the difference. Note: figures in parenthesis indicate revenue generated from West Oldsmar that is less than that generated from Oldsmar.

Table 17
Detailed Comparison of Revenue per Acre: Oldsmar vs. West Oldsmar

Revenue Source	Oldsmar		West Oldsmar		Difference per Acre	
	Actual Revenue Generated (FY 2003/04)	Per Acre	Estimated Revenue Generated (FY 2003/04)	Per Acre	Estimated Revenue Generated (FY 2003/04)	Rate
Ad Valorem tax	\$3,325,000	\$1,452	\$121,453	\$1,330	(\$122)	(8.4%)
Electric – Franchise Fee	\$850,000	\$371	\$29,772	\$326	(\$45)	(12.1%)
Gas – Franchise Fee	\$35,000	\$15	\$0	\$0	(\$15)	(100.0%)
Solid Waste – Franchise Fee	\$235,000	\$103	\$6,881	\$75	(\$27)	(26.6%)
Electric – Utility Fee	\$871,050	\$380	\$35,610	\$390	\$10	2.5%
Gas – Utility Fee	\$36,000	\$16	\$0	\$0	(\$16)	(100.0%)
Propane – Utility Fee	\$22,000	\$10	\$1,251	\$14	\$4	42.6%
Communications Service Tax	\$844,610	\$369	\$28,699	\$314	(\$54)	(14.8%)
Occupational Licenses	\$145,000	\$63	\$1,350	\$15	(\$49)	(76.6%)
Permit and Inspection Fees	\$139,800	\$61	\$7,948	\$87	\$26	42.6%
State Revenue Sharing	\$225,000	\$98	\$12,792	\$140	\$42	42.6%
Mobile Home Licenses	\$1,500	\$1	\$278	\$3	\$2	364.3%
Alcoholic Beverage Licenses	\$12,000	\$5	\$91	\$1	(\$4)	(80.9%)
Half Cent Sales Tax	\$616,465	\$269	\$35,049	\$384	\$115	42.6%
Zoning Fees, etc.	\$37,500	\$16	\$2,132	\$23	\$7	42.6%
Penalties (Solid Waste)	\$35,000	\$15	\$2,914	\$32	\$17	108.8%
Fines & Forfeitures	\$75,000	\$33	\$4,299	\$47	\$14	43.8%
Violation of Local Ordinance	\$12,000	\$5	\$682	\$7	\$2	42.6%
25% Surcharge	\$0	\$0	(\$58,053)	(\$636)	(\$636)	(100.0%)
Total	\$7,517,925	\$3,283	\$233,149	\$2,554	(\$729)	(22.2%)

Table 18 shows the land area, expressed in acres, in residential and nonresidential land use categories according to the Countywide Future Land Use Plan. These acreage figures were used for the revenue-per-acre calculations in the preceding table.

**Table 18
Residential and Nonresidential Land Area: Oldsmar and West Oldsmar**

Land Use Category	Oldsmar			West Oldsmar		
	Residential Acres	Nonresidential Acres	Total Acres	Residential Acres	Nonresidential Acres	Total Acres
Residential Rural	35.0		35.0			
Residential Estate	92.0		92.0			
Residential Low	464.6		464.6			
Residential Urban	457.4		457.4	87.0		87.0
Residential Low Medium	164.4		164.4			
Residential Medium	78.2		78.2			
Residential / Office General		4.4	4.4			
Residential / Office / Retail		37.1	37.1			
Commercial Neighborhood		0.6	0.6			
Commercial General		161.2	161.2		4.3	4.3
Industrial Limited		641.6	641.6			
Institutional		48.2	48.2			
Community Redevelopment District		105.4	105.4			
Total	1291.6	998.4	2290.0	87.0	4.3	91.3

APPENDIX C

The tables in this appendix show the differences in costs that can be expected for residents and property owners in West Oldsmar if incorporated into the City. Also, table 14, which can be found earlier in this report, provides a summary of these cost differences.

Table 19
Estimated Annual Cost Difference: Taxable Value \$75,000

Cost Center	Basis of Cost Estimate*	Unincorporated (existing)	Incorporated (if annexed)	Annual Difference if Annexed
Taxable Real Estate Value	\$75,000	\$1,745.78/year	\$1,648.66/year	\$97.12 less
Utility Tax / Franchise Fees				
Electricity	1200 KWHs/month	\$0.00/year (no taxes or fees)	\$156.84/year (taxes and fees only)	\$156.84 more
Cable / Phone / Cell	\$85.00/month	\$53.24/year (taxes only)	\$74.56/year (taxes only)	\$21.32 more
Solid Waste		Included in Solid Waste Collection (below)		
Stormwater	\$0.00/month	\$0.00/year	\$36.00/year	\$36.00 more
Water	\$20.99/month	\$62.97/year (surcharge only)	\$0.00/year (no surcharge)	\$62.97 less
Sewer	\$24.82/month	\$74.46/year (surcharge only)	\$0.00/year (no surcharge)	\$74.46 less
Solid Waste Collection				
BFI	\$20.03/month	\$240.36/year (total cost)	\$152.40/year (total cost)	\$87.96 less
Waste Management	\$22.25/month	\$267/year (total cost)	\$152.40/year (total cost)	\$114.60 less
Total	---	---	---	\$108.35 to \$134.99 less

* Cost estimates for utilities are based on average usage and charges.

Table 20
Estimated Annual Cost Difference: Taxable Value \$125,000

Cost Center	Basis of Cost Estimate*	Unincorporated (existing)	Incorporated (if annexed)	Annual Difference if Annexed
Taxable Real Estate Value	\$125,000	\$2,909.64/year	\$2,747.76/year	\$161.88 less
Utility Tax / Franchise Fees				
Electricity	1200 KWHs/month	\$0.00/year (no taxes or fees)	\$156.84/year (taxes and fees only)	\$156.84 more
Cable / Phone / Cell	\$85.00/month	\$53.24/year (taxes only)	\$74.56/year (taxes only)	\$21.32 more

Solid Waste	Included in Solid Waste Collection (below)			
Stormwater	\$0.00/month	\$0.00/year	\$36.00/year	\$36.00 more
Water	\$20.99/month	\$62.97/year (surcharge only)	\$0.00/year (no surcharge)	\$62.97 less
Sewer	\$24.82/month	\$74.46/year (surcharge only)	\$0.00/year (no surcharge)	\$74.46 less
Solid Waste Collection				
BFI	\$20.03/month	\$240.36/year (total cost)	\$152.40/year (total cost)	\$87.96 less
Waste Management	\$22.25/month	\$267/year (total cost)	\$152.40/year (total cost)	\$114.60 less
Total	---	---	---	\$173.11 to \$199.75 less

* Cost estimates for utilities are based on average usage and charges.

Table 21
Estimated Annual Cost Difference: Taxable Value \$175,000

Cost Center	Basis of Cost Estimate*	Unincorporated (existing)	Incorporated (if annexed)	Annual Difference if Annexed
Taxable Real Estate Value	\$175,000	\$4,073.49/year	\$3,846.87/year	\$226.63 less
Utility Tax / Franchise Fees				
Electricity	1200 KWHs/month	\$0.00/year (no taxes or fees)	\$156.84/year (taxes and fees only)	\$156.84 more
Cable / Phone / Cell	\$85.00/month	\$53.24/year (taxes only)	\$74.56/year (taxes only)	\$21.32 more
Solid Waste				
Included in Solid Waste Collection (below)				
Stormwater	\$0.00/month	\$0.00/year	\$36.00/year	\$36.00 more
Water	\$20.99/month	\$62.97/year (surcharge only)	\$0.00/year (no surcharge)	\$62.97 less
Sewer	\$24.82/month	\$74.46/year (surcharge only)	\$0.00/year (no surcharge)	\$74.46 less
Solid Waste Collection				
BFI	\$20.03/month	\$240.36/year (total cost)	\$152.40/year (total cost)	\$87.96 less
Waste Management	\$22.25/month	\$267/year (total cost)	\$152.40/year (total cost)	\$114.60 less
Total	---	---	---	\$237.86 to \$264.50 less

* Cost estimates for utilities are based on average usage and charges.