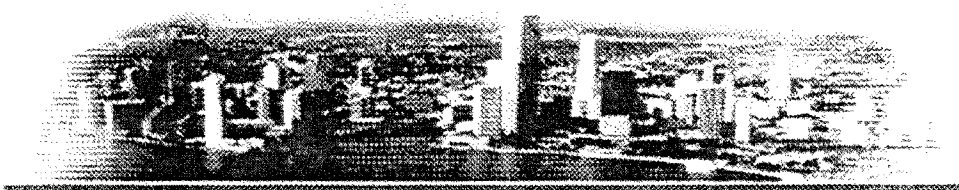

MIAMI-DADE

Incorporation and Annexation Report and Policy Recommendations

July 12, 2001

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Miami-Dade County
Incorporation and Annexation Report and Policy Recommendations

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July 12, 2001

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Executive Summary

Executive Summary
Annexation and Incorporation Report and Policy Recommendations
July 12, 2001

Recent work with areas pursuing incorporation or annexation has highlighted the need to formalize the County's approach toward these activities. In this report you will find the background and rationale behind each of the recommendations. To keep the executive summary as brief as possible, only the major recommended policies are outlined. The body of the report discusses, in depth, the evolution of incorporation/annexation issues and policy recommendations, background on the Unincorporated Municipal Service Area (UMSA), specific policy recommendations and process modifications, and other peripheral but related issues and concerns.

Annexation

- Annexation is the preferred option when viable to control number of local governments and ensure fiscal strength of existing cities and areas pursuing local governance.

- It is recommended that a process, working through the Miami-Dade League of Cities, be initiated to identify potential annexation areas for the existing municipalities. County staff will assist municipal governments with the application process.

Enclaves

- The County should pursue the annexation of enclave areas aggressively; a charter amendment should be presented to the Miami-Dade County voters to grant the Board of County Commissioners (BCC) the authority to force the annexation of enclaves that are completely surrounded by one or more municipalities and meet certain thresholds as to size and population.

Regional-type Municipal Services

- Proposed municipalities must continue to receive, on a permanent basis, certain "regional-type" municipal services from Miami-Dade County. These services include: fire-rescue; libraries; solid waste collection; and specialized police services.

- Existing municipalities should either provide their own specialized police services or contract with another municipality or the County. The County is able, under the Charter, to establish minimum criteria to be followed by municipalities in the provision of specialized police services. All municipalities receiving specialized police services from the County would have to contract and pay for the services. Recognizing that municipalities will need time to work these expenses into their budgets, it is recommended that this policy be made effective no earlier than FY 2002-03.

Mitigation of Potentially Adverse Financial Impact of Incorporations and Annexation on UMSA

The following options should be mandated to minimize or eliminate any adverse fiscal impacts due to incorporations or annexations:

- Draw boundaries in such a way that the proposed area is itself sustainable and the fiscal impact of the incorporation on the remainder of the unincorporated area is revenue neutral (require that new cities be configured in such a way that the projected revenue loss to UMSA is no greater than the projected loss of service costs); or

- Have new cities make a mitigation payment to compensate for any negative fiscal impact of its incorporation on the remaining unincorporated area.

- The mitigation policy also incorporates the concept of preserving the industrial and commercial base revenue streams to help support the lower income areas of UMSA. This can be done in one of two ways. Either these commercial and industrial areas should be retained as part of UMSA, or 100 percent of the difference between the revenues generated and agreed upon expenses incurred in such areas should be provided to the County by a new municipality.

- Mitigation payments from areas which are not classified as commercial or industrial should be calculated based on the difference between current revenues generated and expenses incurred, less a reasonable allocation for the cost of setting-up a new local government and minor improvements in service. Also, the extent of undeveloped property and the prospect of significant future property tax roll growth **must** be a consideration in determining the required mitigation payment.

Revenue Sharing

- Absent a comprehensive revenue sharing approach, any gains to the Countywide budget from the redistribution of the sales tax to the Countywide general fund from the UMSA general fund as incorporations and annexation continue, and savings to the countywide budget from having existing municipalities covering the costs associated with the specialized police services provided them, should be dedicated to a limited countywide revenue sharing program to assist municipalities with specialized police costs (based on need).

Franchise Fees and Utility Taxes

- With respect to annexation, the Code should be changed to allow the BCC to distribute utility tax and franchise fee revenues to municipalities with a per capita tax base below the County's average, so long as the annexation does not create any adverse impact on the UMSA budget.

- The contractual discount taken by FPL for property taxes paid in existing municipalities must be included when pro rating the share of franchise fees that new and municipalities receive. An estimated eight percent reduction in each allocation would occur.

Regulatory Control Over Areas of Countywide Significance

- The County should retain regulatory control over areas of countywide significance similar to the power granted under Florida statutes regarding the operation of seaports and airports.

Total Incorporation of Miami-Dade County

- Only if a pre-defined trigger point for the reduced size of UMSA is reached, should the BCC adopt an aggressive policy toward annexation or incorporation of the remainder of UMSA.

Boundary Disputes

- To resolve boundary disputes, a set of guiding principles should be adopted.

Options to Incorporation or Annexation

- Limited purpose local governments, which we are calling "*towns,*" should be provided as an alternative to incorporation for areas seeking something less than full incorporation or where an area may not be financially viable as a stand-alone municipality. A charter amendment should be presented to the voters to allow for this local governance option in a way that maximizes local control and autonomy while remaining part of UMSA.

Areas Outside the Urban Development Boundary

- Annexations and incorporations that include areas outside the urban development boundary should continue to be considered on a case-by-case basis. The County would retain oversight and approval authority over land use issues.

Payment of Quality Neighborhood Improvement Program (QNIP) Debt

- New municipalities need to be responsible for paying the portions of their QNIP debt service based on improvements made within their proposed municipal boundaries.

Municipal Advisory Committees (MACs)

- MACs should hold four public meetings instead of the two currently required.

- There should be no more than seven members on a MAC.

- Given the limited availability of staff resources with the appropriate expertise and to better manage the transition of services to new municipalities from the County, there should be no more than two active MACs at any given time.

Municipal Assistance Task Forces

- The services provided by Municipal Assistance Task Forces should be available to new municipalities, as requested and required, when new municipalities begin operations.

Competitive Government

- Proposed municipalities should enter into a contract with the Miami-Dade Police Department for an initial period (3-5 years) after incorporation for patrol and other purely local police services.

- Opportunities for the County to provide contracted municipal services to new and existing municipalities should be pursued aggressively.

This comprehensive approach to incorporation and annexation will significantly mitigate any potentially adverse fiscal and service impacts on the remainder of UMSA and will ensure a fair and responsible approach to the delivery of local and regional services in Miami-Dade County.

Chapter I

INTRODUCTION

This report, including policy recommendations, was drafted to guide future annexations and incorporations in order to preserve important regional services and prevent financial damage to the remainder of the unincorporated service area (UMSA).

The report is divided into seven chapters. Policy recommendations are incorporated within the report and are printed in bold italics to assist with quick identification of those pertinent points.

In Chapter I, *Background*, you will find financial and demographic data regarding UMSA, a brief overview of the incorporation movement in Miami-Dade County, and a summary of some major reports prepared over the last few years. If the information seems familiar, it is because it has been presented to the Board of County Commissioners (BCC) on different occasions. Complete copies of the documents summarized in Chapters I and II can be found as appendices.

Chapter II presents the incorporation and annexation processes as currently mandated by the County Code. The roles of the various advisory committees to the BCC are also addressed.

In Chapter III, *Fundamental Incorporation and Annexation Policy Recommendations,* you will find the policy recommendations critical to an orderly transition to incorporation, for those communities that want to incorporate, without negatively affecting those who elect to remain residents of UMSA.

In Chapter IV you will find policy recommendations designed to assist the BCC in evaluating the merits of an incorporation or annexation application. The matters addressed are substantive and varied.

In Chapter V you will find a discussion on the effect of incorporation on certain revenues, particularly the ones that have unique statutory or contractual formulas such as the half-cent sales tax, state revenue sharing, local option gasoline taxes, and franchise fees. It will also outline recommended policies regarding incorporation and annexation and the repayment of the outstanding Quality Neighborhood Improvement (Bond) Program (QNIP) debt, the impact of incorporation and annexation on the countywide/UMSA general fund sharing of administrative expenses, and the fiscal impact on the remaining UMSA.

In Chapter VI you will find recommended procedures for incorporation and annexation and in Chapter VII, peripheral issues are addressed.

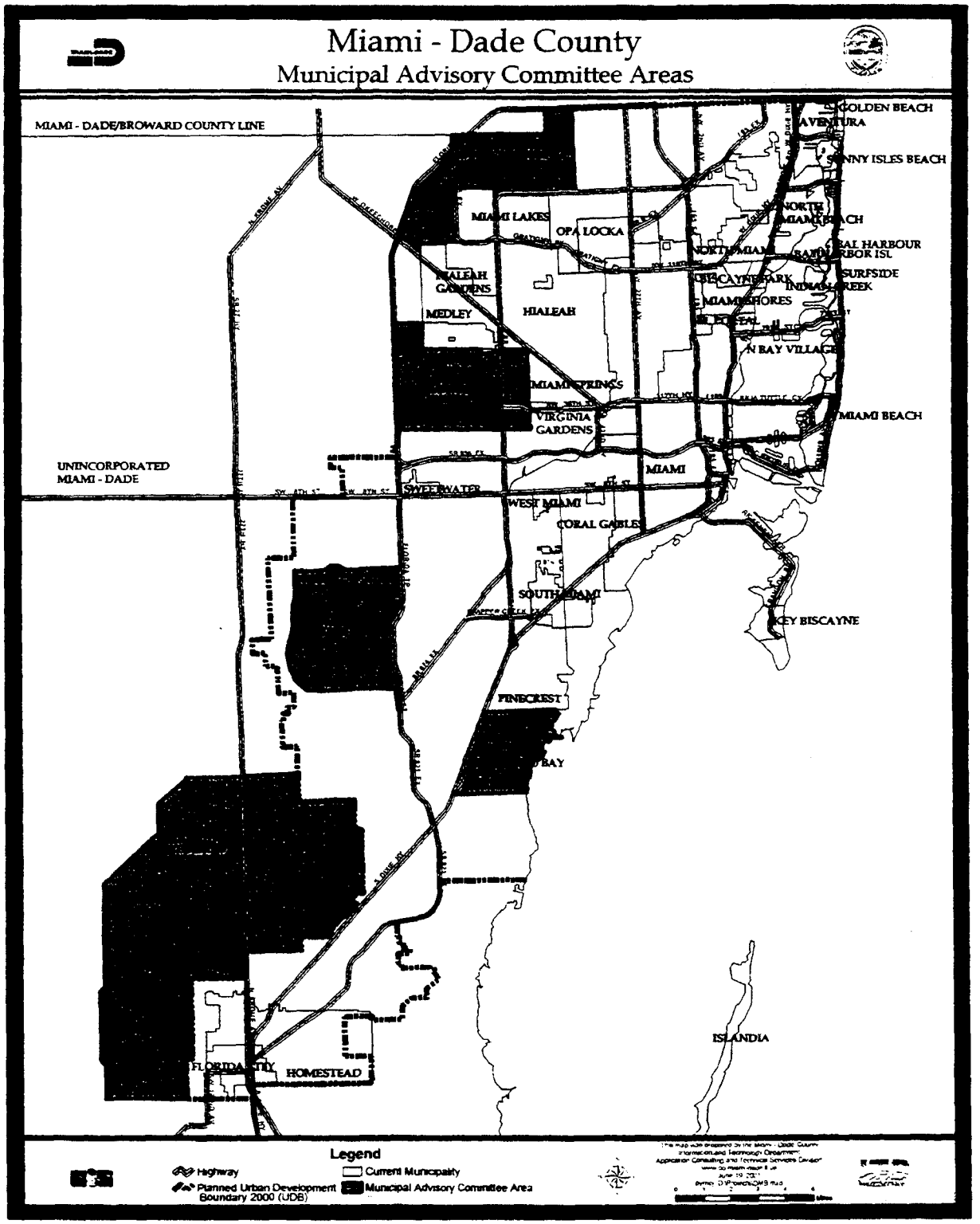
I BACKGROUND

The purpose of this chapter is to provide some financial and demographic data regarding UMSA, provide a brief overview of the incorporation movement in Miami-Dade County, and a summary of some major reports prepared over the last few years.

(a) UMSA

(i) Geographic Area

The map on the following page shows Miami-Dade County with the existing municipalities in light gray. The dark gray represents proposed cities in which municipal advisory committees are active. The remaining UMSA is shown in white.


Miami - Dade County
Municipal Advisory Committee Areas
MIAMI - DADE/BROWARD COUNTY LINE
UNINCORPORATED MIAMI - DADE
GOLDEN BEACH
AVENTURA
SUNNY ISLES BEACH
MIAMI LAKES
OPA LOCKA
NORTH MIAMI BEACH
BAL HARBOUR
BAY HARBOR ISL
SURFSIDE
BISCAYNE PARK
INDIAN CREEK
MIAMI SHORES
HIALEAH GARDENS
MEDLEY
HIALEAH
N BAY VILLAGE
MIAMI SPRINGS
VIRGINIA GARDENS
MIAMI BEACH
MIAMI
SWEETWATER
WEST MIAMI
CORAL GABLES
SOUTH MIAMI
KEY BISCAYNE
PINECREST
BAY
ISLANDIA
FLORIDA CITY
HOMESTEAD
Legend
Highway
Planned Urban Development Boundary 2000 (UDB)
Current Municipality
Municipal Advisory Committee Area

(ii) Population

The Census 2000 identified the total population for Miami-Dade County at 2,253,362 with 1,181,612 people (52.4%) living in UMSA.

(iii) Demographics

The concept of race, as used by the Census Bureau, reflects self-identification by people according to the race or races with which they most closely identify. These categories are sociopolitical constructs and should not be identified as being scientific or anthropological in nature. Furthermore, the race categories include both racial and national origin groups.

The racial classifications used by the Census Bureau adhere to the October 30, 1997, Federal Register Notice entitled, *Revisions to the Standards for the Classification of Federal Data on Race and Ethnicity,* issued by the federal Office of Management and Budget.

The federal government considers race and Hispanic origin to be two separate and distinct concepts. The federal Office of Management and Budget defines Hispanic or Latino as a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture of origin regardless of race.

Hispanics may be of any race, so they are included in the applicable race category. Therefore, in the table illustrating the demographics of Miami-Dade County, the numbers and percentages regarding the Hispanic population should not be added to the rest of the information or the totals may add up to be more than the total population or more than 100 percent.

People who responded to the question on race by indicating only one race are referred to as the *race alone* population. Individuals who chose more than one of the six race categories are referred to as the *two or more races* population. All respondents who indicated more than one race can be collapsed into the *two or more races* category, which combined with the six *alone* categories, yields seven mutually exclusive and exhaustive categories. Thus the six *race alone* and the *two or more races* category sum to the total population.

Definitions for the six races can be found in Attachment 2.

The table on the next page shows the racial and Hispanic composition of Miami-Dade County and UMSA.

Source: U.S. Census Bureau

	Entire County		UMSA	
	Number	Percent	Number	Percent
Total population	**2,253,362**	**100.0**	**1,181,612**	**100.0**
Two or mores races	85,422	3.8%	43,067	3.6%
White only	1,570,558	69.7%	778,120	65.9%
Black & African American only	457,214	20.3%	284,570	24.1%
American Indian & Alaska Native	4,365	0.2%	2,145	0.2%
Asian, Hawaiian & other Pacific Islander	32,552	1.4%	20,563	1.7%
Some other race only	103,251	4.6%	53,147	4.5%
Hispanic or Latino of any race	1,291,737	57.3%	634,341	53.7%

Source: U.S. Census Bureau, Census 2000 Redistricting (Public Law 94-171) Summary File, Tables PL1 and PL2. Miami-Dade County Department of Planning and Zoning, 2001.

Note: Miami Lakes, a Census Designated Place at the time of the census is classified here as a municipality. It incorporated in December 2000.

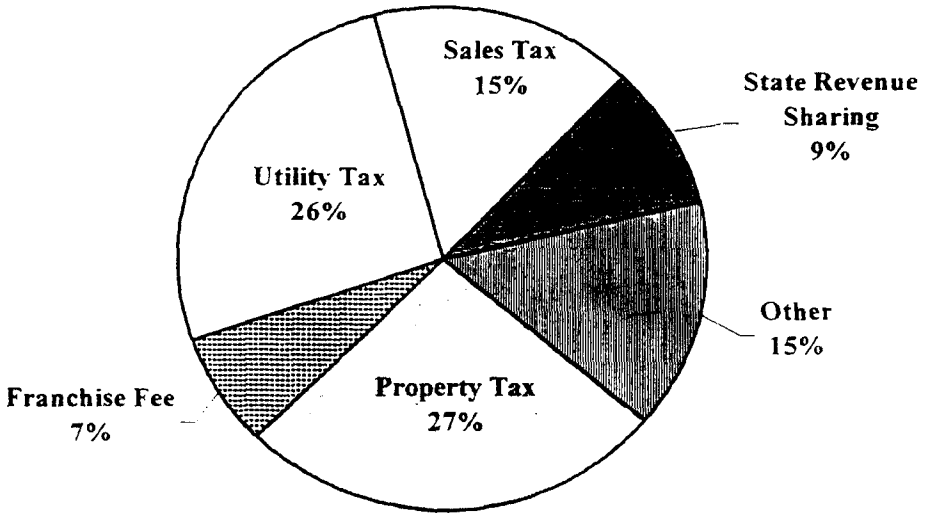
(iv) Budgetary Treatment

The most significant sources of revenue for the UMSA budget are property taxes, sales taxes, state revenue sharing, utility taxes, and franchise fees.

The remaining revenues comprise the "other" category on the table below. These "other" revenues include carryover, interest earnings, administrative reimbursement, occupational licenses, auto-tag fees, Clerk's fees, gas taxes, and other miscellaneous revenue sources.

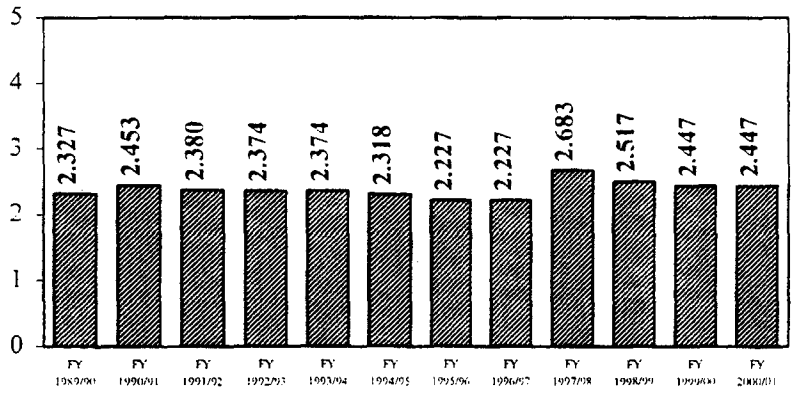
FY 2000-01 UMSA Revenues

$392.930 Million



Property taxes are the single largest source of revenue for the UMSA general fund, accounting for only 27 percent of total UMSA revenue in FY 2000-01. This tax is levied on all non-exempt real and personal property in the County. Utility taxes comprise 26 percent of UMSA resources.

UMSA Millage Rate History



This chart shows the UMSA millage levels over the last ten years. They have remained relatively stable and low. However, if **no incorporations had occurred in the last ten years, the UMSA millage could have been 30 percent lower in FY 1999**. The UMSA millage cap is ten mills, therefore, the level of service provided to UMSA residents is dictated more by County tax policy than by financial capacity.

(v) Services Provided

The County provides municipal services to all residents of unincorporated Miami-Dade County. Police patrol, specialized police services, local parks and recreational programs, local roads, code enforcement, planning, and administrative support are funded through the UMSA general fund. There are also fee supported proprietary operations such as solid waste collection, and building and zoning services that serve residents of the unincorporated area.

The table below shows that 72.3 percent of the FY 2000-01 UMSA general fund expenditure budget goes to the Miami-Dade County Police Department (MDPD).

	2000-01	*Percent*
Police	$284,274	72.3%
Parks & Recreation	$28,545	7.3%
Public Works	$5,746	1.5%
Litter/Illegal Dumping	$1,810	0.5%
Empowerment Trust	$1,000	0.3%
Planning and Zoning	$2,013	0.5%
Team Metro	$6,316	1.6%
Clerk	$447	0.1%
QNIP Debt Service	$5,336	1.4%
IT/Metronet/GIS	$2,625	0.7%
Capital Outlay	$10,739	2.7%
Non-departmental Revenues	$22,150	5.6%
Administrative Support/General Government	$21,929	5.5%
Total	$392,930	100%

(a) INCORPORATION HISTORY

Prior to the establishment of Metropolitan government in 1957, state law governed the incorporation and annexation processes. At the time the Charter was adopted there were 26 cities in Miami-Dade County and about 35 percent of the population lived in the unincorporated area.

Upon adoption of the Charter, under Section 5.05, the BCC was given the authority to create new cities. The Charter provided that the BCC could create a new city after receiving a recommendation from the Planning Advisory Board (PAB), after a public hearing, and after approval by the majority of the voting electors in the proposed new municipality.

Between 1957 and 1990 only one new city, Islandia, was created and one, Pensuco, was dissolved.

With the incorporation of Key Biscayne in 1991, both interest in the creation of new cities and the BCC's concerns about the impacts of incorporation grew.

After 1991, seven additional areas were considered for incorporation under the Charter process: Aventura, Pinecrest, Sunny Isles Beach, Destiny, East and West Kendall, and Westchester. Of these, Aventura, Sunny Isles Beach, and Pinecrest became municipalities.

To determine public support for incorporation, the BCC authorized a public opinion survey conducted by FIU in 1995 and a straw ballot in 1996. The survey indicated that most respondents were familiar with the incorporation issue. With the exception of Pinecrest and Aventura residents, who had already voted on incorporation, when asked if they had to vote on the matter, respondents were most likely to respond they would rather wait for more study or were unsure. In the straw ballot, more were in favor of creating community councils than supported either case-by-case or total incorporation.

After the straw ballot, and under new Code provisions, Palmetto Bay, Doral, and Miami Lakes applied for incorporation. They went to public hearing in front of the BCC in September 1996, but were not permitted to go forward as the BCC imposed a one-year moratorium on considering incorporations or annexations.

The following are summaries of findings and recommendations regarding annexation and incorporation submitted by staff, consultants, committees, and task forces. The work performed by the Revenue Sharing Task Force and the Boundaries Commission is addressed at greater length later in the report. Therefore, they are not among those summarized below.

Touche Ross Recommendations; A Report on Two-tier Government; June 12, 1978

Form a two-tier form of metropolitan government in place of the status quo:

- Lower tier government units would have a population base of 100,000 to 250,000 to ensure a stable financial base and effective discharge of hard and soft services

- Miami-Dade County should be composed of a strong central core city surrounded by a group of ten economically viable cities whose populations would be between 100,000 and 150,000 each

- Create a local boundaries commission to review and recommend a two-tier structure

- Lower tier structuring should take into account:

  - ✓ Projected growth trends and geographic trends

  - ✓ Per capita assessment of municipal units should not vary by more than fifty percent

  - ✓ Whenever possible, use historical tiers and inclusive community boundaries to ensure best chances of success for new municipal unit

- All municipalities perform similar lower tier functions and shared functions and upper tier County government should perform upper tier functions and shared functions only

- Fiscal equity disparities could be dealt with by sharing ad valorem revenues of non-residential assessments to provide a metropolitan revenue base for individual political jurisdictions, as in the example of the Twin Cities model

A complete copy of this report can be found in Appendix I.

1982 County Charter Review Commission Interim Recommendations; January 1, 1982

Extend concept of two-tier government to give local residents ability to deal with local issues

- Retain existing cities and create limited purpose municipal units in the unincorporated area

- These limited purpose units would:

  - ✓ Have elected governing boards with taxing authority

  - ✓ Be precluded from direct provision of any service currently provided by the County, such as fire and police

  - ✓ Give residents the ability to purchase higher level service from the County

  - ✓ Operate under a defined maximum level of service enhancements possible to avoid gross inequities in service levels

- The local board's principal function would be making zoning decisions with an appeal mechanism

- Potential additional responsibilities of local boards might include:

  - ✓ Authority to recommend establishment of special taxing districts and capital improvements

  - ✓ Provision of services not presently available from the County

  - ✓ Possible decision making authority over County funds being expended in unincorporated area, e.g., parking and street improvements

- Strategy:

  - ✓ Develop specific County Charter amendments for voter consideration

  - ✓ Review issues of:

    Tax impact to residents

    Definition of the limitation of authority for new government units

    Criteria to be used in evaluating annexation requests and the creation of new government units

A partial copy of the commission's recommendations can be found in Appendix II.

Citizen's Charter Review Committee on the Dade County Charter; Final Recommendations; April 1, 1986

- Promote the creation of new municipalities in the unincorporated area

- Pursue alternative ways to create these municipalities such as the creation of *contract cities* that would purchase services from Miami-Dade County

A partial copy of the commission's recommendations can be found in Appendix III.

Dade County Citizen's Advisory Committee on Countywide Incorporation; Final Recommendations; February 1992

- Pursue total planned incorporation of the entire unincorporated area through annexations and the creation of new municipalities

  - ✓ Miami-Dade retains control of the area west of the urban development boundary (UDB)

  - ✓ Create boundaries commission to develop overall plan for annexations and creation of municipalities

  - ✓ Review and eliminate enclave areas through annexations or incorporations

- BCC should undertake the following phase-in changes:

  - ✓ Hold separate budget hearings for unincorporated area residents to distinguish UMSA from countywide budget items

  - ✓ Elect interim municipal matters advisory councils in planned municipal areas

  - ✓ Hold Commission zoning hearings and Zoning Appeals Board hearings in various areas to increase citizen participation

  - ✓ Appoint only residents of the unincorporated area to boards that deal solely with unincorporated area issues

  - ✓ Adopt an ordinance requiring that all future local government sales tax revenue received on the basis on unincorporated area population be allocated to the UMSA budget

  - ✓ Clarify the incorporation process and the manner of processing incorporation proposals through Charter amendment s and County Code provisions

  - ✓ Conduct full analysis of implications related to repayment of bonded indebtedness and allocations of utility and franchise fees collected from annexed or newly incorporated area

  - ✓ Charter should be amended to allow de-annexation of areas in municipalities upon petition without approval of governing body — electors must identify their intent to annex to adjacent city or incorporate

- If it is determined that new, full service municipalities will not be created, create regional zoning boards

- Publish a brochure explaining step-by-step process for annexation, incorporation and separations/de-annexations

A complete copy of the committee's final report can be found in Appendix IV.

Citizen's Task Force on Incorporation; Final Recommendations; June 1994

- Establish a two-tier government through municipal incorporation and annexation on a voluntary case-by-case basis, not a mandatory countywide approach, within the urban development boundary

- Adopt proposed ordinance specifying a procedure for incorporation and prepare an easily understood guide for both incorporation and annexation

- Establish local advisory councils as first step toward incorporation

- Amend annexation procedures to include an application review schedule and the issues that should be addressed in the application review and recommendation process, and request legal review of requirement for property owner approval

- Prohibit the creation of new unincorporated enclaves through annexation and encourage the elimination of existing enclaves by requiring bordering cities to indicate why they have not included such areas as part of the newly proposed annexations

- Do not deny incorporations or annexations because of fiscal impact and disparity concerns; address these issues in the future in other ways

- Provide municipalities, at time of incorporation and annexation, the ability to collect traditional municipal revenues such as franchise fees and utility taxes

- Size incorporation and annexations to result in municipalities that are efficient, effective, and diverse

- Amend the Miami-Dade County Home Rule Charter to eliminate the requirement for approval by a city before de-annexation can occur

- Continually reexamine the division of responsibility between the two tiers of government to improve the ability of Miami-Dade County and existing and newly incorporated municipalities to function more effectively and efficiently

A copy of the task force's recommendation can be found in Appendix V.

Planning Department Report: Issues Related to Incorporation; November 4, 1994

The report was requested by the BCC to review and analyze the impacts of five alternatives for unincorporated area governance. The BCC asked that focus be placed on issue of fiscal equity.

The five alternatives were:

- Unlimited, full cities (no boundary or other requirements)

- Limited, full cities (with boundary or other requirements)

- Service constrained cities (required to retain some County services)

- Revenue constrained cities (required to forego some revenue)

- Special purpose districts

The BCC requested further recommendations and in December 1994 instructed staff to focus on two basic approaches for the entire unincorporated area.

The approaches were:

- Comprehensive, concurrent incorporation of the unincorporated area into a number of new municipalities meeting criteria to address fiscal, social, and geographic issues

- Special purpose units with selected powers granted to locally elected officials to decide local issues such as zoning, budget, and special taxation

A complete copy of the Planning Department's report can be found in Appendix VI.

County Manager's Report on Incorporation; Recommendations; June 6, 1995

- Adopt a strategy for two-tier government enhancements by:

  ✓ Adopting and implementing a strategy for incremental incorporation with criteria to include:

    Resource equity

    Efficiency of services

    Sense of identity

    Diversity/inclusiveness

    Area contiguity

    Community effectiveness

    Area-wide plan consistency

    Size suitability

  ✓ Creating community councils

- Place a three-year moratorium on incremental incorporations until community councils are fully established and functioning

A complete copy of the County Manager's report can be found in Appendix VII.

Planning Advisory Board Resolution on Incorporation; Recommendations; June 21, 1995

- Gradual implementation of true two-tier government through incorporation and annexation with fiscal disparity mitigation measures

  ✓ Require review and recommendation from the Planning Advisory Board

- ✓ Incorporation proposals must meet criteria for population, diversity, economic efficiency, etc.

- ✓ Process should be able to start with a majority vote by citizens in area

- ✓ County retains control over land-use and zoning in areas of regional significance

- Regarding fiscal disparity mitigation:

  - ✓ Develop and implement some form of revenue sharing on a countywide basis to mitigate economic losses in tax revenue base

  - ✓ As an alternative, create countywide districts for specialized police services, fire district, juvenile welfare, etc.

- Until the incorporation process is completed, municipal advisory councils should be created to decide zoning matters and to recommend spending priorities within the district

A copy of the Planning Advisory Board's resolution can be found in Appendix VIII.

(b) REVENUE SHARING TASK FORCE REPORT

On July 22, 1997, the Revenue Sharing Task Force submitted a final report pursuant to the October 1996 BCC resolution creating the Task Force and directing it to study revenue sharing proposals that would provide fiscal equity in funding municipal services in Miami-Dade County and identify the two most appropriate approaches to area-wide and unincorporated revenue sharing.

The Task Force found that with over 2 million residents, Miami-Dade County was among the poorest urban counties in the United States. The data indicated that fourteen cities had median household incomes below the County average of $26,909. The problem facing policy makers centered on the potential disparities that incorporation might bring as well as on fiscal disparities that already existed among the county's cities.

The Task Force presented four options to the problem of fiscal disparity. Two options involved creating a countywide revenue sharing program to allow city governments to improve their levels of service. The other two proposals, to address negative impacts on UMSA (only) due to the incorporation of wealthier neighborhoods, were to provide a revenue sharing program or mitigation strategies for UMSA exclusively.

Countywide Revenue Sharing

The two approaches to revenue sharing recommended by the Task Force had three elements in common.

1. A countywide revenue source exclusive of property taxes; namely a one-half cent sales tax

- Benefits:

  - ✓ Raises $100 to $110 million annually (currently, this represents almost $140 million)

  - ✓ Recurring source of revenue

  - ✓ While sales taxes are considered regressive (food and medicine are excluded from the tax), the negative aspects of the tax would be negated by targeting poorer cities for revenue sharing, thereby, giving the residents a greater benefit

  - ✓ An estimated 30 to 35 percent of sales taxes are paid by tourists and other visitors

  - ✓ No city would contribute any of its existing revenue

  - ✓ Property taxes and tax rates would not be affected

- Barriers:

  - ✓ Requires a change in state law to allow for revenue sharing to be an eligible use of sales taxes

  - ✓ If state allows such a use, implementing a revenue sharing program would likely require a referendum of the voters

  - ✓ Would be a tax increase on consumption

2. A formula to determine municipal eligibility and amounts to distribute

- Eligibility and distribution formula, **option 1**:

  - ✓ All cities eligible to receive a portion of the revenue sharing pool

  - ✓ Based on population alone

  - ✓ Weighting factors to control funds awarded include:

    - Population
    - Median household income
    - Millage rate
    - Per capita taxable value

  - ✓ Distribution formula would enable cities with higher tax efforts and lower median household incomes to receive more revenue on a per capita basis

- Eligibility and distribution formula, **option 2:**

  ✓ Funds distributed only to those cities that have below average per capita taxable values

  ✓ More funds awarded to eligible cities that exhibit higher tax efforts

  ✓ Weighting factors to control funds awarded include:

  - Population
  - Millage rate
  - Par capita taxable value

3. An oversight committee with strict program and evaluation criteria

   - The allocation of funds further limited to specific service enhancements subject to review and approval by the oversight committee

   - Could be patterned after the Safe Neighborhood's Parks Citizens' Oversight Committee

   - Would have authority to approve funding, evaluate programs, and withhold funding from poorly managed programs or those that did not achieve intended results

Eligible Services

- Public safety
- Physical environment and public infrastructure
- Recreation
- Economic development

UMSA Revenue Sharing and Mitigation Options

The Task Force recommended two approaches to lessen adverse service and tax impacts on remaining UMSA residents by continued incorporation and annexation.

- **Option 1:** restructure incorporation and annexation processes; requires changes to Home Rule Charter and Code

  ✓ Convert current fiscal guidelines to mandatory criteria except as noted:

  → New municipalities must remain in Fire-Rescue and Library Districts and continue to receive solid waste collection services from County

  → Annexations permitted subject to BCC approval; require municipal voter approval when area to be annexed is within or below the average UMSA

per capita taxable value; area of less than 250 persons annexed only through BCC action; enclaves annexed by the BCC without voter approval; annexation to a municipality with values in excess of the per capita taxable value range must follow incorporation alternative

→ Once UMSA population drops to pre-determined percentage of County population and UMSA per capita taxable value represents less of the overall County average value, BCC may develop and implement plan to annex remaining unincorporated areas to municipalities without a referendum

→ Limit permitted incorporations to three the first year after adoption of Home Rule Charter and Code changes, two each year thereafter

→ Establish contractual, fee-based police district in which all municipalities have to participate

✓ Three paths to incorporation:

1. Area must meet fiscal criteria ranges and not create enclaves; new cities would get share of electrical franchise fee revenue

2. Area may incorporate if enclave is not created and area petitioned has a per capita taxable value factor in excess of high-end of fiscal criteria value range if area makes annual payment to UMSA budget for net revenue loss in excess of the high-end of fiscal criteria; new cities would get share of electrical franchise fee revenue (qualifies as the UMSA revenue sharing plan)

3. Area may incorporate without meeting fiscal criteria, creating an enclave and not making payment above high end of the fiscal criteria if there is an UMSA-wide referendum to allow such an incorporation

✓ Benefits:

→ Allows incorporation to proceed in a rational fashion with multiple paths available

→ Can mitigate adverse financial impacts on UMSA budget

→ Plans for and makes eventual incorporation of entire UMSA possible

→ Addresses annexation and enclaves

✓ Disadvantages:

→ Limits excess revenue which high value/low service demand areas may have for enhanced services

→ Adversely impacts countywide budget as sharing of overhead costs and economies of scale are lost

→ Eventually forces incorporation in areas where it's not wanted

- **Option 2**: restructure incorporation and annexation processes; the same as option 1 with three exceptions

    1. Eliminate requirement that new cities remain in Fire-Rescue and Library Districts and continue using County's solid waste collection services

    2. Annexation process remains as set forth in Section 5.04(B) of the Home Rule Charter

    3. Fee-based police district not created

The BCC did not take any action as a result of the task force's report. However, variations on the alternatives are presented in Chapter IV for the BCC's consideration.

A copy of the Task Force's complete report can be found in Appendix IX.

(b) RECOMMENDED INCORPORATION AND ANNEXATION POLICIES FROM COUNTY MANAGER'S REPORT APRIL 1999

When the one-year moratorium on incorporations was lifted, staff prepared a series of incorporation policy guidelines that were transmitted to the BCC on April 12, 1999. The recommended guidelines included:

- Repeal policy calling for total incorporation by 2007; many residents of unincorporated Miami-Dade County are satisfied with the services they receive and their government

- Adopt and implement a policy that future incorporations will only be allowed to proceed to completion if A and B, or A and C, as described below, occur:

    A. The proposed new city agrees to remain within the Fire-Rescue District, Public Library System, County solid waste collection system, and continues to receive specialized law enforcement services from the Miami-Dade Police Department; **and**

    B. The boundaries of the proposed new city are drawn to ensure the area is revenue neutral or, in the case of donor areas, the new city agrees to mitigate the adverse financial impact caused by the new incorporation on the remaining unincorporated area; **or**

    C. The proposed incorporation is submitted to an UMSA-wide vote

- Provide for the creation of Safe Neighborhood Improvement Districts (*town* concept) as an alternative to incorporation

- Put on the ballot appropriate amendments to implement forgoing policies and adopt modification to the Code as required

- Do not approve additional incorporations until requirements are in full force and effect

Several of the guidelines were formally adopted, and others were supported by the BCC and followed by staff in the development of subsequent incorporation agreements.

The BCC, by resolution, repealed the policy calling for total incorporation by 2007, and a Charter amendment was presented and approved by the voters on October 3, 2000. The Charter amendment grants the BCC the right to ensure that municipalities created after September 1, 2000, include in their respective municipal charters any pre-agreed conditions between the County and prospective municipalities. The remaining recommended policy guidelines were incorporated into the Miami Lakes conceptual agreement described below, and are being presented as part of this report to the BCC for formal adoption.

A copy of the complete April 1999, incorporation policy guidelines can be found in Appendix X.

(e) MIAMI LAKES CONCEPTUAL AGREEMENT

The Miami Lakes incorporation proposal was one of the applications that went to public hearing before the BCC in the fall of 1996 and failed to receive either the Board's approval or denial of the next step — a vote of area electors on whether or not to create a new municipality. At the conclusion of that public hearing, the BCC expressed serious reservations about piecemeal incorporation and placed a one-year moratorium on incorporations.

When the moratorium was lifted, in April 1999, the Miami Lakes Municipal Advisory Committee (MLMAC) was created. The committee was composed of a group of Miami Lakes' area residents appointed by the BCC under the sponsorship of Commissioner Natacha Seijas. The group was charged with reviewing incorporation related issues and concerns, and suggesting new and innovative ways to address them. The group met for over a year, sometimes on their own and sometimes with County staff from various departments. The following is a summary of the conceptual agreement with which the parties broke the stalemate on Miami Lakes' incorporation.

- The new City of Miami Lakes will remain a part of the Miami-Dade Fire-Rescue District, the Miami-Dade Library System, and the Miami-Dade solid waste collection system

- The new city of Miami Lakes will contract with the Miami-Dade Police Department for a specific level of local patrol staffing and all support and specialized police services

- The patrol portion of the contract between the County and Miami Lakes will be for a minimum of three years; staffing levels will be set by the local government

- The contract for specialized police service will be in perpetuity, with renewal and price recalculations every three years

- The city will contribute the equivalent of one mill of municipal property tax revenues to a municipal service trust fund; the amount to be paid, set at a dollar value during the first year of the city's operations, is approximately $1.45 million, and will be adjusted annually based on the Consumer Price Index for the Miami area

- The city will receive all other municipal revenue sources such as utility taxes and franchise fees, and will continue to receive all countywide services provided to cities by the County

A complete copy of the conceptual agreement can be found in Appendix XI.

(f) OCTOBER 3, 2000, CHARTER AMENDMENT

As indicated before, a Charter amendment was presented and approved by the voters on October 3, 2000. The amendment grants the BCC the right to ensure that municipalities created after September 1, 2000, include in their respective charters any pre-agreed conditions between the County and prospective municipalities and cannot modify them without the BCC's consent. Specifically, the language approved by the voters states in Article 5, Section 5.05 of the Home Rule Charter,

> "... Notwithstanding any provision of this Charter to the contrary, with regard to any municipality created after September 1, 2000, the pre-agreed conditions between the County and the prospective municipality which are included in the municipal charter can only be changed if approved by an affirmative vote of two-thirds (⅔) of the members of the Board of County Commissioners then in office, prior to a vote of qualified municipal electors."

(g) CREATION AND STATUS OF MUNICIPAL ADVISORY COMMITTEES

After the incorporation of Key Biscayne in 1991, seven additional areas were considered for incorporation under the Charter process: Aventura, Pinecrest, Sunny Isles Beach, Destiny, East and West Kendall, and Westchester. Of these, Aventura and Pinecrest became municipalities.

Under new Code provisions, Palmetto Bay, Doral, Miami Lakes, and Country Club Lakes applied for incorporation and went to public hearing before the BCC in September 1997. They were not permitted to go forward with the process as the BCC imposed a one-year moratorium on new incorporations.

After the moratorium was lifted, in April 1999, the BCC created the first municipal advisory committee (MAC). The Miami Lakes MAC was composed of a group of Miami Lakes' area residents appointed by the BCC under the sponsorship of Commissioner Natacha Seijas. The group was charged with reviewing incorporation related issues and concerns, and suggesting new and innovative ways to address them. The group met for over a year, sometimes on their own and

sometimes with County staff from various departments. The MAC broke the stalemate on incorporations and Miami Lakes became the county's newest municipality in December 2000.

In May 2000, the BCC created municipal advisory committees for the other three areas that had applied for incorporation. By then, Redland had also joined the group and a MAC was created for that area too. In March 2001, under the sponsorship of Commissioner Joe Martinez, a sixth MAC was created for the West Kendall area.

The resolutions creating the MACs specify that residents interested in incorporating recognize the serious implications of creating a new municipality, both for themselves and the residents of UMSA. The boundaries of the study area or proposed municipality are preliminarily identified and the MAC is charged with the following responsibilities:

- The MAC must conduct no fewer than two duly advertised public hearings at which citizens residing in the area will have the opportunity to express their views and concerns regarding the proposed incorporation

- Prior to the first public meeting, the MAC should have met with County staff to review concerns raised by the BCC and staff; reviewed the tape of the January 14, 1999, BCC incorporation workshop; and become familiar with written materials presented to the BCC at that time and at any subsequent meeting or workshop

- Also prior to the first public meeting, staff from the County Manager's Office, the Department of Planning and Zoning, and the Office of Management and Budget, should prepare a report concerning the proposed incorporation pursuant to Sections 20-22(A) and (B), and 20-23(B) of the Code and a study to be reviewed by the MAC and presented at the public hearings

- The MAC must prepare an advisory report within one year of adoption of the resolution creating the MAC addressing the results of the study prepared by staff, concerns regarding incorporation expressed by the BCC and County staff, and the manner in which those concerns may be alleviated in the event the area is incorporated as a new municipality.

Staff transmits the MAC's report to the Boundaries Commission and the PAB before proceeding to the BCC. Once the report is presented to the BCC, the MAC's responsibilities terminate and the committee sunsets.

II CURRENT PROCEDURES FOR INCORPORATION AND ANNEXATION

The purpose of this chapter is to present the processes as currently mandated by the County Code and to discuss the role of the various advisory boards to the BCC.

(a) CURRENT CODE MANDATED PROCESS

The incorporation and annexation processes are set forth in Chapter 20 of the Code of Miami-Dade County. The following chart is a summary of the current incorporation process.

	Steps: Incorporation Process
1	Steering committee submits petition or asks BCC member to sponsor a resolution to initiate process
2	BCC refers incorporation application to Boundaries Commission and Planning Advisory Board
3	Office of Management and Budget, and Department of Planning and Zoning staff prepare a report and transmit to the Boundaries Commission and Planning Advisory Board
4	Boundaries Commission holds public hearing on the incorporation, evaluates merits of the application, and makes a recommendation to the Planning Advisory Board
5	Planning Advisory Board holds public hearing on the incorporation, evaluates merits of the application, and makes a recommendation to the BCC
6	BCC holds a public hearing to determine whether or not the matter will be put to a vote of area residents
7	BCC schedules area residents' election
8	BCC appoints committee to write city's charter if an affirmative vote by area residents
9	BCC approves charter to go to a vote of area residents
10	Charter vote; if affirmative, a municipality is created

BASIC CRITERIA FOR NEW CITIES

Pursuant to Section 20-23(B) of the Code, the BCC considers the suitability of the proposed boundaries to provide for a municipal community that is both cohesive and inclusive and meets most or all of the following criteria:

- Does not divide a U.S. Census Designated Place (CDP) to the extent feasible

- Includes adjacent areas of ethnic minority and lower income residents when a majority of those residents so petition

- Has contiguity and does not create any unincorporated enclave area(s) defined as an area surrounded more than 80 percent by one or more municipalities and of a size that could not be serviced efficiently or effectively

- Has natural or built barriers as boundaries, to the extent feasible

- Includes a mixture of residential and non-residential land uses

- Has evidence of area residents' and property owners' support, sufficient to warrant the cost of balloting electors

- Comparisons of existing and projected property tax costs for municipal-level services to average homeowners in the area versus unincorporated area residents and versus residents of a comparable Miami-Dade County city with a similar per capita property tax base are reasonable

- There is no suitable alternative to incorporation, including annexation to an existing municipality

- Is totally contained within the UDB depicted on the future Land Use Plan map of the Miami-Dade County Comprehensive Development Master Plan

- The impact of the proposed incorporation on the unincorporated area's revenue base, and on the County's ability to provide services effectively and efficiently to adjacent remaining unincorporated area, including the potential for the proposed municipality to continue to participate in the county's Fire-Rescue and Library Districts, and contract with the county for other municipal services are not negative

- Any other factor that arises by virtue of any special or unique circumstances of a given area must be evaluated favorably

(b) ROLE OF BOUNDARIES COMMISSION

The Boundaries Commission was created by the BCC at the conclusion of a workshop on incorporation in July 1995, at which the BCC heard and discussed *The Manager's Report on Incorporation*. The report had been prepared in response to the BCC's concern over the impact of potential incorporation on the unincorporated area as a whole and its desire to consider a range of alternatives for improving governance in the unincorporated area.

The Boundaries Commission is composed of 13 members with one member appointed by each County Commissioner. When first created, three members were to reside in municipalities for which boundary change requests had been filed but not yet approved, three members were to reside in areas for which incorporation requests had been filed but municipalities had not been created, and seven members were to reside in the remaining unincorporated area. The term of

office for Boundaries Commission members was set at four years and the term of each expires when the County Commissioner who made the appointment leaves office. However, each member whose term has expired holds office until a successor has been appointed and certified.

Through the creating resolution and ordinance, the Boundaries Commission was directed to:

- Conduct public education concerning a straw ballot vote on unincorporated area governance alternatives;

- Prepare a comprehensive analysis on incorporation, annexation and their alternatives, and make recommendations on these issues; and

- Make recommendations on individual applications for incorporation and annexation

Prior to issuing its report, the commission members held 21 meetings, all open to the public, and four public hearings. They also reviewed a large amount of information and held thorough discussions on the issues.

When they published their report in May 1996, the Boundaries Commission fulfilled two of its three mandates. Today, the body meets to review and make recommendations on individual applications for incorporation and annexation.

In the report dated May 1996, the commission published the following conclusions:

- There is desire among UMSA residents to improve municipal governance by improving effectiveness of services by bringing decision making and administrative processes closer to residents; enhancing efficiencies by maintaining economies of scale in key services; maintaining low cost of basic services while providing additional means for purchasing above basic services; and recognizing the diversity of needs and desires in the different areas of UMSA by giving residents a greater voice

- There is concern about the negative impact of continued incorporation and annexation on UMSA and the county; the full range of problems and potentials should be considered before initiating major UMSA restructuring; fiscal, economic and social fragmentation of the metropolitan area should be avoided above all

- The interest in incorporating new municipalities or annexing to existing ones is limited to a few areas; most UMSA residents prefer non-city alternatives for government improvements

- The ability to create a new city or join an existing one is not solely the right of area residents but is regulated under the Home Rule Charter and ordinances in the interest of common good; the BCC has the responsibility to assure that incorporation and annexation actions are consistent with the interests of the larger community before allowing the area electors to determine if these same actions are in their interest

- Limiting financial resource losses through the application of the allowable per capita tax base is the simplest, fairest, and easiest means for maintaining fiscal equity in UMSA although there is an immediate need to address the revenue/resource sharing issue

- Reduced effectiveness and increased costs for fire-rescue and police services are serious concerns for UMSA residents and other municipal users

- There is a high level of satisfaction with Miami-Dade Fire-Rescue, however, if incorporation and annexation areas continue to opt out of the district then its ability to serve effectively and efficiently would be adversely affected

- The dissatisfaction with the level of police services in UMSA stems from staffing levels and the department's emphasis on response rather than patrol

- There is benefit to having a large and diverse law enforcement agency; size provides substantial economies of scale in matters such as helicopter services, specialized investigations, and training; size also enables it to deal effectively with large-scale emergencies and events such as Hurricane Andrew and the Summit of the Americas

- Without a solid means of providing for an adequate area-wide police presence, continued erosion of the department by incremental incorporation and annexation would but the entire county in jeopardy

- Annexation is a valid alternative to incorporation, however, without changes to the Charter and Code, there is little likelihood that lower base enclave areas will be annexed; when annexation and incorporation efforts occur in the same area at the same time, it is confusing and competitive, to the detriment of both options

- Initially, community councils should be used as the major means of accomplishing desired improvements to UMSA governance

The Commission also submitted the following recommendations:

- With the sole exception of enclave areas, the BCC should commit to the current approach of maintaining fiscal equity in UMSA by adopting the fiscal equity guidelines (maintained current) as a *required criterion* for acceptance and approval of all incorporation and annexation applications

- Because of the generally low household income in significant portions of UMSA, the fiscal equity guidelines should be based on an unincorporated area millage of 85 percent of the municipal jurisdiction average which would change the per capita tax base range allowable to approximately $24,000 to $41,000

- Steps must be taken to establish an innovative revenue sharing program as an alternative countywide approach to providing for fiscal equity among municipal

jurisdictions; such an approach would allow future incorporation and annexations to go forward with less restrictive fiscal criteria

- The BCC should direct an appropriate entity to analyze more thoroughly and evaluate application of various revenue sharing programs and other appropriate alternatives. This entity should review and evaluate methods of determining the revenue or resources required to ensure fiscal viability or to equalize municipal services in participating jurisdictions

- If new incorporations are approved, they should be encouraged to remain in the Fire-Rescue District or the municipality should be configured in such a way as to not impact fire-rescue services adversely

- The MDPD and the County Manager's office should develop a process to assure that adequate countywide law enforcement would continue in face of continued incorporations

- Annexation and incorporation of enclave areas, that are determined to be too small to be served effectively and efficiently by the County, should be encouraged; the Code should be changed to remove the elector approval requirement for annexations in areas with 250 or fewer electors and to allow the BCC to initiate incorporations or annexations where an enclave is 100 percent surrounded by municipal boundaries

- The annexation process and criteria should be adhered to strictly in order to avoid disruptive and confusing concurrent annexations within ongoing incorporation pursuits that have demonstrated a strong showing of support

- Community councils should be created throughout the unincorporated area

Many of the recommendations set forth by the Boundaries Commission were implemented in their entirety or after some modification. A complete copy of the report can be found in Appendix XIII.

(c) ROLE OF PLANNING ADVISORY BOARD

The Planning Advisory Board (PAB), as mentioned in the Charter, was created by ordinance and is composed of 13 members, each appointed by a BCC member. Among its duties, the PAB is responsible for advising the Director, Planning and Zoning Department.

Annexations

Upon receipt of a petition or resolution referred by the BCC, the PAB studies, reviews, and considers the request for boundary changes embodied therein. At its total discretion, the PAB may conduct a public hearing with respect to the proposed boundary changes. If it does, written notice of such a hearing is given to all property owners within 600 feet of the area under review. The PAB has the authority to require additional information, data, or instruments, deemed necessary or desirable for consideration of the request.

The PAB makes a written recommendation to the BCC concerning the proposed boundary changes.

Incorporations

Upon receipt of a petition, appropriate County staff review and recommendation, and a recommendation from the Boundaries Commission, the PAB is responsible for:

- Conducting a properly advertised public hearing within the area for proposed incorporation
- Requiring additional information from appropriate County departments, as needed
- Making written recommendations with respect to the petition to include an analysis of the issues outlined in Section 20-23(B) of the County Code, and other considerations deemed relevant by the Board

(d) ROLE OF MUNICIPAL ADVISORY COMMITTEES

The resolutions creating the MACs specify that residents interested in incorporating recognize the serious implications of creating a new municipality, both for themselves and the residents of UMSA.

The boundaries of the study area or proposed municipality are preliminarily identified and the MAC is charged with the following responsibilities:

- Conduct no fewer than two duly advertised public hearings at which citizens residing in the area will have the opportunity to express their views and concerns regarding the proposed incorporation
- Prior to the first public meeting, the MAC should have met with County staff to review concerns raised by the BCC and staff; reviewed the tape of the January 14, 1999, BCC incorporation workshop; and become familiar with written materials presented to the BCC at that time and at any subsequent meeting or workshop
- Also prior to the first meeting, staff from the County Manager's Office, the Department of Planning and Zoning, and the Office of Management and Budget, should prepare a report concerning the proposed incorporation pursuant to Sections 20-22(A) and (B), and 20-23(B) of the Code and a study to be reviewed by the MAC and presented at the public hearings
- Prepare an advisory report within one year from adoption of the resolution creating the MAC addressing the results of the study prepared by staff, concerns regarding incorporation expressed by the BCC and County staff and the manner in which those concerns may be alleviated in the event the area is incorporated as a new municipality

Staff is responsible for transmitting the MAC's report to the Boundaries Commission and the PAB before proceeding to the BCC. Once the report is presented to the BCC, the MAC's responsibilities terminate and the committee sunsets.

III FUNDAMENTAL INCORPORATION AND ANNEXATION POLICY RECOMMENDATIONS

In this chapter policy recommendations critical to an orderly and responsible transition to incorporation, for those communities that want to incorporate or annex to an existing city, without negatively affecting those who elect to remain residents of UMSA are presented and explained.

(a) *GENERALLY, ANNEXATION SHOULD BE CONSIDERED PRIOR TO INCORPORATION*

(i) *Annexation is the Preferred Option When Viable to Control Number of Local Governments and Ensure Fiscal Strength of Existing Cities and Areas Pursuing Local Governance*

The Miami-Dade County area currently has 31 cities and the majority of them have a population of less than 50,000 residents. In fact, the four largest cities (Miami, Miami Beach, Hialeah and Coral Gables) represent about ⅔ of the people who live in cities. Many of the small municipalities have very low tax bases.

Additionally, the County has over 1.1 million people living in the unincorporated area. If we continue the trend established by the incorporations that have occurred since 1991, we will have over 40 additional cities if the entire unincorporated area ceased to exist.

For these reasons, if it is a viable alternative, annexation should be considered prior to any incorporation process moving forward.

It is recommended that the County initiate a process, working with the Miami-Dade League of Cities, to identify potential annexation areas for the existing municipalities. County staff will work with the municipal governments in assisting them through the application process.

(ii) Charter Changes to Allow County Commission Initiated Annexations Under Certain Circumstances

Another issue that has been an operational problem for a very long time is the delivery of services to enclave areas. The most well know examples of such enclaves are the areas inside the City of Hialeah and Little Gables. Both of these areas are completely surrounded by municipalities. However, annexation of these areas has not occurred because both the residents and the municipality have to be in agreement prior to annexation occurring.

The County needs to pursue the annexation of these areas aggressively.

This action will probably be unpopular, however, from a public policy perspective, enclaves that create service delivery problems need to be addressed. For that reason, ***a charter amendment should be presented to the Miami-Dade County voters to grant authority to the Board of County Commissioners (BCC) to force the***

annexation of enclaves that are completely enclosed by one or more municipalities.

UMSA Millage Adjustments

The current UMSA millage is a large factor in the incorporation/ annexation equation. The largest concern of many residents, as they consider annexation by an adjacent municipality, is that most municipal millages are two or three times higher than the current UMSA millage.

Conversely, many pro-incorporation advocates complain about the lack of services when they promote their incorporation plans. Even though many of the service deficiencies might have been addressed in the recent years, many services could be improved with small, well-targeted increases to the UMSA millage.

If properly implemented, this approach could eventually bring UMSA services and millage levels more in line with those of the existing municipalities.

(iii) **Restructure/Eliminate Disincentives Toward Annexations**

In Section 20.1 of the County Code one finds the rules and procedures related to annexations. A municipality annexing an area does not receive utility taxes or franchise fees from the annexed area. This policy, applicable across the board, without regard to the financial capacity of the parties involved, creates a deterrent to annexation particularly in the case of a low tax base city interested in annexing an area that also has a low tax base.

It is recommended that the Code be changed to allow the BCC to approve distribution of utility taxes and franchise fees to municipalities with per capita tax bases below the County's average per capita tax base when those municipalities annex adjacent unincorporated areas, so long as the annexation does not create an adverse fiscal impact to the remaining UMSA.

(b) ***PROPOSED MUNICIPALITIES MUST CONTINUE TO RECEIVE ON A PERMANENT BASIS CERTAIN "REGIONAL-TYPE" MUNICIPAL SERVICES FROM MIAMI-DADE COUNTY; THESE SERVICES WOULD INCLUDE:***

(i) *Fire-Rescue District*

The Miami-Dade Fire-Rescue District provides regional fire-rescue services. It responds to the full range of emergencies present in any large metropolitan area, and to regional needs such as plane crashes, hurricane disasters, and the 1,500 square miles of farmland and open space that could threaten people and property. To accomplish its mission successfully it must have specialized services in addition to the capacity to respond to catastrophic emergencies. Specialized services and the service capacity to respond are threatened when the tax base is eroded. In the 1970s, most of the municipalities now being served by the County recognized the need for specialization and capacity and merged their services with Miami-Dade.

A few years ago, the Boundaries Commission urged the retention of the Miami-Dade Fire-Rescue District as a regional service. Their report stated, "There is a high level of satisfaction with Miami-Dade Fire-Rescue. However, if incorporation and annexation areas continue to opt out of the Fire-Rescue District then the ability of the District to serve effectively and efficiently the remaining unincorporated areas and participating cities may be adversely affected."

Fire-Rescue District — Operational Impact

If the Fire-Rescue District boundaries become fluid, service area holes will be created resulting in increased response times. As things stand today, the District runs the risk of being divided into two separate entities. That is what will happen if East and West Kendall incorporate and elect to provide their own fire service along with Pinecrest or the proposed Palmetto Bay. Two districts will require additional units and the distortion of service territory will result in increased response times and costs. Reduced services also mean reduced capacity to respond to catastrophic regional emergencies. While having the ability, small municipalities lack the capacity and possibly the specialized skills needed to respond to unique catastrophic emergencies.

Volusia County, for example, faced this very issue. Because of multiple incorporations, they were forced to build an additional station to maintain their level of service.

Fire-Rescue District — Planning

The proper location of fire-rescue stations is critical to service delivery. The department must know the long-range geographical configuration to avoid improper or redundant placement of stations. The relocation of stations more than doubles capital costs.

Fire-Rescue District — Annexation

Annexations to cities that are not part of the Fire-Rescue District are especially problematic in that the department cannot compete to provide service as it can when new municipalities are created. When small, low service demand and high-valued areas annex, the tax base to the District is reduced, **not** the service requirements. Additionally, while the city departments that serve these municipalities are capable in skills, they lack capacity. Therefore, the logical conclusion is that in the event of a major fire or catastrophic incident, it is very likely that Miami-Dade will still be needed to respond.

The recently approved requirement of a two-thirds majority vote of the BCC for cities to opt out of the District helps restrain the wholesale fragmentation of services.

(ii) *Library System*

Library System — Definition

The Miami-Dade Public Library System provides informational, educational, recreational, and cultural materials and services to the residents of its special taxing district. Thirty-two facilities located throughout Miami-Dade County, a collection of over 3.5 million items, a state of-the-art computer system with internet accessibility, services available online or from home personal computers, and a staff of professionals and subject matter specialists, make it one of the largest and finest public library systems in the country.

Library System — Operational Concerns

Access to information, whether in print or electronic, is critically important. Through the Library System, the citizens of Miami-Dade County have access to many services and information ranging from elementary school homework help to genealogical research assistance, from business data to in-depth patent searching, and everything in between. The Library System provides these services in a variety of formats and languages. Further, through the Library's computer system, all services are available at all facilities, thus leveling the playing field for all communities within the service area.

Assuring that library services are available to everyone may not have the same apparent urgency as assuring the availability of appropriate law enforcement and fire-rescue, but equal access to information is, in fact, critically important.

Only a few of the existing municipalities that are currently a part of the Miami-Dade Library System could afford to develop, staff, and stock their own library system, to the detriment of remaining system members. None could provide access to the level of resources currently available. In Broward County, cities that choose to provide municipal library systems do so as an adjunct to, not a substitute for, the countywide library system.

(iii) *Solid Waste Collection System*

Annexations and incorporations can have serious adverse impacts on the solid waste stream and, consequently, on the financial stability of the County's solid waste management system. The twenty-year solid waste collection and disposal interlocal agreements that have been executed with 17 municipalities, and that allow the County to recover approximately 440,000 tons per year of municipally generated solid waste, have enabled the County to provide a reduced disposal fee to these municipalities. Further, these disposal fees have been guaranteed for the next twenty years in order to make the County disposal system appealing to the municipalities. Fundamental to its capability to provide competitive pricing was its ability to collect and dispose of the current residential UMSA waste stream.

The County has a financial responsibility to the remaining residents of UMSA and current solid waste disposal revenue bond holders. Any erosion of the UMSA waste stream will have adverse consequences on the county's ability to meet bond coverage tests and to be able to hold down the cost of the waste collection service. Continued collection and disposal of waste from the existing unincorporated area will ensure that the county's solid waste financial obligations can be met in the future. State law requires counties to construct or contract for waste disposal capacity for the entire county. Miami-Dade County financed its system with debt backed by solid waste disposal revenue (based on waste tonnage). Therefore, maintaining the waste stream is crucial.

The solid waste disposal bond obligations include the following covenants: (1) the County shall diligently enforce or cause the enforcement of the provisions of all agreements, orders, directives and ordinances which require delivery of such [committed] waste to the system; (2) the County will fix, charge and collect rates and charges for the use of the services and facilities furnished by the system and from time to time, and as often as necessary, it will adjust such . . . so as to provide net operating revenues in each fiscal year . . . equal to 120 percent; and (3) the County covenants to comply with the provisions of Ordinance No. 96-30.

Further, the County's long-term financial commitments to the operator of its resources recovery facility, a significant portion of which represents capital tipping fees paid to the operator for facility debt service, are conduit debt obligations.

Maintaining the County's authority over both collection and disposal of the current waste stream from the unincorporated area will ensure that the County is in compliance with these bond covenants and loan agreements, and will provide the department with greater flexibility to respond to the steadily changing solid waste management environment.

Section 1.01A(9) of the Dade County Home Rule Charter provides the County with the authority to provide and regulate waste collection and disposal services countywide.

Section15-13 of the Code (codified through Ordinance 96-30) provides for the Department of Solid Waste Management (DSWM) to continue to collect and dispose of all residential waste from any part of UMSA that is incorporated. The section further provides the DSWM with the ability to continue to collect and dispose of all residential waste from any part of UMSA that is annexed to existing municipalities, or delegate the authority to collect through 20-year interlocal agreements that provide for collection and disposal services.

Furthermore, Section 15-13 of the Code gives the director of the DSWM the power to establish the type of solid waste collection provided. In the department's discretionary policies, the director has established exemptions to uniform residential service. The uniform service level is defined in the department's administrative order adopted by the BCC annually. The exemptions to date are as follows: (1) specialized service due to physical requirements; (2) exclusion of residential units from garbage collection area (density and distance, unconnected islands criteria); (3) uninhabitable and unoccupied

residences; (4) waste delegation in annexation areas; and (5) recycling service and fee for residential units provided with recycling services.

Section 15-30 of the Code provides exemption from service for commercial/multi-family and residential units located on the same parcel.

Additionally, Section 20-25 gives the County the right to retain forever the authority for residential garbage and refuse collection and disposal in all areas that incorporate.

Solid Waste Collection System — Current Residential Service

DSWM provides solid waste collection services to unincorporated Miami-Dade County residential units (single-family, town homes, cluster homes, etc.). Additionally, DSWM provides waste collection services to the City of Sweetwater through a long-term interlocal agreement. In November 1995, the City of Aventura entered into an interlocal agreement authorizing the County to provide waste collection services on an interim basis. The DSWM continues to provide these services to the City of Aventura although the original agreement is no longer in effect. However, the number of units served is minimal (approximately 200 units). Pursuant to Ordinance 96-30, DSWM serves Pinecrest and Sunny Isles Beach.

Solid Waste Collection System — Service Policy

DSWM provides a uniform level of service to all its residential customers. This is based on the department's goals and objectives as defined in the CDMP, The Solid Waste Master Plan, the Strategic Plan and budget policy, as approved by the BCC. The DSWM may provide a different level of service to residents outside of the UDB of the adopted Land Use Plan map due to unique characteristics such as low-density and remoteness of the area.

Inside the UDB

Service is provided uniformly to all residential customers. The current level of service is established as *base service* consistent with department policies, goals, and objectives. Any customized level of service would be in addition to *base service* and would have an additional cost pursuant to Section 15-14 of the Code. Any increase in service would exceed DSWM's minimum required service level and would not conflict with DSWM's policies, goals, and objectives.

Outside the UDB

The DSWM may provide customized service to meet the requests of municipalities and incorporated areas outside the UDB currently not subject to the *base service* requirement.

In order to create a customized level of service to residents outside the UDB, the DSWM would create a separate and independent service area. As such, a separate fee schedule would be implemented based on the actual cost of the service provided.

This separate service area would only apply to the area outside the UDB. Any modification of the UDB by the BCC will automatically adjust the DSWM service area boundaries and would subject residents in the area to the applicable service levels and fees.

(iv) *Specialized Police Services*

Specialized Police Services — Definition

Specialized law enforcement services include, but are not limited to, criminal investigation of domestic crimes, homicide, robbery, sexual crimes, economic crimes, narcotics, crime scenes, and the operation of property and evidence bureaus.

Specialized law enforcement services do not include countywide sheriff services such as warrants, crime lab, public corruption, communications, court services, and civil process services.

Specialized Police Services — Operational Concerns

In terms of law enforcement, the impact of continued piecemeal incorporation on the MDPD is detailed in the Police District Report distributed to you January 14, 1999. The most serious adverse impact of the continued creation of small affluent municipalities is the harm that the loss of revenue to the remaining UMSA and reduced service area has on the delivery of specialized police services.

Small cities usually do not, cannot, and should not provide specialized police services. Small municipalities that do not provide specialized services shift the tax burden of supporting them to residents countywide, including those of cities not so dependent on Miami-Dade County. While it is difficult to quantify the cost, the most recent incorporations have shifted more of the burden of funding specialized police services to the countywide general fund and consequently more cost has shifted to residents of cities such as Miami, Miami Beach, Hialeah, and Coral Gables, that provide varying levels of regional municipal-type specialized police services over and above local patrol and general investigation.

Specialized police services, like fire-rescue services, make more sense to deliver on a regional basis. As mentioned in the Police District Report, there is no Miami-Dade Police District to provide specialized services or to maintain a large enough patrol force to respond to emergencies whether in municipalities or unincorporated areas. Without creating capacity in the countywide millage cap we cannot even begin to create a police district. The possibility of creating a non ad-valorem special benefit district for law enforcement was examined and found not to be a viable option. The pros and cons of creating an independent police district were considered and it was concluded that it was not in anyone's best interest to create a district that would, by definition, be outside the control of County government. We also examined in the Police District Report the possibility of creating a fee-for-service or purely contract-based system. The report details the serious risks and limitations associated with those options. A copy of this report can be found in Appendix XIII.

(c) ***PROPOSED MUNICIPALITIES SHOULD ENTER INTO A CONTRACT WITH THE MIAMI-DADE POLICE DEPARTMENT FOR AN INITIAL PERIOD (3–5 YEARS) AFTER THE INCORPORATION FOR PATROL AND OTHER PURELY LOCAL SERVICES***

All new cities should be required to contract with the MDPD for local patrol services for a minimum three to five-year period. This arrangement would be renewable at the city's option.

Local patrol services mean the provision of routine patrol, response to calls for service, prevention of criminal activities, investigation of offenses and apprehension of offenders. As options, and for an additional fee, a municipality may choose to include activities such as participation in the Police Athletic League, career days, and other community activities its contract.

The contract would specify a fixed level of patrol staffing for the proposed city, agreed to by the local government of the proposed municipality and the County.

The municipal police district, while remaining an arm of the MDPD, would be responsive to the local government. The municipal police district chief would be appointed by the MDPD director, subject to the new city's governing body's approval. The governing body could request removal of the municipal police district chief.

Uniforms and patrol units would clearly identify the staff and vehicles as belonging to the municipality. Within the context of MDPD policy and sound law enforcement practice, the proposed city would have the authority to establish local priorities and provide direction on all local police issues.

Key Points to an Agreement for Police Services Between Miami-Dade County (MDC) and a Proposed Municipality

- Patrol activities are directed toward attainment of the objectives of enforcing the law, preventing and deterring crime, arresting criminal offenders, preventing traffic crashes, maintaining public order, and providing services to the community such as directed and preventive patrolling, responding to emergency and non-emergency calls for service, conducting field interviews, directing and controlling traffic, and issuing traffic citations

- If needed, patrol personnel assigned to the proposed municipality shall respond to render aid in emergency, life-saving, and in-progress-violent criminal incidents occurring outside the proposed municipality's boundaries and vice-versa

- A general investigations unit shall be established to investigate criminal activity within the proposed municipality

- MDC will respond to and manage the 911 system and provide communications and support to police assigned to the proposed municipality; MDC will retain all 911 fees generated within the proposed municipality to offset costs of providing the service

- MDC shall make an alternative flexible service model available under which services will be provided and billed for in proportion to the proposed municipality's share of the workload. This option can only be exercised by the proposed municipality prior to the beginning of a fiscal year

- MDPD will provide optional services that include:

  - ✓ Marine patrol and motorcycle units
  - ✓ School crossing guards section
  - ✓ Community affairs bureau
  - ✓ Special events unit
  - ✓ Enhanced enforcement initiatives

- As part of the payment for local patrol services, the proposed municipality will pay an overhead rate that will cover the following internal functions:

  - ✓ Professional compliance bureau
  - ✓ Facilities maintenance section
  - ✓ Support equipment
  - ✓ Polygraph examination
  - ✓ Assessment center
  - ✓ Training bureau

- All persons employed by MDC to perform services for the proposed municipality shall remain MDC employees, subject to all MDC and MDPD policies and procedures

- The proposed municipality shall be entitled to a credit or debit upon reconciliation of payments and actual personnel costs; the reconciliation shall be conducted quarterly

- The district chief, Miami-Dade Fire-Rescue commander, and the municipal manager will collectively be responsible for all proposed municipality emergency management duties

- MDPD will collect accurate crime statistics, calls for service data and other related law enforcement statistics specifically within the boundaries of the proposed municipality to provide accurate data on law enforcement services provided

- MDPD will provide monthly, quarterly, and yearly reports regarding criminal activity, workload indicators, crime statistics and, when requested by the proposed municipality's manager, other information regarding law enforcement services

(d) ***PROPOSED MUNICIPALITIES SHOULD GENERALLY BE REVENUE NEUTRAL WITH NO FEWER THAN 10,000 RESIDENTS***

The following options should be mandated to minimize or eliminate any adverse fiscal impacts due to incorporations or annexations: (a) draw boundaries in such a way that the proposed area is itself sustainable and the fiscal impact of the incorporation on the remainder of the unincorporated area is revenue neutral (require that new cities be configured in such a way that the projected revenue loss to UMSA is no greater than the projected loss of service costs); or (b) have new cities make a mitigation payment to compensate for any negative fiscal impact of its incorporation on the remaining unincorporated area.

If residents of an area are committed to municipal boundaries that are not revenue neutral, some form of mitigation should be made so that property owners and residents in the remaining unincorporated area are not unduly impacted. This would be accomplished through an annual contribution to a Municipal Services Trust Fund (MSTF).

The amount to be paid into the MSTF would be set at a dollar value to be negotiated prior to incorporation. The amount will be converted to a millage equivalent for subsequent years.

This mitigation policy would also incorporate the concept of preserving the industrial and commercial base revenue stream to help support the lower income areas of UMSA. This could be done in two ways. One, by providing for the retention of commercial and industrial areas as part of UMSA or by retaining 100 percent of the difference between the revenues they generated and agreed upon expenses in the commercial and industrial areas.

The mitigation amount for areas that are not classified as commercial or industrial will be calculated based on the difference between current revenues generated and expenses incurred in the areas, less a reasonable allocation for the cost of setting-up an independent governance and minor improvements in service.

If the County determines that an area is a *recipient* community, where more is expended to provide services than revenues generated, the proposed municipality will not be required to make a contribution to the MSTF.

The mitigation agreement would expire when the remaining unincorporated municipal service area is reduced to fewer than 500,000 residents, **and** the unincorporated area per-capita tax base exceeds the average of the countywide per capita tax base.

(e) ***LIMITED PURPOSE LOCAL GOVERNMENTS "TOWNS" SHOULD BE PROVIDED AS AN ALTERNATIVE TO INCORPORATION OR ANNEXATION FOR AREAS SEEKING SOMETHING LESS THAN FULL INCORPORATION OR WHERE AN AREA MAY NOT BE FINANCIALLY VIABLE AS A STAND-ALONE MUNICIPALITY***

Many citizens desire enhanced control over local services and facilities. They are interested in enhanced local police patrol, more recreation services at parks, extra code enforcement and landscaping, and even local, capital improvements.

The Safe Neighborhood Improvement District (SNID) approach allows for the establishment of a district, either, (a) by voter referendum (FS 163.511) or, (b) by Commission Ordinance (FS 163.506). The SNID is permitted to have up to two 2 mills of municipal-type millage to provide for a range of improvements, services, and activities within that geographical area. Once established, the SNID becomes, in effect, a dependent taxing district with a great deal of flexibility as to how its revenue is spent.

Typically a district is confined to services that can be directly tied to property: lighting, landscaping, or a security guard district, and the assessment is based not on taxable value but on a unit or square foot basis. This results in the identical assessment of properties of unequal value. We propose a millage-based district because it avoids this issue and allows for a broader definition of the term benefit. Under the SNID, the BCC may appoint a local board of directors with authority to develop a plan and a budget for the district. Under the non-voted district, the BCC may also appoint a local advisory council. Although the BCC appoints the directors, it may choose to identify those appointments through a local election.

The table presented below is a summary of the SNID powers and responsibilities provided by statute.

STATUTE	DISTRICT POWERS AND RESPONSIBILITIES PROVIDED BY STATUTE
163.504	
(1)	No district may overlap the jurisdictional boundaries of a municipality and the unincorporated area of a county, except by interlocal agreement
163.511	
(2)	A referendum to implement a special residential or business neighborhood improvement district shall be held within 120 days after ...
(2)(a)	The governing body of the municipality declares, by the enactment of a separate ordinance pursuant to subsection (1), that there is a need for a special residential or business neighborhood improvement district to function within a proposed area
(2)(b)	A petition containing the signatures of 40 percent of the electors of a proposed special residential neighborhood improvement district area or 20 percent of the property owners of a proposed special business neighborhood improvement area is presented to the county commission ...
163.514	Unless prohibited by ordinance, the board of any district shall be empowered to:
(1)	Enter into contracts and agreements and sue and be sued as a body corporate
(2)	Have and use a corporate seal
(3)	Acquire, own, convey, or otherwise dispose of, lease as lessor or lessee, construct,

STATUTE	DISTRICT POWERS AND RESPONSIBILITIES PROVIDED BY STATUTE
	maintain, improve, enlarge, raze, relocate, operate, and manage property and facilities of whatever type to which it holds title and grant and acquire licenses, easements, and options with respect to thereto
(4)	Accept grants and donations of any type of property, labor, or other things of value from any public or private source
(5)	Have exclusive control of funds legally available to it, subject to limitations imposed by law or by any agreement validly entered into by it. (Subject to referendum, the town has the authority to levy an ad valorem tax on real and personal property of up to 2 mills annually.)
(6)	Cooperate and contract with other governmental agencies or other public bodies
(7)	Contract for services of planning consultants, experts on crime prevention through community policing innovations, environmental design, environmental security, or defensible space, or other experts in areas pertaining to the operations of the board of directors or the district
(8)	Contract with the county or municipal government for planning assistance, and for increased levels of law enforcement protection and security, including additional personnel
(9)	Promote and advertise the commercial advantages of the district so as to attract new businesses and encourage the expansion of existing businesses
(10)	Promote and advertise the district to the public and engage in cooperative advertising programs with businesses located in the district
(11)	Improve street lighting, parks, streets, drainage, utilities, swales, and open areas, and provide safe access to mass transportation facilities in the district
(12)	Undertake innovative approaches to securing neighborhoods from crime, such as crime prevention through community policing innovations, environmental design, environmental security, and defensible space
(13)	Privatize, close, vacate, plan, or replan street, roads, sidewalks, and alleys, subject to the concurrence of the local governing body and, if required, the state Department of Transportation
(14)	Prepare, adopt, implement, and modify a safe neighborhood improvement plan for the district
(15)	Identify areas with blighted influences, including, but not limited to, areas where unlawful urban dumping or graffiti are prevalent, and develop programs for the eradication thereof
(16)	Subject to referendum approval, make and collect special assessments pursuant to ss.197.3632 and 197.3635 to pay for improvements to the district and for reasonable expenses of operating the district, including the payment of expenses included in the district's budget, subject to an affirmative vote by a majority of the registered voters residing in the district. Such assessments shall not exceed $500 for each individual parcel of land per year
(17)	Exercise all lawful powers incidental to the effective and expedient exercise of the foregoing powers
163.506	
(2)	The advisory council shall perform such duties as may be prescribed by the governing body and shall submit within the time period specified by the governing body, acting as the board of directors, a report on the district's activities and a proposed budget to accomplish its objectives. In formulating a plan for services or improvements, the advisory board shall consult in public session with the appropriate staff or consultants to the local governing body responsible for the district's plans

While the SNID may meet some needs, it has some shortcomings that should be addressed. Specifically, SNIDs do not have legislative authority, cannot enforce the code, and do not have zoning responsibilities. They cannot address basic municipal services, identify baseline UMSA services, or entertain land use issues. Additionally, the statute does not provide for the direct election of officials.

Therefore, it is recommended that a Charter amendment be presented to the voters to allow the BCC to create limited purpose units of local government, "Towns", subject to an affirmative vote of area residents, that would be provided with limited municipal taxing authority, certain municipal type powers, the ability to fund and/or provide enhanced levels of service, and be restrained from providing services already provided by the County. The Charter amendment gives the BCC the greatest amount of flexibility to shape the *Town* in the manner best suited to address multiple and diverse issues important to UMSA residents.

Clearly, these approaches do not have all of the advantages of incorporation. However, they have much to offer as avenues to making immediately available a greater degree of local control over truly local services without requiring that an area be revenue neutral. They are of particular value to those communities that are predominantly satisfied with their local government and wish to remain in UMSA.

(f) RETENTION OF REGULATORY CONTROL OVER AREAS OF COUNTYWIDE SIGNIFICANCE

It is recommended that the County retain regulatory control over areas of countywide significance similar to the power granted under Florida Statutes regarding the operation of seaports and airports. Among the areas of countywide significance are the Miami International Airport, solid waste landfills and waste to energy facilities, and the Turkey Point nuclear power plant, to name a few. The areas where these assets are located may be included within municipal boundaries. In such a case, the terms and conditions of the conceptual agreement must grant the County complete regulatory control over them, regardless of their location.

Chapter IV

IV POLICIES SUPPORTING THE INCORPORATION AND ANNEXATION PROCESSES

The policies recommended in this chapter are designed to assist the BCC in evaluating the merits of an incorporation or annexation application and to help frame issues related to incorporation and annexation. The matters are substantive and varied.

(a) COUNTYWIDE REVENUE SHARING; ALTERNATIVES

The establishment of a countywide revenue sharing program continues to be as current an issue today as it was five years ago. Recently, we have seen financial problems that municipalities with a low tax base endure, with the latest examples of this being the cities of Homestead and Opa-locka.

As identified by the Revenue Sharing Task Force in 1997, the optimal solution continues to be the establishment of a half-cent sales tax dedicated to this purpose. However, that solution is as far off today as it was when it was first identified. Nevertheless, it is a worthy undertaking. If the BCC is committed to such a revenue sharing approach, state legislation should be introduced during the next legislative session to permit such a use of sales tax proceeds and, then, a subsequent vote of the county electorate should be scheduled.

Absent such a comprehensive revenue sharing approach, ***it is recommended that any gains to the County budget from the re-distribution of the sales tax, as discussed in section VI.2, and savings to the countywide budget by having existing municipalities pay for the costs associated with the specialized police services provided by the County, be dedicated to a limited revenue sharing program to assist poorer municipalities with the cost of contracted specialized police services.***

While these resources are not sufficient to meet the Revenue Sharing Task Force's goals, they should be sufficient to help the lower tax base areas pay for specialized police services.

(b) UMSA-WIDE INCORPORATION PLAN / OPTIMAL NUMBER OF CITIES

At the BCC's request, a conceptual incorporation and annexation plan was designed for UMSA, keeping in mind that the County does not have the authority to force an area to incorporate or annex to an existing municipality.

The plan, however, can be used as a framework for municipalities or citizens to pursue annexation of an area, and to assist municipal advisory committees and other citizen groups in identifying what they should be striving toward.

Geographical areas east of Interstate 95, east of the Palmetto Expressway and south of 836 were identified as best suited for annexation due to the proximity of existing municipalities. The plan also envisions the creation of a total of 11 new cities: seven new cities in addition to the four municipal advisory committees currently pursuing incorporation.

(c) TOTAL INCORPORATION TRIGGER POINT CONCEPT

If areas continue to incorporate there will be a point at which the delivery of municipal services to UMSA resident becomes operationally inefficient and impractical. The point at which this happens has been labeled the *total incorporation trigger point*.

If Redland, Palmetto Bay, County Club Lakes, and Doral incorporate, even though there will be almost 150,000 residents moving from UMSA to these new municipalities, the remaining UMSA will still have more than one million residents and be will be sufficiently contiguous that the delivery of services would not be impaired.

However, if following those incorporations Kendall, West Kendall, and Westchester incorporate, UMSA would be cut in half and the population reduced by 300,000 residents. As clearly illustrated on the map on the following page that is the instant at which UMSA would have reached the total incorporation trigger point.

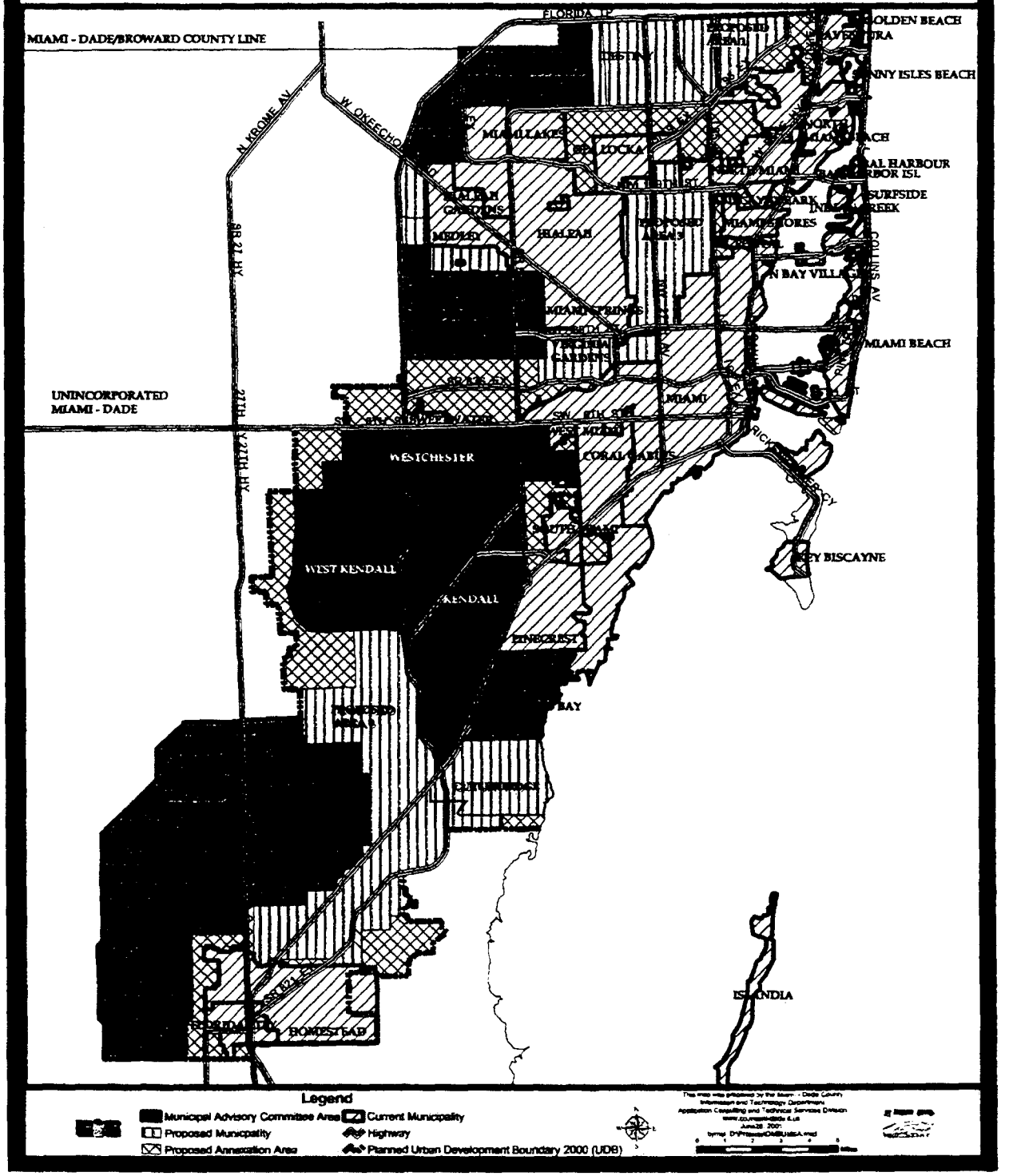
When the total incorporation trigger point is reached, the BCC should adopt an aggressive policy of annexation and/or incorporation of the rest of UMSA, recognizing that as currently written, the Charter does not allow for annexations or incorporations without the approval of voters in the affected areas.

(d) CRITERIA FOR RESOLUTION OF DISPUTES REGARDING CONTESTED AREAS

Several areas of unincorporated Miami-Dade County are subject to multiple boundary change efforts. They include: (1) the Kings Bay area (included in the proposed incorporation of Palmetto Bay and a possible annexation to Coral Gables); (2) the area around and including part of Opa-Locka airport (included in the proposed new boundaries for Country Club Lakes and an annexation request by Opa-Locka); and (3) the area south and west of the City of Medley (included in the proposed boundaries of Doral and requested annexation by Medley). It is likely that this will be a recurring scenario as more areas seek to incorporate and other cities seek to expand. Therefore, it is critical to develop a decision-making mechanism to formulate recommendations on these contested areas. The key issues to consider should be as follows:

- Timing:
  - ✓ Application date (first come/first served)
  - ✓ Effective date (likely timing of annexation or incorporation – annexation can occur more quickly)
- Boundaries:
  - ✓ Compactness
  - ✓ Filling-in or creating enclaves

Miami - Dade County



- ✓ Any major natural or man-made boundaries

- ✓ Size of the area (smaller areas may be more suitable for annexation)

- Duplication of services and structures:

  - ✓ Is the area requesting annexation part of the Fire-Rescue District, the Library System and does it have an existing interlocal agreement with the County for solid waste collection services?

  - ✓ Does the annexation or new municipality split some existing use, e.g. fire station in an area that is not part of the Fire District?

  - ✓ The logistics of service delivery

  - ✓ Major infrastructure or capital projects that should be considered — could the County reach joint funding agreement on these more easily with the existing city or the proposed new municipality?

- Fiscal issues:

  - ✓ Tax base of the contested area versus municipalities seeking to include the area

  - ✓ Proposed incorporations that are revenue neutral — recipient communities should be given priority to include high-value tax base areas

  - ✓ Does the annexing city need the increased tax base or is it an affluent municipality?

  - ✓ Is the proposed new municipality fiscally viable without the area? Viable does not mean able to maintain low taxes but simply reasonably able to provide services

  - ✓ Which option would have the least impact on the UMSA tax base and service systems?

- Community input; preferences of residents and property owners in the contested area

- Environmental or other land use concerns:

  - ✓ For existing municipalities: how do land use designations compare, are there special environmental issues (e.g., wetlands, well fields, open space) involved, and what do the agencies (Water Management District, DERM) think?

  - ✓ Is the land-use of the contested area(s) consistent with that of the area wanting to annex it?

- ✓ Are there any issues (e.g., with industry or utilities) that may create tensions between the interests of a small local government and regional needs (e.g., cellular communications towers, power transfer or generating stations, rock-mining)?

- ✓ Are there any specific developments in the planning and development stages that should be considered?

Probably, no one single issue should be the controlling factor nor is it possible to develop a numeric ranking system. ***It is recommended that a set of guiding principles be adopted to resolve boundary disputes.***

- Boundaries should receive the highest priority. While geographic boundary issues have a direct impact on the ability to provide services to an area, Miami-Dade County's geography, especially in the unincorporated area will only resolve a small percentage of the disputes. For example, annexation to one municipality over another may not be in an area's best interest if a canal separates the two making access for the provision of services difficult.

- In residential areas where there are more than 250 electors, the desires of the people in the contested area should be the determining factor.

- The property owners' preference in commercial and industrial areas should be the determining factor subject to the following three criteria: (1) consistency with zoning, (2) ability to provide necessary services, and (3) the financial impact on less affluent areas. Factors to consider when assessing the financial impact include determining whether the annexation is to a low tax base area or a mitigation agreement with the County.

(e) POLICY RECOMMENDATION FOR ANNEXATION OUTSIDE THE URBAN DEVELOPMENT BOUNDARY

The Charter, the Code of Miami-Dade County and the CDMP, all provide the County with some capacity to maintain jurisdiction over municipal plans and development regulations.

Incorporation efforts, however, have raised concerns regarding the ability of Miami-Dade County to protect areas of regional significance, in particular, areas outside the current UDB.

Critical to the functioning of a metropolitan government is that municipalities not infringe on the County's ability to protect important regional resources (e.g., well-fields or other environmentally critical areas), to provide development capacity, and require the expansion of urban services where population growth and the demand for such services is in the best interest of the County as a whole.

Therefore, the following general policy and protections are recommended.

Annexations and incorporations that include areas outside of the UDB and any area of particular regional significance should continue to be considered on a case-by-case basis,

however, environmentally sensitive areas should remain under the County's jurisdiction. Regardless, the County should be required to approve all land use and zoning decisions outside the UDB. Recommendations for approval, denial or modification of proposed annexation or incorporation boundaries should be based on all current guidelines. (See Section 20-7 for annexation guidelines and Section 20-23 for incorporation guidelines.)

Additionally, areas of particular regional significance that are included in the proposed annexation or incorporation should be identified separately.

To the extent that areas of regional significance exist, interlocal agreements that address such impacts should be required prior to the approval of an annexation or incorporation. In addition, the County Code (Section 2-116.1.2 and Chapter 20, Articles 1 and 2) should be amended to provide for additional County oversight of development in the area.

Annexation

Prior to the approval of any annexation of an area that is of special concern in terms of the County's ability to adopt, amend and implement the policies and goals of the CDMP, in particular area outside the UDB, the municipality should be required to enter into an interlocal agreement that includes the following recommended provisions:

- Any proposed land use amendment, whether initiated by the municipality or by an individual property owner should be submitted to the County's Department of Planning and Zoning director for review and comment prior to any public hearing

- The Planning and Zoning director should review the proposed amendment and make a determination as to whether or not the proposal contradicts an existing CDMP policy or goal. The proposed amendment and the director's recommendation regarding it should be scheduled for a public hearing of the PAB

- If the PAB finds that the amendment, if adopted, would contradict any CDMP policy or goal, the PAB should refer the matter to the BCC for public hearing

- The BCC, at the conclusion of the public hearing, may: recommend that the municipality proceed with the amendment; require that the amendment be modified to bring it into conformity with the CDMP; or deny the amendment and require that the municipality not hear or transmit the proposed amendment to the state

- If the PAB finds that the proposed land use amendment does not contradict an existing CDMP policy or goal, the municipality may file the amendment according to all procedures established for the amendment process in unincorporated Miami-Dade County

- The County Manager should have the authority to file proposed land use plan amendments **within** the municipality on behalf of Miami-Dade County. Such applications should be processed according to the procedures established for unincorporated Miami-Dade County and, if transmitted and approved by the state, should be made part of the municipality's master plan

- The municipality should notify the Planning and Zoning director of any application for rezoning of an area outside the UDB

- The Planning and Zoning director should determine whether or not such rezoning is in conflict with or supportive of the CDMP's goals and polices

- If, at the sole discretion of the Department of Planning and Zoning director, the rezoning is found to conflict with the CDMP, the municipality should not approve that rezoning. If, at the sole determination of the Department of Planning and Zoning director, the rezoning is consistent with and supports the CDMP's goals and policies, the municipality should proceed with the application

- The director of Planning and Zoning should have the authority to make recommendations to the municipality for rezoning, zoning overlay districts, and amendments to the municipality's zoning code if such recommendations are, at his or her sole determination, found to be in the interest of Miami-Dade County and to further the CDMP's goals and policies

- The municipality should notify the director of Planning and Zoning by certified mail of any building permit or other development activity that occurs within the area outside of the UDB

- If the municipality fails to comply with the terms of the interlocal agreement with respect to all or part of the annexed area, the municipality should be subject to fines (to be determined) and the BCC should assume authority for land use and zoning decisions in the subject area for a period of time (to be determined)

Incorporation

Including an area outside the UDB in a new municipality should generally be discouraged. However, if the BCC initiates or approves such incorporation, with respect to the area outside of the UDB, the Charter of such city should commit the new municipality to enter into an interlocal agreement that includes all provisions described above for annexation of area outside of the UDB.

(f) ENCLAVES, EFFICIENCY IN SERVICE DELIVERY

An enclave is defined in the Code as an area whose perimeter is more than 80 percent surrounded by another city or cities. Due to the transportation logistics they create, access to enclaves for the delivery of services is difficult, inefficient and sometimes ineffective.

Today there are many enclaves in the County and a plan to eliminate as many as possible should be pursued.

If adopted, the policy recommendations in this document should ameliorate if not completely eliminate the service delivery problems enclaves create especially for those that are time sensitive such as fire-rescue and police. If new municipalities are required to remain in the Fire-Rescue District, contract with the County for local patrol and specialized police services, and have their solid waste collected and disposed by the DSWM, the creation of new enclaves will not have the impact of current enclaves.

Chapter V

V FINANCIAL ISSUES

The purpose of this chapter is to discuss the effect that continued incorporation and/or annexation will have on certain County revenues, particularly the ones that have unique statutory or contractual formulas such as the half-cent sales tax, state revenue sharing, local option gasoline taxes, and franchise fees. It will also outline recommended policies regarding incorporation or annexation and the repayment of the outstanding Quality Neighborhood Improvement (Bond) Program (QNIP) debt, the impact of incorporation and annexation on the countywide/UMSA general fund sharing of administrative expenses, and the potential fiscal impact on the remaining UMSA.

This fiscal analysis of incorporation and annexation will assume that Palmetto Bay, Doral, Redland, and Country Club Lakes are incorporated and the Medley annexation is approved. These areas will be referred to as the **active** incorporation and annexation areas.

(a) HALF-CENT SALES TAX DISTRIBUTION

The half-cent sales tax program, authorized by the state legislature in 1982 and one of the state shared revenues received by cities and counties, generates the largest amount of such state revenue for local governments. The County receives its distribution based on 9.653 percent of net sales tax revenues collected pursuant to 212.20(6), Florida Statutes. The allocation of these revenues to the municipalities and to the countywide and UMSA jurisdictions is based on a formula established by state law and illustrated below.

Sales Tax Distribution – Based on FY 2001 Data

$$\frac{\text{UMSA Population} + 2/3\ \text{Incorporated Population}}{\text{Total County Population} + 2/3\ \text{Incorporated Population}} = \text{Overall County Share}$$

$$\frac{\text{UMSA Population}}{\text{Total County Population} + 2/3\ \text{Incorporated Population}} = \text{UMSA Share}$$

The following table depicts the FY 2000-01 distribution between the countywide and UMSA budgets based on the above formula, as well as two incorporation scenarios. The first scenario assumes the incorporation of the **active** incorporation and annexation areas. The second scenario presupposes the total incorporation of UMSA.

Based on the formula calculations, the countywide budget will gain $4.2 million under the first scenario and over $25 million under the second. Conversely, the UMSA budget will lose $10.5 million under the first scenario. The second scenario is not relevant to the UMSA budget because at that point, there is no UMSA.

	Current	After Incorporation	Total Incorporation
Population Factors			
Total County Population	2,126,702	2,126,702	2,126,702
Total UMSA Population	1,114,053	963,795	0
Cumulative Incorporation Population			
Incorporation Area Population		150,258	1,084,672
Incorporated Area Population	1,012,649	1,162,907	2,126,702
2/3 Incorporated Population	675,099	775,271	1,417,801
Percent Allocations			
Overall County Share	63.86%	59.93%	40.00%
UMSA Share	39.76%	33.21%	0.00%
Countywide Share	24.10%	26.72%	40.00%
Dollar Allocations	$160,075,879		
Overall County Share	$102,220,000	$95,928,715	$64,030,352
UMSA Share	$63,649,414	$53,163,938	$0
Countywide Share	$38,570,586	$42,764,776	$64,030,352
Change from Current Allocation			
Overall County Share		-$6,291,285	-$38,189,648
UMSA Share		-$10,485,476	-$63,649,414
Countywide Share		$4,194,190	$25,459,766

The positive gain from the sales tax distribution in the countywide budget could be used to offset some of the other negative impacts identified elsewhere in this and other reports, or to support a limited countywide revenue sharing program to assist poorer municipalities with the cost of contracted specialized police services.

(b) STATE REVENUE SHARING

The Florida Revenue Sharing Act of 1972 was an attempt by the state legislature to ensure a minimum level of revenue parity across municipalities and counties. The current structure of the revenue sharing program consists of three revenue sharing sources for municipalities and two revenue sources for counties. The UMSA state revenue sharing allocation is received from the Municipal Revenue Sharing trust fund.

The Municipal Revenue Sharing trust fund is made up of 1.0715 percent of state sales tax collections, one cent of municipal fuel tax collections and 12.5 percent of the state's alternative fuel user decal fee collections.

The UMSA share of the Municipal Revenue Sharing trust fund is specified in state law as a minimum guaranteed entitlement for Miami-Dade County. This minimum guaranteed growth is consistent with the municipal program's overall growth. Therefore, unless there is a change in state law, UMSA's revenue sharing distribution will not be affected by the creation of new municipalities.

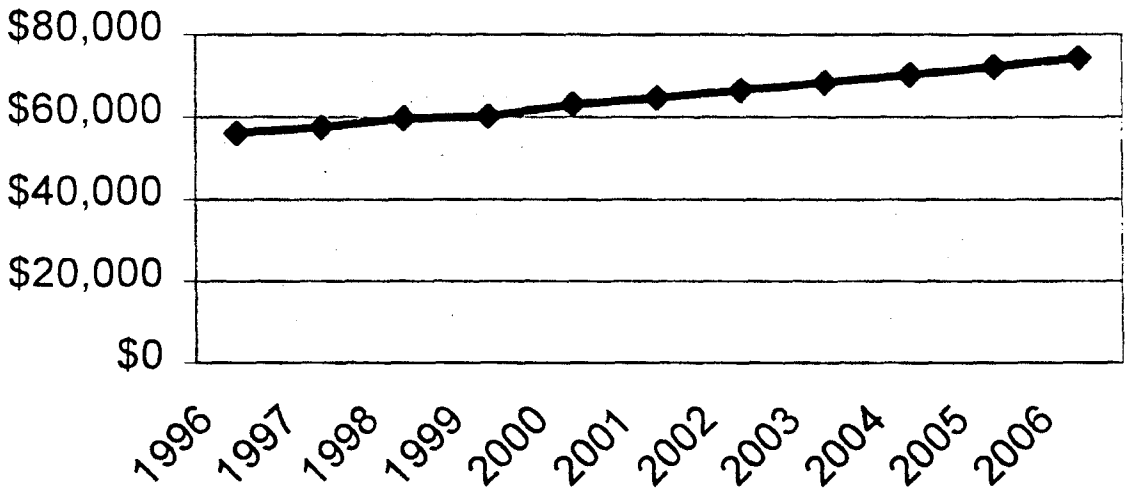
(c) GASOLINE TAX

Local governments are authorized to levy up to 12 cents of local option fuel taxes in the form of three separate tariffs. One is a tax of one to six cents on every net gallon of motor and diesel fuel sold within a county (currently Miami-Dade County imposes six cents of this tax). The proceeds are used to fund transportation expenditures.

The second tax, for capital improvements, is a one to five cent levy on every gallon of motor fuel sold within a county (currently Miami-Dade County imposes three of the five cents of this tax). Proceeds received from this tax are used for transportation expenditures needed to meet the requirements of the capital improvement element of the adopted local government comprehensive plan.

The third is a tax of one cent on every gallon of motor and fuel sold within a county. This tax is referred to as the *Ninth-cent* fuel tax and is imposed by Miami-Dade County. The *Ninth-cent* fuel tax is allocated entirely to the county for any and all authorized transportation expenditures within the county.

Gas Tax Revenues



Pursuant to interlocal agreements two of these taxes are shared with the municipalities.

Local Option Gas Tax: Proceeds are allocated 72.86 percent to the County and 27.14 percent to the municipalities (based upon a weighted formula of 75 percent population and 25 percent centerline miles). Proceeds are distributed based upon gas taxes collected within each county, minus a 7.3 percent deduction by the state. These 72.86/27.14 distribution percentages will be adjusted if further incorporations occur.

Capital Improvements Gas Tax: (Only three cents are imposed in Miami-Dade.) Proceeds are allocated 74 percent to the County and 26 percent to the municipalities (based upon a weighted formula of 75 percent population and 25 percent centerline miles). Under the current interlocal agreements there will be no redistributions of these percentages if/as additional incorporations occur.

(d) FRANCHISE FEE DISTRIBUTION

The counties and municipalities may exercise their home rule authority to impose a fee upon a utility to grant a franchise and the privilege of using local governments' rights-of-way to conduct business. Miami-Dade's franchise fees are collected through an agreement between the county and utility companies. These revenues are considered 100 percent UMSA revenues.

In 1989, the County entered into a 30-year franchise agreement with Florida Power and Light (FPL). Based on this agreement, the County is to receive six percent of, "The grantee's revenues from the sale of electrical energy to residential, industrial and commercial customers within the unincorporated area of Miami-Dade County, and within the limits of any municipality in Miami-Dade County with whom the grantee has no electrical franchise and from any unincorporated area that may in the future be annexed or incorporated."

The six percent also applies to industrial customers in a municipality whose franchise agreement does not include these revenues.

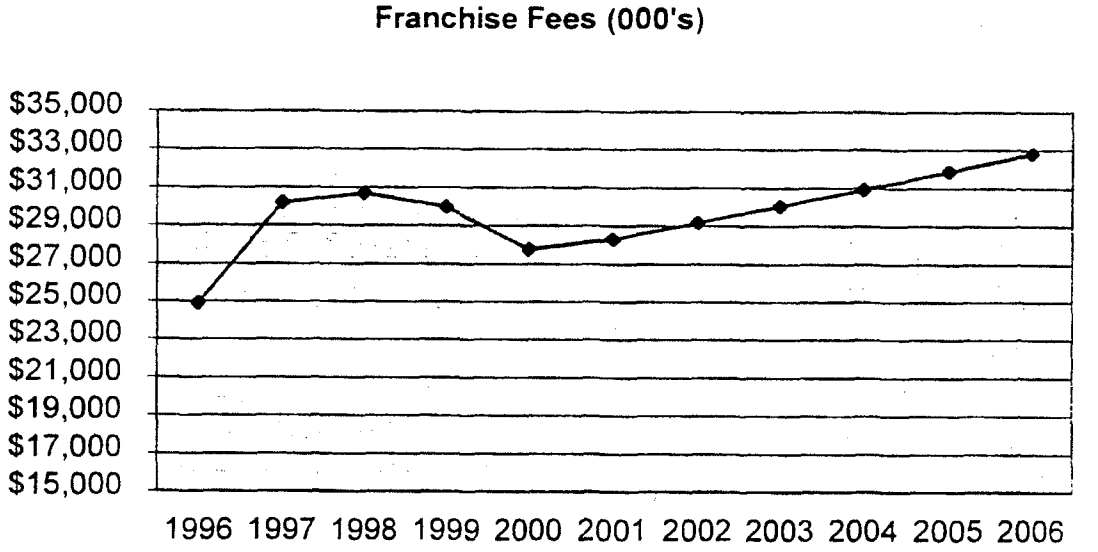
The County has historically granted each municipality without a franchise agreement the share of franchise revenues collected by the County and produced within that municipality.

Per interlocal agreements, the newly created municipalities of Pinecrest, Aventura, and Sunny Isles Beach share a portion of these revenues based on the amounts generated within their boundaries.

However, under the agreement, Florida Power and Light (FPL) gets to deduct property taxes paid not only in the unincorporated area but also in the existing municipalities. As a result, the net receipts to UMSA are much less than the six percent that the agreement stipulates. If we continue to give each municipality its share of the revenues without adjusting for the deductions that FPL takes for taxes paid in existing cities, we will get to a point where UMSA will have a negative income from the franchise fees.

Currently, the deductions taken for property taxes amount to about $18.5 million per year or 37 percent of the gross receipts. Approximately $4 million of these deductions are for properties in the existing municipalities. ***It is recommended that to account for the contractual discount taken by FPL for property taxes paid in existing municipalities, the share of franchise fees to any***

new municipality or current municipalities working under the County's agreement be reduced to equitably prorate this property tax adjustment. This will represent approximately an 8 percent reduction in franchise fee receipts by these municipalities.



(e) POLICY REGARDING QNIP DEBT

The County issued the Quality Neighborhood Bond Program debt in March 1999 to improve the infrastructure in the unincorporated area. Many projects have already been completed or are in the process of being completed in proposed incorporation areas. ***New municipalities need to be responsible for paying their portion of QNIP debt service based on improvements made within their proposed municipal boundaries.***

The County will provide an accounting of the improvements that were funded out of QNIP and the new municipalities will be responsible for making annual debt service payments equivalent to the value of the improvements made until the debt is retired. Alternatively, new municipalities may pre-pay their share of the outstanding debt.

(f) COUNTYWIDE/UMSA SPLIT ON POLICY AND INTERNAL SUPPORT

Currently, the budgets for the policy and administrative support areas are split between the countywide and UMSA budgets based on a pro-rata share of their direct services budget. The proprietary departments contribute toward their share of these expenses through the administrative reimbursements that are reflected as revenue to the countywide and UMSA general funds.

As incorporations occur, the UMSA share of the countywide/UMSA general fund budget will be reduced and more of these expenses will be allocated to the countywide budget. This will be

partially offset by budgetary reductions in the policy and administrative support areas. However, given the significant economies of scale that exist, reductions that can be made will not be commensurate with lost revenue.

Given that UMSA represents about 10 percent of the County's total operating budget, if all of UMSA were to incorporate, the countywide and proprietary departments may be impacted by up to $10 million per year. This is based on a pro-rata share of the policy formulation and internal support cost minus the administrative reimbursements received by UMSA.

(g) FINANCIAL IMPACT TO REMAINDER OF UMSA

We analyzed the fiscal impact of the incorporation of the four active MACs (Doral, Country Club Lakes, Redland, Palmetto Bay), as well as the recent incorporation of Miami Lakes and the pending annexation application from the Town of Medley.

Based on the data compiled as part of the work with these MACs, Miami Lakes and Medley, the total loss to the UMSA budget will be approximately $16 million per year. Based on the proposed mitigation levels, these areas will mitigate approximately $8.5 million of this loss, leaving a gap of $7.5 million for the remaining unincorporated area (Figure V.(g).1). This impact would translate into an increase of approximately 0.4 mills to the remaining UMSA residents.

Additionally, the modification to the policy regarding payment for specialized police services will benefit the countywide budget and provide for a viable and more equitable mechanism to fund the specialize police units of the Miami-Dade Police Department. This will have an adverse impact of about 0.3 mills to the UMSA residents, bringing the total increase to about 0.7 mills (Figure V.(g).2). However, this increase should be offset by a commensurate reduction in countywide taxes.

The countywide budget would benefit under this policy scenario, as shown in Figure V.(g).2, due to the gains in the sales tax receipts and the funding of the specialized police costs. These savings will result in an additional $28 million per year available to the countywide budget. If $10 million is dedicated to provide assistance to municipalities that cannot fund their specialized police services, there will still be a surplus of $18.6 million per year for countywide tax reductions or service enhancements.

Furthermore, based on the analysis conducted in 1995 for the potential incorporation of the Kendall and West Kendall areas, the adverse financial impact to the County will be approximately $16 million, assuming that mitigation will compensate for about half of the fiscal impact, the net fiscal impact would be about $8 million or another 0.4 mills.

The Board may choose to eliminate any adverse fiscal impact on the UMSA budget by demanding full mitigation from new municipalities.

Financial Impact Analysis
of Incorporation on UMSA and Countywide Operating Budgets

Table V.(g).1

Based on FY 00-01 Budget	***Base Budget***	***Effect of Pending Incorporations***	***UMSA Adjusted Budget***
2000 Taxable Property Rolls	$44,238,445,000	$11,299,180,881	$32,939,264,119
2000 Census Population	1,114,053	147,347	966,706
2000 -01 UMSA Millage	2.447	2.447	2.447
Police Calls for Service for 1999	1,295,538	169,975	1,125,563
Cost per Police Call	$212	$212	$212
Cost per Lane Mile	$1,200	$1,200	$1,200
Per Capita Taxable Value	$39,709	$76,684	$34,074
Calls per Capita	1.163	1.154	1.164
Gross Revenue Loss to UMSA			
Property Tax Revenue	$102,839,000	$26,266,641	$76,572,359
Franchise Fees	$28,101,000	$5,905,470	$22,195,530
Sales Tax	$63,683,000	$7,614,837	$56,068,163
Utility Taxes	$104,121,000	$18,921,821	$85,199,179
Cigarette Tax	$1,150,000	$151,767	$998,233
Alcoholic Beverage License	$248,000	$41,257	$206,743
Occupational License	$3,402,000	$540,763	$2,861,237
Fines and Forfetuires	$8,732,000	$848,718	$7,883,282
Interest	$4,830,000	$882,202	$3,947,798
Miscellaneous Revenues	$529,000	$147,542	$381,458
Administrative Reimbursement	$11,070,000	$0	$11,070,000
Cash Carry-over	$27,872,000	$4,363,008	$23,508,992
State Revenue Sharing	$36,353,000	$0	$36,353,000
Mitigation Payment			$8,536,243
Gross Revenue Loss to UMSA	$392,930,000	$61,321,019	$335,782,216
Cost of Providing UMSA Services			
Police	$284,274,000	$36,579,875	$247,694,125
Payment for 100% of specialized police		-$11,237,169	$11,237,169
Parks and Recreation Dept	$28,545,000	$1,425,800	$27,119,200
Public Works -	$5,746,000	$1,350,141	$4,395,859
Planning, Team Metro and others	$52,436,000	$4,368,496	$48,067,504
Policy Formulation/Internal Support	$21,929,000	$1,338,098	$20,590,902
Cost of Providing UMSA Services	$392,930,000	$45,062,409	$359,104,760
Mitigation Payment		$8,536,243	
Net Budget Loss to UMSA	$0	$7,722,367	-$23,322,544
Millage Impact			-0.708
Countywide Impact			
Gains in Sales Tax Revenue Sharing			$4,194,000
Reduction due to direct payment of specialized police cost			$24,428,629
Revenue Sharing Program to Cities			-$10,000,000
Total			$18,622,629

EFFECT OF PENDING INCORPORATIONS/ANNEXATIONS

	Assumptions	Redland	Miami Lakes	Palmetto Bay	County Club Lakes	Doral	Medley	Sub-total of Pending Incorporations/ Annexations
Based on FY 00-01 Budget								
2000 Taxable Property Rolls	Based on FY 1999 times 4.5% growth	$655,476,250	$1,527,803,000	$1,557,024,000	$1,804,151,747	$5,490,116,234	$264,609,650	$11,299,180,881
2000 Census Population		12,469	22,676	24,923	65,163	22,116	0	147,347
2000 -01 UMSA Millage		2.447	2.447	2.447	2.447	2.447	2.447	2.447
Police Calls for Service for 1999		14,155	20,381	19,558	57,305	58,219	357	169,975
Cost per Police Call		$212	$212	$212	$212	$212	$212	$212
Cost per Lane Mile		$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200
Lane Miles		323	57.4	236	82	218	0	916
Per Capita Taxable Value		$52,568	$67,375	$62,473	$27,687	$248,242	#DIV/0!	$76,684
Calls per Capita		1.14	0.90	0.78	0.88	2.63	#DIV/0!	1.15
Gross Revenue Loss to UMSA								
Property Tax Revenue	Based on Tax Roll & Millage	$1,523,753	$3,551,607	$3,619,536	$4,194,021	$12,762,599	$615,125	$26,266,641
Franchise Fees	Based on 28.4% of utility fees	$356,597	$1,230,000	$812,461	$1,426,198	$2,080,214	$0	$5,905,470
Sales Tax	Based on $52 per person	$648,388	$1,171,215	$1,287,273	$3,365,669	$1,142,291	$0	$7,614,837
Utility Taxes	Allocated based on tax roll/population	$1,255,624	$2,050,000	$2,904,645	$5,282,215	$7,429,337	$0	$18,921,821
Cigarette Tax	Based on $1.03 per person	$12,843	$23,356	$25,671	$67,118	$22,779	$0	$151,767
Alcoholic Beverage License	Based on $0.28 per person	$3,491	$6,349	$6,978	$18,246	$6,192	$0	$41,257
Occupational License	Based on $3.67 per person	$45,761	$83,221	$91,467	$239,148	$81,166	$0	$540,763
Fines and Forfeiures	Based on $5.76 per person	$71,821	$130,614	$143,556	$375,339	$127,388	$0	$848,718
Interest	Based on 1.46% of all revenues	$57,207	$120,725	$130,177	$219,474	$345,638	$8,981	$882,202
Miscellaneous Revenues	Based on $0.99 per person	$14,013	$22,449	$24,674	$64,511	$21,895	$0	$147,542
Gross Revenue Loss to UMSA		$3,989,499	$8,389,537	$9,046,439	$15,251,939	$24,019,500	$624,106	$61,321,019
Cost of Providing UMSA Services								
Police	Police calls times cost per call	$3,546,035	$4,320,772	$4,146,296	$12,148,660	$12,342,428	$75,684	$36,579,875
Parks and Recreation Dept	Based on cost of park	$7,000	$219,000	$327,000	$856,800	$16,000		$1,425,800
Public Work - Lane Road Miles (323 lane miles)	Lanes miles times cost per lane mile	$397,290	$71,000	$448,000	$294,861	$118,080	$20,910	$1,350,141
Planning, Team Metro and others	Direct cost times 11.1%	$438,486	$511,796	$546,264	$1,478,336	$1,384,892	$10,722	$4,368,496
Policy Formulation/Internal Support	Direct cost times 3.4%	$134,311	$156,766	$167,324	$452,211	$424,201	$3,284	$1,338,098
Cost of Providing UMSA Services		$4,523,122	$5,279,334	$5,634,884	$15,228,868	$14,285,602	$110,600	$45,062,409
Hypotetitical Mitigation Payment (Assumes one mill for residential areas, no mitigation for revenue neutral areas and full mitigation for comercial areas)		$0	$1,450,000	$1,557,024	$0	$5,000,000	$529,219	$8,536,243
Net Budget Loss to UMSA		($533,623)	$1,660,203	$1,854,531	$23,072	$4,733,899	($15,714)	$7,722,367
Specialized Service Cost								

Table V.(g).2

Chapter VI

VI PROCEDURES FOR INCORPORATION AND ANNEXATION

The recommendations outlined in this chapter address procedural changes that will promote an orderly, rational process for incorporation and/or annexation. These procedural reforms will better support communities pursuing incorporation and/or annexation and reduce the amount of time spent on studying proposals before making recommendations to the BCC.

(a) NEW RECOMMENDED PROCESS

After a steering committee submits an incorporation or annexation petition to the BCC, or asks a Commission member to sponsor a resolution to initiate the incorporation or annexation process, the BCC refers the application to the Boundaries Commission. Before the Boundaries Commission meets to evaluate the application's merits the following activities should take place:

- In order to identify or evaluate as many issues as possible, Office of Management and Budget staff should publish a notice regarding the application and upcoming report in a newspaper of general circulation at least twice to encourage interested parties to come forward with questions, concerns, or desires. This advance notification should go a long way toward alleviating the perception that these activities take place without consideration for parties who might have an interest in the outcome of the process.

- The Office of Management and Budget, and Department of Planning and Zoning staffs need to prepare a comprehensive report based on the boundaries identified in the application. If the boundaries studied do not result in a proposed municipality whose departure from UMSA is revenue neutral, staff should identify how those boundaries could or should be changed to yield that result.

- Based on information provided in the report and at the public hearing, the Boundaries Commission should recommend changes to the proposed boundaries or insure that its recommendation to the PAB identifies those issues that will need to be addressed, such as mitigation. The boundaries recommended by the Boundaries Commission should remain unaltered throughout the remainder of the process.

- After holding a public hearing on the merits of the application and the Boundaries Commission's recommendations, the Planning Advisory Board must issue a recommendation to the BCC. An outcome should not be deferred unless additional information is needed and requested for the next regularly scheduled BCC meeting.

The table below outlines the recommended process.

	Steps: Proposed Incorporation Process
1	Citizens establish steering committee to identify community's desires and boundaries
2	Steering committee submits petition or asks BCC member to sponsor a resolution to initiate incorporation process

	Steps: Proposed Incorporation Process
3	BCC refers incorporation application to Boundaries Commission and Planning Advisory Board
4	Office of Management and Budget publishes two notices regarding the application in a newspaper of general circulation
5	Office of Management and Budget, and Department of Planning and Zoning staff prepare a report and transmit to the Boundaries Commission and Planning Advisory Board
6	Boundaries Commission holds public hearing on the incorporation, evaluates merits of the application, and makes a recommendation to the Planning Advisory Board
7	Planning Advisory Board holds public hearing on the incorporation, evaluates merits of the application, and makes a recommendation to the BCC
8	BCC appoints a Municipal Advisory Committee to develop a conceptual agreement with staff*
9	Municipal Advisory Committee holds public hearings
10	Conceptual agreement reached or the parties agree they've reached an impasse
11	Municipal Advisory Committee holds public hearings
12	BCC holds a public hearing to determine whether or not the matter will be put to a vote of area residents
13	BCC schedules area residents' elections†
14	BCC appoints committee to write city's charter†
15	BCC approves charter to go to a vote†
16	Charter vote; if affirmative, a municipality is created
*	May happen earlier in the process but is not required before step 6
†	Dependent upon the outcome of step 12
	Shading denotes current process as required by the code

(b) MUNICIPAL ADVISORY COMMITTEES; NUMBER OF ACTIVE COMMITTEES AT ANY ONE TIME

Immediately after the creation of a MAC, County staff will send a mailing to all residents and property owners of the area designated by the BCC's resolution and to people within 600 feet of the area's proposed boundaries. This notification will outline the MAC's purpose and provide recipients with a mechanism to stay informed of the MAC's progress.

The committee should hold four public hearings instead of the two currently required. The first two should be held as soon as the committee has reviewed all pertinent background material and is ready to receive input from County staff and start entertaining the issues that must be addressed in the conceptual agreement. The application, staff's report, boundaries,

recommendations from the Boundaries Commission and the PAB, background material the committee studied, and the agreement's concept should be discussed at these hearings. The community's input at this stage should be considered when the County and the MAC sit down to actually negotiate the agreement.

The purpose of the second two public hearings should be to gather input regarding the issues on which the parties have reached agreement and any that remain outstanding.

Given the limited availability of staff resources with the appropriate expertise, it is recommended that there not be more than two municipal advisory committees active at any given time. This limitation along with the changes recommended in the previous section should go a long way toward expediting the committee's work. ***It is also recommended that there be no more than seven members on a MAC.*** That number should assist in ensuring a quorum at each meeting.

The MACs should meet independently once every other week. On intermittent weeks they should meet with County staff. There are many variables for the committees to consider and fewer meetings may lead to obsolescence of the material reviewed or information provided by staff. Staff from the Office of Management and Budget should assist the MACs in developing a schedule and setting goals and objectives for each meeting. Given that incorporation and annexations are set for public hearing in March and September only, there is a critical path to a timely presentation. Deviations may lead to unnecessary delays to the creation of a new municipality's tax rolls.

However, ***MACs should be created for two years and members appointed by ordinance.*** All the advantages of an expeditious process notwithstanding, an area's incorporation affects too many people on too permanent a basis to rush through the process.

Chapter VII

VII PERIPHERAL ISSUES

As we worked through the incorporation and annexation policies and met with different groups, a series of issues kept surfacing that are directly or indirectly affected by continued incorporation and/or annexation. In order to address them properly, the following policies are also recommended.

(a) ***REVISE THE CURRENT METHOD FOR FUNDING SPECIALIZED POLICE SERVICES PROVIDED TO EXISTING CITIES BY DEVELOPING A CONTRACT-FOR-SERVICE ARRANGEMENT WITH ALL CITIES IN MIAMI-DADE COUNTY***

The provision of and payment for specialized police services has long been an outstanding issue in Miami-Dade County. The County spends approximately $25 million a year from the countywide general fund budget for specialized police services; approximately half goes to pay for services provided in UMSA and half to pay for services provided in municipalities. (See attachments 3(a) and 3(b). This proration is made based on the fact that UMSA residents provide about half of the countywide tax roll.

Currently, the cities in Miami-Dade County can be broken down into the following three groups:

1. Cities that provide and pay for their own services, such as, Miami, Miami Beach, Hialeah, UMSA, and, to a certain extent, Coral Gables.

2. Cities that receive specialized services from Miami-Dade County and directly pay for them. These include Miami Lakes and any other municipality created under this proposed policy.

3. Cities that receive specialized services from Miami-Dade County but do not directly pay for them. These 26 cities only represent about 14 percent of the population of Miami-Dade County. The cost of these specialized police services is funded from the countywide general fund budget. This third group of cities is not fully paying for the specialized services they receive in their municipalities.

In the Police District study, staff explored several options to deal with the inequity that exists among the cities in the county. In summary, it was determined that there was not sufficient capacity under the countywide ten mill cap to pay fully for all of the specialized police work that is performed including the specialized police services some municipalities provide. The only option was to create an independent police district that would not count toward the ten mill cap.

It is recommended that existing municipalities either provide their own specialized police services or contract with another municipality or the County. The County is able, under the Charter, to establish minimum criteria to be followed by municipalities in the provision of specialized police services. All municipalities receiving specialized police services from the County would have to contract and pay for those services. Recognizing that municipalities will need time to work these expenses into their budgets, it is recommended that this policy be made effective no earlier than FY 2002-03.

The following table shows the millages, population and per capita tax roll of the existing municipalities.

Municipalities in Miami-Dade County

	Municipal Millage	Fire & Rescue	Library	Sub-Total of Municipal, Fire and Library	Tax Roll ('000s)	Population	Per Capita Roll
Indian Creek	9.9612	2.6830	0.3510	12.9952	$147,078	53	$2,775,057
Medley	7.9230	2.6830	0.3510	10.9570	$712,767	860	$828,799
Bal Harbour	3.1100	2.6830		5.7930	$1,054,149	3,231	$326,261
Golden Beach	8.5900	2.6830	0.3510	11.6240	$269,946	845	$319,463
Key Biscayne	3.6060		0.3510	3.9570	$2,499,049	9,689	$257,926
Aventura	2.2270	2.6830	0.3510	5.2610	$3,523,131	22,800	$154,523
Coral Gables	5.5000		0.3510	5.8510	$5,844,838	42,012	$139,123
Sunny Isles	2.5000	2.6830	0.3510	5.5340	$1,692,453	14,329	$118,114
Surfside	5.6030	2.6830		8.2860	$470,378	4,331	$108,607
Pinecrest	2.1000	2.6830	0.3510	5.1340	$1,882,151	17,894	$105,183
Miami Beach	7.3990		0.3510	7.7500	$8,367,449	94,012	$89,004
South Miami	6.3730	2.6830	0.3510	9.4070	$780,392	10,546	$73,999
Bay Harbour Island	5.0000	2.6830		7.6830	$296,587	4,613	$64,294
Miami Springs	7.4500	2.6830	0.3510	10.4840	$615,354	13,295	$46,285
Virginia Gardens	4.8430	2.6830	0.3510	7.8770	$93,892	2,278	$41,217
North Bay Village	5.2300	2.6830	0.3510	8.2640	$248,830	6,125	$40,625
Miami Shores	8.3627	2.6830		11.0457	$407,911	10,170	$40,109
UMSA	2.4470	2.6830	0.3510	5.4810	$44,238,445	1,114,053	$39,709
Miami	8.9950		0.3510	9.3460	$14,018,203	365,204	$38,385
West Miami	8.4950	2.6830	0.3510	11.5290	$187,530	5,863	$31,985
North Miami Beach	7.5000	2.6830		10.1830	$1,133,672	36,982	$30,655
Florida City	8.4000	2.6830	0.3510	11.4340	$185,685	6,181	$30,041
Biscayne Park	8.9000	2.6830	0.3510	11.9340	$85,848	3,035	$28,286
Hialeah Gardens	6.9120	2.6830	0.3510	9.9460	$499,544	17,859	$27,972
Opa-Locka	9.8000	2.6830		12.4830	$401,552	15,475	$25,948
North Miami	8.3500	2.6830		11.0330	$1,305,157	50,308	$25,943
Hialeah	7.5280			7.5280	$5,250,455	211,201	$24,860
Homestead	8.5000	2.6830	0.3510	11.5340	$625,876	26,650	$23,485
El Portal	7.7000	2.6830	0.3510	10.7340	$47,932	2,485	$19,289
Islandia	9.2263		0.3510	9.5773	$234	13	$18,000
Sweetwater	3.4400	2.6830	0.3510	6.4740	$229,933	14,310	$16,068
Total County						2,126,702	

Residents paying for specialized police	1,826,482
Percentage of County population paying for specialized police services	86%
Percentage of County population not paying for specialized police services	14%

This proposal will generate savings of approximately $25 million to the countywide general fund. These savings could be used to create a countywide assistance program for specialized police services for low valued municipalities in the county (to be determined). If the cut-off for subsidies were set at no more than $32,000 per capita of taxable value, ten cities would be eligible to receive assistance.

The payment for services to the County should be based on a formula that takes into account the level of criminal activity in the proposed municipality and appropriate support and administrative overhead costs. For example, based on experience and after adding overhead costs, the gross cost of providing specialized police services to Miami Lakes is approximately $800,000 per year.

(b) MUNICIPAL ASSISTANCE TASK FORCES

From time to time, as was the case with the City of Miami, municipalities seek help from the county. To meet this need, a Municipal Assistance Program has been instituted under the County Manager's Office. Through this program, loaned executives and other in-kind resources are made available to cities requesting assistance.

At this time, the County is providing consulting services to the City of Opa-Locka in the areas of finance, budgeting, policing, and recreational activities. Assistance is also being provided to the City of Homestead in the area of financial analysis and management.

This kind of assistance should also be provided to newly created municipalities, on an as requested/as required basis, as new cities begin their operations.

(c) COMPETITIVE GOVERNMENT CONTRACTING

During the last few years, staff has been working with the Efficiency and Competition Commission to improve the efficiency of County operations. One of the lessons we learned from this process is the fact that in many areas, in terms of quality and quantity, the County can be very competitive in the delivery of services.

As new cities are created, we are seeing opportunities to establish contracting relationships with these municipalities. Some of these opportunities are being generated as a result of the incorporation policy, like contracting for local police services for a specified initial period of time. The reality is that if MDPD is going to retain the contract after this initial period, it must deal with these municipalities as customers. This approach has been very successful in Broward County and King County, Washington, to name just two areas.

Recently, we were contacted by the City of Golden Beach with the request to present them with a proposal for the delivery of local patrol services.

These opportunities also exist regarding solid waste collection, code enforcement, and financial and administrative support services. Even though the County would not be making a profit from these contracts, they would provide a financial benefit to the County by allowing for the sharing of overhead costs and creating or maintaining efficiencies and economies of scale in the delivery of services.

It is recommended that opportunities for the County to provide contracted municipal services to new and existing municipalities be pursued aggressively.

(d) SOLID WASTE MANAGEMENT FEES FOR TRASH AND RECYCLING CENTERS AND THE COST OF ENFORCING AND CLEAN UP OF ILLEGAL DUMPING

Another peripheral issue that has surfaced is that there is an inequity in the solid waste billing process through which some UMSA residents receive benefits for which they do not pay.

In addition to curbside recycling, garbage and trash collection to approximately 280,000 accounts, DSWM also provides a network of neighborhood trash and recycling centers (T&R centers), funds illegal dumping enforcement, and provides cleanup of illegally dumped waste.

The majority of residential units in the DSWM service area get full curbside waste collection services and are charged accordingly. However, there are residential units that do not receive full waste curbside collection services, and do not pay fees for T& R centers and illegal dumping enforcement and cleanup, regardless of benefits derived. These residential units include single family, duplex, town homes, cluster homes, and single mobile homes on free simple owned lots (not leased through a trailer park owner or under community ownership) and multi-family residential properties consisting of four units or fewer (triplex and quadplex) that are not serviced by Miami-Dade County.

The majority of multi-family (condo) units are not charged by DSWM for collection services, and are typically serviced by a commercial collector.

Historically, the cost per unit to full-service accounts has been as follows:

	Trash & Recycling Centers	Illegal Tires/ Dumping/Enforcement Total	Total
FY 99-00 *	$ 74	$ 11	$ 85

* Source: FY 00 Full Cost Report. Illegal Tires, Dumping and Enforcement $ 3.16 million.

The FY 2001-2002 proposed operating budget recommends implementation of an $89.00 fee to be charged the current nonpaying beneficiaries. The fee is $4 over the cost of the service to account for discounts available through the early payment of taxes. The focus of this fee is not to raise revenue, but rather, to resolve the inequity issue and to encourage use of the T & R centers, which are expected to limit further the incidence of illegal dumping occurrences throughout the DSWM service area.

ATTACHMENT 1
ACRONYMS AND ABBREVIATIONS

BCC	Board of County Commissioners
CDMP	Comprehensive Development Master Plan
CDP	Census Designated Place
CPI	Consumer Price Index
DSWM	Department of Solid Waste Management
FPL	Florida Power and Light
MAC	Municipal Advisory Committee
MDC	Miami-Dade County
MDPD	Miami-Dade Police Department
MLMAC	Miami Lakes Municipal Advisory Committee
MSTF	Municipal Service Trust Fund
PAB	Planning Advisory Board
QNIP	Quality Neighborhood Improvement Program
SNID	Safe Neighborhood Improvement District
UDB	Urban Development Boundary
UMSA	Unincorporated Municipal Service Area

Attachment 2

ATTACHMENT 2

DEFINITIONS OF RACES PERTINENT TO THE CENSUS 2000

White — A person having origins in any of the original peoples of Europe, the Middle East, or North Africa. It includes people who indicate their race as *white* or report entries such as Irish, German, Italian, Lebanese, Near Easterner, Arab, or Polish.

Black of African American — A person having origins in any of the Black racial groups of Africa. It includes people who indicate their race as Black, African Am., or Negro, or provide written entries such as African American, Afro American, Kenyan, Nigerian, or Haitian.

American Indian and Alaska Native — A person having origins in any of the original people of North and South America (including Central America) and who maintain tribal affiliation or community attachment.

Asian — A person having origins in any of the original people of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam. It includes Asian Indian, Chinese, Filipino, Korean, Japanese, Vietnamese and Other Asian.

Native Hawaiian and Other Pacific Islander — A person having origins in any of the original persons of Hawaii, Guam, Samoa, or other Pacific Islands. It includes people who indicate their race as Native Hawaiian, Guamanian or Chamorro, Samoan, and Other Pacific Islander.

Some other race — Includes all other response not included in the White, Black or African American, American Indian and Alaska Native, Asian and Hawaiian Native, and Other Pacific Islander race categories. Respondents providing write-in entries such as multiracial, mixed, interracial, Wesort, or a Hispanic/Latino group (For example, Mexican, Puerto Rican, or Cuban) in the *Some other race* category are included here.

Two or more races — People may have chosen to provided two or more races either by checking two or more race response check boxes, by providing multiple write-in responses, or by some combination of check boxes and write-in responses.

Source: U.S. Census Bureau

Attachment 3

ATTACHMENT 3(A)

Police Budget Split for Sherriffs, Local Patrol and Specialized Police Functions

	Direct	*Overhead*	*Total*
Sherriffs	$41,512,809	$10,025,934	$51,538,743
Patrol	$172,305,758	$33,501,581	$205,807,339
Specialized	$85,283,586	$17,507,959	$102,791,545
Total Direct	$299,102,153	$61,035,474	$360,137,627
Administration and Support	$61,035,474		
Percent of Direct	20.41%		
Total Police	$360,137,627		

	Specialized Police Services
Countywide	$24,428,629
UMSA	$78,362,916
Total	$102,791,545
These are allocated based on tax roll shares (54-46)	
Service to Cities	$13,191,460
UMSA Credit	$11,237,169
Ratio of Specialized to Patrol	49.95%

Budget	***UMSA***	***Countywide***	***Total***
Patrol	$205,807,339	$0	$205,807,339
Specialized	$78,362,916	$24,428,629	$102,791,545
Sherriff	$0	$51,538,743	$51,538,743
	$284,170,255	$75,967,372	$360,137,627

Total Services to pending incorporations	$36,579,000	
Patrol Ratio	67%	$24,394,860
Specialized Ratio	33%	$12,184,140

ATTACHMENT 3(B)

Countywide Police Operating Budget for FY 2000-01

Total Budget	Direct	Administrative and Support Allocation	Police Cost with Administrative Allocation
Police Direct Services			
Sherriff			
JAC	$1,080,924	$261,044	$1,341,968
PubliC Corruption	$2,845,033	$687,079	$3,532,112
Enhance Enforcement	$300,000	$72,450	$372,450
Warrants Bureau	$4,173,160	$1,007,823	$5,180,983
Crime Lab	$4,948,457	$1,195,058	$6,143,515
Communications B	$12,583,424	$3,038,912	$15,622,336
Court Services	$11,466,428	$2,769,156	$14,235,584
Central Record	$4,115,383	$993,870	$5,109,253
Sub-total	$41,512,809	$10,025,394	$51,538,203
Specialized			
Nacortics	$2,169,867	$524,026	$2,693,893
Criminal Intellegence	$6,766,849	$1,634,202	$8,401,051
Economics Crimes	$754,126	$182,122	$936,248
Homicide	$1,351,653	$326,426	$1,678,079
Robbery	$1,033,339	$249,553	$1,282,892
Sexual Crimes	$674,825	$162,971	$837,796
Property and Evidence	$66,884	$16,153	$83,037
Crime Scene	$6,174,651	$1,491,186	$7,665,837
Uniform Services	$684,491	$165,305	$849,796
Sub-total	$19,676,685	$4,751,944	$24,428,629
Direct Expenses	$61,189,494		
Overhead			
Support Sevices	$2,379,639		
Office of the Director	$96,978		
Media Relations	$250,121		
Police Legal	$310,924		
Professional Complaince	$1,155,182		
Chief of Information	$126,134		
Chief Centralized Services	$124,428		
Finance and Administration	$7,254,406		
Systems Development	$1,077,647		
FRS Credit/Adj	-$256,014		
Information Services	$608,898		
Telecommunication	$406,140		
Training	$1,242,855		
Sub-total	$14,777,338		
Overhad as % of Direct	24.15%		
Grand-Total	$75,966,832	$14,777,338	$75,966,832

Appendix I

City of Miami

REPORT ON
A REVIEW OF TWO-TIER GOVERNMENT
IN
MIAMI/DADE COUNTY

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4. Administrative Effectiveness: functions should be assigned;

(a) to jurisdictions that are responsible for a wide variety of functions and so can balance competing functional interests,

(b) to jurisdictions that encompass a geographic area adequate for effective performance of a function,

(c) to jurisdictions that explicitly determine goals and means of discharging public service responsibilities and that periodically reassess program goals in light of performance standards,

(d) to jurisdictions willing to pursue intergovernmental means of promoting interlocal functional cooperation and reducing interlocal functional conflict, and,

(e) to jurisdictions with adequate legal authority to perform a function and to rely on this authority in administering the function.[6]

The ACIR's 1962 report stated in a somewhat different fashion, but quite succintly, that "local governments should serve the people effectively and efficiently, with active citizen participation and control, with an adequate and equitable revenue system, with a sufficient degree of local initiative and self-government for traditional or natural communities in the area, and with provision for adaptation to growth and change." [7]

THE ALTERNATIVES

The three alternative options which are realistically open to Dade County are:

(i) consolidation;

(ii) maintaining the status quo, and;

(iii) two-tier federation.

Each option is examined and related to the criteria established by the Advisory Commission on Intergovernmental Relations.

CONSOLIDATION

The principal argument put forth by the proponents of consolidation is that it satisfies the criteria of economic efficiency. The theory is that a consolidated government reduces cost by eliminating duplication of services and achieving some economy of scale. This argument is not substantiated by fact. [8]

An examination of the literature readily discredits the "savings" argument used by pro-consolidationists. For example, mayors, city managers and financial officers attending a conference in 1973, in Jacksonville, Florida on the issue of "partial or total consolidation" could not prove that economies had been realized in their jurisdiction after consolidation.[9]

Consolidation satisfies the criteria grouped under the heading of administrative effectiveness fairly well. It is a multi-purpose government. It encompasses a wide geographic area, and it generally has adequate legal authority. Whether or not a consolidated government determines specific goals and periodically reassesses itself is something which is unique to each. It fails by definition to promote interlocal cooperation. The criterion itself assumes the existence of other units of local government.

In summary, it can be seen that on the basis of these criteria, the consolidation model fails four of the tests and is neutral on one other. Most importantly, it fails the very test for which its strength is purported to be, namely economy.

STATUS QUO: THE COMPREHENSIVE URBAN COUNTY ALTERNATIVE

The comprehensive urban county is a special type of metropolitan federation. It is distinguished from the true two-tier form in that it is responsible for both area-wide functions for the entire metropolitan area, plus it is, as well, responsible for the full range of goods and services for residents within its unincorporated areas. Dade County represents the prototype of a comprehensive urban county.

When the Metropolitan Dade County Charter was approved in 1957, the population in the unincorporated area accounted for approximately one-third of the total. The unincorporated population today has grown to nearly one-half of the whole. This amounts to a gross distortion of the concept of a two-tiered federation. The municipalities can no longer be considered equal partners in the governance of the area.

The residents of the unincorporated areas are subjected to the worst of all possible situations when you consider the criteria set forth by the ACIR. Essentially they reside under a consolidated system with all of its negative aspects. They are precluded from the benefits of lower-tier representation which the municipal residents enjoy. Their "local" government has a split personality and their bureaucracy has two sets of responsibilities.

Although property taxes have remained relatively low, citizen satisfaction with the goods and services provided by their local government is lower in the unincorporated area of Dade County than in any other class of jurisdiction. Research conducted by the University of Miami has documented the trend of citizen satisfaction through nine different sample surveys conducted since 1957 and the results consistently show a disparity between

The most recent view of the progress of the Municipality of Metropolitan Toronto stated that ".... the two-tier system has served this area satisfactorily for more than two decades by providing a government that is at once local and metropolitan. The advantages of this system far outweigh the disadvantages of its complexity." [19]
The Report of the Royal Commission on Metropolitan Toronto went on to recommend that the two-tier form of local government in Metropolitan Toronto be continued.

The Provincial (State) government of Ontario subsequent to the finalization of true two-tier government in Metropolitan Toronto in 1965 has committed itself to a policy of two-tier regional government in the urban centered areas of the Province. Today there are 11 such regional municipalities (excluding Toronto) governing areas up to 1,100 square miles, populations up to 500,000 persons. Each governing body is an adaptation of the two-tier federated model tailored to the needs of the local regions. A formal review of each body is required by Provincial statute every five to ten years.

RECOMMENDATIONS

Based on:

(i) the application of generally accepted criteria to alternative governmental structures;

(ii) the preference of Dade County citizens to retain municipalities as a viable form of government; [20] and

(iii) the endorsement of federated metropolitan government by the 1971 Metropolitan Dade County Local Study Commission.

This report recommends

THAT A TRUE TWO-TIER FORM OF METROPOLITAN GOVERNMENT BE ADOPTED FOR MIAMI/DADE COUNTY IN PLACE OF THE STATUS QUO.

Implementation of a true two-tier metropolitan government requires lower-tier restructuring; alterations in representation, reallocation of service functions between the two levels and the creation of an adequate fiscal base. A separate chapter of this report is devoted to each of these requirements.

LOWER TIER RESTRUCTURING

INTRODUCTION

Implicit in the recommendation of a metropolitan form of government is the suggestion that the existing lower-tier municipalities be restructured on a more rational basis. This chapter makes that implicit recommendation explicit. It does so by setting forth major criteria to assist in the definition of the size and attributes of a lower-tier municipal unit. The criteria have been developed through an analysis of local government reform in the United States, Canada, and Great Britain over the past decade.

CRITERIA

There are a number of criteria which can be applied to lower-tier municipalities which are an extension of the criteria discussed in the previous chapter. These include such items as size, tax base, equity, economic efficiency and representation. Because of the importance of representation that criterion will be discussed separately in the next chapter. This chapter will focus primarily on size and the other related matters.

Size

A number of local government review studies have addressed the issue of the "manageable size" of a lower-tier governmental analysis. Most reformers agree that there probably is an optimum size range but a great deal of disagreement exists as to the limits of that range.

A lower-tier municipal unit must be large enough to efficiently provide the services demanded of it by the electorate. This includes financial capability and staff expertise. At the same time, the unit must be small enough to be accessible through the democratic process to each and every citizen. Closeness and responsiveness to local feeling and the provision of effective channels for citizen participation are important elements and demand a proportionately smaller jurisdiction.

As the size of the jurisdiction increases the range of choice of jobs, goods and services of all kinds increases. This adds to the attractiveness and growth prospects for the urban center. Studies have shown that economies of scale exist for certain municipal services as the size of the municipality grows. Other studies show that growth can lead to diseconomies of scale. Growth therefore has its limitations.

The most notable review study that offered definitive limits to government size was the Royal Commission on Local Government, London, England, 1966-1969 (the Redcliffe-Maud Report).

the definition of equity to include the distribution of economic or fiscal capacity among individuals and political jurisdictions. This highly respected body called for fiscal equalization policies where inequity existed to ensure that a jurisdiction or individual could buy a level of public service at a price that was no greater burden than the price to most other jurisdictions or individuals.

The Council for Economic Development (C.E.D.), recognized the need for equity in their 1970 Report entitled, Reshaping Government in Metropolitan Areas. In their report, it was stated that,

> "the haphazard arrangement of local governments in metropolitan areas has created great irregularities between resources and needs. In the suburbs, the combination of superior fiscal strength and fewer problems usually yields a higher quality of public services; in the central cities, the situation is reversed." [6]

A final criteria for effective local government is that of economic efficiency as discussed earlier in Chapter III. A jurisdiction should be of adequate size to take advantage of economies of scale in service performance, it should make alternative service offerings to the citizen and fair pricing

policies. A jurisdiction that is too small in population or area cannot offer economic efficiency to the electorate which can be translated as lower cost services.

The criteria discussed above will be applied to the existing lower-tier structure in Metropolitan Dade County. Discrepancies will be highlighted and alternatives will be presented.

APPLICATION OF CRITERIA TO DADE COUNTY

The existing lower-tier governmental units in Dade County range widely in population, from eight persons to 343,977 and in area from .3 to 34.4 square miles. There are 16 municipalities that have a population of less than 10,000 with only three of the 27 municipalities (Miami, Hialeah and Miami Beach) meeting the minimum population criteria of 50,000 established analytically by Werner Hirsch. Only one, Miami, is larger than the 250,000 figure proposed in the Redcliffe-Maud Report and the Robarts Study of Metropolitan Toronto.

In terms of population alone, most of the existing municipalities are deemed to be too small to conduct effective government and provide their electorates with

different structure is warranted at the lower tier.

RECOMMENDED LOWER-TIER STRUCTURE

There are two keys to the recommendations in this chapter. One relates to the average size of the lower-tier municipalities; the other relates to the importance of the core city.

The consensus of "expert" opinion on the size of the lower-tier government units indicates that a population base in the order of 100,000 - 250,000 is suitable to ensure a stable financial base and the effective discharge of "hard" and "soft" services. The strong central core philosophy has been one of the key reasons for the success of Metropolitan Toronto and has resulted in a quarter century of rapid population growth and intensive physical development without any major problems.

In view of the literature surveyed, it is thought that a compromise between the Hirsch theoretical model and the time-tested Canadian model would provide the best solution. It is therefore recommended

THAT DADE COUNTY BE COMPOSED OF A STRONG CENTRAL CORE CITY SURROUNDED BY A GROUP OF TEN (10) ECONOMICALLY VIABLE CITIES WHOSE POPULATIONS ARE IN THE ORDER OF 100,000- 150,000 PERSONS EACH.

It is further recommended

THAT A LOCAL BOUNDARIES COMMISSION BE CREATED TO REVIEW THE SITUATION AND RECOMMEND A TWO-TIER STRUCTURE BASED ON THE ABOVE CRITERION AND TAKING THE FOLLOWING POINTS AS GUIDELINES:

- the core city should have a population ranging from 25 percent to 30 percent of the county total;
- the remaining lower-tier cities should have a base population of between 100,000 and 150,000;
- the analysis should take into account projected growth trends for population both in numbers and geographic location;
- the per capita assessment of the lower-tier units should not vary by more than 50 percent;
- the analysis should take into account existing communities and historical tiers to enhance the political feasibility of restructuring.

Using these basic guidelines, Dade County would be reformed from the present day structure of 27 municipalities and a large unincorporated area to a fully incorporated area with the core city of approximately 400,000 persons and ... ver-

1. Does it provide for equal access by all citizens?

2. Does it promote accountability on the part of the elected officials toward their constituents?

3. Does it facilitate the representation of the diverse characteristics and interests of the community?

4. Does it maximize citizen participation?

5. Does it provide meaningful choices to the voters?

The first criterion, equal access, is embodied in the principle of "one man, one vote". The criterion of equal access actually extends beyond the simple act of voting and includes other less traditional means of participation, such as correspondence to, or personal contacts with, elected representatives.

Each citizen is entitled to an equal opportunity to voice his or her opinion. Thus, when establishing constituencies, consideration must be given not only to the number of registered voters, but also to size of the whole population. This is which have not been fully integrated into the local political system and must rely on less formal means of participation.

The criterion of accountability of elected representatives is defined as the degree to which officials are held responsible for their actions by the citizens whom they represent. The residents of a jurisdiction are entitled to representation with which they can identify and to which they can relate. Identification implies a certain degree of closeness or familiarity between the represented and their representatives. If the "distance" in population rather than physical terms between an official and his constituents reaches the point where identification is reduced or lost, then it is impossible for the individual citizen to pinpoint responsibility. There is then a tendency for the entire system to experience a loss of general citizen support due to the malfunctioning of the representation mechanism.

The third criterion, representing the diversity of community characteristics and interests, is more difficult to define. It involves drawing a distinction between representing individual or special, narrowly defined interests and the interest of the community as a whole. This raises a question as to what constitutes the "public interest" and whether it is the summation of individual interests or a

for one area might be judged totally inadequate for another. Two other factors impinge on the size variable. The first is the size of the population to be represented. The larger the population, the more representatives are required to maintain an acceptable level of accessibility. Additionally, larger, more heterogeneous populations require a greater number of representatives in order to effectively reflect the diverse nature of the community.

While it would seem desirable to set a fixed ratio of population to elected officials, as population increases the size of the Commission would increase accordingly. Eventually the body would become too large to operate efficiently. Thus, in arriving at a compromise size, it is necessary to sacrifice some accessibility and representativeness in order to achieve some efficiency in operation. There is no generally agreed upon optimum ratio of population to elected officials, but a table will be presented later showing what other jurisdictions with differing forms of metropolitan government have adopted. In Dade County, even at the lower-tier municipal level, the population per Commissioner ratio varies considerably. A schedule indicating these ratios is shown in Appendix H.

At-Large versus District Elections

A second option with regard to the structure of the electoral system is the base from which the elected representatives will be chosen. Here the basic choice is between at-large

or district elections. The advantages of the district approach are that it:

(i) ensures adequate representation of diverse interests,

(ii) facilitates identification of elected officials and thus promotes both access and accountability, and

(iii) reduces the amount of information required on the part of the individual voter in order for him to make a meaningful choice.

A reduction in the degree of confusion also tends to enhance citizen participation. Often, when voters receive many conflicting signals on candidates and issues it makes it difficult for them to make a decision. Rather than risk making a wrong decision, they simply choose not to vote. The main disadvantage of district elections is that they are said to foster parochialism and lend themselves to political corruption. The implication of the parochialism argument is that it is inappropriate to present local concerns at the metropolitan or even municipal level.

At-large elections of representatives, on the other hand, are said to ensure the promotion of a "metropolitan" outlook, one which is unencumbered by local or sub-regi[illegible] concerns.

REPRESENTATION IN DADE COUNTY AND OTHER MAJOR METROPOLITAN GOVERNMENTS

The issue of representation on the Metro Commission in Dade County is not new. It is one which has stimulated much debate and has been "decided" by the electorate on six different referenda in which the voters have made their choices from among nine alternative arrangements. Choices have involved commissions ranging in size from five to 13 members. Five of the nine choices were based on strictly at-large elections; three times the voters were asked to choose district elections. The original electoral system was a combination of district and at-large election.

The Charter of Metropolitan Dade County originally established a system whereby five Commissioners were elected at-large. Five more were elected from districts, and one was elected from each city with a population of 60,000 or more. Originally, only the City of Miami elected its own representative, but by the time of the 1960 census both Hialeah and Miami Beach had grown past the 60,000 mark, enlarging the Commission to 13 members.

In 1963, the voters approved a change in the method of election and composition of the Commission. This arrangement, which continues in force today, provides for eight Commissioners. Each is supposed to represent the district in which he or she resides, but all are elected countywide. The formula also provides for a weak mayor who is elected at-large, but has only the power of a presiding officer. Commission districts are not coterminous with municipal boundaries.

In 1963, with 13 representatives, the ratio of representative to population was one representative for every 75,000 people. With the advent of the nine-member, at-large Commission that ratio increased by almost 50 percent to approximately 110,000 persons per representative. Today the ratio of population to Commissioners is about 161,000 per representativ a figure which is more than double what it was fifteen years ago. Table 5-1 shows how Dade County compares with other metropolitan areas with either two-tier or consolidated systems of government.

The comparison points out some glaring disparities between Dade County and the other jurisdictions. First, in numbers alo with the exception of Columbus, Georgia, all the other metropolitan areas employ substantially larger legislative bodies. The average size of the other metro government councils is 31, a figure more than three times larger than that of Dade County.

When these figures are adjusted for population size the picture presented is the same. The ratio of representatives

Dade County Commission and only one Black has ever been elected to the Commission without first having been appointed to fill a vacancy. The at-large election method forces candidates for Metro office to appeal county-wide for support. This serves to promote the interests of the more educated and more affluent segments of the population who participate at a higher rate in local elections.

Additionally, the apparent inaccessibility of the Dade County Commissioners is confirmed in a 1974 survey which was conducted by the University of Miami. In that study only a small percentage (7 percent) of registered voters could identify the Commissioner who was supposed to represent his or her district. This lack of citizen identification can only serve to discourage citizen participation, and promote un-informed or mis-informed decision-making at election time.

RECOMMENDATIONS FOR ELECTORAL REFORM

Any recommendation for reform of the Dade County electoral system must begin with an adjustment to the size of the County Commission. The comparison of Dade to other metropolitan governments leads to the conclusion that the present system does not provide for sufficient accessibility nor representativeness.

Therefore, it is recommended

THAT THE DADE COUNTY COMMISSION BE ENLARGED.

If the same ratio is applied in Miami/Dade County as is applied in Metropolitan Toronto, the upper-tier Commission would have 27 representatives (1:54,000).

Based on the proposal that the metropolitan area be reorganized into a core central city and 10 satellite cities of approximately equal population, it is recommended

THAT THE MAYOR OF EACH CITY SHALL BE ELECTED AS BOTH MAYOR OF HIS JURISDICTION AND REPRESENTATIVE TO THE METROPOLITAN DADE COUNTY COMMISSION.

In addition, for the core central city whose population shall be approximately three times as large as the satellite municipalities, it is recommended,

THAT TWO FURTHER REPRESENTATIVES TO THE METRO COMMISSION BE ELECTED ON AN AT-LARGE BASIS WITHIN THE CITY.

These last two recommendations should ensure the commitment of the lower-tier municipalities to the success of the upper tier. In addition, the recommendations ensure that the voters know when they elect their Mayor they are also electing him to the upper tier.

suggested an assignment of the various components of the activities to the upper-tier, to the lower, or to be shared (see Appendix I). Individual components were such items as revenue raising and budgeting under the financing activity or operations under service delivery.

All told, there were 38 component items whose assignment to the upper or lower tier was based upon two major allocation criteria; economic and political considerations. These are detailed below:

Economic Criteria

1.) The governmental jurisdiction responsible for providing any service should be large enough to enable the benefits from that service to be consumed primarily within the jurisdiction.

2.) The unit of government should be large enough to permit realization of the economies of scale.

3.) The unit of government carrying on a function should have a geographic area of jurisdiction adequate for effective performance.

Political Criteria

1.) The unit of government performing a function should have the legal and administrative ability to perform the services assigned to it.

2.) Every unit of government should be responsible for a sufficient number of functions so that it provides a forum for resolution of conflicting interests, with significant responsibility for balancing governmental needs and resources.

3.) The performance of functions by a unit of government should remain controllable by and accessible to its residents.

4.) Functions should be assigned to that level of government which maximizes the conditions and opportunities for active citizen participation and still permits adequate performance.

It is interesting to note that the ACIR allocates all aspects of service delivery to the lower tier. ACIR envisages the upper tier being more involved in broad scope activities such as planning and enforcement rather than in service delivery.

(b) which functions are by nature primarily of local concern, without regional implications; which are primarily regional or broader-than-local in their implications; and which have both local and regional aspects?

(c) of those functions which are not readily allocated entirely to either the local or regional level, which are easy to divide, and which are difficult?

It is in the light of these questions, and the experience of other bi-level governments with divided responsibilities, that a functional division will need to be determined for the proposed region.

The number, size, and capability of the lower-tier units in a system are also of importance when determining the division; the responsibilities which may be left to the lower-tier units will tend to vary directly with their financial and administrative capabilities. And following this reasoning, it is also possible to consider a different division with regard to the urban municipalities as compared to the rural in a region."

assigned to the local municipal governments. (See Appendix I page 1)

The 1954 chart of functional allocation varies from the ACIR and other recommendations in two primary ways. First, "discretionary" decision-making as to which service to provide at what level and to whom is extensive. And secondly, the Metropolitan government is allowed to perform any functions in the unincorporated area that are ordinarily assigned to the municipal governments for performance in their respective incorporated areas.

Variation and minor flexibility is essential to a degree as indicated in the criteria review section earlier in this Chapter. However, complete flexibility to perform most local functions on a negotiated base in the municipalities and to perform those functions upon request (with appropriate financing arrangements) in the unincorporated area exceeds all principles of the recommended approach. The following examples of transferred functions (for more detail see Appendix E Chronological History of Municipal Service Mergers into the County Service) illustrate the variation in service delivery in Metropolitan Dade County:

- Fire service delivered by Metro in 10 of the 26 municipalities.
- Traffic enforcement, fine collection and motor-cycle patrol performed by Metro for City of Coral Gables.
- Sanitary sewer collection systems maintained for the City of Miami whereas other cities maintain their own; treatment facilities and area-wide interceptor lines also maintained by Metro.
- Driver intoxication analysis performed by Metro for all municipalities except three.
- Motor vehicle inspections conducted by Metro in six municipalities.
- Trash collection services provided in the unincorporated area by Metro with area-wide disposal.
- Hospitals administered through a Metro Authority except for the City of Homestead which maintains a separate hospital.

TABLE V.2

METROPOLITAN DADE TWO-TIER

RECOMMENDED DIVISION OF FUNCTIONS

	A	R
Administration		
council agenda, minutes, etc		R
business licenses		R
other licenses, including cable control	A	R
voters' lists and election administration	A	R
purchasing	A	R
legal	A	R
accounting	A	R
auditing	A	R
alcoholic regulations enforcement	A	R
Economic Development		
industrial promotion	A	R
tourist promotion	A	R
Conservation		R
Finance and Taxation		
financial planning and budget preparation	A	R
capital borrowing		R
taxation of property, including local improvement charges	A	
tax billing and collections		R
collection of fines	A	
Health		
public health services		R
hospital planning and financial support		R
emergency ambulance services		R
Housing and Community Renewal		
public housing		R
renewal/community development	A	R
Pollution Control, Sanitation and Water Supply		
plumbing by-laws, permits and inspections	(A)	R
septic tank permits and inspections (Health Unit)		R
sanitary sewer trunk mains and disposal plants		R
sanitary sewer local collector mains under Metropolitan standards	A	
storm drainage	A	R
garbage collection	A	
garbage disposal	A	R
water quality sampling		R
water purification and wholesale distribution		R
water retailed distribution and billing	A	
Welfare		
general welfare administration		R
child welfare		R
homes for aged		R
hospitalization of indigents		R
other services		R
Courts		R

	A	R
Planning		
Official Plans	(A)	R
subdivision approvals and agreements	(A)	R
examining and licensing of contractors		R
zoning regulation within Metro land-use plans	A	R
minimum zoning standards in conjunction with Master Land Use Plans		R
committee of adjustment	A	R
building by-laws, permits and inspections	(A)	R
Protection		R
police community relations, overnight lockups, and citing municipal code violators	A	
minimum law enforcement standards, maintenance of jails and emergency police coordination		R
police record keeping, crime lab, and investigation coordination		R
police: local traffic and patrol functions and local communications, investigations	A	
police: minimum patrol and traffic control of major arteries		R
civil defense		R
rescue or EMS	A	
fire master planning, capital improvements, training		R
fire staffing and hydrant installation	A	
Recreation and Community Services		
regional parks		R
local parks	A	
recreation programs	A	
community centers, arenas and ball parks	A	R
museums and planetariums		R
libraries/cultural facilities	A	R
Transportation and Highways		
air and seaports transit		R
regional roads		R
local roads	A	
sidewalks	A	
street cleaning	A	
street lighting	A	R
traffic lights and crosswalks	A	R
parking meters and municipal parking lots	A	
traffic engineering		R
Other Municipal Services		
cemeteries	A	
grants to cultural organizations	A	R
electric and gas systems	A	

A = Area Municipality Function

R = Regional Metropolitan Function

CHAPTER VII

MUNICIPAL REVENUE

INTRODUCTION

This review of two-tier government in Dade County has to this point focused on the criteria and rationale behind the selection of a suitable governmental structure. As has been the case of most local government reviews, criteria and alternatives become the focal point for discussion. The financial aspects of local government (the heart of the matter) rarely get due consideration.

It is the intent of this chapter to focus on the existing municipal revenues of the municipalities within Dade County. The next section will describe the various revenue sources and the legal constraints surrounding their administration. The following section will examine the problems associated with existing revenue sources. The chapter will conclude with a discussion of recommended solutions to those problems.

LOCAL REVENUE SOURCES

In order to properly examine the local revenue bases of Dade County municipalities it was necessary to obtain a source of reliable secondary data, in view of the inherent differences in accounting methods of the various reporting units. The document that was selected for analysis was the State of Florida Local Government Financial Report for the fiscal

tax in the unincorporated district but it is not a major revenue source for the County.

The utility service tax is a tax levied by local government on the purchase of utility services within the jurisdictional boundaries of that government. The tax was legislated as a revenue source by Florida State Statutes under section 166.231 and is subject to an upper limit of ten percent of the payments received by the seller of the taxable service from the purchaser of such service. The tax may be assessed on electricity, metered or bottled natural liquefied gas, water, telephone, telegraph and cable television service. The tax is collected by the seller of the taxable service item at the time of payment for the service.

State Shared Revenue

The third major revenue source for the major municipalities and the second major revenue source for all municipalities is state shared revenue. This revenue source provided 10.1% of all municipalities' revenue in 1976 as compared to 9.9% for the utilities service tax. In the County, it provided 6.2% of all revenues.

The state revenue sharing formula is composed of three equally weighted factors. These are:

The proportion of the population of a given municipalities in the State. (Various weighting factors are applied to population depending on the population level.)

The proportion of sales tax collected within a city relative to the total sales tax collected by all eligible municipalities in the State.

The ratio of the relative local ability to raise revenue, to be determined according to a specific formula laid down in State Statutes, Section 218.245.

These formula factors ensure that the larger municipalities and those with lower tax bases are provided with greater assistance. Part of the reason for this is to counterbalance the federal revenue sharing program.

Federal Shared Revenue

Federal Shared Revenue provided $8.7 million (8.6%) for the City of Miami in 1976. Metropolitan Dade County and total lower-tier figures were $16.5 million (2.5%) and $13.7 million (5.2%), respectively for the same year. On a rank basis it is the fourth most important revenue source for Miami and for all municipalities while it is only a minor source of funds for Metro Dade County.

The Federal revenue sharing formula, based on a combination

- electricity
- gas
- water
- telephone
- taxicabs
- cable television
- public transit

Other Revenue Sources

The remaining 15.4 percent of revenue for the City of Miami accrues from such minor categories as occupational licenses ($3.1 million), charges for cultural and recreation services ($3.6 million), building permits ($879,000) and numerous other small sources ($8.0 million). Another category includes charges for such hard physical services as water, refuse collection and sewers. These provide meaningful revenue contributions for a number of jurisdictions, however, these are not revenue sources for Miami. Charges for physical and mental health yield huge revenues for county-operated hospitals ($103.9 million for Metropolitan Dade County) and for the City of Homestead ($4.6 million), which has a unique form of ownership of the local hospital. One major revenue source that is available to local municipalities in Florida is the collection fee for garbage/refuse. The City of Miami is currently not utilizing this source.

The next two sections of this chapter will be devoted to an analysis of the problems with current revenue sources in Dade County and to providing solutions to these problems.

PROBLEMS WITH CURRENT REVENUE SOURCES

A criterion of success in a metropolitan federation, i.e. a true two-tier form of government, is that both the upper- and lower-tier municipalities are able to raise adequate revenues to finance their public services responsibilities in an equitable manner. This is particularly important at the lower tier where alternative choices will be made BUT they should be made on an equitable basis so as to reduce great degrees of inequality in standards.

As was noted in the 1971 Report of the Dade County Metropolitan Study Commission, "the organizational structure of any government, whether it be local, state or federal, is meaningless unless it includes ingredients of a broad, fair and equitable tax base".[1] This point was re-emphasized in the final paragraph of that Report. "The most modern and streamlined form of government is incapable of delivering services to people unless it is adequately financed from a fair and equitable tax base."

Since property taxes are still a major revenue source for municipal government within Miami/Dade County, it is not surprising that the major problems revolve around this tax. The key problem relates to the wide discrepancies in the property tax base among the lower-tier municipalities in Dade County. This problem is compounded by the limitations imposed by the State on the revenue derived from that base.

TABLE 7.1

1976 AD VALOREM MILLAGE LEVY

SELECTED CITIES IN DADE COUNTY

City	1976 Operating Millage
Bal Harbour	6.50
Coral Gables	7.92
Golden Beach	10.00
Islandia	9.71
Medley	6.50
Miami	9.59
Miami Beach	9.96
Miami Shores	7.60
Miami Springs	8.00
N. Bay Village	6.12
N. Miami Beach	7.95
Opa-Locka	9.75
W. Miami	7.50

Source: State Mandates in Florida, Table 2, P. 12

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For all but three of the above municipalities this situation either was not improved or, indeed, was worsened in 1977.

The particular consequence of this in Miami/Dade County, is that, rather than the service not being performed, it is simply transferred by the lower-tier municipality to the upper-tier, that is, Dade County. Since the County, by judicial decision can perform a local, lower-tier service with an area-wide levy as long as that service is "offered" to all

municipalities, a Catch 22 situation has developed. That is, when the lower-tier municipalities with restricted tax bases are faced with an upper limit on taxation, they simply transfer the function up to another body where it may, or may not, be performed more efficiently but it will be performed because the County has access to the total taxing power of the area. Thus, the intent of the State legislation to reduce property taxes is not achieved because the taxes are just levied by a different body on a different group of people. The consequence of the limitation is double taxation and a reduction in the role of local government.

This is particularly unfortunate in situations where municipalities wish to perform what are normally regarded as lower-tier municipal functions, e.g. police, and are making a major tax effort but, given their low tax base, may be forced to transfer functions to the upper tier which they do not wish to transfer. This point requires some elaboration. First of all it is necessary to understand what is meant by tax effort.

Tax Effort

Tax effort should not be regarded as the product of the tax rate applied to the tax base. The reason for that is that the application of the same tax rate to different tax bases will result in very different yields and therefore

population and those which are over 50,000. This is a matter which should be addressed.

Refuse Collection Charge

Unlike other municipalities in Dade County, the City of Miami does not charge for refuse collection. While not a major revenue source it does account for $7 million of revenue or 2.6 percent of all municipal revenue sources in Dade County. In Hialeah it accounts for 4.4 percent of all revenue sources and in the smaller municipalities 10.02 percent. Based on 1976 data, a refuse collection charge in Miami could have yielded between $2 million and $3 million.

While this report has dealt with county-wide issues this matter is raised because the imposition of such a charge in the City of Miami would serve to strengthen the fiscal base in the core City.

RECOMMENDED SOLUTIONS TO THE REVENUE PROBLEMS

Millage Cap

The problem of the millage cap is well known. The solution to the problem has already been described by the Florida Advisory Council on Intergovernmental Relations. That solution is simple and straightforward. The legislature should eliminate local revenue restraints. The restraints would be applied by the voters and taxpayers in the municipalities. Therefore, this report recommends

THAT THE MILLAGE CAP BE ELIMINATED

If this recommendation is adopted, it should reduce the tendency of municipalities in Dade County to shift municipal services to the County when the municipalities approach the "fiscal cap". The problem can be further alleviated if the Dade County Charter is amended along the lines suggested by the Advisory Council on Intergovernmental Relations in their publication of The Double Taxation Issue (March, 1978).[2]

This report recommends

THAT THE DADE COUNTY CHARTER BE AMENDED SO AS TO PREVENT THE COUNTY FROM TAXING PROPERTIES WITHIN MUNICIPALITIES FOR SERVICES WHICH ARE OF NO REAL AND SUBSTANTIAL BENEFIT TO THE PERSONS AND PROPERTIES WITHIN THE MUNICIPALITIES

This is only a partial solution to the total problem which requires addressing, however; that is the inequities in the fiscal bases of the municipalities.

Equalization of Fiscal Disparities

While restructuring the lower-tier municipalities into fewer, larger units will be a major step towards the solution of the problem, an additional step is recommended and that is the sharing of non-residential assessment on a county-wide basis in order to provide a metropolitan revenue base for individual

The formula suggested is to multiply all commercial, tourist and industrial assessment in Miami/Dade County by the proportion of population of the lower-tier municipality. The product of that multiplication should be multiplied by a factor of the average per capita assessment of the region divided by the per capita assessment of the lower-tier municipality. The result would become the lower tiers' share of the assessment pool. The sum of this result plus the residential assessment would yield the total assessment base on which the lower tier municipalities would set their millage rate.

Therefore this report recommends,

THAT AN ASSESSMENT POOL BE CREATED IN DADE COUNTY OF ALL NON-RESIDENTIAL ASSESSMENT AND THIS ASSESSMENT POOL SHOULD BE REDISTRIBUTED TO THE LOWER-TIER MUNICIPALITIES ON THE BASIS DESCRIBED IN THIS REPORT.

While the results of such an arrangement would not be dramatic they would redistribute the non-residential tax base to a degree and permit the less favored lower-tier municipalities to attain a more equitable tax base. This is the critical fiscal requirement of any political or structural change.

Other Improvements

State revenue-sharing is an important and fair revenue source. As matters now stand, half the municipalities in Dade County receive a relatively small weighting factor for population because of their small size . Only three receive the highest weighting factor.

Part of this problem can be overcome by restructuring of the lower-tier municipalities which would ensure that all the lower-tier municipalities were entitled to a population adjustment of 1.791. However, this is only a partial answer to the problem. Greater recognition should be given to the problem of the larger urban centers and this can be done by a simple adjustment of the weighting factor. The adjustment suggested here is to create two new categories - one for municipalities with populations of over 100,000 and another for municipalities with populations of over 250,000. The factors which should be applied to these centers would have to be calculated but for discussion purposes this report suggests a factor of 2.0 for those over 100,000 and 2.25 for those over 250,000.

Therefore, this report recommends,

THAT THE DADE COUNTY DELEGATION TO THE STATE LEGISLATURE BE URGED TO INTRODUCE A PROPOSAL WHICH WOULD ALTER THE POPULATION FACTOR CALCULATION USED IN THE APPORTIONMENT OF STATE REVENUE SHARING

DADE COUNTY POPULATION

1976 *CENSUS*

	Population 1976	% Population	Area Sq. Miles
Miami	343,977	23.7	34.3
Hialeah	126,125	8.7	16.4
Miami Beach	88,850	6.1	7.5
North Miami	43,344	3.0	5.9
Coral Gables	42,284	2.9	12.2
N. Miami Beach	35,736	2.5	5.3
Homestead	20,351	1.4	8.6
Opalocka	13,782	.95	4.5
Miami Springs	12,722	.88	2.8
South Miami	11,365	.78	2.2
Miami Shores	9,076	.62	3.4
Sweetwater	6,633	.46	.84
West Miami	5,589	.39	.70
Florida City	5,181	.36	2.4
Bay Harbour Island	4,709	.33	.4
N. Bay Village	4,389	.30	.38
Surfside	3,673	.25	.5
Biscayne Park	2,642	.18	.65
Virginia Gardens	2,447	.17	.28
Bal Harbour	2,155	.15	.35
El Portal	2,086	.14	.36
Hialeah Gardens	1,002	.07	2.5
Golden Beach	875	.06	.31
Hadley	357	.04	5.0
Indian Creek	89	.01	.47
Pennsuco	51	-	-
Islandia	8	-	.8
TOTAL CITIES	789,868	54.5	117.9
Unincorporated Area	659,432	45.5	2,234.1
TOTAL DADE COUNTY	1,449,300	100.0	* 2,352.0

* This includes 507 square miles in the Everglades National Park which is unavailable for development.

Source: Dade County Department of Planning

DADE COUNTY
TAXABLE ASSESSMENT

ALL MUNICIPALITIES

($ 000,000)

	1960	1974	1976
	$	$	$
Miami	554	3,186	3,681
Hialeah	82	926	1,334
Miami Beach	395	1,428	1,594
North Miami	53	471	518
Coral Gables	102	739	875
N. Miami Beach	36	375	441
Homestead	17	132	164
Opalocka	8	147	173
Miami Springs	16	146	173
South Miami	19	128	142
Miami Shores	23	137	155
Sweetwater	1	35	46
West Miami	5	44	58
Florida City	4	27	33
Bay Harbour Island	19	91	96
N. Bay Village	11	78	79
Surfside	22	93	107
Biscayne Park	4	25	28
Virginia Gardens	2	21	27
Bal Harbour	29	104	127
El Portal	3	19	20
Hialeah Gardens	2	37	45
Golden Beach	7	23	24
Medley	1	54	74
Indian Creek	2	10	10
Pennsuco	-	1	1
Islandia	-	1	1
TOTAL CITIES	1,417	8,478	9,980
Unincorporated Area	578	8,197	9,538
TOTAL DADE COUNTY	1,995	16,675	19,518

Figures rounded to nearest million dollars of taxable assessment

Source: Dade County Assessment Office

APPENDIX C

DADE COUNTY GOVERNMENTAL REFORM EFFORTS

1943-1957

CREATION OF METRO

1953,July 1	The City of Miami created the 3M (Metropolitan Miami Municipal) Board.
1954,March 9	Under a 3M Board contract, the University of Miami's Department of Government agreed to supervise a fact-finding survey of the governments in the metropolitan area.
1954,March 24	The University of Miami's Committee on Municipal Research recommended that Public Administration Service be engaged to prepare a study of metropolitan Dade County.
1954,December 31	The PAS report recommended a federal form of metropolitan government.
1955,January 14	The 3M Board approved the PAS report.
1955,June 23	The first Charter Board was created by the state legislature.
	The Florida Legislature approved a Senate joint resolution providing for a Dade County home rule amendment to the Florida Constitution.
1956,August 9	At an extraordinary session of the legislature, a second Charter Board was created. It superseded the first Charter Board.
1956,September 7	The Florida Supreme Court upheld the constitutionality of the proposed home rule amendment.

ALLOCATION OF POWERS BY THE CHARTER

1955,June 27	The first Charter Board met for organizational purposes.
1955,August 26	The first Charter Board adopted a policy decision that guaranteed autonomy of the municipalities.
1956,June 26,27,28	The first Charter Board conducted public hearings on a proposed home rule charter.
1956,December 6	The second Charter Board held its first meeting.
1957,January 10	The second Charter Board reaffirmed the principle of municipal autonomy for purely local matters.
1957,April 2,3,4	The second Charter Board conducted public hearings on a proposed home rule charter.
1957,April 15	The final draft of the home rule charter was officially signed by the members of the second Charter Board.

FOR AND AGAINST THE CHARTERS

1957,April 29	A special Committee of the Dade League of Municipalities voted to recommend to the full league membership that it oppose the home rule charter. A group led by George S. Okell, Sr., the only Charter Board member to oppose the charter, formed a Citizens Committee Opposing Metropolitan Charter.
1957,April 30	S.D. Phillips, Jr., Charter Board Chairman, accused the Special Committee of the Dade League of Municipalities of misrepresenting the Charter Board's position with regard to the demands of the league.

KEY REFERENDUM ELECTIONS IN DADE COUNTY

Year	Balance of Power	Structure Accountability Representativeness	Assignmen Functio
1957	Home Rule Charter		
1958	Autonomy Amendment		
		Elective Sheriff and Assessor	
		Five-Man/Seven-Man/Nine-Man Commissions	
1961	McLeod Amendments	McLeod Amendments	
1962		Crandon Amendments	Crandon Am m
1963	Restricting Metro's Power over Munic. Boundary Changes	Kelly Amendments	
		GRC Amendments	
1964	Limiting Metro's Power over Urban Renewal		
1966		Appointed Sheriff	
1968			Police and Consolidati
1972		Strong Mayor and Dist. Election of Metro Commissioners	
1974			Coral Gabl Bus System Transfer
			Miami Shore Fire Dept. Transfer

Source: Sofen, Edward, "The Miami Metropolitan Experiment", Bloomington, Illinois, 1963.

DADE COUNTY

CHRONOLOGICAL HISTORY OF MUNICIPAL SERVICE MERGERS

Date	Function	Municipality	# of Employees
10/59	Traffic Enforcement and Fine Collection	Coral Gables	12
10/59	Voter Registration County and State Elections	All Municipalities	-
10/59	Municipal Traffic Court	Miami	35
10/59	Crime Lab	All Municipalities, except Miami	-
11/59	Communications (PSD)	North Miami	5
7/60	Traffic Engineering and Maintenance	Miami	30
	"	Coral Gables	5
	"	Hialeah	1
	"	Miami Beach	0
	"	North Miami	1
7/60	Police Motorcycle Patrol	Coral Gables	8
7/60	Seaport	Miami	38
2/62	Bus Operations	Transit Authority	074
1/62	Traffic Court	Miami Beach	1
10/62	Crime Lab	Miami	-
6/63	Alcohol Breath Analyzer Tests	All Municipalities except Miami Beach, Homestead and Hialeah	-
6/64	River Patrol	Miami	-

Note: The above information is current to April 19, 1978. Negotiations are currently underway to transfer the North Miami Beach and Homestead fire protection functions to Dade County.

Source: Dade County Manager's Office, Division of Management Budget

APPENDIX F

HIGHLIGHTS OF PREVIOUS REVIEWS

government; and

(g) Amendment of the Constitution of the State of Florida to provide for the "reorganization of local self-government".

Dade County Metropolitan Study Commission (1971) - Recommendations included:

(a) Creation of a Strong Mayor form of government;

(b) Combination of district and at-large elected Commissioners with districts comprising at least 116,000 and not to exceed 125,000 people and at-large elected Commissioners to equal number of U.S. Congressional seats (3);

(c) Modification of recall petition process;

(d) Establishment of an Office of Public Inquiry or Ombudsman;

(e) Creation of Service Districts to provide funding for those local services rendered within its area;

(f) Specification of those regional services to be provided by the upper-tier Metropolitan government and those services to be provided exclusively by the lower-tier (service districts and municipalities);

(g) Creation of a Zoning Review Board to perform an appellate role.

University of Miami/National Science Foundation/RANN Project (1973-76) - Findings and conclusions include:

(a) City size has more of an influence on functional integration with Metro than does socio-economic indicators as in ". . . situations of financial exigency, the smaller municipalities have found it to be more expedient to transfer functions to the county than run the risk of having a tax increase defeated by the voters at the polls.";

(b) "The net effect of all these factors has been that while the integrity of the municipalities has not been lost, the overall balance of power has definitely shifted to the county.";

(c) The City of Miami is the largest net gainer and the unincorporated area is the largest net loser in terms of benefits received versus per capita income by municipality;

(d) " . . . while the net result of consolidation might be increased expenditures, in terms of costs per unit of output, expenditures may actually decline.";

(e) " . . . centralization can reach extreme and inefficient levels, where services may suffer from too much bureaucratization, serial work stoppages and extreme costs (e.g., New York).";

(f) " . . . exploitation is a phenomenon which affects central cities differently, and that the govern-

DADE COUNTY

PER CAPITA EXPENDITURE COMPARISON

MAJOR CITIES

1975 - 1976

Selected Functions	Miami $	Hialeah $	Miami Beach $	North Miami $	Coral Gables $	North Miami Beach $	Others $	Total All $
Police	62.80	46.03	91.21	39.08	99.29	47.62	59.47	62.79
Fire	37.51	27.78	38.29	-	56.74	33.61	10.06	31.01
Parks	36.90	7.94	105.85	20.69	40.19	11.20	11.89	34.69
Refuse/Waste	30.24	17.46	31.53	20.69	44.92	36.41	31.10	28.99
Streets/Highways	13.09	8.73	13.51	4.60	26.00	5.60	25.61	14.05
Engineering	13.09	-	5.63	-	4.73	-	-	6.58
Participant & Spectator Recreation	13.38	6.35	36.04	13.79	35.46	-	36.57	18.60
TOTAL INCLUDING ALL OTHER	369.50	240.23	637.02	270.71	470.62	461.71	416.08	390.57

Source: State of Florida Local Government Financial Reports 1975-76

MUNICIPAL REPRESENTATION
1977

	Number of Commissioners	Population 1976	Population per Commissioner
Miami	4	343,977	85,994
Hialeah	7	126,125	18,017
Miami Beach	6	88,850	14,808
North Miami	4	43,544	10,886
Coral Gables	4	42,284	10,571
N. Miami Beach	6	35,736	5,956
Homestead	6	20,351	3,392
Opalocka	4	13,782	3,446
Miami Springs	4	12,722	3,181
South Miami	4	11,365	2,841
Miami Shores	4	9,026	2,255
Sweetwater	7	6,655	951
West Miami	5	5,589	1,118
Florida City	4	5,181	1,295
Bay Harbour Island	6	4,709	784
N. Bay Village	4	4,389	1,097
Surfside	4	3,673	918
Biscayne Park	4	2,642	660
Virginia Gardens	5	2,447	489
Bal Harbour	4	2,155	539
El Portal	6	2,084	347
Hialeah Gardens	5	1,002	200
Golden Beach	5	875	175
Medley	4	557	139
Indian Creek	4	89	22
Pennsuco	5	51	10
Islandia	4	0	
DADE COUNTY	8	1,449,300	181,163

Sources: Florida League of Cities and Dade County Planning Department

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PROPOSED DIVISION OF FUNCTIONAL RESPONSIBILITY BETWEEN METROPOLITAN AND MUNICIPAL GOVERNMENTS

(As proposed in 1954 by the Public Administration Service)

METROPOLITAN GOVERNMENT	MUNICIPAL GOVERNMENTS
Policy Formulation	
Policies affecting Metropolitan Miami	Policies concerning local affairs
Executive Management	
Management of metropolitan government	Management of municipal governments
Planning	
Metropolitan planning; technical assistance to municipalities.	Municipal planning within the framework of metropolitan plans
Financial Administration	
Financial administration for metropolitan government. Property assessment and property tax collection and distribution for all local governments.	Financial administration for municipal governments.
Personnel Administration	
Personnel administration for metropolitan government; technical assistance to municipalities	Personnel administration for municipal governments.
Legal Services	
Legal services to metropolitan government.	Legal services to municipal governments.
Streets and Highways	
Development and maintenance of arterials and major off-street parking facilities; construction, maintenance, cleaning, and lighting of local roads and streets in the unincorporated area.	Construction and maintenance of local municipal streets and secondary off-street parking facilities. Street cleaning and lighting within corporate limits

Source: Public Administration Service for the Metropolitan Miami Municipal Board 1954.

ADVISORY COMMITTEE FOR INTERGOVERNMENTAL RELATIONS

HYPOTHETICAL ASSIGNMENT FOR COMPONENTS

OF FUNCTIONAL ACTIVITIES

Activity/Component	Area-wide	Shared	Local
PLANNING			
Intelligence	x		
Forecasting	x		
Plan Formulation		x	
Operations Review		x	
Liaison/Coordination	x		
FINANCING			
Revenue Raising		x	
Revenue Distribution	x		
Fiscal Control		x	
Budgeting			x
STAFFING			
Selection			x
Recruitment		x	
Training	x		
Appointment/Removal			x
ADMINISTRATION			
Supervision	x		
Management Analysis		x	
Productivity Analysis		x	
Technical Assistance	x		
STANDARD SETTING			
Formulation of Rules		x	
Rule Interpretation	x		
Rule Adjudication	x		
Rule Evaluation		x	
Rule Amendment		x	
Rule Enforcement			x
ENFORCEMENT			
Investigation	x		
Inspection	x		
Licensing	x		
Certification	x		
SERVICE DELIVERY			
Operations			x
Construction			x
INFORMATION			
Record-Keeping		x	
Communication		x	
Data Collection		x	
Reporting			x
Public Relations			x
EVALUATION			
Fact-Finding	x		
Public Hearings		x	
Testing/Analysis	x		
Consultation		x	

Source: ACIR Tabulation #A-45 Vol. IV Continual Functions & Processes

APPENDIX J

DADE COUNTY

REVENUE ANALYSIS

DADE COUNTY

REVENUE ANALYSIS

1976

($ 000,000)

Revenue Category	Dade County ($ 000,000)		Total All Municipalities ($ 000,000)	
	$	%	$	%
Property Tax	131.7	21.7	82.5	31.3
Utility Service Tax	33.0	5.5	26.2	9.9
Federal Grants	95.3	14.8	13.3	5.0
Federal Shared Revenue	16.5	2.5	13.7	5.1
State Grants	12.2	1.9	1.5	0.5
State Shared Revenue	39.9	6.1	26.8	10.1
Charges for Services				
- Transportation	63.8	10.9	3.7	1.4
- General Government	12.2	1.9	0.5	0.1
- Mental & Physical Health	103.9	16.2	4.5	1.7
- Culture & Recreation	2.3	0.3	8.3	3.1
- Interest on Investment	17.2	2.6	10.1	3.8
Rents & Royalties	28.4	4.4	0.4	0.1
Utilities				
- Water	18.4	2.8	6.3	2.3
- Water & Sewer Combined	-	-	13.3	5.0
- Sewer	12.0	1.8	4.0	1.5
- Refuse	12.5	1.9	1.0	1.6
Franchise Taxes	6.7	1.0	12.1	4.6
All Other	11.5	2.7	28.8	10.9
TOTAL REVENUE RECEIPTS	610.0		263.2	

Source: State of Florida Local Government Finance, Fiscal Year 1975-76

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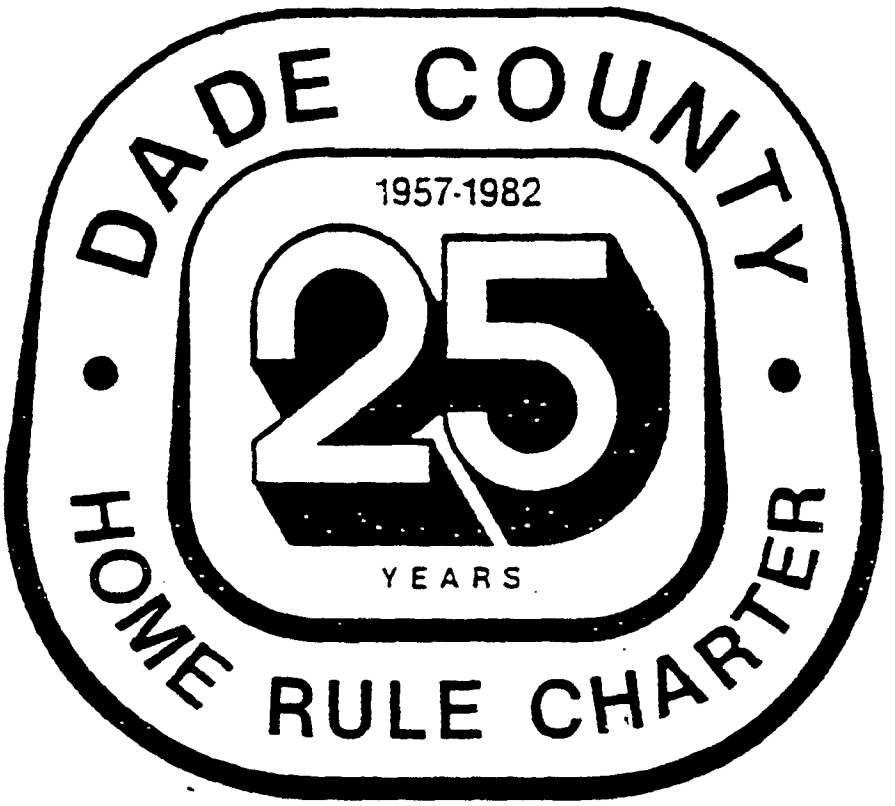
INTERIM REPORT



DADE COUNTY CHARTER REVIEW COMMISSION

January 1, 1982

Recommendation

The two-tier concept of local government should be established in Dade County:

Primary tier: Metropolitan Dade County Government, which provides core services essential to the health, welfare and safety of the entire community; metropolitan services which essentially have become metropolitan in nature; and "municipal" services currently being provided in the unincorporated area.

Secondary tier: Existing municipalities would continue to serve their citizens. Boundaries of some cities might be expanded after appropriate study.

New limited purpose municipal units should be established in the unincorporated area within the 1985 development boundaries established in the County Comprehensive Plan. Such units would have the following characteristics:

--be governed by an elected body;

--have decision-making authority over zoning issues, subject to appeal by the Planning or Zoning Directors in the event of violation of the County Comprehensive Plan; and other local issues as may be delegated by the County Commission;

--be precluded from providing directly any service currently but not provided to its residents by the County;

--be authorized to purchase a higher level of service from the County if additional taxes are levied.

The proposal to develop a second tier decision-making process in the developed unincorporated area, although not new, is the pivotal element of the Charter Review Commission's proposal for a comprehensive revision of the Dade County Home Rule Charter.

In 1963, the County Planning Department in a major study of the pattern of local government, recommended creation of 14

"service areas" through the combination of some cities, annexation, and creation of several new cities. In 1972 the Bates Commission reviewed that study and recommended the establishment in the unincorporated area of several service districts to be governed by the County Commission or by a locally elected board, or establishment of municipalities. Both the 1963 and the 1972 studies looked at a division of functions between the county and the second tier of government and made recommendations for some division of services. Subsequent to these two studies, the trend has been for cities to transfer services to the County resulting in considerable uniformity of service provision. Local police services and garbage collection are two notable exceptions.

Today, circumstances have changed:

- -The magnitude of the problem has increased with over 800,000 residents of the unincorporated area deprived of a close-to-home governmental process to resolve local issues;

- -There is widespread concern about access to the governmental decision making process which has led, in the historical absence of objective consideration of the two-tier approach, to strong support for district-elected County Commissioners;

- -The tax inequity between the incorporated and unincorporated area has largely been eliminated;

- -Provision of countywide services has become well established and well accepted with some being nationally acclaimed for their excellence. We believe that these circumstances offer to this County Commission an opportunity which was not considered feasible 10 or 20 years ago.

Running behind only New York, Chicago, Los Angeles, Philadelphia and Dallas, Dade County's unincorporated area

is one of the six largest "cities" in the United States. The governing body for that "city" is the Dade County Commission. Of Dade County's 1.6 million population, approximately half live in the unincorporated area; half in one of the County's 26 municipalities (not counting the "paper city" Islandia). For the citizens who reside in Dade County's cities, there is a "two-tier" government structure which gives those citizens a local governing body designed to provide, to a greater or lesser extent, local services and to serve as a public forum for local issues. Zoning, garbage collection, local public works, are common examples.

Increasing access

Many individuals and groups have appeared before the Charter Review Commission to propose a solution to a problem which is often defined as "lack of access" to government officials and "lack of accountability." These terms are generally not well defined but reflect the continuing concern identified in nearly every study which has been done about Dade's metropolitan form of government. The County Government is perceived to be "remote", as it is in fact from a geographical point of view, for many citizens. The logistics of organizing neighborhood citizens in the unincorporated area and transporting them downtown to support or fight some zoning issue is perceived as an imposition.

The solution to this problem presented to the Charter Review Commission most often is to change the charter to provide for district elections. Proponents of district elections most often perceive that a County Commissioner elected from "their" district would be "their" Commissioner and would be more responsive to district concerns than would a Commissioner from their district elected in a countywide vote.

However, another mechanism for increasing "access" to public officials gained increased support. When the possibility of creating some kind of local decision-making processes in the unincorporated area was broached to citizens appearing before recent meetings of the Charter Review Commission, the response was generally positive and sometimes enthusiastic.

The interrelationship between the County and the municipalities is covered in the charter in Article 5 and in Section 4.04, concerning municipal budgets and taxes. In Sec. 1.01, several of the powers cited relate to the interrelationships between the County and the cities. However, the relationship of the County Commission to the unincorporated area is virtually ignored in the charter. Sec. 1.01B does say that "All of these powers may be exercised in the incorporated and unincorporated areas, subject to the procedures herein provided in certain cases relating to municipalities." And in Sec. 1.01D the Board is "entitled to levy in the unincorporated areas all taxes authorized to be

levied by the municipalities and to receive from the State any revenues collected in the unincorporated areas on the same basis as municipalities." With approximately 300,000 persons scattered throughout the unincorporated area at the time the charter was adopted, the lack of attention was perhaps understandable.

Even so, one of the reasons for developing the concept of a metropolitan government was to provide some mechanism for providing services to all the citizens. The quadrupling of the population in the unincorporated area is a fact which now needs to be reckoned with.

Background

It was the Committee for Economic Development, a national study group, in 1970, which used the term "two-tier" in its report Reshaping Government in Metropolitan Areas. The CED recommended a two-tier system for metropolitan areas included in a single county (as in Dade).

> In designing federal systems, it is normally argued that those functions which can be adequately conducted at the most local level in the system should be placed there, while those functions with areawide implications should be placed at higher levels. (Further), in those situations where the metropolitan area is contained within one county, a reconstituted county government should be used as the basic framework for a new area-wide government. This may, but need not include consolidation of a large dominant central city with the county government in which it is located. If there are two or more sizable cities in the county, consolidation may not be appropriate. Counties in some states already have very wide powers. An indispensable requirement is the restructuring of such counties with a suitable legislative organ, a strong chief executive, and modern management.

Following up on this study, the League of Women Voters of the United States studied two-tier government across the country and emphasized the role of the citizen:

> In the renaissance of the two-tier concept, there is a strong emphasis on the citizen's role. The new proponents want more than efficiency, more than cost effectiveness built into any new structure. They want citizen access points, citizen influence on policy, citizen review of performance built in, too, at both levels . . .

While pointing out that Dade's Home Rule Charter had "established a framework of metropolitan federalism within which much has been achieved," the University of Miami in a major study of local government for the National Science Foundation, in 1976, recommended that the County Government "provide leadership in moving closer to the ideal of metropolitan federalism for those residents living in the unincorporated areas." Nearly every study of Dade's metropolitan form of government in the last 20 years has recognized the dichotomy of the two-tier/one-tier system and has recommended attention to providing some structure for the unincorporated area.

Fiscal two-tierness

Fiscally, there is a measure of two-tierness in the financing of services in the unincorporated area. By Constitution and subsequent legislation, the State mandated an end to "double taxation" and a considerable measure of equity was established when Dade County established an Unincorporated Municipal Service Area and levied an ad valorem tax.

creation of special purpose taxing districts has also reduced inequities. The unincorporated area budget for the current year amounts to $102,304,000 derived from revenues from the unincorporated area: utility taxes, $46,000,000; franchise fees, $16,000,000; state revenues sharing, $14,700,000; a .607 mill tax which produces $12,291,000; and other miscellaneous fees and charges. Additionally, residents in the unincorporated area pay a garbage and trash fee, a library tax and a fire rescue service tax. Residents in those municipalities which levy no property taxes for library and fire rescue services also pay these taxes. A typical homeowner in the unincorporated area pays approximately 45 percent of the County property tax bill (excluding school taxes) for services which could be called "municipal" services, the other 55 percent being the countywide tax which funds all the core services, the cost of which all residents of the County share. Core services are those typically provided by every large county in Florida: constitutionally or legislatively mandated services (e.g. elections); services providing for the health and welfare and safety of residents (e.g. Jackson Memorial Hospital); "metropolitan" services such as traffic signalization, arterial street lighting, transit; and services serving special needs or special populations (e.g. consumer protection).

Although both the Home Rule Constitutional Amendment and the charter gave Dade County full powers to establish a two-tier form of government in Dade County with broad areawide powers residing in the County Government, neither document specified a division of powers between the County and the municipal governments. What was provided, however, was a flexible system whereby the cities could move toward a functional consolidation by the transfer of services to the County Government. What followed was a remarkable series of such service transfers (all initiated by the cities) which, while moving service delivery slowly but surely towards a countywide approach, has caused a somewhat confusing "marble cake" pattern of government. Many services are almost countywide, serving residents of the unincorporated area and most cities. For example:

--fire and rescue service except for Miami, Coral Gables, Hialeah and Miami Beach;

--housing and housing code enforcement, except for Hialeah, Miami Beach and Homestead;

--libraries serving 17 cities including Miami and Coral Gables;

--most central police services are available to and are used by municipal police departments while patrol services are provided by Metro Police in the unincorporated area and by city police in 26 cities.

The University of Miami study referred to above came to some conclusions regarding the variation in expenditure levels among the various jurisdictions in Dade County:

> In summary, it appears that in Dade County, strengthening the role of county government has resulted in a substantial reduction in differences in total per capita

expenditures among jurisdictions. For those governmental services where some cities transferred their responsibilities to the county, reduction in expenditure variations among jurisdictions also occurred. Though the extent of reduction in expenditure variation was less in the case of fire than in the case of library services, it nevertheless appears clear that if further transfers in assignments of functions occur, that much greater progress would be made in reducing difference in levels of expenditures among jurisdictions. On the other hand, city funds released by transfer of functions could be reallocated to non-transferred functions. Such reallocation may reduce, or may increase, differences in per capita expenditures among jurisdictions for particular functions. Thus, it appears that strengthening the role of areawide government does reduce differences in total per capita expenditures among jurisdictions, but may increase differences in per capita expenditures among jurisdictions for particular governmental functions.

Options:

According to the terms of the constitutional amendment, the Dade County Charter "may provide a method establishing new municipal corporations, special taxing districts, and other governmental units in Dade County from time to time and provide for their government and prescribe their jurisdiction and powers." Charter provisions were written accordingly and such governmental units have been created.

Chapter 165 F.S. provides that County Commissions may create taxing districts either with or without a governing body. The Dade County Commission uses the latter system and acts as their governing body. The Charter Review Commission studied a number of options:

1. No change in the present system, recognizing that through the imposition of special taxing districts in the unincorporated area that the tax differential between residents of cities and residents of the

unincorporated area has largely been equalized. The County Commission serves as the governing board of all such districts.

2. Special purpose taxing districts (present or reconstructed) with a governing board if such districts are "the best alternative available."

3. Facilitation of incorporating additional municipalities covering the populated portions of the unincorporated area. Standards for such incorporation could be specified in the charter or reference could be made to State standards (compactness and contiguousness; minimum 5,000 population; average population density of at least 1.5 persons per acre; minimum distance of two (2) miles from existing municipality; Ch. 165.061 F.S.

4. Provision for incorporation of municipalities with powers limited by terms of the charter. The charter could not establish a taxing limit because of preemption by State law. However, functional limitations could be imposed.

5. Establish boards in the unincorporated area to deal just with zoning issues. Specific powers of such board would need to be spelled out in the charter.

6. Formalize a system of community advisory boards which would advise the County Commission on issues such as zoning or capital improvements. Such boards could be appointed by the County Commission or elected by neighborhoods in the manner presently being used by the Community Development Program.

How Many Cities?

"Dade County already has too many cities!" That has been the historical belief of many persons. A number of persons appearing before the Charter Commission voiced several variations on this theme with recommendations ranging from abolishing all cities and merging their functions with the County, to abolishing or merging some of the smaller municipalities. The spokesman for the Dade League of Cities agreed that some modification of existing smaller cities merited study. However, with 27 municipalities, Dade is not

out of line with large urban counties around the country. A survey of the form of government in large urban areas (see Appendix B) showed in the ten largest counties a range of cities over 10,000 population from eight in Harris County, Texas, to 74 in Cook County, Illinois. Liberal annexation laws in Texas have probably inhibited new incorporations as the City of Houston rapidly expanded its boundaries to take in fast growing suburban areas. Available information about incorporations in Los Angeles County indicates 69 cities over 10,000 population out of a total of 81, although the actual number of municipalities may be over 90 at this writing. Incorporation there was facilitated by the "Lakewood Plan" whereby it became possible for cities to incorporate and to contract with the County for all or some of its services, thus minimizing the need for city bureaucracies.

Conclusion

Considerable interest was expressed before the Charter Commission in addressing the issue of two-tier government in Dade County as a means of increasing the citizens' access to elected officials. Extending in some way the concept of a two-tier government to the unincorporated area would provide the citizens there the advantages accruing to city residents of a local decision-making process capable of dealing with local issues.

In order to make this "access" system meaningful and democratic, the Charter Review Commission believes that the governing boards should be elected. However, in order to guard against the development of unnecessary bureaucracies, charter provisions should preclude the direct provision of any service currently being provided by the County to residents of the new unit. Taxing authority should be provided in order that local residents could "purchase" an additional level of service from the County if desired. Consider a possible limitation on the additional level of service allowed in order to preclude gross service level inequities from developing.

Initially, zoning would be the principal function of the new units. Zoning decisions would be appealable to the County Commission only in cases where the Planning Director or Zoning Director deemed a possible violation of the County Comprehensive Plan.

Additionally, the new unit might have:

--authority to recommend establishment of special taxing districts, capital improvements, local projects such as location of trash transfer stations, etc.;

--provision of desired services not presently available from the County;

--possible decision-making authority over County funds currently being expended in unincorporated areas (e.g. neighborhood park);

--other local issues currently decided upon by the County Commission.

Study Recommendation

If the two-tier approach is accepted by the County Commission, we recommend that the Charter Review Commission, or its successor, study fiscal and other details of the two-tier approach in order that specific proposals can be appropriately debated and presented to the voters as part of a charter revision package next November. The study should:

--do a countywide analysis of the cost and of any tax shifting effects of the above recommendation. For example, initial analysis shows that a typical single family residence assessed at $80,850 with a $20,000 homestead exemption, two blocks outside the limits of the City of South Miami, would actually pay $5.00 less in taxes if that property were included in the city and subject to the existing city tax rate. The tax differential would vary in different parts of the County.

--determine any further limitations and authorizations which should be placed on the new governmental units.

--identify appropriate standards to be used in expanding existing city boundaries or in creating the new units.

The Final Recommendations of the Citizens Charter Review Committee on the Dade County Charter

WILLIAM R. SADOWSKI, CHAIR

ETHEL BECKHAM • JEB BUSH • GERALD B. COPE, JR. • R. RAY GOODE
JAMES HUMBLE • AILEEN R. LOTZ • TIMOTHY J. MURPHY • WILLIAM G. OLIVER
RICHARD A. PETTIGREW • BEVERLY L. PEVSNER • WALTER L. REVELL
STEVEN SILVERMAN • HARRY B. SMITH • JOHN EDWARD SMITH

STEPHEN M. CODY
EXECUTIVE DIRECTOR

APRIL 1, 1986

7. Meeting the future challenges of complex issues that will face Dade County into the 21st century will require the most effective political talent and leadership this county possesses. Therefore, we should enhance the political attractiveness of county political offices.

8. The current $6,000 compensation for commissioners of $6,000 established in 1957 is grossly inadequate in view of for the time required and the burdens of office. It creates a strong disincentive for incumbents to continue to serve as well as discouraging those who might consider seeking county office.

The Unincorporated Area

1. The population of Dade County has increased dramatically since the adoption of the Charter, from less than a million in 1957 to over 1.7 million in 1984.

2. Almost fifty percent of the residents of Dade County today reside outside the boundaries of any of the county's 27 municipalities.

3. More than seventy five percent of the county's population growth through the year 2005 is projected to occur in the unincorporated area.

4. Although the role of the municipalities in Dade County have been criticized in favor of the regional county government, they nevertheless perform important functions both in the delivery of services to their residents and as an entry level for the development of future political talent.

5. Residents of the municipalities have more options for political involvement in the county than residents of the unincorporated area, who have extremely limited avenues for political involvement.

6. The residents of the unincorporated area are a valuable resource of political talent which, due in part to the current

governmental structure, are effectively precluded from seeking political office. This is not a reasonable situation in the view of the size and demography of Dade County.

7. The residents of the unincorporated area should be given greater opportunities to affect county decisions which directly pertain to them.

Partisan Elections

1. The historical basis for non-partisan elections for local officeholders stems from the municipal reform movement of the early 20th century. Such elections were intended to curb the patronage system and to end corruption in local politics.

2. The patronage system was effectively replaced by the use of a system of civil service for local government employees and by the adoption of merit retention systems

3. Adoption of a system of partisan elections for candidates for the office of the County Mayor and County Commissioner would not result in a government rife with patronage so long as the safeguard of a civil service system is in place.

4. Non-partisanship was not a significant issue in 1957 when Dade County effectively had only one party.

5. Identifying candidates by political party for the office of the County Mayor and County Commissioner would assist voter identification of both the candidates and the issues.

6. Identifying candidates by political party for the office of the County Mayor and County Commissioner would enhance the dynamics of county politics.

7. The Dade County School Board is elected in partisan elections. Education issues are certainly less partisan than county government issues.

8. The electorate shoud be given an opportunity to address the issue of partisanship in view of the changed circumstances in the county.

The Unincorporated Area

Citizens living in Dade's 27 cities have a primary level of government to which they can turn for the resolution of many local issues. The adoption of the Charter established a two-tier system of government, a federal system where municipalities legislate their own municipal affairs subject to the authority of the county government to legislate on county wide issues. Voters in the municipalities also cast votes for members of the County Commissioners and, at least for them, the promise of a federal system has been kept. However, little attention was given in the Charter to the unincorporated area.

The County Commission serves as the "city council" for this "non-city," providing municipal-type services and exercising zoning authority. The County Commission is given the exclusive authority to create new municipalities in the unincorporated area but has historically opposed such action. Since the adoption of the charter in 1957, only the municipality of Islandia has been incorporated. While some critics might argue that there are presently too many cities in Dade County, the Committee has found that the number of cities is within normal ranges for communities of this size and that Dade actually has fewer units of government than most.

The Committee recommends that the County Commission which is reconstituted under the Committee's recommendations seriously consider the creation of new municipalities in the unincorporated area.

The creation of more cities in the unincorporated area would create a primary level of government for those citizens living beyond the borders of Dade's 27 municipalities. The residents of these new municipalities would have greater access to their elected officials and their government on issues of local concern such as police protection, parks and recreation, and zoning. The elected officials of these new cities would also be directly accountable to their constituents for the successes and failures of their governments.

The creation of new municipalities would also benefit Dade County as a whole of relieving the Commission from the burden of acting as the city council for the unincorporated area. It could devote its time exclusively to confronting and finding solutions for the problems which face the county itself rather than its subparts.

The County Commission is urged to explore all the different local government alternatives for these new municipalities. One possibility is to

constitute them as "contract cities", municipalities that would have an elected leadership but no bureaucracy of its own. The new cities could be precluded from providing any service currently rendered by the Metro Dade government to its residents. The new cities would have a tax base of their own and could draw upon it to purchase a higher level of services.

The advantage of using the contract cities models is that it allows these new cities a measure of local control, especially over land use, but avoids the necessity of expending large sums to recruit a corp of city employees and of large capital investments for facilities like police and fire stations. The contract cities approach is widely, and sucessfully, used in the Los Angeles area.

The contract cities technique contributes to greater governmental efficiency and lowers costs because it eliminates the necessity for each local government to establish and maintain its own bureaucracy. If properly utilized, the contract cities approach could be an economical solution to providing a primary level of government to the residents of the unincorporated area.

Appendix IV

DADE COUNTY CITIZENS' ADVISORY COMMITTEE ON COUNTYWIDE INCORPORATION

FINAL REPORT
FEBRUARY, 1992

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Attachments:

#1 Resolution Creating Citizens' Advisory Committee on Countywide Incorporation

#2 Memorandum from Commissioner Charles Dusseau outling the issues to be addressed by the Committee

#3 Comparison of Property Taxes

#4 Highlights from 1971 Final Report and Recommendation, Dade County Metropolitan Study Commission

#5 Highlights from 1978 Report on a Review of Two-Tier Government in Miami Dade County (Touche Ross and Co.)

#6 Highlights from 1982 Dade County Charter Review Commission

#7 Highlights from 1984 Governing Dade County: A Study of Alternative Structure, David Bendel Hertz

#8 Highlights from 1986 Citizens Charter Review Committee on Dade County

#9 Dade County Map and Statistics Concerning Population and Property Values for Various Annexation/Incorporation Areas

#10 Steps for Inclusion in a Proposed Ordinance Concerning Incorporation

#11 1987 Enclave Area Report

EXECUTIVE SUMMARY

The structure of local government for the unincorporated area has been studied by various charter commissions, consultants, and staff over the years. Each has put forth its own recommendations, and included within every one is establishment of the lower tier of our two-tier system of our government. Our Committee concurs that the lower, or second, tier of our government must be fully established in order to improve local decision making processes in the unincorporated area. Further the Dade County Citizens' Advisory Committee on Countywide Incorporation makes the following recommendations:

- In order to complete the second tier of government, we recommend the the entire unincorporated area be incorporated through annexations by neighboring municipalites and through the creation of one or more municipalities, provided however that the County Commission retains control and authority over the location of the Urban Development Boundary line as a countywide function (page 7).

- We recommend that a "Boundaries Commission" be created to develop an overall plan for annexations and for the creation of municipalities. In addition, the Boundaries Commission should conduct a review of the enclave areas (page 8).

It is recognized that annexation and creation of new municipalities will be a lengthy process. Therefore, to begin the process and to address some of the concerns raised through the Committee's public hearings and discussions, the Committee makes the following recommendations:

- We recommend, as part of the first phase of modifying our local unincorporated area government, that the County Commission, effective March 1992, conduct separate commission meetings and public budget hearing processes for countywide and unincorporated area concerns (page 8).

- We recommend, as a preliminary step in the creation of new municipalities that elected "Municipal Matters Advisory Councils" be created (page 8).

- We recommend that on zoning matters the County Commission and Zoning Appeals Board hold meetings in various areas of the County where there is a zoning issue concern, in order to increase citizen access to local government (page 8).

- We recommend that the County Commission require that County appointed boards dealing exclusively with unincorporated issues include only unincorporated area residents (page 8).

- We recommend that the Board adopt an Ordinance requiring that all future local government sales tax revenue received on the basis of the unincorporated area population be allocated to the unincorporated area budget (page 8).

- We recommend that Section 5.05 of the Dade County Charter be amended to clarify the steps of the incorporation process, and that an ordinance for processing incorporation proposals be adopted (pages 10)

- We recommend that a full analysis be conducted of the implications related to repayment of bonded indebtedness and allocation of utility and franchise fees collected from an annexed area or newly incorporatedarea(page 11).

- We recommend that Section 5.04(B) of the Charter be modified such that residents of a larger municipalities would not need the approval of the municipal governing body in order to proceed with a deannexation or separation proposal. The Committee further recommends that the municipality's approval should not be required for an area which includes at least 5,000 electors in a city which has at least 50,000 electors. Consistant with the Committees' overall recommendation that the entire unincorporated area become incorporated through annexations by neighboring municipalities or incorporation, any separation/deannexation proposal should provide that the proposed area must be incorporated into its own municipality or must be included in another municipal unit at the time of separation/deannexation to prevent the creation of an unincorporated area (page 12).

If it is determined that new, full-power municipalities will not be created then:

- We recommend that the County Commission create regional zoning boards to bring zoning decisions closer to the smaller communities of interest in the unincorporated area (page 8).

Lastly, the lack of information about County Government operations and procedures was pervasive therefore:

- We recommend that the County develop a brochure on the function and operations of County government and a document/procedures manual that would explain the step-by-step process for annexations, incorporations and separations/deannexations. It is recommended that the document/procedures manual be written in layman's language and be produced by July 1992 (page 7).

INTRODUCTION

The Dade County Citizens' Advisory Committee on Countywide Incorporation was created in February 1991 (Attachments 1 and 2). The eighteen member panel was charged with fully analyzing all issues relating to the possible incorporation and annexation of various areas of the County. The County Commission directed the Committee to include but not limit their discussions to the following questions:

- Should current proposals relating to incorporation be considered only if all unincorporated areas are addressed at once? What would be the impact of incorporating only a portion of the unincorporated areas?
- Would there be any benefit to creating limited municipal service areas within portions of the unincorporated area?
- Should the exiting Charter provisions relating to municipalities be changed? Should there be an ordinance specifying incorporation procedures?
- Should existing charter provisions relating to annexations be changed? Should there be changes to the ordinance concerning annexation procedures? What areas, if any, of unincorporated Dade County which are surrounded by or contiguous to existing municipalities should be annexed by those municipalities?

The Committee, prior to its public hearings, held a series of educational workshops and reviewed written material concerning current laws and procedures pertaining to annexation and incorporation, previous Charter Commissions reports and reports relating to national trends on annexation and incorporation. Nine public hearings were then conducted throughout the County to solicit public opinion concerning satisfaction/dissatisfaction with local government in the unincorporated area, to hear recommendations for changing existing Charter and County Code provisions and to hear specific recommendations for areas that might be good candidates for annexation or incorporation. Between May 1991 and February 1992 the committee held 27 meetings where the issues and questions were discussed and debated.

This report includes (1) a description of the areas of concern/findings identified through the public hearing process; (2) a description of the additional areas of concern/findings identified through the deliberations of the Committee; (3) a broad discussion on recommended actions to improve our local government in Dade County; and (4) recommendations concerning the specific questions the Committee was charged to address.

PUBLIC HEARINGS

Areas of Concern/Findings Identified through the Public Hearings:

The citizen turnout at the advertised public hearings was extremely low (60 citizens spoke/9 public hearings) and therefore the public input received cannot be considered thoroughly representative of the community. It is the belief of the Committee members that the citizens of our community lack understanding of our local government in general and lack sufficient knowledge concerning the issues of annexations and incorporations to provide specific input into recommendations for change. The majority of citizens expressing support for annexation and incorporation were public officials from existing municipalities or leaders of neighborhood associations. It should be noted that several civic activists or leaders of neighborhood associations requested that analyses of the costs and benefits of annexation or incorporation be conducted for their specific areas.

The public hearings, however, were valuable to our Committee process as they helped us gather general information on citizen concerns about our local government. The following concerns/findings were identified:

- **Zoning and Land Use Planning**
  It is the perception of some members of the public who gave testimony to the Committee that zoning and land use planning decisions made by the County Commission have not been made in concert with local area interests. Some citizens stated there was a need for more local control concerning local zoning decision making. These concerns were pervasive throughout the community, but were particularly stressed in the high growth, emerging areas (e.g. Kendall).

- **General Satisfaction with Unincorporated Area Services**
  A significant number of citizens who gave testimony to the Committee expressed general satisfaction with the services provided by the County. Zoning and land use issues and the level of police protection were areas with which some citizens expressed dissatisfaction.

- **Lack of Responsiveness and Need for Self Determination**
  There is a perception that the County Commission is unresponsive to the interests of smaller areas ("Communities of Interest"). Representatives from local neighborhoods expressed a desire to have greater self determination and the potential to develop local political power bases, particularly in minority communities.

  There is a perception that if single member districts for the election of County Commissioners are approved or imposed, the responsiveness of the County Commission to the communities of interest in the unincorporated area will be further diminished. For example, if the voters had approved the single member district plan presented to them on September 3, 1991, an unincorporated area resident would have had the opportunity to elect only 2 of 12 commissioners plus the mayor, who would govern them on municipal issues. This could have lead to accelerated efforts to incorporate in some areas.

- **Limit Tax Increases**
  Some unincorporated area residents expressed concern that the creation of new cities might raise taxes. Many expressed a need for more information and the need to have the costs and benefits of incorporation analyzed before any decisions on incorporation could be made.

Some unincorporated area residents did not seem to understand that they are presently paying the equivalent of "municipal" taxes as residents of the unincorporated area in addition to countywide taxes that all Dade County property owners pay. Some believed that by living in the unincorporated area they were avoiding paying municipal taxes. Some citizens spoke against increased taxes and did not like the idea of creating another layer of bureaucracy. Attachment 3 shows a sample comparison of taxes which are presently paid on a $125,000 home with a $25,000 Homestead Exemption located in various areas of the County. It should be emphasied that it is difficult to compare tax rates because while all residents in this comparison are receiving the same types of services (fire, police, library etc.), service levels may differ among municipalities.

- **Potential Effects of Piecemeal Incorporation/Annexation**
  Many citizens expressed the concern that the County Commission, when considering any proposed incorporations and annexations must take into account the impact on the entire county from ethnic, economic and efficiency of service delivery perspectives. Piecemeal incorporation/annexation could create a remaining unincorporated area with an insufficient tax base to fund even the current level of municipal services, or support the County government as presently structured, without a change in the current tax structure (e.g. increases in any one or more of the following: property taxes, utility taxes, franchise fees). The concept of requiring more affluent communities to "revenue share" with lower income communities was suggested as a method of allowing all neighborhoods the right to self determination without creating great disparity in the municipal services available in our community.

  Piecemeal annexation could have adverse effects on our agricultural lands, our environment, and our infrastructure needs.

- **Interest in Annexation of Areas Expressed by Municipalities**
  At several public hearings the Committee heard testimony from public officials interested in exploring annexations of unincorporated areas located outside their municipal boundaries (example: South Miami, North Miami Beach, Homestead, Opa-locka). Subsequent to the hearings, the City of Hialeah also expressed interst in developing an annexation proposal. The municipalities expressed interest in expanding their tax base, eliminating enclave areas and squaring off existing boundaries. They felt that services in the areas that would be annexed could be provided more efficiently and effectively by the municipalities.

COMMITTEE DISCUSSIONS

Additional Areas of Concern/Findings Identified through Committee Deliberations

- **Dual Role of County Commission**
  The dual role of the Board of County Commissioners as both the countywide governing board and the local unincorporated area governing board is difficult to justify. The Commission spends a significant amount of its time on local zoning issues related solely to the unincorporated area. This focus on local zoning concerns takes away from time the Commission needs to spend on urban-metropolitan issues. Additionally, the lack of attention paid to the unincorporated area budget in the public budget hearing process, the fact that unincorporated area issues are not separated on the County Commission agendas, and the fact that the Commission has used unincorporated area funds for countywide purposes (sales tax revenue), creates the perception that the needs of the unincorporated area are not being met. Finally, the Commission is faced with extremely complex countywide issues and should be free to focus on these areas of countywide concern.

- **Inequitable Method of Electing Unincorporated Area Governing Body**
  The County Commission, which is currently elected countywide, also serves as the local governing body of the unincorporated area. This means that voters in the existing municipalities impact and dilute or debase the unincorporated area residents' vote in electing the Board of County Commissioners which serves as their local governing body. Under the present system, residents of municipalities in Dade County have the sole right to elect their city commissioners who control the municipal issues, i.e. zoning, local police, municipal tax rates; however, residents of the unincorporated area are denied the right to elect their local decision making body unencumbered by the votes of the County's municipal residents. Of particular concern is the fact that throughout the past 10 years, the County Commission has been composed of a majority of commissioners who reside in municipalities and therefore were not residents of the area they govern concerning unincorporated/ municipal type services.

- **Population Increases in Unincorporated Area**
  The County Commission in our "modified" two-tier government serves as the governing body both for countywide concerns and for local concerns in the unincorporated area. When our "modified" two-tier system of government was created in 1955, the unincorporated area had a population of 109,860, which was 22% of the total population of Dade County. By 1990, the unincorporated area population grew to 1,037,000, 54% of the total population of Dade County (1,937,000). Between 1980 and 1990, 76% of the County's population growth occurred in the unincorporated area. This growth trend is projected to continue. The population growth in the unincorporated area has brought new challenges to the modified two-tier concept of metropolitan government not originally contemplated.

- **Commission Committee Appointments**
  The Committee raised the concern that in some instances the County Commission has appointed individuals who do not reside in the unincorporated area to unincorporated-related boards (e.g. Zoning Appeals Board).

OVERALL RECOMMENDATIONS TO THE COMMITTEE'S CHARGE TO FULLY ANALYZE ALL ISSUES RELATING TO THE POSSIBLE INCORPORATION OF VARIOUS AREAS OF THE COUNTY.

Discussion

Before outlining the Committee's recommendations for changing our local government structure, the Committee would like to emphasize that through the public hearing process we found the lack of knowledge about local government to be pervasive. Our first overall recommendation is that the County needs to improve its efforts to educate the public about our current structure and the functions of local government, as well as any changes in government structure that may be made. Such efforts should include the development a brochure on County government in layman's language. The Committee also recommends that the County prepare a document that would explain, in layman's language, the step-by-step process for annexations, incorporations, and separations/deannexations. It is recommended that this procedures manual be produced by July 1992. It will have to be amended if ordinances and charter changes affecting annexation procedures are approved. The procedures manual should include policy statements as well as specific criteria which will be used to evaluate annexations.

The structure of local government for the unincorporated areas has been studied by various charter commissions, consultants, and staff over the years, and attachments 4-8 include selected highlights of the foliowing reports:

- 1971 Final Report and Recommendation, Dade County Metropolitan Study Commission
- 1978 Report on a Review of Two-Tier Government in Miami Dade County (Touche Ross and Co.)
- 1982 Dade County Charter Review Commission
- 1984 Governing Dade County: A Study of Alternative Structure, David Bendel Hertz
- 1986 Citizens Charter Review Committee on Dade County

Each group put forth its own recommendations but included within every one is the concept of fully establishing the lower tier of our government. Our Committee agrees with the concept of fully establishing the lower tier of our government in order to improve the process for local decision making in the unincorporated area.

The Committee found that the citizens in the unincorporated area are generally satisfied with the present level of services. However, there is a significant amount of dissatisfaction in the areas of zoning, land use planning and access to the County Commission. Further the Committee found that because zoning is a legislative function, the only way to empower a smaller "community of interest" is to allow them to become a municipal corporation.

Recommendations

The Dade County Citizens' Advisory Committee on Countywide Incorporation recommends that:

- In order to create a complete lower or second tier of government, the Committee recommends that the entire unincorporated area be incorporated through annexations by neighboring municipalities and through the creation of one or more municipalities, provided, however, that the County Commission retains control and authority over the location of the Urban Development Boundary line as a countywide function.

- The first step in creating a second tier of our government should be to create a "Boundaries Commission" to develop an overall plan for annexations and for the creation of municipalities. In addition, the Boundaries Commission should conduct a review of the enclave areas and determine whether enclave areas should be included in a newly created municipality or annexed to a neighboring municipality. As part of a phase-in process, it should also determine if contracting with the neighboring municipality to provide local services is feasible (Committee response to question 4, pages 11 and 12, contains a more complete discussion of this concept).

The Committee recognizes that the period of time necessary for the creation of new municipalities will, in all likelihood, be lengthy. Therefore, the Committee makes the following recommendations to begin the implementation process, and to begin to address some of the concerns raised through the Committee's public hearings and discussions:

- It is recommended, that as part of the first phase of modifying our local unincorporated area government, that the County Commission, effective March, 1992, conduct separate commission meetings for countywide and unincorporated area concerns. The public budget hearing process should also be separated. This recommendation does not specify that the meetings be held on different dates but that the agendas be separated and that one meeting be concluded officially before the next begins.

- It is recommended, as a preliminary step in the creation of new municipalities, that elected "Municipal Matters Advisory Councils" be created. These councils could represent the various "areas of community interest" with the County Commission.

- It is recommended that, on zoning matters, the County Commission and Zoning Appeals Board hold meetings in the various areas of the County where the specific zoning issues are of concern, in order to increase citizen access to local government.

- It is also recommended that the County Commission require that County appointed boards dealing exclusively with unincorporated issues include only unincorporated area residents.

- It is recommended that the Board adopt an Ordinance requiring that all future local government sales tax collected on the basis of the unincorporated area population be allocated to the unincorporated area budget.

If it is determined that municipalities with full powers will not be created:

- The Committee then recommends that the County Commission create elected regional zoning boards with local zoning authority. This would address some of the concerns raised by citizens about zoning and land use planning by bringing zoning decisions closer to the smaller communities of interest in the unincorporated area.

RESPONSES TO SPECIFIC QUESTIONS

1. **Should current proposals relating to incorporation be considered only if all unincorporated areas are addressed at once? What would be the impact of incorporating a small portion of the unincorporated area?**

The County should develop an overall plan with regards to both annexation and incorporation in the unincorporated area. The possible scenarios for incorporations and annexations in the unincorporated area are numerous. Attached is a map of Dade County showing all the possible incorporations or annexations that were mentioned throughout our public hearing or educational process (Attachment 9). There seemed to be significant public interest in studying the idea of incorporation in some of the areas highlighted on the map, while other highlighted areas were mentioned only in passing. Included is a listing of the assessed property values and population of each area highlighted on the map.

If incorporation and annexation of the unincorporated area were to proceed on a piece-meal basis, there is a risk that:

- remaining unincorporated area residents would continue to be faced with a dilution or debasement of their vote,
- the County Commission will still be involved with, and spending time on, zoning decisions when they should be focusing on metropolitan issues,
- deteriorating pockets of poor communities without sufficient tax base to help themselves could be created,
- economies of scale that exist in providing services to the unincorporated area could be diminished at the same time the tax base is being reduced, thereby leaving the County Commission with an inability to provide necessary services at the same millage rate.

As stated in the Overall Recommendations section (page 7), the Committee recommends developing a comprehensive plan for the unincorporated area. The Committee, however, was evenly divided on whether or not to allow incorporations to proceed on a case-by-case basis during the development of that plan.

2. **What would be the benefit to creating limited purpose municipal unit service areas (LPMU) within portions of the unincorporated?**

Typically a LPMUs is seen as a low-overhead city responsible for such things as local specified zoning, capital improvements determination, neighborhood planning, and establishment of special taxing districts so an area can purchase a higher level of service than the base provided by the County. The majority of the Committee does not feel the creation of Limited Purpose Municipal Units is the most suitable alternative for governing the unincorporated area and their creation is therefore not recommended by the Committee. The creation of LPMUs, which would use existing unincorporated area services governed by the County Commission, would not address the concern that an unincorporated area resident's vote is diluted by municipal residents.

3. **Should Charter provisions relating to municipalities be changed? Should there be an ordinance specifying incorporation procedures?**

The County Charter currently provides that the Board of County Commissioners, and only the Board may authorize the creation of a municipality. Before giving authorization the Board must hear recommendations of the Planning Advisory Board, and conduct a public hearing. There must also be an affirmative vote of the majority of electors residing within the area proposed for incorporation prior to the Commission authorizing the creation of a new municipality.

Although the Code of Metropolitan Dade County provides for a detailed procedure for annexation proposals (Chapter 20), the Code is silent on municipal incorporation. In the absence of a clear procedure for processing incorporation proposals, the three incorporation proposals that have been proposed (Islandia, New City, and Key Biscayne) have each been processed slightly differently.

It is recommended that an amendment to Section 5.05 of the Dade County Charter be put before the voters so as to include the following steps for the creation of new municipalities:

1. The creation of a new municipality may be initiated by the Board of County Commissioners, or by citizens who submit an incorporation proposal to the County Commission, together with a petition supporting that proposal signed by 10% of electors in the area proposed for incorporation.
2. The County Commission shall then require that a complete and full analysis of the incorporation proposal and its impact on the residents of the proposed area, as well as the remaining unincorporated area, be conducted and completed within 180 days of the date the proposal and petition were submitted to the County Commission.
3. The County Commission must then conduct at least two public hearings concerning the proposal within the area requesting incorporation.
4. The County Commission must then conduct an election based on criteria outlined in the County Code.
5. If such an election results in an affirmative vote of a majority of the electors voting and residing within the proposed incorporation boundaries, then the Board of County Commissioners shall authorize the creation of the municipality upon approval of its municipal charter.
6. The Board of County Commissioners shall then appoint a charter commission, consisting of five electors residing within the proposed boundaries, who shall propose a charter to be submitted to the electors in the manner provided in Section 5.03 of the Metropolitan Dade County Charter.
7. The new municipality shall have all the powers and rights granted to or not withheld from municipalities by this Charter and the Constitution and general laws of the State of Florida.

It is also recommended that the County Commission adopt an ordinance for processing incorporation proposals. This ordinance should closely track the County Code concerning processing of municipal boundary changes (Section 20-4). It should also include the steps set forth in County Attorney Opinion 63-151. The basic steps which the Committee recommends for the ordinance are outlined in Attachment 10.

There were questions raised during the recent Village of Key Biscayne incorporation process which should also be addressed in the County code. Some examples of the questions raised are listed below:

- Should the newly incorporated area or the remaining unincorporated area be entitled to receive certain revenues collected within the boundaries of the new municipality (utility taxes, franchise fees)?
- What should be the effective date that the municipality should begin receiving the revenues it is determined they are eligible to receive?

- Should the newly created municipality be required to take with it a "fair share" of the indebtedness incurred while the area was part of the unincorporated area?

- Who should be responsible for the costs of performing the necessary analysis concerning incorporation, educating the public, and paying for the necessary elections?

4. Should existing Charter provisions relating to annexations be changed? Should there by any changes to the ordinance concerning annexation procedures? What areas, if any, of unincorporated Dade County which are surrounded by or contiguous to existing municipalities should be annexed by those municipalities?

Annexations

In the last 30 years, there have been 33 annexations covering 7,180 acres. In the last 10 years there have been 10 annexations covering 1,282 acres. Most of these annexations involved individual parcels. One hundred percent of the annexation requests submitted to the Planning Department since 1982 have been approved.

The current Charter and County Code provisions concerning annexations are clear as far as process and procedure, and no technical changes are recommended. The Committee recommends that a full analysis be conducted of the bond repayment-related implications of allocating utility and franchise fees collected from an annexed area to the municipality. If legally permissible, it is recommended that these fees should be allocated to the municipality to allow them sufficient funds to provide services.

The Committee does not recommend any specific annexations as there was not evidence through the public hearings of overwhelming community support for such actions. Those communities which did express an interest in annexation did not present sufficient financial and services related information for the Committee to make recommendations. While the Committee recommends that an overall plan for the unincorporated area be developed (as stated in the Overall Recommendations section, page 7), the Committee does recommend that annexations continue to be reviewed on a case-by-case basis until the overall plan is developed.

The Committee recommends that annexations be prohibited outside the urban development boundary. The Committee further recommends that agriculturally zoned lands be preserved as such whereever possible.

Any consideration of incorporation of the unincorporated area, and establishing the second tier of local government in the unincorporated area, should examine the enclave areas for consideration of annexations to existing municipalities. A 1987 study by the County identified 14 enclave areas, that is, unincorporated areas surrounded on three (3) or more sides by municipalities (Attachment 11). If additional annexations were planned and desired, these areas would be a good starting point. Under the current procedures, the Board of County Commissioners can initiate a study of these areas. The Committee endorses a four (4) step process in evaluating possible annexations of these enclave areas and other possible areas for annexation:

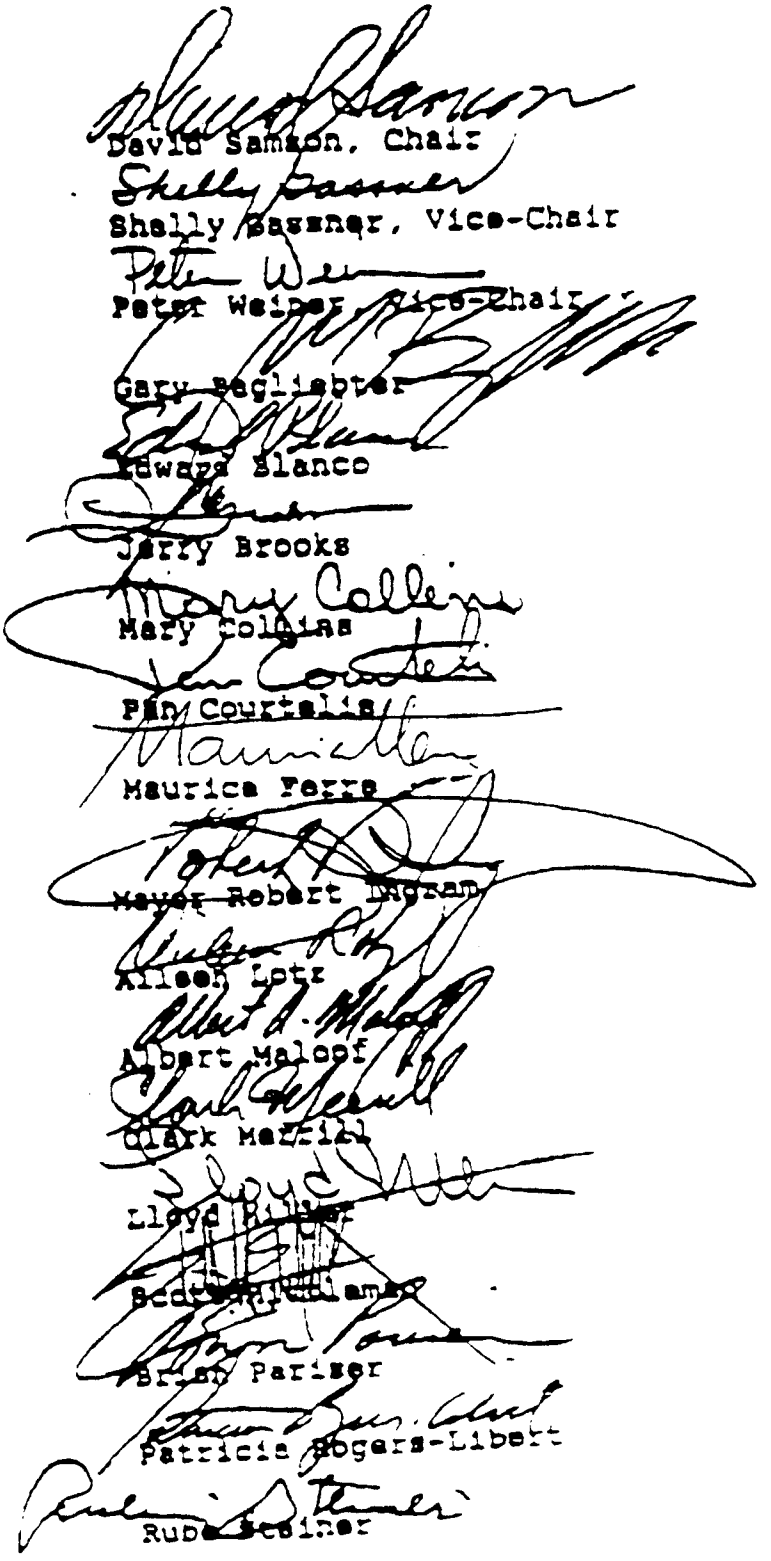
1. The County and the municipality interested in annexing a particular area should valuate the cost and level of services currently provided in the area.
2. The County and municipality should enter into an interlocal agreement which would allow the municipality to provide the services to the area and receive compensation from the County.
3. The citizens should be provided a full and complete cost/benefit analysis of the impact of being annexed.

4. As provided in the County Code, a vote of the people in the area proposed for annexation must be conducted to give final approval or disapproval to the annexation proposal.

Separations/Deannexations

The Committee also recommends that the concerns of municipal area residents be addressed. Some of the same concerns that the Committee found related to the unincorporated area (zoning and land use planning decisions not being made in concert with local area desires, lack of responsiveness, need for self-determination) were also found to relate to the larger municipalities in the County. For example, in a November 1991 election held in Coconut Grove, residents were asked if they would prefer to withdraw, or separate, from the City of Miami if they could be assured that their taxes would not increase and they would receive an equal or better level of service. Seventy-eight percent (78%) of the voters who cast ballots in that election responded that they would prefer to withdraw from the City of Miami. The current deannexation procedure requires that the municipal commission must approve the proposal. The Committee, after extensive discussions, voted in favor of the concept of modifying Section 5.04(B) of the Charter to allow residents of a larger municipalities the right to proceed with a separation/deannexation proposal without requiring the approval of the effected municipality. Further, the Committee voted to recommend that if an area which includes at least 5,000 electors, in a city which has at least 50,000 electors, wishes to go through the process of deannexation/separation (boundary change), the approval of the affected municipal governing body should not be required. Consistent with the Committee's overall recommendation that the entire unincorporated area become incorporated either through annexations by neighboring municpalities or incorporations, any separation/deannexation proposal should provide that the area become a municipality or is included within an existing municipal unit, to prevent it from becoming unincorporated.

This final report is submitted by the Dade County Citizens' Advisory Committee on Countywide Incorporation.



MEMORANDUM

Agenda Item No. 5(g)(2)

TO: Hon. Mayor and Members
Board of County Commissioners

DATE: February 5, 1991

SUBJECT: Resolution creating Citizens' Advisory Committee on county-wide incorporation

FROM: Robert A. Ginsburg
Dade County Attorney

The attached resolution was prepared and placed on the agenda at the request of Commissioner Dusseau and Commissioner Teele.

Robert A. Ginsburg
Dade County Attorney

RAG/rk
Attachment

ATTACHMENT #2

MEMORANDUM

Agenda Item No. [illegible]

Honorable Mayor and Members
Board of County Commissioners

DATE: December 13, 1990

SUBJECT: Incorporation

FROM: Charles Dr[illegible]au
County Commissioner

Recent events in Dade County have caused many neighborhoods to begin to discuss the possibility of incorporation of their particular areas. The citizens of these neighborhoods are to be congratulated for their initiative and concern for their community. Their concerns result from the feeling that the needs of their communities are not being met. As the elected representatives of these communities, we cannot, and should not, ignore either the perception or reality of the inadequacy of County Government in meeting the needs of these communities. We must address this growing discontent in a comprehensive fashion. We must act in a proactive and not a reactive fashion.

Accordingly, I would recommend that the Commission create a committee on incorporation to address this situation. The committee should, among other things, address the following issues:

1) What areas of unincorporated Dade County which are contiguous to, or in some cases surrounded by, existing cities should be annexed by those cities?

2) Should the existing procedures for establishing new cities or annexation which are in the Charter be modified by the electors of Dade County?

3) What would be the impact of incorporating only a portion of unincorporated areas on the area left unincorporated? Should incorporation only be considered if all the unincorporated areas are done at once?

4) Other areas of concern which the members of the Commission or the committee may feel appropriate.

The committee would be charged with holding sufficient public meetings in accessible locations throughout the County and at convenient hours to permit optimal participation by the public. The committee should report back to the Commission with at least preliminary findings, after a full analysis of the issues relating to incorporation within six months after the committee begins its deliberations.

Agenda Item No. 5(a)(1)
2-5-91

RESOLUTION NO. R-1-91

RESOLUTION CREATING CITIZENS' ADVISORY COMMITTEE ON COUNTY-WIDE INCORPORATION; PROVIDING PURPOSES; PROVIDING FOR MEMBERSHIP; PROVIDING FOR TERMINATION AND SUBMISSION OF WRITTEN REPORT; AND PROVIDING FOR PUBLIC HEARINGS

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF DADE COUNTY, FLORIDA:

Section 1. There is hereby created a Dade County Citizens' Advisory Committee on county-wide incorporation consisting of 18 members. Committee members shall be appointed by resolution of the County Commission.

Section 2. The committee is created for the specific purpose of fully analyzing all issues relating to the possible incorporation of various areas of the County. The committee shall hold public hearing throughout the County at convenient times and locations to encourage optimal participation by the public. The committee shall conclude its deliberation by August 1, 1991, and shall submit a written report of its findings, conclusions and recommendations by September 16, 1991.

Section 3. The committee's deliberation should include, but not be limited to, the following:

A. Should the existing Charter provisions relating to municipalities and annexation be changed?

B. Should the current provisions relating to annexation and incorporation procedure be made more specific by ordinance?

C. Should current proposals relating to incorporation be considered only if all unincorporated areas are addressed at once and what would be the impact of incorporating only a portion of the unincorporated areas?

D. What areas, if any, of unincorporated Dade County, which are surrounded by or contiguous to existing municipalities, should be annexed by those municipalities?

E. Would there be any benefit to creating limited municipal service areas within portions of the unincorporated areas?

Section 4. All committee meetings shall comply with the "government in the sunshine" requirements of Chapter 286, Florida Statutes, and all materials received or generated by the committee in carrying out its responsibilities are "public records" pursuant to Chapter 119, Florida Statutes.

Section 5. The County Manager, County Attorney and Clerk of the Board of County Commissioners shall provide appropriate staff support to the committee.

The foregoing resolution was offered by Commissioner , who moved its adoption. The motion was seconded by Commissioner , and upon being put to a vote, the vote was as follows:

Mary Collins
Charles Dusseau
Joseph M. Gersten
Larry Hawkins
Alexander Penelas
Harvey Ruvin
Arthur E. Teele, Jr.
Sherman S. Winn
Stephen P. Clark

The Mayor thereupon declared the resolution duly passed and adopted this 5th day of February, 1991.

DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

MARSHALL ADER, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as to
form and legal sufficiency

MINORITY REPORTS

27720 S. W. 197 Avenue
Homestead, Fl. 33031

February 10, 1992

TO: David Samson
Chairman
Citizens Task Force - Incorporation

I believe the general lack of knowledge on the Committee with regard to the Growth Management Act, The Comprehensive Development Master Plan, Neighborhood Studies and the Urban Development Boundry Line contributed to what I consider to be an incomplete and potentially damaging report.

First, I do not agree that there exists a mandate or demand for the sort of two tier government specified by a majority of the Committee.

Second, I am put off by folks who insist that I will be required to live in some sort of city whether I choose to do so or not, simply so they can express their desire for the so-called two tier government. I am particularly put off when committee members who now live in cities of which they may not be too fond also insist that I must live in a city of their choosing.

It shouldn't be necessary to remind anyone that those of us who live in the unincorporated area moved there because we DIDN'T WANT to live in a city. Who then is this committee to now tell us we didn't know what we wanted and we really need to live in a city.

The yak about two tier government arises from the same complaints that created the city of Key Biscayne and caused wholesale changes in the Commission make-up. ZONING.

If members of past and present County Commissions had made zoning decisions based upon what is best for the community, instead of allowing themselves to be maneuvered by the exigencies of the reelection process the city of Key Biscayne wouldn't exist and all the hype about two tier government wouldn't be.

Judging by zoning decisions of the past year a majority of the Commission still doesn't intend to make those decisions for the good of the whole. That majority also has members who owe their position to the fact past zoning decisions caused an opening for them.

In desperation many have suggested removing the zoning process from the Commission, setting up district zoning boards, forming new cities or now annexations and some sort of giddy incorporation.

I, for one, am all for continuing to vote out of office unfit Commissioners until perhaps some sweet day we'll be blessed with nine members whose interest is something other than self.

I also served on a Charter Review Committee and during the public hearings of that time and this, I heard very few complaints from people in the unincorporated area and perhaps only two who expressed desire to become a city. Yet, now comes this committee and recommends the incorporation of the entire unincorporated area through annexations or the formation of one or more new cities.

Totally ignored was the unreality of dividing the agricultural industry among several or more of the new second tier city governments, each of which could enact its own CDMP and zoning decisions. If there ever was a blueprint for the destruction of that industry, this is it. The Committee members wouldn't even entertain a notion of prohibiting cities outside the U.D.B. They entertain a quaint notion that we can divide the farmland into various municipal units but instruct the present County Commission to retain control of the U.D.B.

The suggestion that we allow annexations to gobble up great chunks of the unincorporated area so as to get rid of what seems to be considered by some an onerous unfixable present government, certainly plays into the hands of local pols.

Our Committee held considerable discussion on the method of incorporating new municipalities which included initiative by local citizens, review by Planning and P.A.B., town meetings, Charter preparation, density requirements and elections. Yet the same committee flat out recommended the creation of one or more municipal units without a word as to whether the people who would be affected would have an opportunity to say no and without regard to State requirements for the incorporation of cities.

The majority expressed sympathy for the residents of Coconut Grove by suggesting there should be a sort of de-incorporation or secession procedure. Yet, in effect, they suggest the incorporation of the unincorporated area without the participation of the citizens.

Bad zoning has been the basic complaint which has generated ninety percent of the furor now and before. Perhaps some of that can be mitigated by the suggestion that the Z.A.B. be composed of members only from the unincorporated area. It is well to note in this regard that probably seventy-five percent of the zoning items to be considered are located south of S. W. 40th Street, so perhaps more members of the Z.A.B. should be appointed from the South Dade area. Also, perhaps the residents should have some input as to who those appointees should be.

Commission appointments to Advisory Boards are often as incomprehensible as the zoning decisions. Example, on this Committee there was no one from the agricultural area until I asked Commissioner Wimn to appoint me. Only two of us were appointed from the area south of South Miami and we both had to ask to be appointed.

All of us could hope that this and future Commissions would give more thought and consideration to appointments to boards and committees.

I harbor no illusions that a majority of this Commission will do the one thing necessary to restore faith in County government and that is to create reform to the election process.

For the many years I have observed County government, the process has been fueled by campaign contributions from the development industry and that hasn't changed. While the recent court decision may reduce the verbal lobbying, it will not diminish the influence of those dollar numbers on the campaign contribution list.

Lloyd Miller

January 30, 1992

TO: David Samson, Chair
Dade County Citizens' Advisory Committee on Countywide Incorporation

FROM: Aileen

RE: Final Report, a minority viewpoint

Our committee's final report emphasizes, as have several others in past years, that "something" be done to extend the concept of two-tier metropolitan government (which applies to citizens who reside in our municipalities) to residents in the unincorporated area.

I strongly agree with the thrust of this committee's final report: that Dade County's two-tier metropolitan form of government should be fully implemented. However, I have sufficient reservations to several specific recommendations in the final report to prompt my expression of a minority viewpoint of which the committee is cognizant.

Extension of two-tier metropolitan government

Issues of local concern (which are dealt with by city, town or village councils), are, for the majority of Dade's citizens who live in the unincorporated area, arbitrated and legislated by the County Commission. I believe, along with other committee members, that this results in a disservice to all citizens for such local issues divert the attention of the County Commission from matters of metropolitan concern.

I support the concept of extending the second (municipal) tier of metropolitan government, but only to the developed portion of the unincorporated area, that area lying within the Urban Development Boundary line. I do not believe it is practical to consider municipalizing the entire unincorporated area. The area beyond the UDB is sparsely developed; the major portion is the Everglades; and much of it is under the control of the federal and state governments.

This means that under the committee's over-all proposal for extending the two-tier concept, that the County Commission would retain some residual zoning responsibilities beyond the UDB, but it is in these marginal areas that I believe the County Commission can best blend the interfaces of localized zoning with the broader countywide planning issues.

PETER N. WEINER
ATTORNEY AT LAW
3041 N.W. 7th STREET
SUITE 100-B
MIAMI, FLORIDA 33125

TELEPHONE (305) 541-2506

FAX (305) 649-3507

Feb. 12, 1992

. Martha Lide
unty Manager's Office
tro-Dade County
th Floor
1 N.W. 1 Street
ami, Fla. 33128

: Report on Incorporation

ar Ms. Lide:

As a member of the Countywide Committee on corporation, I believe that the final report voted on by e Committee on Feb. 5, 1992 is a consensus of the various mbers after an arduous 12 months of meetings, hearings and bates.

However, I personally have some concerns regarding veral of the recommendations of the Committee and would ke to take this opportunity to voice those concerns. though I voted with the majority of the Committee on proval of the final form of the report, I believe that rtain recommendations are not in the best interests of the tizens of the County.

Specifically, I believe the concept of regional zoning ards is an illegal delegation of authority from our duly lected County Commissioners and would create a parochial and ort-sighted attitude if implemented. In addition, elected egional zoning boards would worsen rather than improve what he Committee perceived as a major problem in the current ystem.

In addition, I would encourage the incorporation of self-sufficient" and autonomous communities such as ventura, Sunny Isles, California Club and other similar eighborhoods if the parameters outlined in the report are et. I endorse the concept of creating a second tier of overnment for the unincorporated area as the Committee ndicated.

I would hope that the Mayor and Commission will take the pportunity to review the report and take the appropriate ction to implement the recommendations as well as consider he above-referenced comments. I appreciate the opportunity f serving on this Committee and want to complement Dave

Samson as Chairman of the Committee for keeping the Committee on task during this arduous process. All members of the group deserve credit for the endless hours spent in hearings, meetings and discussions. I would also like to thank the staff, especially Martha Lide and Allan Bly, for their input and direction.

The document to be presented to the Mayor and Commission on Feb. 18, 1992 reflects the input of citizens from throughout Dade County. I highly endorse the conclusions and recommendations with the exceptions of regional zoning boards. I look forward to my involvement in future decisions affecting this process.

Very truly yours,

Peter N. Weiner

COMMITTE MEMBERS

David Samson, Chair
Shelly Gassner, Vice-Chair
Peter Weiner, Vice-Chair
Gary Bagliebter
Edward Blanco
Jerry Brooks
Mary Collins
Pan Courtelis
Maurice Ferre
Mayor Robert Ingram
Aileen Lotz
Albert Maloof
Clark Merrill
Lloyd Miller
Scott Mittleman
Brian Pariser
Patricia Rogers-Libert
Rube Steiner

COMPARISON OF PROPERTY TAXES
FISCAL YEAR 1991-92 ADOPTED MILLAGES
BASED ON A HOME ASSESSED AT $126,000 WITH A $26,000 HOMESTEAD EXEMPTION

TYPE OF TAX LEVY	"UMSA CITY"	MIAMI	MIAMI BEACH	CORAL GABLES	HIALEAH	MIAMI SHORES	SOUTH MIAMI	OPA-LOCKA	HIALEAH GARDENS
COUNTYWIDE	$736.80	736.80	736.80	736.80	736.80	736.80	736.80	736.80	736.80
FIRE DISTRICT	$226.10	0.00	0.00	0.00	0.00	226.10	226.10	226.10	226.10
LIBRARY DISTRICT	$36.10	36.10	36.10	36.10	0.00	0.00	36.10	0.00	36.10
ENV. LANDS (2 YEAR TAX)	$76.00	76.00	76.00	76.00	76.00	76.00	76.00	76.00	76.00
PUBLIC SCHOOLS	$868.30	868.30	868.30	868.30	868.30	868.30	868.30	868.30	868.30
MUNICIPAL OPERATING	$236.00	869.96	874.30	406.20	727.20	799.00	641.10	810.00	600.00
MUNICIPAL DEBT SERVICE	$0.00	233.08	220.00	16.00	0.00	0.00	0.00	30.00	0.00
WATER MGT. DISTRICT	$64.70	64.70	64.70	64.70	64.70	64.70	64.70	64.70	64.70
F.I.N.D.	$6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30
COUNTY DEBT SERVICE	$116.00	116.00	116.00	116.00	116.00	116.00	116.00	116.00	116.00
SCHOOL DEBT SERVICE	$42.10	42.10	42.10	42.10	42.10	42.10	42.10	42.10	42.10
TOTAL PROPERTY TAXES	$2,308.40	$3,126.33	$3,126.80	$2,366.80	$2,624.40	$2,924.30	$2,801.60 (158.60)* $2,643.00	$3,074.90	$2,780.40

* THIS DEDUCTION REPRESENTS THE PROPERTY TAX SUPPORT FOR WASTE COLLECTION WHICH IS A SEPARATE FEE IN OTHER MUNICIPALITIES

PROPERTY TAX NUMBERS EXCLUDE FEES AND SPECIAL ASSESSMENTS WHICH MAY APPEAR ON THE TAX BILL

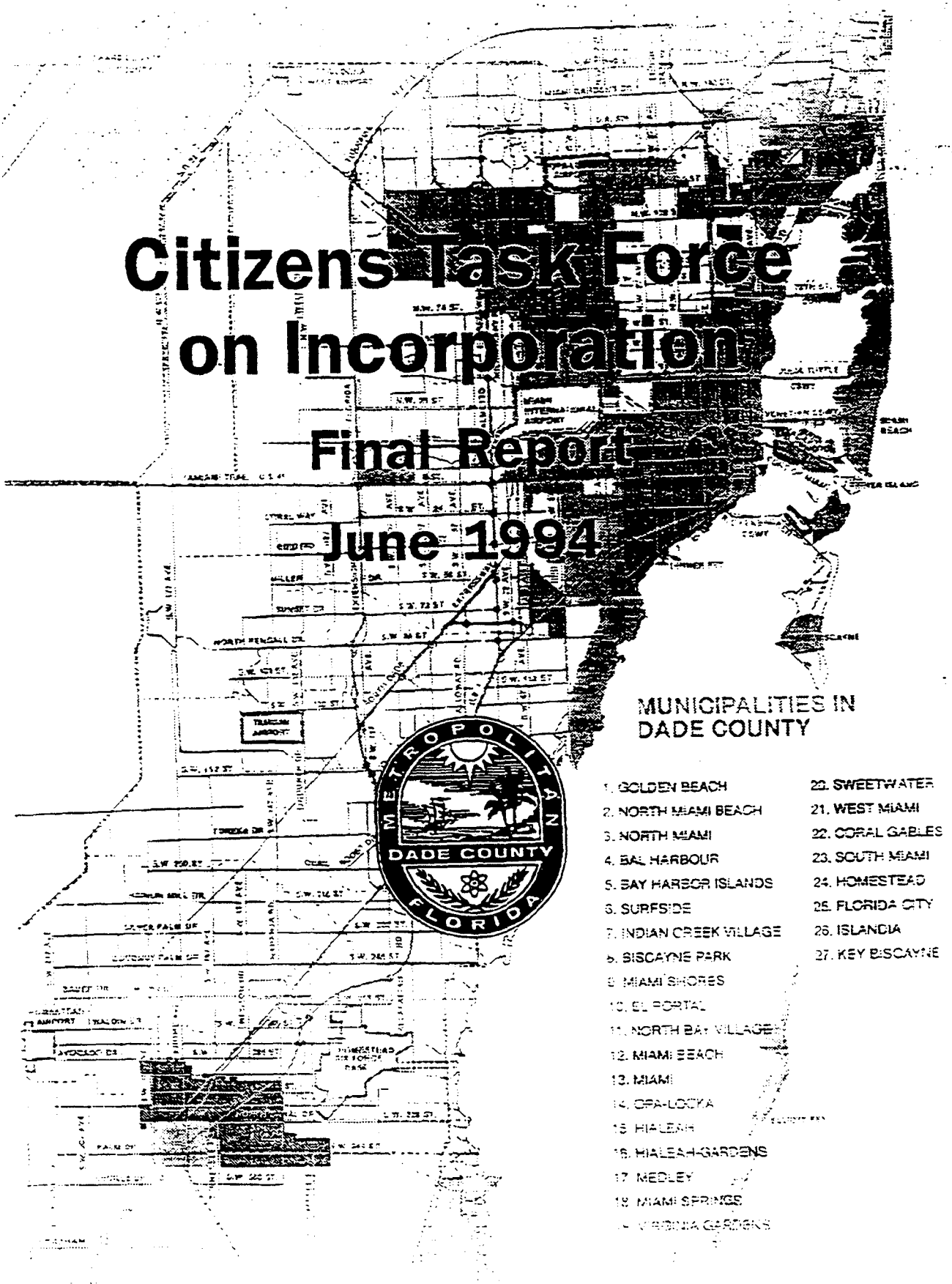
ATTACHMENT

Appendix V

Citizens Task Force on Incorporation

Final Report

June 1994



MUNICIPALITIES IN DADE COUNTY

1. GOLDEN BEACH
2. NORTH MIAMI BEACH
3. NORTH MIAMI
4. BAL HARBOUR
5. BAY HARBOR ISLANDS
6. SURFSIDE
7. INDIAN CREEK VILLAGE
8. BISCAYNE PARK
9. MIAMI SHORES
10. EL PORTAL
11. NORTH BAY VILLAGE
12. MIAMI BEACH
13. MIAMI
14. OPA-LOCKA
15. HIALEAH
16. HIALEAH GARDENS
17. MEDLEY
18. MIAMI SPRINGS
19. VIRGINIA GARDENS
20. SWEETWATER
21. WEST MIAMI
22. CORAL GABLES
23. SOUTH MIAMI
24. HOMESTEAD
25. FLORIDA CITY
26. ISLANDIA
27. KEY BISCAYNE

SUMMARY OF PRIMARY RECOMMENDATIONS

The Citizens Task Force on Incorporation makes the following recommendations to the Board of County Commissioners on municipal incorporation, annexation and deannexation – the issues to which it was asked to direct its primary attention. The full text of these recommendations are found in the indicated locations. Recommendations on other matters are also contained in the report.

- Establish true two-tier government through municipal incorporation and annexation on a voluntary case-by-case basis, not by a mandatory countywide approach, and allow these actions only within the Urban Development Boundary of the County's Comprehensive Development Master Plan. (Page 2, Recommendations 1 and 2; Page 5, Recommendation 12)
- Adopt proposed ordinance specifying a procedure for incorporation and prepare an easily understood guide for both incorporation and annexation. (Page 3, Recommendation 5; Page 5, Recommendation 14, Page 9, Paragraphs 9 and 10, Appendix)
- Establish local advisory councils as first steps toward incorporation. (Page 4, Recommendation 9)
- Amend annexation procedures to include an application review schedule and the issues that should be addressed in application review and recommendation and request legal review of requirement for property owner approval . (Page 10, Paragraphs 3, 4 and 5)
- Prohibit the creation of new unincorporated enclaves through annexation and encourage the elimination of existing enclaves by requiring bordering cities to indicate why they have not included such areas as part of newly proposed annexations. (Page 10, Paragraph 8 and 10)
- Do not deny incorporations or annexations because of fiscal impact and disparity concerns; address these issues in the future in other ways. (Page 8, Recommendation 14; Page 9, Paragraph 3)
- Provide to municipalities at time of incorporation and annexation the ability to collect traditional municipal revenues such as franchise and utility fees and cigarette tax. (Page 10, Paragraph 6)
- Size incorporations and annexations to result in municipalities that are efficient, effective and diverse. (Page 6, Recommendation 3 & 4)
- Amend the Charter to eliminate the requirement for approval by a city before a deannnexation can occur. (Page 4, Recommendation 11)
- Continually reexamine the division of responsibility between the two tiers of government to improve the ability of Metro and existing and newly incorporated municipalities to function more efficiently and effectively. (Pages 7 and 8, Recommendations 9, 10, and 11)

BACKGROUND

The Citizens Task Force on Incorporation was created in July 1993 by the Board of County Commissioners in response to its concerns about pending incorporation and annexation requests and the fiscal impacts of its actions on these requests. The Commission directed the Task Force, by means of Ordinance 93-78, to:

1. Review the 1992 report of the Dade County Citizens' Advisory Committee on Countywide Incorporation and make recommendations based on that report,
2. Study the 1978 report entitled A Review of Two-tier Government in Miami/Dade County prepared by Touche Ross and Company, and
3. Develop an overall Countywide plan, in consultation with the Planning Advisory Board, for annexation and the creation of municipalities with specific attention devoted to the municipal annexation of enclave areas.

The Commission requested that the Task Force make its recommendations with respect to Activities 1 and 3 by February 28, 1994 and Activity 2 by September 30, 1994. The Task Force divided its work into two phases corresponding to the prescribed schedule. An interim report covering the first phase was delivered to the Board of County Commissioners on March 15, 1994. The Task Force completed the second phase of work and adopted this final report covering both phases on May 25, 1994.

The Task Force held its first meeting on December 6, 1993. It has met 19 times. Pursuant to the Commission's directive, the Task Force also held a joint meeting with the Planning Advisory Board to review the Task Force's interim recommendations.

RECOMMENDATIONS ON REPORT OF THE CITIZENS' ADVISORY COMMITTEE ON COUNTYWIDE INCORPORATION

The first of the activities assigned to the Citizens Task Force on Incorporation was to review and make recommendations on the final report of the previous Dade County Citizens' Advisory Committee on Countywide Incorporation. That committee was created in February 1991 by the Board of County Commissioners to fully analyze all issues related to the possible incorporation and annexation of various areas of the County. After conducting nine public hearings and holding 27 meetings, the Committee completed its report in February 1992. At that time the County Commission took no action to implement the report. Subsequently, two of the Committee's recommendations (Nos. 12 and 13) were defeated in an election initiated through a citizens' petition. The current County Commission created this Task Force to accomplish the objective of the recommended Boundaries Commission (No. 7).

As requested, the Citizens Task Force directed its attention to the recommendations of the Citizens' Advisory Committee, as stated in the executive summary of its report. The Task Force's response to each recommendation of the previous committee are as follows:

Citizens' Advisory Committee on Countywide Incorporation Recommendation	Citizens Task Force on Incorporation Recommendation
1. The Committee believes the lower, or second, tier of our government must be fully established in order to improve local decision making processes in the unincorporated area.	1. The Task Force concurs that two-tier government should be established in Dade County.
2. In order to complete the second tier of government, we recommend the entire unincorporated area be incorporated through annexations by neighboring municipalities and through the creation of one or more municipalities, provided however that the County Commission retains control and authority over the location of the Urban Development Boundary line as a countywide function.	2. The Task Force agrees that a two tier system of government is needed to improve the local decision making process and the provision of services in the unincorporated area. However, incorporation should be on a voluntary, case-by-case, informed decision basis; not on a mandatory, countywide approach. The Task Force concurs that incorporations and annexations should only occur within the Urban Development Boundary depicted within the County's Comprehensive Development Master Plan.
3. We recommend that the County Commission require that County appointed boards dealing exclusively with unincorporated issues include only unincorporated area residents.	3. The Task Force accepts this recommendation
4. We recommend that the Board of County Commissioners adopt an ordinance requiring that all future local government sales tax revenue received on the basis of the unincorporated area population be allocated to the unincorporated area budget.	4. The Task Force recommends that the Board of County Commissioners adopt an ordinance requiring that all revenue sources generated from the Unincorporated Municipal Service Area be separately allocated and treated as a municipal area budget and that those revenue sources not be pledged or used to meet countywide obligations.

Citizens' Advisory Committee on Countywide Incorporation Recommendation	Citizens Task Force on Incorporation Recommendation
5. We recommend that Section 5.05 of the Dade County Charter be amended to clarify the steps of the incorporation process, and that an ordinance for processing incorporation proposals be adopted.	5. This Task Force does not recommend a change in the Dade County Charter language regarding incorporation. However, it believes it is of paramount importance that the County Code be amended to include a step-by-step process for incorporation. To this end, the Task Force has drafted an ordinance setting forth such a process (see Attachment).
6. We recommend that a full analysis be conducted of the implications related to repayment of bonded indebtedness and allocation of utility and franchise fees collected from an annexed area or newly incorporated area.	6. The Task Force agreed that this recommendation be tied to the previous recommendation regarding revenue sources and that repayment of bonded indebtedness and allocation of utility and franchise fees go with the area annexed or incorporated.
7. We recommend that a "Boundaries Commission" be created to develop an overall plan for annexations and for the creation of municipalities. In addition, the Boundaries Commission should conduct a review of the enclave areas.	7. The Task Force assumes the responsibility given it to work as a boundaries commission to develop an overall plan for annexation and for the creation of municipalities and in these regards to work with the Planning Advisory Board.
8. We recommend, as part of the first phase of modifying our local unincorporated area government, that the County Commission, effective March 1992, conduct separate commission meetings and public budget hearing processes for countywide and unincorporated area concerns.	8. The Task Force concurs that the Board of County Commissioners should hold separate meetings and budget hearings for countywide and unincorporated area matters.

Citizens' Advisory Committee on Countywide Incorporation Recommendation	Citizens Task Force on Incorporation Recommendation
9. We recommend, as a preliminary step in the creation of new municipalities that elected "Municipal Matters Advisory Councils" be created.	9. The Task Force believes that Municipal Matters Advisory Councils which are established through a petition process and are representative of the area may be created as a first step in an incorporation process.
10. We recommend that on zoning matters the County Commission and Zoning Appeals Board hold meetings in various areas of the county where there is a zoning issue concern, in order to increase citizen access to local government.	10. The Task Force recognizes the problems that exist with zoning hearings in local areas, but does not believe that meetings by the County Commission and Zoning Appeals Board in local areas are practical.
11. We recommend that Section 5.04(B) of the Charter be modified such that residents of larger municipalities would not need the approval of the municipal governing body in order to proceed with a deannexation or separation proposal. The Committee further recommends that the municipality's approval should not be required for an area which includes at least 5,000 electors in a city which has at least 50,000 electors.	11. The Task Force agrees that the Charter should be modified so that areas within municipalities would not need the approval of the municipal governing body to proceed with a deannexation or separation proposal.

Citizens' Advisory Committee on Countywide Incorporation Recommendation	Citizens Task Force on Incorporation Recommendation
12. Consistent with the Committees' overall recommendation that the entire unincorporated area become incorporated through annexations by neighboring municipalities or incorporation, any separation/ deannexation proposal should provide that the proposed area must be incorporated into its own municipality or must be included in another municipal unit at the time of separation/deannexation to prevent the creation of an unincorporated area.	12. The Task Force, consistent with recommendations it has made, does not support this recommendation.
13. We recommend that the County Commission create regional zoning boards to bring zoning decisions closer to the smaller communities of interest in the unincorporated area.	13. The Task Force opposes this recommendation.
14. We recommend that the County develop a brochure on the function and operations of County government and a document/procedures manual that would explain the step-by-step process for annexations, incorporations and separations/ deannexations. It is recommended that the document/procedures manual be written in layman's language and by produced by July 1992.	14. This Task Force concurs with this recommendation and suggests such a brochure be developed after the Board of County Commissioners has acted on the Task Force's proposed incorporation procedural ordinance (See Attachment) in order that the most current and complete information may be contained in such a document.

RECOMMENDATIONS ON TOUCHE ROSS REPORT

The Board of County Commissioners requested the Task Force to review the report entitled A Review of Two-tier Government in Miami/Dade County that was prepared by Touche Ross and Company at the request of the City of Miami. This report reviewed and appraised the effectiveness of two-tier metropolitan government structure in Dade County as it existed in 1978. Several of the topics covered are relevant to today's issues of incorporation and annexation. The Task Force's response to each of the Touche Ross recommendations are as follows:

Touche Ross Recommendation	Citizens Task Force On Incorporation Recommendation
CHAPTER II. MIAMI/DADE COUNTY: BACKGROUND TO REFORM	
1. That the County Charter be amended to require that formal review of government in Miami/Dade County be undertaken every five to ten years.	1. Section 8.08 of County Charter provides for review of Charter (i.e. framework for County government) every 5 years. The Task Force has no recommendation.
CHAPTER II. STRUCTURE	
2. That a true two-tier form of metropolitan government be adopted for Miami/Dade County in place of the status quo.	2. Task Force concurs but believes the incorporations and annexations leading to full two-tier government should be voluntary.
CHAPTER IV. LOWER-TIER RESTRUCTURING	
3. That Dade County be composed of a strong central core city surrounded by a group of ten (10) economically viable cities whose populations are in the order of 100,000 - 150,000 persons each.	3. Task Force does not concur. It believes that incorporations and annexations should result in municipalities that are of sizes that render them efficient, effective and diverse.
4. That a local boundaries commission be created to review the situation and recommend a two-tier structure based on the above criterion and taking the following points as guidelines: • The core city should have a population ranging from 25 to 30 percent of the County total; • The remaining lower-tier cities should have a base population of between 100,000 and 150,000;	4. See Recommendation 3 above.

Touche Ross Recommendation	Citizens Task Force On Incorporation Recommendation
• The analysis should take into account projected growth trends for population both in numbers and geographic location; • The per capita assessment of the lower tier units should not vary be more than 50 percent; and • The analysis should take into account existing communities and historical ties to enhance the political feasibility of restructuring.	
CHAPTER V. REPRESENTATION	
5. That the Dade County Commission be enlarged.	5. The Task Force makes no recommendation. This issue is not directly related to incorporation and annexation.
6. That the mayor of each city shall be elected as both mayor of his jurisdiction and representative to the Metropolitan Dade County Commission.	6. See Recommendation 5 above.
7. That two further representatives to the Metropolitan Commission be elected on an at-large basis within the City of Miami.	7. See Recommendation 5 above.
8. That the existing Commission be expanded from 8 to 13 members plus the Mayor.	8. See Recommendation 5 above.
CHAPTER VI. THE ALLOCATION OF SERVICES BETWEEN THE UPPER AND LOWER TIERS	
9. That the upper tier should perform upper-tier functions and shared functions but it should not perform lower-tier functions.	9. The Task Force recommends that the division of responsibility between the two tiers of government in Dade County should be continually re-examined with the intent of improving the ability of Metro and existing and newly incorporated municipalities to function more efficiently and effectively.

Touche Ross Recommendation	Citizens Task Force On Incorporation Recommendation
10. That all lower-tier municipalities should perform similar lower-tier functions and shared functions.	10. See Recommendation 9 above.
11. That municipal functions between the local area municipalities and the regional metropolitan government be allocated according to the model presented in this report.	11. See Recommendation 9 above.
CHAPTER VII. MUNICIPAL REVENUE	
12. That the millage cap be eliminated.	12. The Task Force does not concur.
13. That the Dade County Charter be amended so as to prevent the County from taxing properties within municipalities for services which are of no real and substantial benefit to the persons and properties within the municipalities.	13. The Task Force believes that in the present context this issue is no longer relevant.
14. That an assessment pool be created in Dade County of all non-residential assessment and this assessment pool should be redistributed on the basis described in this report.	14. The Task Force recommended it be dealt with at another time as part of continuing consideration of fiscal disparity.
15. That the Dade County delegation to the state legislature be urged to introduce a proposal which would alter the population factor calculation used in the apportionment of state revenue sharing.	15. The Task Force has no recommendation.

OVERALL PLAN FOR INCORPORATION AND ANNEXATION

The Task Force addressed each of the processes it was asked to examine; incorporation, annexation and enclave elimination. However, it felt compelled to also address the County Commission's concern about fiscal impact.

Fiscal Impact

The impact of incorporation of new cities, and to some extent annexation to existing cities, on the financial resources of the unincorporated area was perhaps the primary concern of the Board of County Commissioners that led to the creation of the Task Force. In recognition of this, considerable discussion was devoted to the topic.

The Task Force believes fiscal disparity is a legitimate concern for all of the people of Dade County which at some point in the future should be carefully and thoughtfully addressed by Dade County.

In the meantime, fiscal disparity should not be the basis for denying the application of any area to incorporate because:

1. Many areas already enjoy the benefit of municipal government and denying the right to those remaining in UMSA would be unfair.
2. Any negative fiscal impact on UMSA caused by the loss of certain tax base areas may be addressed in other ways which would fairly allocate the cost of sharing with all areas of Dade County whether incorporated or not.

Incorporation

Dade County lacks a clear, step-by-step procedure to guide its incorporation process. It is the only County in Florida that is exempt from the State Statutes governing this activity. The following section of the County Charter are the only statutory provisions governing the process.

> **Section 5.05 CREATION OF NEW MUNICIPALITIES.**
>
> The Board of County Commissioners and only the Board may authorize the creation of new municipalities in the unincorporated areas of the county after hearing the recommendations of the Planning Advisory Board, after a public hearing, and after an affirmative vote of a majority of the electors voting and residing within the proposed boundaries. The Board of County Commissioners shall appoint a charter commission, consisting of five electors residing within the proposed boundaries, who shall propose a charter to be submitted to the electors in the manner provided in Section 5.03. The new municipality shall have all the powers and rights granted to or not withheld from municipalities by this Charter and the constitution and general laws of the State of Florida.

A 1962 County Attorney Opinion has provided some additional guidance.

In the absence of a clear procedure, each of the three requests for incorporation that have been completed since the adoption of the Charter have been processed differently. This Task Force, as have previous ones (see Citizens' Advisory Committee on Countywide Incorporation Recommendation 5), believes it is important that a clear step-by-step procedure be provided to guide this basic means of fully implementing two tier government.

The Task Force has drafted a proposed ordinance that would add a section to the County Code, similar to the one currently covering municipal boundary changes. Within the context of the Charter provisions, the Task Force's objectives were that the proposed ordinance be clear, concise and informative about the incorporation process to all participants. The resultant proposed ordinance is found in the Appendix to this interim report.

Annexation

The Task Force directed less attention to annexation since there is an existing County Code procedure (Chapter 20, Municipal Boundary Changes) that seems to be working reasonably well. However, the Task Force believes some of the same approaches it recommends for the incorporation process should be included in the current annexation procedures. Its specific recommendations are:

1. Provide for the establishment of a schedule for the review and action on an annexation request at the time of its first consideration by the Board of County Commissioners. (Sec. 20-5)
2. Request the County Attorney to review for legal sufficiency the requirement for approval of a majority of owners of property for completion of annexation (Sec. 20-9a) this is probably illegal according to case law. However, presentations of petitions of owners of property as evidence of support of annexation should be encouraged.
3. Include a listing of the information and issues that the Planning Department, Planning Advisory Board and Board of County Commissioners shall consider in their review and recommendation of a request for annexation. (Sec. 20-6 and 7).
4. Eliminate mandatory retention by the County of electric franchise revenue, utility taxes and cigarette tax revenues (Sec. 20-8.1, 8.2 and 8.3), unless it can be demonstrated on a case-by-case basis that these revenue sources are properly pledged to a specific bonded indebtedness.

The Task Force was asked to give specific attention to the annexation of enclave areas – those relatively small unincorporated areas that are surrounded on all sides by municipalities such that they cannot be efficiently serviced by the County and effectively function as a city. As a result, the Task Force recommends:

1. Adjacent municipalities should be encouraged to annex enclave areas. The Task Force found that enclave areas exist in several places in Dade County. Sometimes residents and property owners in these areas have been excluded by the surrounding city from enjoying the benefits of higher levels of services available within its boundaries. Oftentimes the isolation of these areas renders the provision of services to them by the County inefficient. In conjunction with annexation applications, municipalities that border such enclave areas should indicated why they have not included such areas within the proposed annexation application. However, the elimination of enclave areas through annexation should continue to be voluntary on the part of the area electors.
2. The current requirement for approval of a majority of the electors for the elimination of an enclave area should be retained.
3. No new enclave areas should be allowed to be created, except for areas of Countywide significance or regional benefit such as seaport, airport, or regional parks.

Deannexation

The Task Force has discussed the issue of deannexation or separation of areas from existing municipalities. It believes there should be a ready ability for the electors of some areas to detach themselves from a city.

APPENDIX

PROPOSED ORDINANCE ON

INCORPORATION PROCEDURE

Agenda Item No.

ORDINANCE NO. _____

ORDINANCE RELATING TO INCORPORATION, PROVIDING PROCEDURES FOR FILING AND REVIEW OF REQUEST FOR INCORPORATION; PROVIDING FOR APPOINTMENT OF CHARTER COMMISSION; CREATING ARTICLE II, SECTIONS 20-20 THROUGH 20-24 OF THE CODE OF METROPOLITAN DADE COUNTY; PROVIDING SEVERABILITY, INCLUSION IN THE CODE, AND AN EFFECTIVE DATE

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF DADE COUNTY, FLORIDA:

Section 1. Article II, Sections 20-20 through 20-24 are hereby created as follows:

Article II Incorporation Procedure

Sec. 20-20. Request for incorporation initiated by individual or group.

(A) Area residents may file a request for incorporation with the Clerk of the Board of County Commissioners.

(1) The request shall include the following information about the proposed municipality:

(a) legal description and map of area boundaries,

(b) statement of the reason for seeking incorporation,

(c) financial ability of a proposed municipality to generate tax revenue sufficient to provide municipal services.

(2) The request shall also include any straw ballot results, petitions or resolutions indicating support for incorporation by area electors, area property owners, and closest existing municipalities.

(3) Payment of a review fee pursuant to a schedule established by administrative order shall accompany a request for incorporation.

(B) The Clerk of the Board of County Commissioners shall upon receipt of a request for incorporation transmit a copy to the Planning Department for determination of completeness and recommendation to County Manager regarding overall schedule for consideration of request.

Sec. 20-21. Initial consideration of request for proposed incorporation.

(A) The Clerk of the Board of County Commissioners shall schedule for public hearing the proposed request for incorporation at a regular meeting of the Board of County Commissioners.

(B) The Clerk shall advertise in a daily newspaper of general circulation that a request for incorporation has been received and shall include in the advertisement the following information:

(1) map of the area proposed for incorporation,

(2) date of hearing for initial consideration by the Board of County Commissioners,

(3) contact persons or departments where additional information may be provided.

(C) The Board of County Commissioners at its initial public hearing for considering a request for incorporation shall:

(1) Establish an overall schedule for consideration of the request, after receiving the County Manager's recommendation on such matter.

(2) Refer the request to the Planning Advisory Board for its review and recommendations.

Sec. 20-22. Planning Advisory Board's consideration of request for incorporation.

(A) The Planning Director, prior to transmittal to the Planning Advisory Board, shall request the Budget Director and the directors of all other applicable County departments to review and comment on the incorporation request with respect to their areas of expertise and responsibility.

(B) The Planning Director, upon receipt of recommendations of other departments, shall prepare a report on the request containing the following information:

(1) summary of request,

(2) socio-economic profile of area,

(3) development profile of area, and

(4) other information outlined in Section 20-23(B)(1).

(C) The Planning Advisory Board, upon receipt of a request and appropriate County department staff review and recommendation, shall:

(1) Conduct a properly advertised public hearing within the area proposed for incorporation.

(2) Require additional information from appropriate County departments as needed.

(3) Make written recommendations with respect to the request which shall include the following:

(a) an analysis of the issues outlined in Section 20-23(B)

(b) other considerations deemed relevant by the Board

(D) The Planning Advisory Board shall forward the request and its recommendations together with staff review and recommendation to the County Manager's office for its review and recommendation. The County Manager shall

transmit the request as well as the recommendations of the Planning Advisory Board and County Manager to the Clerk of the Board of County Commissioners.

(E) The Clerk of the Board of County Commissioners, upon receipt of the recommendations by the Planning Advisory Board and County Manager, shall set the matter of such proposed incorporation for public hearing at a regular meeting of the County Commission and cause notice of such public hearing to be published in a daily newspaper of general circulation in Dade County at least once not less than one week prior to the date of such public hearing. Notice of such public hearing shall be furnished to all property owners within the area and within 600 feet thereof.

Sec. 20-23. Board of County Commissioners for consideration of proposed incorporation request.

(A) The Board of County Commissioners shall hold a public hearing on the request for incorporation which shall be conducted as follows:

(1) Persons requesting incorporation shall make a presentation outlining the merits of their request.

(2) The County Commission shall consider and review the recommendations of the Planning Advisory Board and the County Manager.

(3) The County Commission shall hear from any other interested persons.

(B) At the conclusion of the public hearing the Board of County Commissioners, in determining the appropriateness of a request for incorporation, shall consider:

(1) The appropriateness of the proposed boundaries to provide for a municipal community of interest that is both cohesive and inclusive,

(2) Evidence of support of area residents and property owners sufficient to warrant costs of balloting of electors,

(3) Sufficiency of information on existing and proposed muncipal-level services and costs to average property owner and/or homeowner and on possible alternatives to incorporation,

(4) Consistency with the Dade County Comprehensive Development Master Plan of the development proposed by the new municipality,

(5) The impact of the proposal on the revenue base of the unincorporated area, and

(6) Potential revenue sources and facilities to be made available to the proposed municipality upon incorporation.

(C) The Board of County Commissioners shall at the conclusion of the public hearing take one of the following actions:

(1) Approve the request for incorporation designating the boundaries of the proposed municipality and calling for the election of the area electors on the incorporation request.

(2) Approve on a modified basis the incorporation request designating the boundaries of the proposed municipality and calling for the election of the area electors on the incorporation request as modified.

(3) Deny the proposed incorporation request or,

(4) Defer such request for further consideration by the Board of County Commissioners, the County Manager or the Planning Advisory Board.

Sec. 20-24. Appointment of Charter Commission.

Upon the affirmative vote approving incorporation by a majority of electors voting and residing in the proposed boundaries, in an election conducted pursuant to Section 20-23(C)(1) or (2), the Board of County Commissioners shall appoint a Charter Commission consisting of five electors residing in the proposed boundaries who shall propose a charter be submitted to the electors

in the manner provided in Section 5.03 of the Dade County Home Rule Charter.

Section 2. If any section, subsection, sentence, clause or provision of this ordinance is held invalid, the remainder of this ordinance shall not be affected by such invalidity.

Section 3. It is the intention of the Board of County Commissioners, and it is hereby ordained that the provisions of this ordinance shall become and be made a part of the Code of Metropolitan Dade County, Florida. The sections of this ordinance may be renumbered or relettered to accomplish such intention, and the word "ordinance" may be changed to "section," "article," or other appropriate word.

Section 4. This ordinance shall become effective ten (10) days after the date of enactment.

PASSED AND ADOPTED:

Approved by County Attorney as
to form and legal sufficiency. _____

Prepared by: _____

Appendix VI

MEMORANDUM

TO: Joaquin G. Aviño, P.E., P.L.S.
County Manager

DATE: November 4, 1994

FROM: Guillermo E. Olmedillo, Director
Planning Department

SUBJECT: Issues Related to Incorporation

Background

At your request, the Planning Department has prepared this summary of the issues of incorporation. Included are discussions of: 1) the current interest in incorporation; 2) the impact of proposed incorporations on the remainder of the unincorporated area; and 3) alternatives for addressing the issues of incorporation. This discussion is also applicable in some ways to annexations, which are in effect small-scale incorporations.

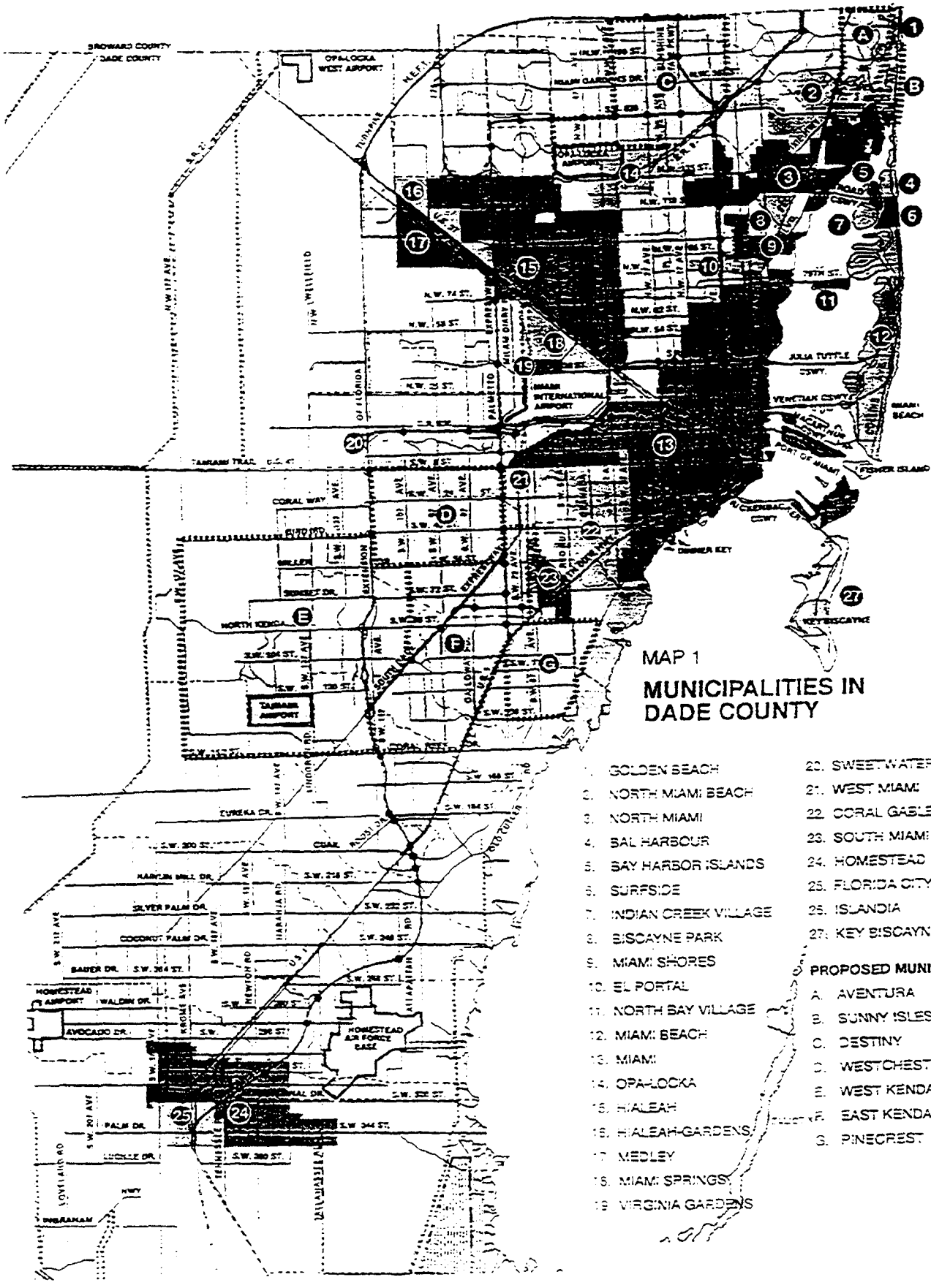
The information presented in this report was derived from the Planning Department's involvement with previous incorporation requests, participation with the ongoing incorporation feasibility studies and familiarity with the work of the several special study committees that have considered these issues in the past.

Interest in Incorporation

The incorporation of new municipalities was specifically provided for in the County's Home Rule Charter adopted in 1957. The State Legislature recognized that Dade was establishing a new form of metropolitan governance and permitted the County to establish incorporation and annexation procedures free from the State's provisions which were, and continue to be, rural-oriented and exempt from County overview as to areawide issues. Dade's resulting Charter provision (Sec. 5.05) is succinct. It has been elaborated on by a County Attorney Memorandum Opinion (68-151) but perhaps is in need of County Code refinement in view of the current heightened interest in the incorporation process.

Widespread interest by unincorporated areas in becoming or joining a municipality through incorporation or annexation is relatively recent. During the first thirty-five years of its existence, Metro-Dade received three requests for incorporation. One was denied (New City in North Dade) because of strong community opposition and two island communities were approved (Islandia and Key Biscayne) after a showing of support. Similarly, few residents have sought to become part of adjacent cities. In the last twenty years areas encompassing a total of less than one

CURRENT AND PROPOSED MUNICIPALITIES



MAP 1

MUNICIPALITIES IN DADE COUNTY

1. GOLDEN BEACH
2. NORTH MIAMI BEACH
3. NORTH MIAMI
4. BAL HARBOUR
5. BAY HARBOR ISLANDS
6. SURFSIDE
7. INDIAN CREEK VILLAGE
8. BISCAYNE PARK
9. MIAMI SHORES
10. EL PORTAL
11. NORTH BAY VILLAGE
12. MIAMI BEACH
13. MIAMI
14. OPA-LOCKA
15. HIALEAH
16. HIALEAH GARDENS
17. MEDLEY
18. MIAMI SPRINGS
19. VIRGINIA GARDENS
20. SWEETWATER
21. WEST MIAMI
22. CORAL GABLES
23. SOUTH MIAMI
24. HOMESTEAD
25. FLORIDA CITY
26. ISLANDIA
27. KEY BISCAYNE

PROPOSED MUNICIPALITIES

A. AVENTURA
B. SUNNY ISLES
C. DESTINY
D. WESTCHESTER
E. WEST KENDALL
F. EAST KENDALL
G. PINECREST

hundred owner-occupied homes have sought to be annexed; virtually all annexation requests have been for vacant land.

Since 1993, requests for consideration of incorporation have been received from seven areas -- Aventura/Biscayne, Sunny Isles, Destiny, Westchester, East Kendall, West Kendall and Pinecrest (see Map 1). These areas comprise 84 square miles and encompass a population of 418,855. In response to these requests the Commission requested that incorporation feasibility studies be prepared for these areas. These studies, conducted by the Planning Department and the Planning Advisory Board, are either underway, or in the case of Aventura/Biscayne, completed.

In the ongoing incorporation feasibility studies, study steering committees have been established for each of the areas. The committees are chaired by a PAB member and include community residents and County staff representatives. One public meeting has been held in the areas of active study with the exception of Sunny Isles which has not been active during the last year at the request of that steering committee. At this meeting, the study process was described, a demographic profile and preliminary current revenue and expenditure information provided. The meeting also provided an opportunity for residents to indicate their desires and concerns about their area. Based on final fiscal data and information from residents received at the hearing, the steering committees will next select alternative incorporation scenarios for which revenue and expenditure estimates will be provided. The preliminary feasibility report, including alternatives to incorporation, will be presented to the residents in a second public meeting that are expected to be held in January/February. The final report will be made available to the area residents and sent to the County Commission.

An informal survey taken during the course of previous and ongoing feasibility studies, while not directly asking opinions about incorporation, gives an indication of residents' concerns about their areas that may underlie incorporation interests. The survey is being used to identify the desires of the communities for purposes of defining alternatives for which feasibility analyses will be prepared.

This survey data is still being analyzed but Table 1 reports some preliminary findings. Enhanced police services ranks highest in terms of items that residents would like to see greatly improved. Concern with responsive government, however, ranks nearly as high as enhanced police service. The desire for closer government and for greater government accountability closely follow. Great interest was also expressed in reducing property taxes. Again, the high level of concern with improving government does not necessarily reflect a correspondingly high endorsement of incorporation as a means of achieving that improvement.

Since 1993, there has also been an increase in interest in annexation. Some of this interest is from residents seeking better services, other is from areas that do not want to be part of the proposed incorporation areas.

Table 1
Community Concerns Expressed In Incorporation Feasibility Studies[1]

Rank Ordered by Percent Scoring of 949 Responses

Responding Item Needs "Great Improvement"	%
Police Services	67
Government Responsiveness	66
Local Government Office	56
Government Accountability, all functions	56
Government Accountability, zoning and land use	54
Code Enforcement	45
Fire/Rescue	40
Public Works	36
Parks	33
Library	28
Responding Costs should Be "Reduced"	**%**
Property Taxes	61
Other Costs	52

Note: Missing data are excluded from the analysis.
[1]The data is responses from a survey distributed in Aventura, Destiny, East Kendall, West Kendall, Pinecrest and Westchester.

Impacts of Incorporation

The impacts that incorporation can have on the remainder of the unincorporated area are as follows:

- Fiscal disparity

  Most of the areas presently and potentially seeking to incorporate are "donor" areas that generate revenues that are greater than the expenditures for services directly received. Because the remainder of the revenues paid by these areas go for service benefits that are directly received in other areas, and only indirectly received by the "donor" areas, the loss of such revenue sources will affect the ability to deliver needed service levels to the remaining "receiver" areas (see later full discussion of issue).

- Economy of scale in service delivery

  The creation of smaller units of municipal governance through incorporation can lead to less efficient service delivery through duplication and increased unit costs that are associated with multiple, smaller sized operations. For example, the unincorporated area and 21 cities have found that the Fire and Rescue District, the largest municipal service provider in the County, is a less expensive means of providing these municipal-type services. The same economies of scale are found with the Library District. To reduce the size of the remaining unincorporated area through incorporation into smaller areas could result in diseconomies to the remaining area, as well as to new municipalities which sought to provide their own services.

- Social diversity/unity

  The creation of largely socially-homogeneous municipalities could affect the balance between diversity and unity sought by this unique multi-cultural metropolitan community. Newly formed communities tend to encompass like populations that can become increasingly inward focused. The County's newest municipality, Key Biscayne, recently gave consideration to establishing its own school district.

- Physical Configuration

  In addition to the economic and social parameters described above, suitable physical size, shape and developmental composition of proper communities are at issue. In the majority of the areas proposing incorporation, different configurations have been requested by residents in or adjacent to the area. Delineating suitable boundaries of incorporations, and consequently the remaining unincorporated communities, is a significant consideration.

- Areawide perspective

  The implementation of full two-tier government in Dade through the increase of additional independent cities will at some point require enhancing the ability of the County to carry out its areawide responsibilities. While the Commission has thus far been able to balance its municipal and areawide functions, new means of County-wide planning and implementation will be required with increased incorporation into independent local governments. For example, the location and operation of areawide facilities should not be held hostage by the "not in my back yard" reaction that often prevails in local community planning and zoning.

With the exception of the last, the above issues are principally those associated with the lower-tier governance. However, collectively these issues hold critical significance for the entire Dade County community. Numerous studies have found that the local economy is hampered in metropolitan areas with widespread disparity in fiscal and social conditions. Urbanologist Neal Pierce

identifies greater Miami as an emerging internationally significant metropolis. He emphasizes that all such "citistates" must successfully address the above described issues if they are to retain or achieve their full economic potential. Recently, Dade County has experienced first-hand the inseparability of municipal police protection and the area's tourist economy.

Issue of Fiscal Resource Disparity

On several occasions, the County Commission has rightly identified fiscal resource disparity -- the unequal distribution of municipal government fiscal resources -- as the paramount issue with respect to incorporation. The following discussion focuses on this priority concern and its implications.

Measurement of Fiscal Resource Disparity

The taxable value of property (total ad valorem assessment, less exemptions) is often used as a key indicator of local government fiscal resources. Within Dade County in Fiscal Year 1994-95 this source accounts for approximately 46 percent of the revenue for municipal-level services in the unincorporated area. It is of like importance to most cities. Municipal-level services funded by this source include police, fire, emergency rescue, parks and recreation, libraries, planning, public works, and general government. Areawide services provided by the County are not included in this analysis since they are not impacted by incorporation.

The distribution of property tax resources then is an important aspect of fiscal disparity. Because areas with above average taxable value tend to have above average utility usage, the ad valorem property tax base is also a good proxy for the utility tax base which accounts for an additional 21 percent of the revenue of unincorporated area municipal-level services.

Property tax resources can be compared in two ways: 1) in terms of the taxable value per capita, and 2) in terms of the taxable value per square mile. The per capita measure dimensions taxable value of property in relation to the resident population, irrespective of population density. It is, however, generally more costly to serve the same population in a large geographic area than in a small one. The per capita measure also does not take into account the service needs of the non-resident population, which includes tourists and day time work force. The per square mile measure, which associates the tax base with the full array of services needed to serve a developmentally diverse area serving resident and non-resident populations, is a better indicator of fiscal impact for this analysis and was so selected.

Table 2

Selected Characteristics of Existing and Proposed Municipalities

City/Unincorporated Area	Persons Per Sq. Mile	Property Tax Value Per Sq. Mile (000)	Total Municipal Service Operating Millage
Bal Harbor	10,177	$2,480,647	5.444
Bay Harbor Islands	11,845	638,473	7.231
Biscayne Park	5,103	119,208	10.447
Coral Gables	3,479	369,883	5.482
El Portal	6,133	94,145	10.427
Florida City	1,636	37,379	9.880
Golden Beach	2,015	521,943	11.485
Hialeah	10,413	218,627	8.323
Hialeah Grdns	3,931	126,792	10.747
Homestead	1,615	37,396	11.429
Indian Creek	110	230,738	12.707
Islandia	2	54	10.343
Key Biscayne	6,344	1,244,230	4.444
Medley	246	137,375	11.719
Miami	10,244	301,714	9.943
Miami Beach	13,536	771,679	7.486
Miami Shores	4,050	135,620	11.064
Miami Springs	4,586	173,457	9.456
North Bay Village	18,833	727,227	7.859
North Miami	5,981	132,737	9.916
North Miami Beach	7,138	195,208	10.304
Opa-Locka	3,539	86,171	12.204
South Miami	4,525	233,687	9.214
Surfside	8,526	688,242	8.007
Sweetwater	17,601	226,776	5.587
Virgina Gardens	7,353	242,927	6.177
West Miami	8,204	214,980	10.242
City Average	6,562	384,715	9.169
Urban Unincorporated Area	3,510	110,000	5.065
Proposed Cities*			
Aventura/Biscayne	7,326	$966,319	5.065
Destiny	5,328	102,044	5.065
East Kendall	4,183	191,901	5.065
West Kendall	4,940	141,799	5.065
Pinecrest	2,113	158,887	5.065
Sunny Isles	11,772	984,537	5.065
Westchester	6,966	166,442	5.065

*Operating millage as current unincorporated area.

Sources: Metro-Dade County, 1994-95 Budget; Metro-Dade County, 1994 Tax Assessment Roll. Planning Department Calculations; U.S. Bureau of the Census, 1990 Census of Population, Summary Tape File 3.

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Conditions of Fiscal Resource Disparity in Dade County

The unincorporated urban area (UUA), the 288 square mile proportion of the unincorporated area designated for urban development in the County's Comprehensive Development Master Plan, was selected as the analysis area. This is the area most likely to be requested for incorporation or annexation and that area recommended by the last two Commission-appointed study committees to which these two actions should be confined.

The UUA current mean (average) taxable value is $110 million per square mile. This is well below the value for most of Dade's cities (Table 2). It should be noted that the services funding capability of the UUA tax base is lessened by the higher per capita costs associated with servicing the comparatively wider dispersal (lower density) of the population of this area.

In order to examine the geographic distribution of this key fiscal resource, the value of each UUA section (square mile) as a percentage of the UUA mean was calculated. These values are depicted on Map 2 and readily show existing tax value disparities within the UUA.

The lowest taxable value areas, colored orange and red, are concentrated in the yet-to-be-developed urban fringes, in the low-intensity development area of far South Dade and in the inner city communities in North Dade. The Brownsville/Model Cities area, with its low taxable values and high urban service needs, epitomizes the problem of fiscal resource disparity within the UUA area.

Higher taxable value properties, colored yellow and green, are concentrated in the largely fully developed areas in Northeast, Northwest and Central Dade. At the section level, little intermixing is found of lower and higher taxable valued areas.

The tax-exempt sections containing public institutions and parks are colored light blue.

Impact of Incorporation and Annexation on Fiscal Resources Within the Unincorporated Area

The collective impact of the seven currently proposed incorporations on the current operating budget for each of the County's municipal service districts was determined. These service districts include: 1) the Unincorporated Municipal Services Area (UMSA), which provides the unincorporated area with police, parks and recreation, planning, local roadways and general government services; 2) the Fire Rescue Services District, which encompasses the unincorporated area and 21 cities; and, 3) the Library Services District which serves the unincorporated area and 19 cities. The fiscal impact on the remaining unincorporated area resulting from these incorporations was calculated in two ways.

fisimp9

Table 3
Potential Fiscal Impact of Proposed Incorporations
on County Municipal Service Districts

	Revenue Reduction	Expenditure Reduction	Net Fiscal Impact on Remaining Area	Percent of Property Tax Base Withdrawn
UMSA *				
Pinecrest	$6,015,400	$5,636,200	($379,200)	
Aventura/Biscayne	8,152,000	2,105,667	(6,046,333)	
East Kendall	25,033,100	17,110,800	(7,922,300)	
Sunny Isles	6,058,000	2,862,287	(3,195,713)	
West Kendall	35,435,600	21,642,400	(13,793,200)	
Westchester	15,275,700	10,490,000	(4,785,700)	
Destiny	11,978,700	15,409,500	3,430,800	
Total	$107,948,500	$75,256,854	($32,691,646)	-40.1%
Fire Rescue District				
Pinecrest	$2,648,900	$1,773,900	($875,000)	
Aventura/Biscayne	4,438,000	3,620,000	(818,000)	
East Kendall	8,414,700	6,208,600	(2,206,100)	
Sunny Isles	1,812,000	3,835,000	2,023,000	
West Kendall	9,715,200	9,082,300	(632,900)	
Westchester	4,371,400	3,122,100	(1,249,300)	
Destiny	2,959,700	4,150,900	1,191,200	
Total	$34,359,900	$31,792,800	($2,567,100)	-33.5%
Library District				
Pinecrest	$377,900	$320,900	($57,000)	
Aventura/Biscayne	665,000	314,000	(351,000)	
East Kendall	1,200,600	1,717,900	517,300	
Sunny Isles	271,000	238,000	(33,000)	
West Kendall	1,386,200	3,169,800	1,783,600	
Westchester	623,700	1,713,600	1,089,900	
Destiny	422,300	1,447,400	1,025,100	
Total	$4,946,700	$8,921,600	$3,974,900	-24.0%

* Does not include any reduction of the County's portion of State revenue sharing which would remain unchanged under State law.

First, the percent reduction in the value of the property tax base was determined. The seven proposed incorporation areas were found to encompass 40 percent of the taxable value of property in the UMSA, 34 percent of the Fire Rescue Service District and 24 percent of the Library Service District.

Second, the potential net fiscal impact that would result from the loss of revenues and expenditures in these areas was calculated. If these proposed incorporations were approved and cities providing all of their own municipal services were established and corresponding adjustments to County revenues and expenditures were made, significant funding additions above the estimated current millage property tax and other revenues available for two of the municipal service districts would be required to provide operating revenues sufficient to maintain the current levels of services operating expenditures for the remaining portions of these districts (Table 3). The potential net effect would be a loss of $32,691,646 for UMSA and $2,567,100 for the Fire Rescue District. It is estimated that the remaining portion of the Library District would have a surplus of $3,974,900 because the service operating costs associated with the proposed incorporation areas decline more than would the revenues. This is due in part to the method used in estimating the expenditures.

To maintain the current level of services expenditures in the remaining portions of the two negatively impacted service districts -- UMSA and Fire and Rescue -- would require additional funding from existing or unidentified new source(s).

If, hypothetically, in addition to the seven currently proposed incorporations, all of the remaining portions of the UUA with above-average taxable values (the remaining yellow or green areas on Map 2) were to incorporate, the fiscal impact would be significantly greater. These potential incorporations would account for an additional 40 percent reduction of the current UMSA tax base, an additional 33 percent to the Fire Rescue District tax base, and an additional 24 percent to the current Library District tax base. To maintain current service levels in the remaining portions of these municipal service districts would again require significant additional revenues.

Alternatives For Two-Tier Government Enhancement

Several approaches could be used to address the above described possible reasons for incorporation that would each have varying impacts on the remainder of the unincorporated area. Since these approaches include non-incorporation alternatives, they are best described as two-tier government enhancements classified as incorporation of municipalities, creation of special purpose municipal units, increase of resources and use of other means. These enhancement alternatives are described and evaluated below and are summarized on Table 4.

Incorporation of Municipalities

Several forms of incorporation might be used. These are the formation of municipalities that are 1) fully empowered in a manner that are either unlimited or limited by policy standards that seek to reduce the adverse impacts on the remaining unincorporated area, and 2) partially empowered cities that are constrained by policy in a manner that will reduce these adverse impacts. These incorporation alternatives could be applied in increments or concurrently for the entire unincorporated area.

- Unlimited, Full Function Cities

  In the present absence of adopted policies, the current requests for incorporation of fully empowered municipalities can be considered on a case by case basis. Without policies for dealing with adverse impacts, the outcome would likely be the incorporation of most of the "donor" areas resulting in a fairly high degree of satisfaction of the area residents desires for more closely controlled governance and services. On the other hand, their goal for cheaper government, in all probability, will not be met. Virtually all of the potential impacts on the remaining unincorporated areas -- economic social and physical -- will be negative if incremental incorporations proceed on an unlimited basis.

- Fiscally Balanced, Full Function Cities

  In response to a concern for fiscal disparity, incorporations could be limited to those which have a fiscal impact that does not significantly reduce the current mean taxable value of the UUA. This approach can be accomplished by only incorporating areas that encompass some balance of higher and lower taxable value areas.

  Under this approach, only a few major municipalities or a larger number of very small municipalities could be incorporated. The adoption of the maintenance of taxable value approach could have a beneficial effect on the desires prompting incorporation to the extent that some smaller units of municipal governance could occur. On the other hand, the larger the units of incorporation, the greater the potential for maintenance of economies of scale in the creation of new cities. A variation of this approach for addressing fiscal disparity could be to retain some of the revenue resources that might otherwise go to newly incorporated areas (see Revenue Constrained Cities discussion).

- Physically and Socially Viable, Full Function Cities

  The size, shape, boundaries and composition of municipalities can affect their viability. Studies have determined that cities of 100,000 to 150,000 population are the most efficient and those comprised of functional neighborhood units are the most effective. A balanced cross section of residential housing styles, commercial shopping and office

and industrial employment opportunities offer the best quality of life. When possible, communities should have appropriate and identifiable boundaries. The boundaries should provide for a resident population that is both cohesive and inclusive. These parameters could be developed and applied to the incorporation process.

The fully empowered municipalities that would be the products of this approach would likely provide satisfaction levels to residents that are lower than those formulated under the unlimited approach but about equal with those formed under fiscally balanced limitations. However, such incorporations would do little to overcome fiscal disparity concerns.

- Services Constrained, Contract Cities

The creation of partially empowered "contract" cities that are constrained in their powers only in the requirement that they must purchase municipal level services from the County would retain the present economy of scale provided by Metro-Dade. This approach, the so-called Lakewood (California) Plan has been proposed for local use on several occasions. This alternative would extend the current voluntary use by the unincorporated area and most cities of the large-scale County Fire Rescue and Libraries district to a mandatory use by new incorporations of County municipal level services. Such cities could have the option of buying higher than standard levels of such services, but must obtain them from the County.

This alternative would meet most of the needs of area residents while maintaining efficiency with economies of scale in the new cities and the remaining unincorporated area.

- Revenue Constrained Cities

An additional means of maintaining fiscal balance would be to retain for use in the remaining unincorporated areas some of the revenue sources that might otherwise be expended to be available to newly incorporating municipalities, creating partially-empowered cities. Such sources could include the Florida Power and Light Franchise fee, the utility tax and possibly portions of the property tax base. The first two of these sources are currently retained by the County in the case of annexations (County Code Sec. 20-8.1 thru 20-8.2).

This alternative would meet the expressed desires of area residents for more effective services and responsive governance but would likely increase the costs of being city residents. This approach could appreciably reduce the adverse fiscal effects of the incorporation of donor areas on the remaining unincorporated area.

Special Purpose Units

An alternative to the incorporation of full-function municipalities is that of establishing special or limited purpose municipal units. As recommended by the 1982 Dade County Charter Review Commission, these quasi cities would have the following characteristics:

- be governed by an elected body;
- have decision-making authority over zoning issues, subject to appeal by the Planning Director in the event of violations of the County Comprehensive Plan;
- be precluded from providing directly any service currently being provided by the County;
- be authorized to purchase a higher level of service from the County if additional taxes are levied.

Additionally, the units might also:

- have authority to recommend establishment of special tax districts, capital improvements and the location of local facilities;
- have decision-making authority over County funds currently being expended in the area;
- decide other local issues currently being decided by the Board of County Commissioners

This approach could be structured to be supportive of most of the desires currently stimulating incorporation as well as most of the concerns about the adverse impacts of incorporations.

Resource Enhancements

Another set of non-incorporation alternatives that have the potential for either meeting the desires of proposed incorporation area residents or alleviating some of the adverse impacts of incorporation are revenue resource enhancements that could be utilized in conjunction with, or in lieu of, incorporation approaches. These measures may be applied in conjunction with the more comprehensive alternatives previously described.

- Efficiency Increases

  An ever present means of enhancing service levels is through improved efficiency -- reducing their per unit cost. The County Commission has requested by resolution that this consideration be thoroughly examined with respect to unincorporated services.

- Special District Taxation

  The more extensive use of special tax districts is another non-incorporation means of responding to the desires of unincorporated area residents for improved services. This means of enhancement is an increasingly popular means of providing additional levels of security guards and a variety of other services.

  This approach of maintaining or enhancing a base level of services, to be augmented as desired by individual areas through special districts, provides the opportunity for the maximum number or residents and property owners in the unincorporated area to obtain both an increased base level and above base level services. This potential would be diminished by the incorporation and annexation of above-average taxable valued areas.

- Unincorporated Area Taxation

  As noted earlier, the significantly lower per square mile tax base, population densities and millage rates of the UUA (Table 2) have limited the service resources available to the residents of this portion of the unincorporated area in comparison with city residents. The service effectiveness concerns of unincorporated area residents could be addressed by providing additional ad valorem tax resources. In many instances, a significant increment of additional services could be purchased by property owners at costs that would be less than the equivalent property tax increases that would be associated with incorporating, or annexing to a city with a municipal services millage rate equal to the average of the cities in Dade County (9.169 mills).

- Areawide Fiscal Disparity Taxation

  The use of a new ad valorem tax, separate from incorporation considerations, has been suggested as a means of addressing fiscal resource disparity. Applicable to all

municipal-level jurisdictions such a tax could be used to supplement the revenue of those entities with substandard fiscal resources.

The application of the concept is best exemplified by the only known use, the tax-base sharing device of the Twin Cities (Minneapolis - St. Paul) Metropolitan Council. Forty percent of the annual increase in taxes from non-residential property in the municipalities and counties of that region is paid into a trust fund. The funds are then distributed among the participating jurisdictions based on population and inverse taxable property value. It is reported that this program has significantly reduced the extremes in taxable value between high tax base and low tax base areas.

This approach makes municipal-level fiscal resources an areawide concern. Such a tax could be enacted only if capacity could be provided within the areawide millage cap by reducing the funding of existing area wide services or by transferring the funding of such functions as fire rescue or libraries to municipal budgets.

Other Enhancements

Two issues of unincorporated areawide governance should be addressed -- bringing municipal level services administration and the zoning decision process closer to unincorporated area residents and strengthening the County's ability to carry out its areawide responsibilities.

- Localized Administration

The use of decentralized administration has been deemed to be an effective means of improving accessibility to and accountability for municipal-level services delivery in the unincorporated area. In the current fiscal year, the County Commission has approved the creation of a new Office of Citizens Assistance and Outreach to improve the communications with responsiveness to citizens who are requesting services or seeking resolution of complaints. The staff for this activity will probably be located in regional offices and will assist the Office of the County Manager in monitoring service responses in these areas.

- Zoning Hearing Examiner

The oft-considered zoning hearing examiner system holds the potential for bringing the zoning process closer to unincorporated area communities if it were to require: 1) the examiners to hold their hearings in the evening out in appropriate sectors of the unincorporated areas, and 2) the County Commission to act only on appeals to the decision of the hearing examiners using only the record of facts and findings established by the examiners.

- Areawide Governance Improvements

  If significantly larger portions of the unincorporated area come under the jurisdiction of incorporated municipalities, the ability of the County to carry out its areawide responsibilities will need to be strengthened. The current unincorporated area is the primary venue of many of Metro's areawide responsibilities -- wetlands retention, wellfield protection, agriculture conservation, airport development, countywide facilities siting and areawide growth management. Most of the previous Metro governance study committees have recognized the need to be guided by some aspects of Countywide plans in the establishment of full two-tier government.

  Better areawide planning and plan implementation would be required to make the County's upper tier governance more effective. Broward County, which is almost entirely incorporated, has established such a mechanism in its County Planning Council. This entity is responsible for preparing the countywide land use plan for adoption by the County Commission. All local governments must then be consistent with the adopted countywide land use plan in the preparation and adoption of their own plans. In this way many of the countywide issues and concerns are provided for.

Conclusions

The presently proposed and future potential incorporations would have significant economic, social and physical impacts on the unincorporated area and the type of cities formed. A number of alternatives are available that will mitigate to varying degrees the concerns that appear to be driving the interest in incorporations and the adverse impacts of those actions. The selection by the Board of County Commissioners of the alternatives they believe to be most appropriate would permit staff to give them more detailed consideration and present the Commission with complete information of the approach, pros and cons, and fiscal and legal dimensions in a timely manner.

Table 4
EVALUATION OF TWO-TIER GOVERNMENT ENHANCEMENT ALTERNATIVES

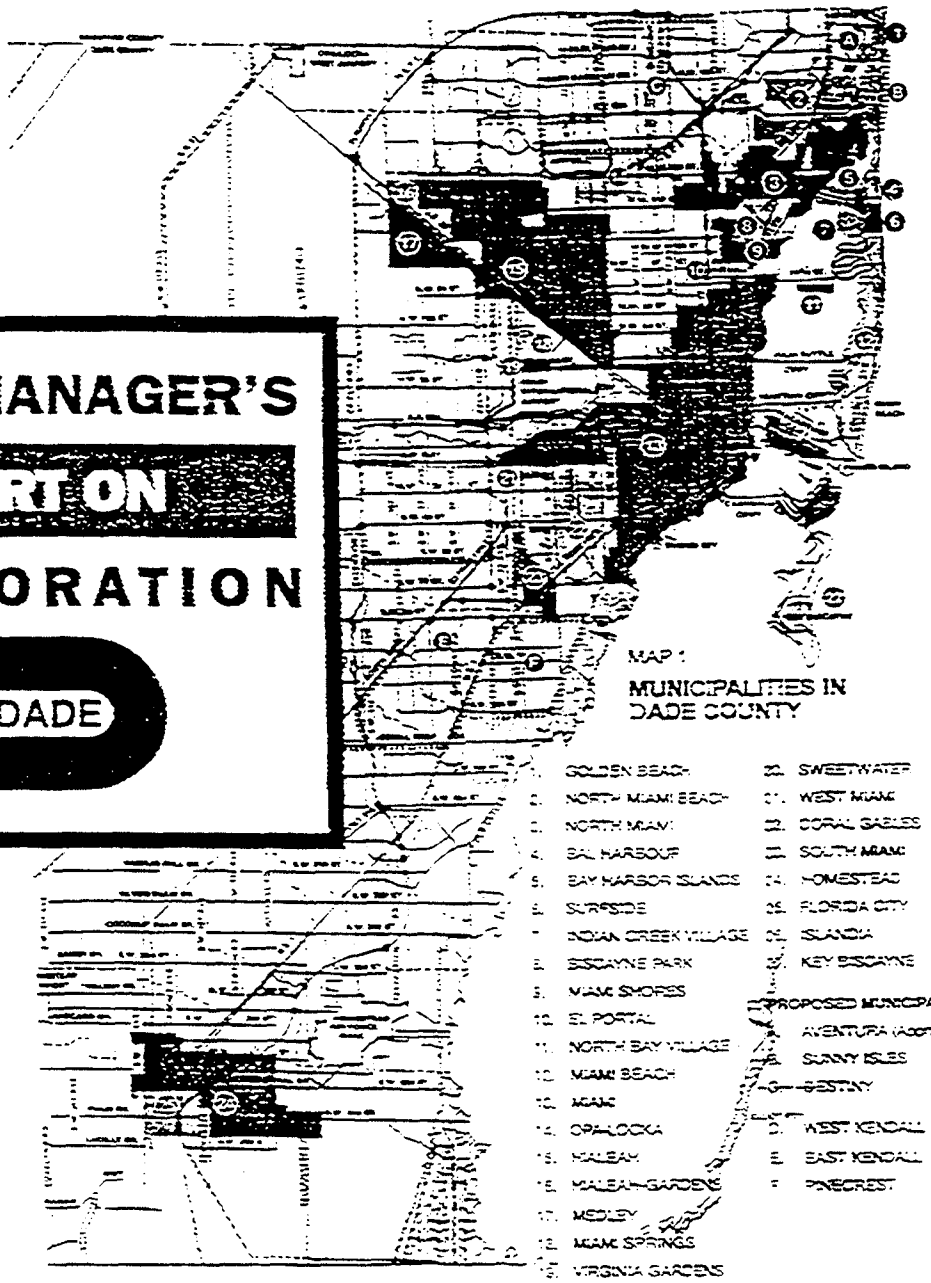
Enhancement Alternatives	Reasons for Enhancement			Impacts of Enhancement			
	Services Effectiveness • local control • increased levels	Government Accessibility/ Responsiveness • local elected officials • local offices	Cost Reduction • cheaper government • costs of alternatives	Fiscal Disparity • matched resources and needs	Services Efficiency • economy of scale	Physically & Socially Functional • suitable configuration • balanced composition	Area-wide Perspective • compatible with areawide functions
Incorporated Municipalities Unlimited, full cities (approved without standards)	Highly supportive	Highly supportive	Somewhat to highly adverse	Highly adverse	Somewhat to highly adverse	Neutral to highly adverse	Somewhat to highly adverse
Limited, full cities (approved in accord with standards) • Fiscally balanced	Somewhat supportive	Somewhat supportive	Neutral to somewhat adverse	Neutral	Neutral to somewhat adverse	Neutral to somewhat adverse	Somewhat adverse
• Physically and socially viable	Somewhat supportive	Somewhat supportive	Neutral to somewhat adverse	Somewhat adverse	Somewhat adverse	Highly supportive	Somewhat adverse
Service constrained cities (purchase services from County)	Highly supportive	Highly supportive	Neutral to somewhat adverse	Somewhat to highly adverse	Neutral	Neutral to highly adverse	Somewhat to highly adverse
Revenue constrained cities (funding sources retained by County)	Somewhat supportive	Highly supportive	Neutral to somewhat adverse	Neutral	Somewhat to highly adverse	Neutral to highly adverse	Somewhat to highly adverse
Special Purpose Units Non-cities with elected boards dealing with local planning, zoning, capital improvements, and purchase of higher levels of services, etc.)	Somewhat to highly supportive	Somewhat supportive	Somewhat adverse	Neutral to somewhat supportive	Neutral	Neutral	Neutral to somewhat adverse

Enhancement Alternatives	Reasons for Enhancement			Impacts of Enhancement			
	Services Effectiveness · local control · increased levels	Government Accessibility/ Responsiveness · local elected officials · local offices	Cost Reduction · cheaper government · costs of alternatives	Fiscal Disparity · matched resources and needs	Services Efficiency · economy of scale	Physically & Socially Functional · suitable configuration · balanced composition	Area-wide Perspective · compatible with areawide functions
Resource Enhancements							
Efficiency Increases (better use of existing revenues)	Somewhat supportive	NA	Somewhat to highly supportive	NA	Somewhat supportive	NA	NA
Special District Taxation (increased revenues)	Somewhat to highly supportive	NA	Somewhat to highly adverse	Somewhat supportive	NA	NA	NA
Unincorporated Taxation (increased revenues)	Somewhat supportive	NA	Somewhat to highly adverse	Somewhat supportive	NA	NA	NA
Area-wide Taxation[1] (balance of fiscal disparities areawide)	Neutral	NA	NA	Somewhat to highly supportive	NA	NA	Somewhat Supportive
Other							
Localized Administration (local assistance offices)	Somewhat supportive	Somewhat to highly supportive	Neutral to Somewhat adverse	NA	Neutral	NA	NA
Zoning Hearing Examiner (localized zoning hearings)	NA	Somewhat supportive	Neutral to somewhat adverse	NA	NA	NA	Neutral
Area Planning Mechanisms	NA	NA	NA	NA	NA	NA	Highly supportive

[1]Difficult to evaluate since would encompass entire County, not just unincorporated area.

COUNTY MANAGER'S REPORT ON INCORPORATION

METRO-DADE



MAP 1
MUNICIPALITIES IN DADE COUNTY

1. GOLDEN BEACH
2. NORTH MIAMI BEACH
3. NORTH MIAMI
4. BAL HARBOUR
5. BAY HARBOR ISLANDS
6. SURFSIDE
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18. MIAMI SPRINGS
19. VIRGINIA GARDENS
20. SWEETWATER
21. WEST MIAMI
22. CORAL GABLES
23. SOUTH MIAMI
24. HOMESTEAD
25. FLORIDA CITY
26. ISLANDIA
27. KEY BISCAYNE

PROPOSED MUNICIPALITIES

A. AVENTURA (ADOPTED)
B. SUNNY ISLES
C. DESTINY
D. WEST KENDALL
E. EAST KENDALL
F. PINECREST

MEMORANDUM

Agenda Item No. 6(a)10

To: Honorable Chairperson and Members
Board of County Commissioners

Date: June 6, 1995

From: Armando Vidal, P.E.
County Manager

Subject: Report on Incorporation Impacts and Alternatives

The subject report and recommendation respond to the requests made at your workshop on incorporation held on November 15, 1994.

INDEX

INTRODUCTION ---------- 1

OBJECTIVE ---------- 4

PARAMETERS ---------- 6

IMPACT ---------- 13

IMPLEMENTATION ---------- 19

CONCLUSION ---------- 24

ATTACHMENT 1 - County Attorney's Legal Report

ATTACHMENT 2 - Ordinance #95-78

ATTACHMENT 3 - FIU Survey Summary

ATTACHMENT 4 - Resource Equity Report

RECOMMENDATION

It is recommended that the Commission adopt a strategy for two-tier government enhancement that combines incremental incorporation with the creation of community councils, both approaches based on adopted criteria: To fully implement this strategy, it is further recommended that the Commission adopt by motion:

1. the recommended implementation strategy for Incremental Incorporations (page 19)
2. the recommended implementation strategy for Total Concurrent Community Councils (page 22) and
3. a policy of continuing to consider incremental incorporations until the community council alternative is fully implemented and then not permitting further incorporations or annexations for three years. This interval would allow the councils to have the opportunity to be fully established and effective before being subject to change.

INTRODUCTION

This report on incorporation impacts and incorporation alternative strategies was prepared at the request of the Board of County Commissioners. After receiving seven petitions for incorporation and/or incorporation feasibility studies, the Commission on November 15, 1994, conducted a workshop on issues related to incorporation, at which staff reported on the impacts of those proposals, and alternatives for two-tier government enhancement. Subsequently, the Commission requested staff:

1. to develop overall strategies for addressing incorporation.
2. to analyze more fully the fiscal and administrative impacts of incorporation and.
3. to review forms of revenue sharing to offset the fiscal disparities resulting from incorporation.

The Commission also asked the Planning Advisory Board (PAB) to complete the ongoing feasibility studies and then make recommendations on each area, including the limitations that should be applied and whether alternatives such as annexation should be used. The PAB recommendations on the several incorporations will be provided following its May 31, 1995, public hearing on the proposed incorporations. The legal aspects of revenue sharing were presented in the County Attorney memo dated December 7, 1994 (see Attachment 1). Lastly, the County contracted with the FIU Institute of Government to conduct a public opinion survey of incorporation interest and issues as well as quality of County services. This memorandum reports on the requested overall strategies, fiscal impacts, revenue sharing approaches, and the results of the FIU survey.

CURRENT STATUS OF INCORPORATION

Interest in incorporation in Dade County has changed. From only three petitions in Metro Dade's first thirty-six years, the number of requests for incorporation or studies of incorporation has grown to six in the last two years (see Map 1). Others are being discussed.

Informal surveys conducted as part of the feasibility studies found that the underlying desires of unincorporated area respondents were, almost equally, for enhanced local government, improved levels of services, and reduced costs of government, (though not necessarily for incorporation). The "right of self determination" is also offered by its proponents as the principal reason for incorporation, as well as its legal rationale. Although there is no constitutional right to be part of a municipality, Dade, as a home rule county, established its own incorporation procedures. The County's charter provides a four step process (Section 5.05) without any approval criteria except for a majority vote by area electors and of the County Commissioners. In the ongoing incorporation activities the lack of detailed procedures and public notification requirements and approval considerations led to considerable confusion. In response, the Commission has recently passed an ordinance that remedies the procedural difficulties (see Attachment 2).

The survey conducted by Florida International University Institute of Government provides a more formal and scientific analysis of the concerns and opinions of unincorporated area residents (see survey summary, Attachment 3.) The results suggest that, although the respondents have heard about the many issues, most, including those in the four areas currently in the incorporation process, are not ready to decide. If they were to vote now, the majority of these respondents would not vote for incorporation. In every area (including the potential incorporation areas) a clear majority believe that more time is needed before a vote on the issue is taken. Clearly, there is a need for the public to better understand incorporation and its alternatives.

ALTERNATIVES ANALYSIS

The County Commission requested that staff develop alternative strategies for enhancing two-tier government in Dade County that would balance the potential advantages of incorporation for the residents and property owners within the designated areas with the possible disadvantages of such action in the remaining urban unincorporated area* and the County as a whole.

ALTERNATIVES

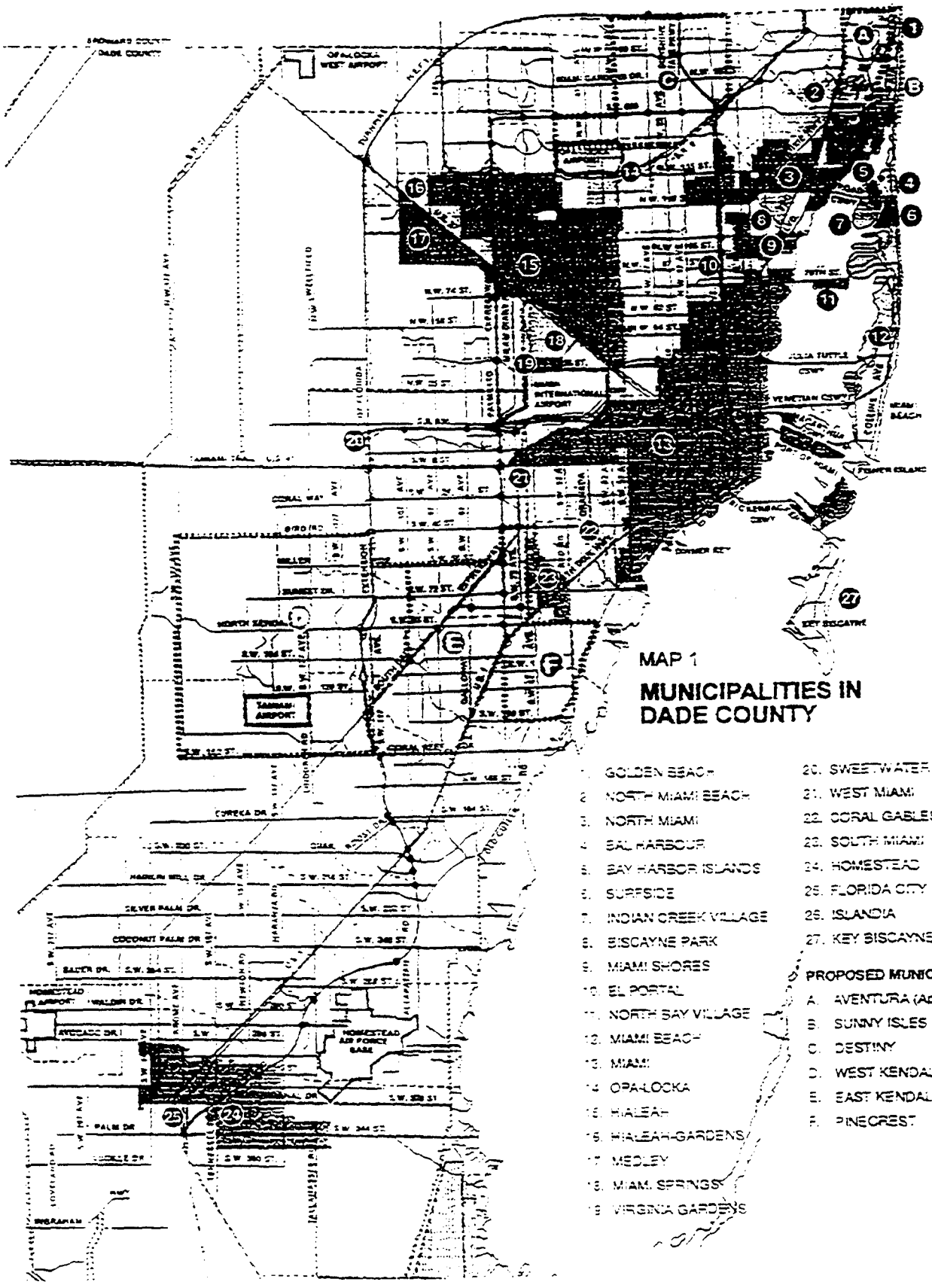
These alternatives are to be considered:

1. Incremental incorporation, into multiple cities, as provided by the recently adopted ordinance
2. Total concurrent incorporation of the unincorporated area into one or more cities
3. Total concurrent establishment of community councils in which elected officials would be delegated key local responsibilities

Consideration of annexation as an alternative to incorporation has also been requested by the Commission. The objective, parameters, impacts and implementation requirements of each of these alternatives are described in the remaining sections of this report.

* The portion of the unincorporated area designated for urban development on the County's comprehensive plan.

CURRENT AND PROPOSED MUNICIPALITIES



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OBJECTIVE

The concept of two-tier government distinguishes between those functions that are local or municipal in character and those that are areawide or metropolitan. Typically the first of these levels of functions is the responsibility of incorporated cities and the latter, that of counties. Arguably, it was the intent of Dade's metropolitan government to maintain this traditional division while strengthening areawide governance. Since the establishment of Metro-Dade, however, there has been a net increase of only one functional city, Key Biscayne, while the population of the urban unincorporated area has almost tripled in size to approximately one million persons. Over this interval numerous study committees examined ways to improve on the area's local governance. These included:

- Dade County Metropolitan Study Commission, 1981
- Dade County Charter Review Commission, 1982
- Citizen's Charter Review Committee on Dade County, 1986
- Dade County Citizens' Advisory Committee on Countywide Incorporation, 1992
- Citizens Task Force on Incorporation, 1994

Incorporation and annexation of the unincorporated area have been the approaches usually advocated by these committees, but others have been suggested.

For the three approaches under review, the city/county functional relationships would be:

Incremental Incorporations - The current city/county responsibilities would continue, except Metro-Dade at some point would and/or should, no longer be providing municipal type services. The County would have to strengthen its ability to effectively plan and implement its areawide responsibilities as larger portions of the metropolitan area came under municipal planning and zoning jurisdictions that are primarily local in perspective. The County would also have to address the issue of areawide emergency response capabilities as well as coordination of local police activities.

Total Concurrent Incorporations - The same city/county division of responsibilities as under Incremental Incorporation would be maintained and the need to strengthen the County's areawide planning and implementation abilities would be certain and immediate, as would the need for developing areawide emergency response and policing activities.

*Community Council** - Current city/county functional responsibilities would continue to apply, except in the unincorporated area. The County's municipal functions would be divided between the elected community councils and the County Commission. As envisioned, the councils would be delegated certain functions such as the ability to:

- Adopt local plans,
- Decide local zoning,
- Decide or recommend priorities for some budget decisions,
- Decide or recommend additional service levels and funding resources,
- Provide for services not available from the County

The County would continue to be the primary municipal services provider in the unincorporated area, and to most cities through its Fire-Rescue and Library Districts.

This approach was initially recommended locally by the 1982 Charter Review Commission. Less formal empowerment of communities are now taking place in local governments in several of the nations cities and counties.

* Findings from the FIU survey have relevance to the potential support for Community Councils [see Attachment 3]. The non-incorporation option that received the most favorable rating by respondents overall was "establishing community-based administrative center." The creation of local zoning boards and the election of unincorporated area commissioners also received favorable responses.

PARAMETERS

There are several aspects that are important in developing the alternatives for two-tier government enhancement*. The following parameters have been determined to be significant in shaping suitable municipal entities.

Resource Equity

The potential fiscal impact of incorporations and annexations on the resource base of the unincorporated area is of concern to the Board of County Commissioners, as the local officials responsible for its continued wellbeing. Responsiveness to this concern means ensuring that the unincorporated area retains the resource potential to provide an adequate level of basic municipal services (police, fire-rescue, public works, parks and recreation, libraries, planning and general government). That involves assuring that fiscal viability is maintained in the unincorporated area and fostered among new and expanded municipalities through an equitable sharing of resources.

Several approaches can be used to determine a resource measurement of viability and equity. One such approach is modeled in Attachment 4.

The most suitable unit of measurement of fiscal viability and equity is the property tax base. The range of per capita property tax base needed to maintain viability and equity should be established and included as criteria with respect to the subject alternatives, especially incorporation and annexation. The ranges recommended by the model are $20,000 to $48,000 per capita. The use of an areawide revenue sharing approach to achieve resource equity is largely outside of the County's municipal level responsibilities and ready ability to accomplish.

Overall, the property tax base of the unincorporated area is distributed in a pattern that would require the creation of municipal jurisdictions with populations in excess of 100,000 to achieve fiscal equity among more than a few new municipalities.

* It should be noted that State statutes (Chapter 125) recognize the importance of shape, population size and density, and location of incorporations and have placed restrictions on these aspects. Among the five proposed incorporations, only West Kendall would be able to become a city under these laws if Dade was still subject to them.

Efficiency of Services

Efficiency of service delivery--the provision of the desired level at the least unit cost--is the objective of the County Commission, and presumably of the elected officials of new cities. Significant economies of scale in the provision of such services can be achieved with appropriately sized jurisdictions. Urban researchers have determined that significant efficiencies in service delivery begin to appear when municipal providers are serving populations of 100,000 or greater.* Economy of scale efficiencies can be made available to smaller jurisdictions through continued participation in the County Fire-Rescue and Library Districts or possibly by contracting with the County as the provider of other services. The findings of the FIU survey suggest that residents of unincorporated Dade, are on the whole, satisfied with Metro Dade services.

Sense of Identity

Even in youthful and dynamic Greater Miami there are areas that have developed an important sense of community that needs to be recognized in any division of the unincorporated area into other lower-tier entities. Most of such areas in unincorporated Dade with ready identity have been marked as U.S. Census Designated Places. Such areas with a historic cohesiveness should not be fragmented by arbitrary jurisdictional boundaries.

Diversity/Inclusiveness

The boundaries of new and expanded municipal entities should be drawn so as to recognize components of Dade's socio-economic diversity. The opportunity should be provided for adjacent ethnic minorities and lower income residents to petition to be included within such areas.

Area Contiguity

The boundaries of municipal-level jurisdictions should be configured to create compact, unified areas amenable to providing effective and efficient service delivery. Where they exist, significant natural and built barriers should serve to delineate jurisdictions into reasonably shaped service areas.

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* Touche Ross & Company, Report on a Review of Two-Tier Government in Miami/Dade County, 1978, p. 52.
Gibson, J.E., Designing The New City, John Wiley & Sons, 1977, pp. 166 & 172.

Community Effectiveness

A city should possess the basic components of a city. The most fundamental of these are a mix of housing, commercial and public facility land uses. Properly configured and proportioned, this mixture will help provide for economic stability and over-all livability. Urban researchers believe that these community livability and effectiveness benefits are optimal in municipalities with populations of from 30,000 to 50,000.*

Size Suitability

There is no single suitable size for a municipal-level jurisdiction. Rather there are several, depending on the primary objective to be achieved. As noted above, if resource equity is paramount then lower-tier jurisdictions of 100,000 to 200,000 persons would be required. If efficiency is most important, then the best population size is over 100,000. If effectiveness is to be emphasized, the range should be 30,000 to 50,000 persons.

Areawide Plan Consistency

In Dade's metropolitan context cities are urban entities and should be established only in areas designated for urbanization. To create municipalities in rural areas would encourage urban sprawl that could jeopardize environmentally sensitive, agricultural and open land areas. The last two citizen advisory committees that addressed issues of incorporation and annexation recommended that those actions be restricted to areas inside of the Urban Development Boundary depicted on the County's Comprehensive Development Master Plan.**

A balance must be maintained between the interests of the two tiers of local government. During his recent visit to Dade County, urbanologist Neal Pierce identified greater Miami as an emerging internationally significant metropolis. He emphasized that as a "citistate" this are must successfully address the above described issues at a community level and must also retain a regional vision to achieve its full economic potential. Recently, Dade County has experienced first-hand the inseparability of municipal police protection and the area's tourist economy.

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* Gibson, J.E., Op. cit., pp. 168-169.

**Dade County Citizens' Advisory Committee on Countywide Incorporation, 1992, Final Report, p. 7

Citizens Task Force on Incorporation, Final Report, 1994, p.2.

The above parameters have the following application to the subject two-tier government enhancement alternatives:

Incremental Incorporations

The County's recently adopted incorporation procedure (Sections 20-20 through 20-24, COMDC) was designed to address incremental petitions. The considerations to be used in recommending and determining the suitability of such petitions address some of the parameters identified above, but in a qualitative rather than quantitative manner. To provide all parties with full understanding of the specific considerations that will be used to evaluate each incorporation request, in response to the County Code section identified, the following should be adopted:

Approval Criterion

Resource Equity [Sec. 20-23(B)(6)]

- Limit the per capita taxable property value of incorporation and annexation areas to assure the fiscal viability of both the unincorporated area and the petitioning jurisdiction, except with respect to the elimination of enclave areas.

or

- Require an in place and functioning revenue sharing device that assures the fiscal viability of both the unincorporated area and the jurisdiction petitioning incorporation or annexation.

Efficiency of Services [Sec. 20-23(B)(6)]

- Encourage continued participation in the County's Fire-Rescue and Library Districts.
- Encourage equitable contracting for other municipal services from the County.

Sense of Identity [Sec. 20-23(B)(1)]

- Encourage retention of integrity of U.S. Census Designated Places.

Diversity/Inclusiveness [Sec. 20-23(B)(1)]

- Require inclusion of adjacent ethnic minority and lower income residents if majority of them so petition.

Area Contiguity [Sec. 20-23(B)(1)]

- Require jurisdictions to be contiguous and contain no enclave areas nor create any between adjacent jurisdictions.
- Encourage use of natural or built barriers as boundaries.

Community Effectiveness [Sec. 20-23(B)(1)]

- Encourage inclusion of a mixture of residential and non-residential land uses.

Areawide Plan Consistency [Sec. 20-23(B)(5)]

- Require the boundaries of municipal jurisdictions to remain inside the Urban Development Boundary depicted on the Land Use Plan map of the County's Comprehensive Development Master Plan.

Size Suitability

- Encourage jurisdictions to have a population no smaller than 50,000 in order to provide a balance between effectiveness and efficiency.

These incorporation parameters should also be applied to annexations. The exception would be the criteria for size suitability, which should be waived to foster expansions of existing cities to increase their economy of scale efficiency.

Concurrent, Total Incorporation

The following should be adopted:

Approval Criterion

Same as for Incremental Incorporations in all categories except:

- Efficiency of Services
  - (Should be eliminated as the County would no longer be providing any municipal services)

Annexations that would eliminate enclaves, municipal discontiguities and illogical boundaries should be encouraged to occur in advance of concurrent incorporations in order to avoid the creation of additional enclave areas that might result if the two processes took place simultaneously. Alternatively, the County Code should be amended to waive the currently required approval of annexation by a majority of the property owners of those areas, keeping only the Charter requirement for approval of a majority of voting electors if there are 250 or more in the area (see Strategy Implementation section).

Total Concurrent Community Councils

The following should be adopted:

APPROVAL CRITERION

Same as for Incremental Incorporations in all categories except:

- Resource Equity
  - (No criteria would be required because the urban unincorporated tax base would remain intact).

- Efficiency of services
  - (No criteria would be required since the County, with its major economies of scale, would remain the provider of municipal services)

- Areawide Plan Consistency
  - Require boundaries of rural community councils to remain outside of the Urban Development Boundary depicted on the County's Comprehensive Development Master Plan.

    (One or more such rural community councils should be established in the Agricultural and Open Land areas outside of the Urban Development Boundary depicted on the Land Use Plan Map of the County's Comprehensive Development Master Plan.)

- Size Suitability
  - Encourage community council areas to have population no smaller than 30,000.

(The use of this parameter will provide a balance between effectiveness and operational costs)

If the Community Council alternative was to be established principally as an interim approach leading to incorporation of these same areas, then the criteria recommended for concurrent, total incorporation should be utilized. To provide for the stability and effectiveness of such councils, they should remain in effect for at least three years before being eligible for incorporation or annexation.

IMPACTS

The two tier enhancement approaches with the incorporation of the above parameters will have a number of impacts -- fiscal and non-fiscal.

Fiscal

The only readily measurable budgetary impacts of incorporation are those posed by the six approved or proposed incorporations, assuming all six areas chose to provide all their municipal services themselves. The impact analysis is based on the estimated revenues from incorporation feasibility studies (revised to show only those revenues the County is likely to lose) and from revised service delivery cost estimates from affected departments on the assumption that these departments will maintain measurable service levels the same as they are now after the six areas incorporate, e.g., fire-rescue response times will still be approximately 4.5 to 5 minutes in the remainder of the Fire District. A more detailed report concerning the potential budget impacts of incorporation on the County will be included as an attachment to this report.

UMSA

Table 1 summarizes the budget and staffing impacts of the proposed incorporation's on the Unincorporated Municipal Service Area (UMSA).

Table 1
Summary of Incorporation Impact on the Unincorporated Area

Revenues	FY 1994-95 Budget UMSA (000)	Estimated Revenue Loss (000)	Net Budget (000)
Property Tax	$84,128	$27,387	$56,741
Sales and Use Taxes	50,020	15,553	34,467
Franchise Fee	20,000	7,549	12,451
Utility Tax	89,500	32,819	56,681
Revenue Sharing+	33,537	0	33,537
Permits & Licenses	4,890	1,716	3,174
Charges, Fines, etc.	35,465	3,132	32,333
Total	$317,540	$88,156	$229,384

Expenditures	Budget (000)	Estimated Service Cut (000)	Estimated Budget Need (000)	Staff Reductions
Police	$234,851	$32,657	$202,194	562
Public Works *	13,017	1,800	11,217	37
Parks	26,783	3,000	23,783	150
Planning	2,708	946	1,762	14
Policy/Gen Gov/ Non-dep+ ++	40,181	6,458	33,723	50
Total	$317,540	$44,861	$272,679	813
Revenue Shortfall			$43,295	
Millage Rate Needed to Make Up Shortfall			1.769	

* Includes waste collection costs/staff of illegal dumping
\+ The County is guaranteed a minimum level of revenue sharing in state law; thus, new cities would split the state's determination of municipal revenue sharing funds for all of Dade's cities.
++ Assumes a reduction of 16 percent for budget and staffing.

Incorporation would have the following impacts on the unincorporated area of the County:

- UMSA would lose approximately $88.2 million of its $317.5 million revenue for FY 1994-95, and approximately $12.4 billion or 33 percent of its tax base
- Expenditures, in order to essentially maintain the same service levels in the remainder of UMSA, can only be reduced by $44.9 million, leading to a revenue short fall of $ 43.3 million

- To make up the revenue shortfall, the County would need to raise millage rates by 76 percent from 2.318 to 4.087, which would generate the $44.8 million necessary to keep services the same
- Approximately 813 positions would be cut from the budget, 562 from police, 37 from public works, 150 from parks, 14 from planning and 50 from general government/policy support.
- In addition it is estimated that 114 positions would be cut from Building and Zoning and 169 from Solid Waste Management.

Should the entire unincorporated area be incorporated, the full UMSA revenue of $317 million (1994-95) would be lost.

Fire District

Table 2 summarizes the potential impact of incorporation on the Fire-Rescue District.

Table 2
Summary of Incorporation Impact on the Fire-Rescue District

Revenue	FY 1994-95 Budget (000)	Estimated Revenue Loss (000)	Net Revenue (000)	
Property Tax	$104,511	$28,402	$76,109	
Other	24,679	2,500	22,179	
Total	$129,190	$30,902	$98,288	
Expenditure	**Budget (000)**	**Estimated Service Cut (000)**	**Estimated Budget Need (000)**	**Staff Reductions**
Fire/Rescue	$129,190	$12,000	$117,190	133
Revenue Shortfall			$18,902	
Millage rate needed for revenue shortfall			0.597	

Incorporation would have the following impacts on the Fire-Rescue District:

- 4 stations closed, 1 downsized and 6 relocated
- 133 positions eliminated
- A drop in the property tax roll of $12.4 billion, 27 percent of the tax base
- An increase in the millage rate from 2.404 to 3.001, a 25 percent increase (If the Fire-District remains part of the 10-mill cap calculation, then whatever increase in Fire millage would cause a decrease in the Library District millage or the countywide millage or both.

Library District

Table 3 summarizes the potential impact of incorporation on the Library District.

Table 3
Summary of Incorporation Impact on the Library District

Revenue	FY 1994-95 Budget (000)	Estimated Revenue Loss (000)	Net Revenue (000)	
Property Tax	$20,814	$4,052	$16,762	
Other	13,980	0	13,980	
Total	$34,794	$4,052	$30,742	
Expenditure	**Budget (000)**	**Estimated Service Cut (000)**	**Estimated Budget Need (000)**	**Staff Reductions**
Library	$34,794	$4,993	$29,801	70
Revenue Surplus			-$941	
Millage rate needed for revenue shortfall			-0.019	

Incorporation would have the following impacts on the Library District:

- Closing of 1 regional and 2 medium size libraries
- Adding 1 small library and expanding 1 medium size library to regional status
- A reduction of 70 full-time equivalent staff
- A loss of $12.4 billion to the Library District tax base, 20 percent of the base
- An decrease of .019 mills or 5.5 percent reduction to maintain services at about the same levels in the District

Non-Fiscal

Some of the non-fiscal impacts of the three alternatives are inherent and uniform with the enhancement approach (i.e., incorporation). Others vary with respect to the specific alternative (i.e., incremental vs. total incorporation). The impacts and their relative extents are shown on Table 4, inclusive of the recommended criteria discussed in the Parameters section.

The extent of impact of Incremental Incorporations on the County will increase with the number of those incorporations and thus will vary in proportion to the number of new cities created. If most of the unincorporated area were to incorporate, or be annexed through the incremental approach, then the total impacts would approach those of the Total Incorporation alternative. The application of the recommended parameters on the currently proposed cities, most of which generate more revenue than they receive back in direct services, could mitigate the potentially significant impacts.

Even with the negative aspects of these three approaches significantly reduced by the application of the recommended parameters, significant differences remain in the impacts of the two principal approaches -- Total Incorporation and Community Councils. (Incremental Incorporations is not a distinctly different approach; its impacts will range between those of the other two approaches, depending on the number of incorporations completed).

Among the identified impact considerations, Community Councils has more favorable ratings than does Total Incorporation (6 vs. 4). In terms of areawide impacts, the Community Councils approach rates much more favorably (5 to 1) and on local impacts the two alternatives rate equal.

Table 4

Impact Analysis Of Alternatives

Consideration	Significance (Local/Area)	Incremental Incorporations	Total Incorporation
Municipal Governance			
Local accessibility, responsiveness and accountability	Local	Incrementally Increased	Fully Increased
Areawide Governance			
Commissions ability to focus on Countywide issues and solutions	Area	Incrementally Increased	Fully Increased
Intergovernmental Cooperation			
Ease of Coordination	Local/Area	Incrementally Diminished	Greatly Diminished
Planning & Zoning Responsiveness			
Ability to satisfy area needs			
Local	Local	Incrementally Increased	Greatly Increased
Areawide	Area	Incrementally Diminished	Greatly Diminished
Community Cohesiveness			
Sense of area identity			
Local	Local	Incrementally Increased	Greatly Increased
Areawide	Area	Incrementally Diminished	Greatly Diminished
Governmental Units			
Number of cities	Area	Incrementally Increased	Significantly Increased
Cost of Government			
Overall expenses of local government	Local/Area	Incrementally Increased	Somewhat Increased

ALTERNATIVES IMPLEMENTATION

The implementation of the three alternatives for improving two-tier governance in the unincorporated area requires different approaches and resources. The following strategies could be used to accomplish each.

INCREMENTAL INCORPORATIONS

Objective

To permit those areas wishing to incorporate to do so on a case by case basis that would minimize adverse impacts on the remaining unincorporated area and, at some point eliminate the municipal functions of the County

Legal requirements

The ordinance recently enacted by the Commission has provided a much needed step by step procedure for the incorporation. The criteria for suitable incorporations presented in the Parameters section of this report need to be included within the ordinance. Also, the Commission should use these criteria in its consideration of the five ongoing proposed incorporations that were exempted from the provisions of the ordinance but still require that rational decisions be made about them.

Commission action

1. Direct staff, and consultant if needed, to detail tax base limitations and areawide revenue sharing approaches to resource equity and to prepare specific legislative proposals for Commission action.
2. Amend incorporation procedure (Section 20-20 through 20-24, COMDC) and to annexation procedure (Section 20-1 through 20-9, COMDC) to include the recommended approval criteria, including the tax base limitations or revenue sharing approach.
3. Apply the adopted criteria to any decisions regarding the ongoing and new incorporation and annexation petitions.

Schedule

The above actions would require five months.

TOTAL CONCURRENT INCORPORATION

Objective

To give all the residents of the urban unincorporated area the opportunity to incorporate concurrently in a manner that would minimize adverse impacts on each area and eliminate all municipal functions of the County.

Legal requirements

There are three implementation methods with differing legislative requirements:

- *Multiple incorporations using concurrent multiple elections* with Commission acting only on those approved. This can be accomplished by ordinance under current incorporation procedure, if amended to allow filing of petitions by the Commission. An ordinance establishing participation in and procedure for drawing of boundaries for areas to be voted upon would also be needed.
- *Multiple incorporations using a single unincorporated-wide election* with Commission acting only if approved. This would require a Charter change in the present procedure to allow all unincorporated area electors to vote on all incorporations. An ordinance establishing a process for drawing of boundaries would again be needed, as with above version.
- *A single incorporation of the entire unincorporated area using one unincorporated-wide election* on which the Commission would act only if approved. This can be accomplished by ordinance under the current incorporation procedure, if amended to allow filing of petition by Commission.

Commission action

Multiple incorporations using concurrent multiple elections

1. Direct staff, and consultant if needed, to detail tax base limitations and areawide revenue sharing approaches to resource equity and to prepare specific legislative proposals for Commission action.
2. Amend the incorporation and annexation procedures to include the recommended approval criteria and to permit Commission to file petition(s) for incorporations and annexations.
3. Enact ordinance specifying criteria and procedures to be used for drawing recommended boundaries for incorporations (and possibly for annexations to square off boundaries of existing cities).
4. Accept boundaries recommendations and file and act on annexation petitions.

5. File incorporation petitions and hold election on those petitions during March, 1996, general election.

During the course of this process there should be a moratorium on actions on incremental incorporations.

Multiple incorporations using unincorporated-wide election

1. Initiate Charter change that would permit unincorporated-wide vote on total incorporation of unincorporated area into multiple cities.
   (Remaining steps would be same as for multiple incorporations using multiple elections)

Single incorporation of entire unincorporated area in single election

1. Amend incorporation procedures to allow Commission to file incorporation petition
2. File and act on annexation petitions
3. File incorporation petition and hold election on that petition in November 1995 general election.

Schedule

The approach for multiple incorporations using concurrent multiple elections would require 10 months to complete, if it were desired to have the petitions voted on by the electors in the March, 1996, general election.

The approach for multiple incorporations using an unincorporated wide election would also 10 months if the required Charter change was voted on in the November, 1995, general election and the incorporation petition was voted on in the March, 1996, general election.

The approval of single incorporation in a single election could be completed in seven months if the vote was by special election rather than at the March, 1996, general election.

TOTAL CONCURRENT COMMUNITY COUNCILS

Objective

To give all of the residents of the unincorporated area the opportunity to have community councils that would provide some of the benefits of incorporations and avoid most of the adverse impacts and result in a reduction in the municipal functions of the County.

Legal requirements

The legal means of implementing the Community Council approach depends upon the powers and responsibilities delegated to them. Zoning decisions and most other recommendation functions can be implemented by ordinance. To be able to make decisions, instead of recommendations, on most of the non-zoning functions would require combinations of Charter changes and state legislation.

Commission action

Community Councils With Zoning And Other Decision Powers

1. Enact ordinance specifying criteria to be used and establishing process for and community participation in defining powers and drawing of boundaries for community councils (and possibly for annexations to square off boundaries of existing cities).
2. Receive report on recommended powers for community councils.
3. Initiate Charter change permitting establishment of community councils.
4. Receive report on recommended boundaries for community councils.
5. Amend annexation procedures and file petitions for annexation of areas recommended for squaring off of city boundaries and act on these petitions.
6. After Charter change is approved, enact ordinance establishing community councils.

Community Councils With Zoning Decision Power And Other Recommendation Responsibilities

1. Enact ordinance specifying criteria to be used and establishing process for and community participation in defining powers and drawing of

boundaries for community councils (and possibly for annexations to square off boundaries of existing cities).

2. Receive report on recommended powers and boundaries for community councils.

3. Amend annexation procedures and file petitions for annexation of areas recommended for squaring off of city boundaries and act on these petitions.

4. Call for "straw ballot" on community council proposal.

5. After ballot results, enact ordinance establishing community councils.

Schedule

The approach for creating community councils by ordinance would require eight months to complete if the straw ballot were taken with the November, 1995 general.

To create community councils by Charter change would also require eight months if such Charter change were held in the November, 1995 general election.

CONCLUSION

The three two-tier government enhancement alternatives presented cover the major options the Commission asked to be studied. The inclusion of the recommended criteria in the recently adopted incorporation procedural ordinance would make incorporation available to those residents wishing to incorporate on an incremental basis and to all residents on a total basis, with limited adverse impacts. The total concurrent creation of community councils, would bring some of the key benefits of incorporation to all unincorporated area residents without the disadvantages of loss of economy of scale and tax base resource equity.

A combination of continued incremental incorporation, and community councils could provide a choice to unincorporated area residents. However, once the community council approach has been fully implemented, it should be given the opportunity to demonstrate its effectiveness for three years, free from destabilizing proposals for incorporation and annexation.

This combined approach is in keeping with the FIU survey results which showed more support by unincorporated area residents for each of two alternatives related to community councils -- locally elected zoning boards and community based administrative centers -- than for incorporation itself. The FIU survey also indicated that most unincorporated area residents do not favor immediate action on these matters.

ATTACHMENT 1

COUNTY ATTORNEY'S LEGAL REPORT

M E M O R A N D U M

Hon. Chairperson and Members
Board of County Commissioners

Date: December 7, 1994

Subject: Municipal incorporation — reduction of fiscal disparities

m: Robert A. Ginsburg
County Attorney

INTRODUCTION

The Board recently received a report on the creation of new municipalities in Dade County. That report addressed a number of concerns, one of which was the fiscal impact of such action. In response, you have asked what methods could be utilized to preclude fiscal disparities between those municipalities having larger tax bases and those having smaller tax bases. For purposes of this memorandum only, we will treat unincorporated Dade County as if it were a municipality.

At the December 5 meeting of the Budget and Rules Committee, we were also asked whether the county could mitigate the resultant decrease in county revenues that are generated solely within the unincorporated area when a portion of that area forms a new municipality. For example, the committee inquired whether the county could withhold the utility tax revenues generated within the new ~~munici~~pality or mandate that the new municipality continue to purchase certain services from the county.

A comprehensive response to these questions should include, not only a discussion of legal principles, but also a discussion of the financial and political implications of all proposals. This memorandum, however, addresses only the legal considerations and options.

LEGAL PRINCIPLES

A. There are municipal revenues legally available for transfer to other municipalities for the purpose of reducing fiscal disparity.

1. The county cannot compel such intermunicipal transfers under existing provisions of the Home Rule Charter and state statutes.

2. Revenue transfers among municipalities can be accomplished voluntarily through interlocal agreement.

B. As an alternative to revenue transfers among municipalities, the county could take over and perform municipal functions within municipalities and levy a portion of the receiving municipality's millage to support those functions.

C. The county cannot withhold from a new municipality the authority to provide a service which the other existing municipalities in Dade County already have the authority to provide, without the new municipality's agreement.

D. The county cannot withhold from a new municipality the franchise or utility taxes generated within that municipality, without such municipality's agreement.

E. The county could create special purpose districts to provide certain municipal services.

A. TRANSFERS OF MUNICIPAL REVENUES

1. Taxes.

Municipal revenues derived from taxes may only be spent in a municipality other than that in which they are generated if the property or residents of the taxed municipality receive a benefit from the specific expenditure. Therefore, assuming the contributing municipality receives the requisite benefit, municipal taxes could be transferred to other municipalities.

2. User ~~Charges~~ or Fees.

Municipal fees and service charges, as opposed to taxes, can only be utilized in the municipality in which they are collected to defray the municipality's costs of providing the service. The proceeds of these fees and charges would not be available for revenue transfer purposes.

3. Other Municipal Revenues.

Municipal revenues which are not from taxes or fees or charges and which are not otherwise obligated may be given to another municipality provided the donor municipality's expenditure is for a public purpose.

4. Mandating Transfers.

The county does not have the authority to compel one municipality to transfer a portion of its revenues to other municipalities. The Home Rule Charter preserves the fiscal integrity and independence of both established and newly created municipalities. See Chapter 5, Home Rule Charter; compare Section 1.01.A(18), Home Rule Charter. These provisions could be

amended, by vote of the electorate, to authorize revenue transfers among municipalities.

5. Statutory Amendment to Authorize Transfers.

The state legislature could amend general law to authorize the sharing of tax bases among municipalities. Such a statute could be similar to that adopted in Minnesota authorizing municipal tax base sharing to eliminate fiscal disparities among municipalities in the Minneapolis - St. Paul metropolitan area. (See attached summary.)[1]

6. Interlocal Agreement.

Both state law and the Home Rule Charter authorize municipal governments to contract with one another for the provision of services through interlocal agreements. Section 163.01, Fla.Stats.; Sections 1.01.A (17), 5.06, Home Rule Charter. These voluntary agreements could provide revenue transfer among municipalities in Dade County.

B. COUNTY LEVY OF MUNICIPAL MILLAGE

While the county cannot mandate revenue transfers among municipalities, under the Home Rule Charter it does have the pre-eminent power to levy a portion of a municipality's property tax millage incident to the county's performance of a municipal function. The combined countywide millage levied for such municipal purposes and the countywide millage levied for county purposes cannot exceed twenty mills. Pursuant to existing case law, this alternative is available only to the county, not to another municipality. The county's use of such transferred municipal revenues would, of course, be subject to the constitutional and statutory prohibition against double taxation. Art. VIII, sec. 1(h) Fla. Const. and Sec. 125.01(7) Fla. Stats.

C. TRANSFER OF COUNTY REVENUES

1. County Cannot Levy Tax For Municipal Transfer Purposes.

The Home Rule Amendment ties the county's taxing power to "such taxes as may be authorized by general law and no other taxes." No general law authorizes the county to levy a tax for purposes of transferring the proceeds to a municipality. A

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[1] Essentially, Minnesota uses a tax increment district plan to spread a portion of the tax benefits incident to new construction which takes place throughout a multi-county area.

change in state law, therefore, would be necessary to authorize the levying of a tax for revenue transfer purposes.

2. Direct Transfer of County Revenues to Municipalities.

The county could transfer some of its revenues by mutual agreement to a municipality to pay part of the municipality's cost of providing a service or function.

D. RETENTION OF UNINCORPORATED AREA REVENUES OR MUNICIPAL POWERS

1. Retention of Municipal Powers.

The Home Rule Charter provides a framework for co-existence of county and municipal levels of government in Dade County. Under the existing Charter, and unless it is amended, new municipalities have all the powers and rights granted to or not withheld from municipalities by the Charter and the Constitution and statutes. As a result, in the course of its creation, a new municipality, absent its consent, cannot be deprived of the full scope of powers accorded the existing municipalities in the county. It may be possible, however, that, to the extent permissible by law, the commission, in its discretion, could refuse to call an election on the creation of a new municipality unless a commitment[2] is made for the new municipality to abide by terms and conditions acceptable to the county.

2. Retention of Unincorporated Area Revenues.

The Charter also provides that franchise and utility taxes imposed within a municipality belong to such municipality. Sec. 5.07. A new municipality is therefore entitled to such revenues. The county, however, again could decline to call an election creating a new municipality unless the municipality agrees by some method to transfer certain funds to the county.

Finally, the practical equivalent of revenue transfer may be accomplished by implementation of certain policies. For example, the county commission could decline to approve the creation of any new municipalities unless the boundaries thereof assure an appropriate tax base for each proposed municipality while also considering the remaining base for any unincorporated area.

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[2]The precise mechanism for effectuating such commitment, whether by municipal charter provision, contract, creation of a special district which survives incorporation, or otherwise, would require further legal analysis.

E. SPECIAL PURPOSE DISTRICTS

Short of creating a new municipality, the county commission could create special purpose districts to perform given functions in specified areas. By charter, the county commission would be the governing body of such districts. The tax base of the district would remain with the county.

CONCLUSION

The above is a very brief statement of the legal principles which would have to be considered if the commission desires to go forward with creating additional municipalities and simultaneously addressing fiscal disparity among municipalities. As stated earlier, the financial, budgetary and political implications of implementing the foregoing policy are appropriately addressed by the responsible fiscal and political officials.

Robert A. Ginsburg
County Attorney

RAG/rk
Attachment

Box 3.3 Tax-Base Sharing in the Twin Cities Reduces Fiscal Disparities

There has been only one significant experiment in the nation in metropolitan tax-base sharing. This is the fiscal disparities plan enacted by the Minnesota legislature in 1971.

The Twin Cities' Metropolitan Council thus describes the rationale for the Minneapolis-St. Paul plan:

> From a regional perspective the Twin Cities is one economy. Large commercial-industrial developments tend to concentrate in a few locations, drawing workers and clients from a market area that is larger than the city it is located in. Access to these concentrations, primarily highways, is a prime determinant of where these developments locate. Cities with such access are the ones most likely to get commercial-industrial development.
>
> Since the property tax is the primary source of local government revenues, certain types of development—office space, headquarters buildings, up-scale housing—are attractive because they typically generate more revenue than it costs to serve them. Not all cities can expect to attract such development, but most participate in financing the regional facilities serving these developments. The idea underlying tax-base sharing is to allow all cities to share in the commercial-industrial development that is, to a large extent, the result of the regional market and public investments made at the regional and state levels.[1]

Under the state law, the plan applies to 188 municipalities in the seven-county Twin Cities area. Since 1971, 40 percent of the *increase* in taxes from commercial-industrial property has been paid into a common pool. (A city's pre-1971 assessed valuation is exempted.) The pool is then redistributed among all 188 municipalities based on annual estimated population and how each city's per capita market value of property compares with the metrowide per capita value.

By 1991 the annual "fiscal disparities" fund amounted to $290.5 million, almost 31 percent of the region's $943 million in commercial-industrial assessed property valuation. Some 157 municipalities were net recipients; 31 were net contributors. The net contributors were primarily Twin Cities' major suburbs. Giant shopping malls, office towers, and garden-like industrial parks have sprouted along the interstate highways that cut through these suburbs or are adjacent to the suburban Minneapolis-St. Paul International Airport.

The largest net recipient in 1980, Minneapolis has become the largest net contributor. This transformation was fueled by the office boom downtown. Minneapolis's $19 million net contribution in 1991 represented 6.5 percent of its commercial-industrial tax capacity.

The tax-base sharing program is successfully reducing fiscal disparities between rich and poor communities. Among cities of 9,000 or more inhabitants, the ratio of richest community to poorest community would be 22 to 1, as measured by per capita commercial-industrial property value. The pioneering "fiscal disparities" program has reduced the ratio to 4 to 1.

1. This quotation and all data are from Metropolitan Council, Minneapolis, Minnesota, *Fiscal Disparities Discussion Paper* (April 16, 1991).

ATTACHMENT 2

ORDINANCE #95-78

M E M O R A N D U M

Amended
Not On
Substitute No. 2
Alternate No. 2
Agenda Item No. 7(B)

To: Hon. Chairperson and Members
Board of County Commissioners

Date: May 2, 1995

Subject: Ordinance Pertaining to Incorporation

From: Robert A. Ginsburg
County Attorney

O#95-78

This accompanying substitute ordinance was prepared and placed on the agenda at the request of Commissioner Dennis C. Moss.

This proposal exempts Aventura, Destiny, Kendall and Pinecrest from all the provisions of this ordinance.

Robert A. Ginsburg
County Attorney

RAG/ydl

Amended
Not On
Substitute No. 2
Alternate No. 2
Agenda Item No. 7(B)
5-2-95

ORDINANCE NO. 95-78

ORDINANCE RELATING TO INCORPORATION, PROVIDING PROCEDURES FOR FILING AND REVIEW OF PETITIONS FOR INCORPORATION; PROVIDING FOR APPOINTMENT OF CHARTER COMMISSION; CREATING ARTICLE II, SECTIONS 20-20 THROUGH 20-24 OF THE CODE OF METROPOLITAN DADE COUNTY; PROVIDING SEVERABILITY, INCLUSION IN THE CODE, AND AN EFFECTIVE DATE

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF DADE COUNTY, FLORIDA:

Section 1. Article II, Sections 20-20 through 20-24 are hereby created as follows:

Article II Incorporation Procedure

Sec. 20-20. Petition for incorporation initiated by individual or group.

(A) An individual or group of area residents may file a petition for incorporation with the Clerk of the Board of County Commissioners. Such petition shall only be filed during the period between September 1 and September 30 inclusive and during the period between March 1 and March 31 inclusive in each year.

(1) The petition shall include the following information about the proposed municipality:

(a) general description and map of area boundaries, and

(b) statement of the reason for seeking incorporation.

(2) The petition shall include the consent from 4% of the electors in the area proposed for incorporation.

(3) Any resolutions of support for incorporation by the closest existing municipality.

(B) The Clerk of the Board of County Commissioners shall upon receipt of a petition for incorporation transmit a copy to the Planning Department for determination of completeness in accordance with the requirement of Subsection A. Upon determining that the petition is complete, the Planning Department shall notify the Clerk of the Board and make recommendation to County Manager regarding overall schedule for consideration of petition.

Sec. 20-21. Initial consideration of petition for proposed incorporation.

(A) After receiving the Planning Department's determination that the petition is complete, the Clerk of the Board of County Commissioners shall schedule for public hearing the proposed petition for incorporation at a regular meeting of the Board of County Commissioners.

(B) The Clerk shall advertise in a daily newspaper of general circulation that a petition for incorporation has been received and shall include in the advertisement the following information:

(1) map of the area proposed for incorporation,

(2) date of hearing for initial consideration by the Board of County Commissioners, and

(3) contact persons or departments where additional information may be provided.

(C) The Board of County Commissioners at its initial public hearing for considering a petition for incorporation, after determining the requirements for showing of support set forth in Sec. 20-20 (A) (2) have been fulfilled, may:

(1) Establish an overall schedule for consideration of the petition, after receiving the County Manager's recommendation on such matter and

(2) Refer the petition to the Planning Advisory Board for its review and recommendations.

Sec. 20-22. Planning Advisory Board's consideration of petition for incorporation.

(A) The Planning Director, prior to transmittal to the Planning Advisory Board, shall request the Budget Director and the directors of all other applicable County departments to review and comment on the incorporation petition with respect to their areas of expertise and responsibility.

(B) The Planning Director, upon receipt of recommendations of other departments, shall prepare a report on the petition containing the following information:

(1) summary of petition,

(2) socio-economic profile of area,

(3) development profile of area, and

(4) other information outlined in Section 20-23(B)(1).

(C) The Planning Advisory Board, upon receipt of a petition and appropriate County department staff review and recommendation, shall:

(1) Conduct a properly advertised public hearing within the area proposed for incorporation.

(2) Require additional information from appropriate County departments as needed.

(3) Make written recommendations with respect to the petition which shall include the following:

(a) an analysis of the issues outlined in Section 20-23(B)

(b) other considerations deemed relevant by the Board

(D) The Planning Director shall forward the petition and recommendations of the Planning Advisory Board and County staff to the County Manager for review and recommendation. The County Manager shall transmit the petition as well as the recommendations of the Planning Advisory Board and County Manager to the Clerk of the Board of County Commissioners.

(E) The Clerk of the Board of County Commissioners, upon receipt of the recommendations by the Planning Advisory Board and County Manager, shall set the matter of such proposed incorporation for public hearing at a regular meeting of the County Commission and cause notice of such public hearing to be published in a daily newspaper of general circulation in Dade County at least once not less than one week prior to the date of such public hearing. Notice of such public hearing shall be furnished to all property owners within the area and within 600 feet thereof.

Sec. 20-23. Board of County Commissioners consideration of proposed incorporation petition.

(A) The Board of County Commissioners shall hold a public hearing on the petition for incorporation which shall be conducted as follows:

(1) Persons requesting incorporation shall make a presentation outlining the merits of their petition.

(2) The County Commission shall consider and review the recommendations of the Planning Advisory Board and the County Manager, and

(3) The County Commission shall hear from any other interested persons.

(B) At the conclusion of the public hearing the Board of County Commissioners, ~~in determining the appropriateness of a~~ shall determine petition for incorporation, ~~shall consider~~: meets the following general and specific criteria, the area that is the subject of the

(1) ~~The suitability of the proposed boundaries to~~ provide for a municipal community of interest that is both cohesive and inclusive. specifically, does not subdivide U.S. Census Designated Places

(2) Evidence of support of area residents and property owners sufficient to warrant costs of balloting of electors,

(3) Existing and proposed municipal-level services and costs to average property owner and homeowner and on possible alternatives to incorporation,

(4) Alternatives to incorporation including annexation to an existing municipality,

(5) Consistency with the Dade County Comprehensive Development Master Plan of the development proposed by the applicants of the new municipality,

(6) The impact of the proposal on the revenue base of the unincorporated area, and on the ability of the County to efficiently and effectively provide services to adjacent remaining unincorporated areas,

(7) Potential revenue sources and facilities to be made available to the proposed municipality upon incorporation.

(8) Financial impacts of the proposed incorporation on the remaining unincorporated areas of Dade County.

(C) The Board of County Commissioners shall at the conclusion of the public hearing take one of the following actions:

(1) Call for the election of the area electors on the incorporation petition as presented by the applicant(s),

(2) Call for the election of the area electors on the incorporation petition as modified with respect to boundaries or other aspects,

(3) Deny the proposed incorporation petition or,

(4) Defer such petition for further consideration by the applicant(s), Board of County Commissioners, the County Manager or the Planning Advisory Board.

Sec. 20-24. Appointment of Charter Commission.

Upon the affirmative vote approving the requested incorporation by a majority of electors voting and residing in the proposed boundaries, in an election conducted pursuant to Section 20-23(C)(1) or (2), the Board of County Commissioners may approve the incorporation of the municipality. If they so act, the Board of County Commissioners shall appoint a Charter Commission consisting of five electors residing in the proposed boundaries who shall propose a charter be submitted to the electors in the manner provided in Section 5.03 of the Dade County Home Rule Charter.

Section 2. The provisions of this ordinance shall not be applicable to the following areas currently under consideration:

Aventura
Destiny
East Kendall
West Kendall
Pinecrest

Section 3. If any section, subsection, sentence, clause or provision of this ordinance is held invalid, the remainder of this ordinance shall not be affected by such invalidity.

Section 4. It is the intention of the Board of County Commissioners, and it is hereby ordained that the provisions of this ordinance shall become and be made a part of the Code of Metropolitan Dade County, Florida. The sections of this ordinance may be renumbered or

relettered to accomplish such intention, and the word "ordinance" may be changed to "section," "article," or other appropriate word.

Section 5. This ordinance shall become effective ten (10) days after the date of enactment.

PASSED AND ADOPTED:

Approved by County Attorney as to form and legal sufficiency. RAG

Prepared by:

Sponsored by Commissioner Dennis C. Moss

ATTACHMENT 3

SUMMARY OF FIU
INCORPORATION SURVEY

DADE COUNTY CITIZEN SURVEY

MAY 1995

Florida International University

Institute of Government

Milan Dluhy, Principal Investigator

Survey Conducted by Institute for Public Opinion Research

Hugh Gladwin, Director

TABLE 1: LOCAL SERVICES IN DADE COUNTY

How would you rate the police services [Fire & Rescue, Parks, etc.] in the area where you live -- would you say they are excellent, good, fair, or poor?

- [Read list of services] Now I'd like to know whether you think any of these services should be cut back or reduced.
- [Read list of services] Would you be willing to pay slightly more in taxes or fees to improve any of these services in the area where you live?

	West Kendall	East Kendall	Pinecrest	Westchester	Destiny	Aventura	Sunny Isles	Rest of Unincorporated Dade	Hialeah	Miami	North Miami	Miami Beach	Coral Gables	Key Biscayne	Opa Locka
Number of interviews	554	427	421	403	523	402	183	594	277	251	135	265	203	210	183
Police Services excellent	16.4%	11.2%	11.9%	11.9%	9.4%	10.2%	24.6%	12.8%	13.4%	14.7%	20.7%	17.0%	44.8%	64.8%	10.4%
Police Services good	50.4%	48.7%	41.8%	52.9%	44.2%	43.8%	38.8%	49.0%	52.0%	44.2%	47.4%	49.8%	43.3%	26.7%	25.1%
Police Services could be cut	1.8%	1.4%	1.7%	1.7%	1.7%	0.7%	3.3%	2.4%	0.7%	5.2%	3.0%	4.9%	1.0%	9.5%	4.9%
Police Services pay more to improve	34.5%	30.0%	35.4%	27.3%	29.3%	35.3%	31.7%	35.5%	25.3%	26.3%	32.6%	27.9%	22.7%	13.3%	24.6%
Fire & Rescue excellent	23.8%	20.6%	19.7%	26.1%	20.7%	25.9%	43.7%	23.2%	30.0%	26.3%	29.6%	30.6%	48.8%	71.9%	21.3%
Fire & Rescue good	44.9%	44.0%	34.9%	45.9%	43.8%	43.8%	37.7%	44.9%	53.8%	48.6%	45.9%	44.5%	33.8%	19.0%	40.4%
Fire & Rescue could be cut	1.6%	0.9%	0.7%	1.0%	1.3%	0.2%	2.7%	1.5%	0.7%	1.2%	1.5%	1.5%	1.5%	6.7%	2.7%
Fire & Rescue pay more to improve	28.5%	22.0%	19.5%	20.8%	22.8%	22.4%	25.1%	26.3%	20.9%	20.7%	26.7%	21.9%	17.2%	13.3%	18.6%
Parks & Recreation excellent	11.0%	12.2%	16.6%	16.6%	8.4%	12.7%	7.7%	12.8%	16.2%	9.2%	8.1%	11.3%	26.1%	46.2%	3.8%
Parks & Recreation good	42.8%	44.7%	42.8%	51.6%	37.7%	32.1%	29.5%	37.7%	39.7%	30.7%	48.9%	44.9%	48.3%	31.4%	21.3%
Parks & Recreation could be cut	1.3%	2.1%	1.9%	3.0%	2.3%	0.5%	2.2%	2.4%	0.7%	3.6%	0%	1.9%	2.0%	5.7%	3.3%
Parks & Recreation pay more to improve	26.9%	20.6%	15.2%	16.6%	24.5%	18.9%	16.4%	25.8%	19.1%	22.3%	21.5%	29.1%	13.3%	16.7%	20.8%
Road & Street Maint excellent	8.5%	7.3%	7.6%	10.2%	7.1%	11.7%	4.9%	8.2%	11.2%	9.2%	8.1%	12.8%	17.2%	34.8%	6.0
Road & Street Maint good	37.4%	38.2%	39.9%	44.7%	32.3%	41.0%	17.5%	39.2%	41.9%	40.6%	40.7%	38.5%	42.9%	42.9%	19.1

- (TABLE 2) Would you say that the services where you live have generally gotten better, stayed about the same, or gotten worse over the past year?
- During the past year have you had any complaints about any of these services which resulted in your talking to a neighbor, contacting a government official, attending a meeting, signing a petition, or doing anything else?

	West Kendall	East Kendall	Pinecrest	Westchester	Destiny	Aventura	Sunny Isles	Rest of Unac Dade	Hialeah	Miami	North Miami	Miami Beach	Coral Gables	Key Biscayne	Opa Locka
Services better this year	20.9%	12.6%	9.0%	19.1%	22.0%	11.4%	18.0%	20.5%	40.1%	25.5%	23.0%	33.2%	14.3%	70.8%	25.1%
Services same this year	63.4%	72.1%	76.0%	65.3%	58.1%	69.7%	55.2%	63.3%	41.9%	57.8%	54.8%	47.9%	75.4%	22.9%	49.2%
Services worse this year	9.9%	9.8%	11.2%	10.7%	15.9%	10.4%	20.8%	10.8%	11.9%	12.0%	13.3%	10.6%	6.4%	2.9%	22.4%
Have complained about some service in past year	23.1%	22.2%	33.7%	12.4%	24.9%	15.4%	21.9%	23.7%	17.7%	19.1%	15.6%	26.0%	24.6%	23.8%	28.4%

TABLE 3: OTHER ISSUES

- For some people the population size of a city is very important. I'm going to mention some population sizes, and I'd like you to tell me which one you feel is the "ideal size" for a city in your area. The population sizes are – less than 5,000, 5,000 to 25,000, 25,000 to 100,000, or over 100,000. Do you prefer any of these sizes or do you have no opinion about this?
- A common notion today is that "smaller is better" and that small local governments that are close to the citizens are the most desirable. Do you strongly agree, mostly agree, mostly disagree, or strongly disagree with this idea (Table shows percent who strongly agree)
- How much do you worry about crime affecting you or your household? Would you say you worry about crime a lot, some, only a little, or not at all? (Table shows percent saying "a lot")
- Some people feel that when there are problems like garbage in the streets or potholes in the roads, it is useless to complain to local government officials. Do you strongly agree, mostly agree, mostly disagree, or strongly disagree? (Table shows percentages of those who strongly and mostly agree)

	West Kendall	East Kendall	Pinecrest	Westchester	Destiny	Aventura	Sunny Isles	Rest of Unac Dade	Hialeah	Miami	North Miami	Miami Beach	Coral Gables	Key Biscayne	Op Loc
Less than 5000 ideal	11.7%	12.3%	8.4%	13.3%	18.6%	8.2%	8.7%	16.6%	11.3%	16.5%	17.3%	10.7%	9.0%	19.9%	21.
5-25 thousand ideal	32.1%	32.6%	41.5%	40.7%	42.6%	42.2%	43.3%	35.6%	39.1%	25.9%	34.7%	26.0%	26.2%	56.5%	38.
25-100 thousand ideal	38.6%	39.5%	37.1%	37.4%	26.6%	37.5%	32.7%	34.8%	37.1%	32.4%	36.0%	43.8%	43.4%	18.0%	29.
Over 100 thousand ideal	17.6%	15.7%	13.1%	18.5%	12.2%	12.1%	15.4%	13.0%	12.6%	25.2%	12.0%	19.5%	21.3%	5.6%	11

	West Kendall	East Kendall	Pinecrest	West-chester	Destiny	Aventura	Sunny Isles	Rest of Unincorp Dade	Hialeah	Miami	North Miami	Miami Beach	Coral Gables	Key Biscayne	
[illegible] strongly agree that "smaller is better"	35.3%	30.1%	39.6%	36.7%	30.1%	43.1%	33.8%	34.3%	38.7%	33.2%	34.9%	35.8%	42.5%	52.3%	35
Worry a lot about crime	58.5%	54.5%	54.2%	67.2%	55.7%	56.9%	53.6%	60.1%	78.0%	64.5%	54.5%	56.8%	53.0%	40.4%	61
Strongly agree it is useless to complain	24.4%	21.4%	19.1%	31.1%	33.4%	28.1%	27.8%	24.4%	29.5%	34.2%	30.0%	26.2%	15.6%	13.0%	40
Mostly agree it is useless to complain	28.1%	31.9%	27.3%	22.4%	23.9%	22.5%	30.8%	28.2%	22.4%	24.3%	19.2%	25.4%	17.7%	16.6%	24

TABLE 4: INCORPORATING UNINCORPORATED AREAS OF DADE COUNTY

- Now I'd like to ask you about the issue of incorporation. Over the past year there has been some discussion about unincorporated areas of Dade County either forming their own cities or becoming part of an existing city? Have you heard or read anything about this issue?

- How closely have you been following this issue --very closely, somewhat closely, or not very closely?

	West Kendall	East Kendall	Pinecrest	West-chester	Destiny	Aventura	Sunny Isles	Other Dade Unicorp
Have heard about issue	60.1%	65.8%	85.7%	52.1%	52.6%	85.8%	73.5%	55.9%
Following very closely	13.6%	15.4%	33.2%	15.0%	19.3%	40.5%	33.3%	17.4%
Somewhat closely	40.6%	44.4%	44.4%	35.3%	31.9%	37.0%	31.8%	34.8%
Not very closely	45.8%	40.1%	22.3%	49.8%	48.9%	22.5%	34.8%	47.8%

- (TABLE 5) If you had to make a decision today about the unincorporated area you live in, would you prefer that your area remain unincorporated, become part of a nearby city as a result of annexation, become incorporated as a city, or wait for further study of the issue? (on this question, since Aventura voted on incorporation during the beginning of the study, Aventura residents were asked to answer based on how they voted or how they would have voted if they had not).

	West Kendall	East Kendall	Pinecrest	West-chester	Destiny	Aventura	Sunny Isles	Other Dade Unicorp
Remain unincorporated	25.1%	29.9%	23.8%	29.4%	24.0%	11.4%	21.4%	27.0%
Become part of nearby city	1.8%	4.7%	4.9%	2.8%	2.9%	5.0%	4.4%	6.8%
Become incorporated	15.2%	9.7%	29.4%	12.6%	9.2%	55.2%	18.7%	9.2%
Wait for further study	46.8%	46.9%	36.2%	46.0%	48.6%	18.9%	38.5%	44.3%
Don't know	11.0%	8.8%	5.8%	9.3%	15.4%	9.5%	17.0%	12.6%

- (TABLE 6) Do you think that a vote on this issue should be taken in your area as soon as possible during the next few months, or do you think that more time is needed before a vote is taken?

	West Kendall	East Kendall	Pinecrest	West-chester	Destiny	Aventura	Sunny Isles	Other Dade Unicorp
Vote as soon as possible	24.0%	22.0%	37.5%	25.8%	24.3%	N/A	25.7%	24.0%
Take more time	76.0%	78.0%	62.5%	74.2%	75.7%	N/A	74.3%	76.0%

- (TABLE 7) Instead of incorporating new cities, there have been a number of other suggestions about how to improve services and the operation of government in the unincorporated parts of Dade County. I'm going to mention some of these suggestions and I'd like you to tell me what you think of them. The first idea is to establish locally elected zoning boards. Is this is a very good idea, a mostly good idea, a mostly bad idea, a very bad idea, or don't you have an opinion? (Tables for this and the following four questions show percentages of those who reply "very good idea" and "mostly good idea")

- Paying higher taxes or fees to improve services in the unincorporated areas.

- Establishing community-based administrative centers to handle citizen complaints or problems.

- Having both at-large and district elected representatives for the county commission.
- Redrawing district boundaries and adding commission seats so that unincorporated areas of Dade County will have representation on the Commission through their own commisioners.

	West Kendall	East Kendall	Pinecrest	West-chester	Destiny	Aventura	Sunny Isles	Other Dade Unicorp
Very good/ local zoning boards	41.6%	33.0%	32.6%	34.6%	39.1%	45.4%	43.5%	35.4%
Mostly good/ local zoning boards	44.1%	46.9%	46.2%	45.0%	47.8%	39.1%	43.5%	46.7%
Very good/ taxes	8.4%	5.8%	9.1%	9.7%	11.5%	13.5%	8.8%	11.0%
Mostly good/ taxes	31.1%	29.8%	25.5%	20.8%	34.8%	30.1%	30.6%	28.9%
Very good/ admin centers	55.6%	52.8%	42.4%	52.9%	63.3%	51.3%	62.9%	57.3%
Mostly good/ admin centers	31.6%	38.5%	43.1%	35.0%	31.2%	35.8%	25.3%	31.6%
Very good/ reps for Uninc areas	37.3%	36.5%	32.1%	31.9%	40.7%	38.1%	33.3%	37.1%
Mostly good/ reps for Uninc areas	44.0%	42.4%	41.1%	39.1%	44.0%	43.8%	49.3%	41.6%
Very good/own commissioners	45.3%	40.1%	36.3%	37.0%	45.5%	41.9%	36.7%	46.3%

	West Kendall	East Kendall	Pinecrest	West-chester	Destiny	Aventura	Sunny Isles	Other Dade Unicorp
Mostly good/own commissioners	32.8%	35.2%	34.1%	32.2%	36.2%	35.3%	42.2%	32.7%

STUDY METHODOLOGY

The 5,031 interviews done to obtain the data shown in these tables were done during April and the first week of May 1995, by the Institute for Public Opinion Research (IPOR) of the School of Mass Journalism and Communications at Florida International University.

Respondents were selected through random-digit-dialed telephone sampling methodology. In this method the last four digits of the phone number are selected randomly, so respondents have an approximately equal chance of being selected even if their phone numbers are not listed. The only exception to this procedure was the sample for Sunny Isles. Due to the small geographic extent of that area and the number of seasonal residents, a sample of listed phone numbers had to be used.

A number of techniques were used to ensure that the interviews were located in the correct areas. The seven areas proposed for incorporation were mapped on a geographic information system (GIS) along with data on phone exchanges, zip codes, streets, and boundaries of currently incorporated areas. This enabled the development of screening questions to determine at the beginning of the interview if respondents lived in an area where more interviews were needed.

In comparing percentages in the table, if two percentages differ less than the margin of error for a particular sample (column of the table) the difference is not statistically significant. Not statistically significant means there is a possibility that the difference could have resulted from a chance occurance in the sample rather than a real difference in the population of the area. The sample size (number of interviews) for each area is given in the first table, second line. In this study if the sample size for an area is less than 237, the margin of error is +/- 7%. If it is between 238 and 331 the error margin is +/-6%. Between 332 and 494 is +/- 5%. Any sample in this study over 494 is +/- 4%

In all tables except the one on how respondents would make a decision on the incorporation issue, the percentages are based on a total which does not include people who said they did not know or had no opinion. In the table on the incorporation decision people who said they did not know or had no opinion are included in the table and the totals used in calculating percentages. Due to rounding errors percentages may not add up to 100%.

In the frequencies tables which follow, it is important to keep in mind that the samples from different areas of Dade County are not proportional to their actual population. For example, Aventura, with a sample of 402 interviews, is much smaller in actual population than Miami which has a sample of 251 interviews. Furthermore no interviews at all are included from most smaller incorporated areas. The frequencies tables thus represent a summary of the interviews which were obtained rather than a weighted estimate for Dade County as a whole.

For further information, please contact Dr. Hugh Gladwin, Director, Institute for Public Opinion Research, School of Mass Journalism and Communications, Florida International University. Telephone 305-940-5778, fax: 305-956-5203, e-mail: gladwin@servms.fiu.edu.

ATTACHMENT 4

RESOURCE EQUITY CONSIDERATIONS REGARDING TWO-TIER GOVERNMENT ALTERNATIVES

RESOURCE EQUITY CONSIDERATIONS REGARDING TWO-TIER GOVERNMENT ALTERNATIVES

CONCEPT

One of the paramount considerations in incorporation and annexation is resource equity--assurance that each municipal jurisdiction that is created, expanded or contracted; has the fiscal resource potential for providing an adequate level of municipal services for its residents and property owners. Such equity is in the interest of each service-providing jurisdiction and of the larger community, which benefits indirectly from adequate services throughout the metropolitan area. Resource equity does not require equal levels of services among jurisdictions, rather that the financial resource base be available to provide a minimally adequate level within each. The accomplishment of this calls for the establishment of fiscal equity among jurisdictions.

Once determined, resource equity parameters can have the following applications:

1. To establish the range of fiscal resources needed to make proposed new or expanded municipalities and the remaining unincorporated area financially feasible (i.e., capable of providing an adequate level of basic municipal services).

2. To evaluate the potential for a proposed alternative to resource equity related limitations on incorporation and annexation--the substitution of an areawide revenue sharing device.

3. To analyze the possibility for one of the proposed aspects of community councils (special purpose municipal units) -- retention by such quasi-cities of a portion of the revenues that are in excess of those necessary to provide an adequate level of services.

APPROACH

The primary consideration in the determination of resource equity, and the above described applications of the concept, is the standard for adequate level of services to be assured. There is no commonly accepted absolute standard that can be used for this purpose; only relative comparisons can be made. Within Dade County, a wide range of levels of basic municipal services (police, fire and rescue, libraries, public works, parks and recreation, planning and general government) are provided by the 27 functioning local municipal jurisdictions*. A representative sample of eighteen of these entities found expenditures for the basic municipal services to range from $348 to $1,234 per capita with the average being $721 (Table A1). Even though the officials of virtually all of these jurisdictions are continually seeking to improve on the effectiveness and efficiency of the delivery of these services, arguably it can be said that these are the overall

*These jurisdictions include the existing municipalities (exclusive of Islandia) and the urban unincorporated area (that portion within the Urban Development Boundary of the Comprehensive Development Master Plan).

expenditure levels for basic municipal services that the majority of residents and property owners of each of these jurisdictions deem to be suitable. Thus, those jurisdictions on the low end of the scale in effect, have defined those levels of services expenditures that are minimally acceptable in the Dade context. Four entities; Sweetwater, Hialeah, the urban unincorporated portion of Metro-Dade and El Portal; have significantly lower levels of expenditures than the remainder ($348, $379, $398 and $400 per capita, respectively). Therefore, the average expenditures by these four least-cost municipal services provides -- $381 per capita --should be used as the benchmark for lowest adequate municipal services expenditures in the application of the resource equity concept.

Other considerations that must be addressed in some applications of resource equity are the financial resource indicator(s) to be used and how it is to be measured. The financial resource that is used to index resource equity must be one(s) that are universal, dominant, and readily available. The ad valorem property tax base is the logical choice; it is the primary source of the general operating revenues of all of Dade's urban municipal jurisdictions, that comprises an average of 48 percent of the total for the representative entities. Thus, the per capita taxable value of property is the most suitable index in some applications of fiscal viability/equity.

The appropriate property tax rate to be used in converting property tax base to property tax revenues, and visa versa, is the last major consideration in the application of the fiscal viability/equity concept. The concept is primarily intended to assist municipal services jurisdictions with financial resource limitations that are beyond their control to have the potential of providing a minimally adequate level of services. It seeks to help those entities that are making a significant effort in this respect but do not have the tax base that permits the maintenance of is level of services. The average ad valorem tax rate for Dade's urban municipal jurisdictions--8.974 mills--is a suitable standard for level of taxing effort to be used to determine the minimum per capita taxable value needed to maintain sufficient funding for an adequate level of municipal services, as defined. This rate is 177 percent of the current millage rate of the urban unincorporated area, reflecting the comparatively low level of taxation effort currently being made by unincorporated area tax payers.

The above described considerations are those required to determine the fiscal viability/equity parameters of the several applications of the concept.

APPLICATION

Incorporations and Annexations

The per capita taxable property value needed to support the acceptable level of municipal services should be the minimum such value allowed for the urban unincorporated area remaining from an incorporation. This value is calculated using the following formula:

Per Capita Operating Costs For Adeqate Services	X	Proportion of Revenues From Property Taxes		Minimum Per Capita Taxable Value Required For Resource Equity
($381)		(.48)	=	
Appropriate Property Tax Millage Rate	÷	1000		($20,379)
(8.974)				

The $20,379 minimum per capita taxable property value required for resource equity is 65 percent of the current $31,340 per capita tax base of the urban unincorporated area. To fully implement resource equity, there should also be a maximum per capita taxable property value allowed for each removal of unincorporated area tax base through incorporation and annexation so that it would not disproportionately bring the tax base of the remaining unincorporated area to the minimum required level. A few, first separations should not be made at the expense of many, later ones. The formula for determining this maximum level of tax base for each proposed additional separation is:

Current Urban Unincorporated Area Per Capita Taxable Value	÷	Minimum Per Capita Taxable Value Required For Equity	X	Current Urban Unincorporated Area Per Capita Taxable Value	=	Maximum Per Capita Taxable Value Required For Equity
($31,340)		($20,379)		($31,340)		($48,195)

After rounding, the result is a tax base equity range that has a minimum of $20,000 and maximum of $48,000.

The only other effort made to identify tax base limits related to resource equity was that contained in the Touche Ross Report* which recommends a range of per capita taxable values no greater than 50 percent from the average value of all jurisdictions (except Indian Creek Village). This approach results in a $59,450 to $99,090 per capita tax base equity range which is considerably different than that formulated above.

Although the primary intent of this approach is to maintain the potential for minimally adequate services in the remaining unincorporated area, the over-all concept suggests that a companion policy would also be appropriate: there should be no creation of cities that would have substandard tax bases nor expansions of existing cities that already have substandard tax bases that would serve to lower these bases further.

*Touche Ross & Company, Report on a Review of Two-Tier Government in Miami/Dade County, 1978, p. 52.

Thus to accomplish fiscal equity in its fullest intent, both minimum and maximum tax base limits should be applied to areas of incorporation and of annexation. However, the maximum limit should be waived for the annexation of unincorporated enclave areas that are of a size and location that makes the provision of services to them by Metro-Dade clearly inefficient.

As noted on Table A2, of the currently approved and proposed incorporation areas, only East Kendall and West Kendall fall well within the minimum and maximum per capita taxable value limits required for equity (with respect to the Touche Ross range, only Sunny Isles and Pinecrest would be within it.)

Revenue Sharing

The accomplishment of resource equity among municipal jurisdictions through a Countywide revenue sharing device has been advocated by proponents of incorporations that are unlimited by considerations of resource equity. The stated arguments for such an approach are 1) inadequate levels of municipal services expenditures are as much a problem within existing cities as they would be within an unincorporated area with tax base diminished through incorporation, 2) existing cities, not just new ones, should share in solutions to fiscal inequities in the remaining unincorporated area, and 3) the same rules that applied to the creation of the existing cities should apply to the creation of new cities (i.e., fiscal equity was not an issue then and should not be now).

The counter arguments against areawide revenue sharing are: 1) the issue of resource equity is largely related to unincorporated area; only three cities, with a combined population of 216,457, have per capita expenditures as low as those of the urban unincorporated area which has a population of 1,006,280; 2) the issue arises from incorporation and annexation of the unincorporated area, the only entity for which the Board of County Commissioners has municipal services jurisdictional responsibility; and 3) only three of the 28 existing and approved municipalities were created after 1955 under the provisions of the Metro Charter; the rest were incorporated under entirely different State rules and local urban issue circumstances.

The principal example cited of such an areawide revenue equity device is the tax base sharing system used in the Minneapolis-St. Paul metropolitan area. In that region multiple counties and cities participate is a tax increment finance district approach through which a portion of each entity's annual increase in commercial and industrial tax bases is pooled and is allocated to all participating jurisdictions in relation to their population and total tax base.

The resource equity model developed in the preceding sections can be used to determine the value of either the tax bases or revenues that would need to be received from and allocated to Dade's municipal jurisdictions, currently and as the result of incorporation. As calculated on Table A2, there are currently only the two municipal jurisdictions with per capita taxable values below the level required for the operation of minimally adequate services. The per capita shortfalls of each of these jurisdictions, multiplied by its population, yields the increases in total taxable values needed to bring them to the minimum standard with respect to property tax base revenues. Since, as noted previously, property taxes account for an average of .48 of total municipal

revenues, these tax base shortfalls would need to be increased by 208 percent if ad valorem tax bases were to be shared to effect full fiscal equity. Totally, $245,164,000 in taxable value would need to be collected and allocated to accomplish tax base sharing in terms of the current urban municipal jurisdictions. Upon incorporation of the six approved or proposed incorporations, the required shared property tax base value would be $507,630,000, as shown on Table A2.

If, instead of property tax base sharing, property tax or non-property tax revenues were to be used to effect Countywide fiscal equity, $2,200,103 would be required currently and $4,555,472 upon implementation of the additional incorporations.

The Board of County Commissioners could address revenue sharing only with respect to the urban unincorporated area, its jurisdiction of municipal services responsibility. (See discussion of issues on page 4) In this case, the proposed new cities would at this time require resource equity revenues of $2,355,369 as shown on Table A2.

Community Councils Revenue Sharing

One proposed variation with respect to the creation of community councils is that such entities be permitted to retain for their own use a portion of any revenues they generate which are in excess of that required to fund a minimum adequate level of municipal services. The fiscal equity factors developed in the preceding sections can be used to determine the feasibility of such a proposal. If, for example, the six currently proposed incorporation areas, and the remaining urban unincorporated area are established as municipal units with the current urban unincorporated area tax millage, there would be an overall $15,944,705 (4.2%) excess of revenues over expenditures needed to maintain a minimally adequate level of services. As shown on Table A3 three of these entities would have a shortfall; the remaining would have excess revenues over what is needed to maintain a minimally adequate level of services.

If, as also depicted on Table A3, the unincorporated area tax millage were raised by 1.000 mill, the higher, current urban unincorporated area per capita expenditure of $398 could be maintained and excess revenues of $77,680,450 could be shared.

IMPLEMENTATION

The following actions would need to be taken to implement the fiscal equity alternatives described above, the legal aspects of which are set forth in a memo from the County Attorney dated December 7, 1994 (see Attachment 1).

Incorporations and Annexations

This alternative calls for achieving resource equity by placing limitations on the per capita taxable values of areas that could be removed from the unincorporated area through incorporation and annexation. Chapter 20 of the County Code would need to be amended by ordinance to provide such provisions which would be within the legal power of the Commission.

Revenue Sharing

The use of a Countywide tax base sharing alternative to achieve fiscal equity among all of Dade's municipal jurisdictions similar to the Minneapolis - St. Paul approach would require action by the state legislature. After approval by the State legislature, the Commission could enact an areawide property tax for this alternative upon the determination that it was for an areawide purpose and the availability of capacity within the areawide property tax millage cap. The use of a sales tax to fund countywide revenue sharing would require state legislation and Commission action.

Revenue sharing among newly created cities and the remaining unincorporated area, rather than on a countywide basis, can possibly be accomplished by refusal by the Commission to call an election creating a new municipality unless the municipality agrees by some method to transfer certain funds to the county. This approach is currently used to retain utility taxes and franchise fees by the county upon annexation. (In the case of the currently approved and proposed incorporation areas, the projected revenues from these two sources are $37,638,300 of which 55 percent would be required to maintain equity.)

Community Councils Revenue Sharing

The fundamental need for revenue sharing is eliminated under the community council alternative since the unincorporated tax base remains intact. To provide for retention by a council area of a portion of those revenues that are in excess of those needed to maintain an over-all minimum level of services expenditures could be accomplished as part of the legislation required to create this alternative.

Table A1
Population, Tax Base and General Expenditures
for Sample Cities

Comparison Cities	Population	Taxable Property Value	FY 1994-95 General Expenditures	
			Budget(000)	Per Capita
Urban Unincorporated Area	1,006,280	$31,000	$400,723,210	$398
Miami	364,679	29,000	209,427	591
Hialeah	199,923	21,000	75,794	379
North Miami	50,234	22,000	28,337	617
Coral Gables	41,055	106,000	40,600	1,006
North Miami Beach	35,689	27,000	22,602	737
Opa-locka	15,216	24,000	7,530	599
Sweetwater	14,081	13,000	3,209	348
Miami Springs	13,299	38,000	7,104	655
South Miami	10,407	52,000	6,628	758
Miami Shores	10,215	33,000	6,423	737
Hialeah Gardens	9,828	32,000	3,884	516
Key Biscayne	8,881	196,000	7,859	902
West Miami	5,743	26,000	1,926	456
Bay Harbor Islands	4,738	54,000	3,173	780
Surfside	4,265	81,000	4,003	1,043
Florida City	4,089	23,000	4,553	1,234
Bal Harbor	3,053	244,000	3,513	1,213
El Portal	2,453	15,000	684	400

Source: FY 1994-95 Municipal Budgets and Dade County Office of Management and Budget.

Tax Base and Revenue Required for Resource Equity/Existing and Pending/Proposed Cities at $381 Per Capita Expenditure and 8.974 Millage (Required Tax base is $20,379)

Jurisdiction	Population	1994 Taxable Value (000)	Taxable Value perCapita	Excess/Shortfall: Difference between Required and Actual Per Capita Tax base	Total Tax base Required for tax Revenues (population * shortfall)	Tax base Required for Total Revenues (Total*2.08)	Total Revenue Required(Taxbase/1000 *8.974 mills)
Bal Harbor	3,053	744,194	243,760	223,379			
Bay Harbor Isl.	4,738	255,389	5,390	33,523			
Biscayne Park	3,062	71,525	23,360	2,980			
Coral Gables	41,055	4,364,621	106,310	85,933			
El Portal	2,453	37,658	15,350	(5,027)	($12,331,687)	($25,649,909)	($230,182)
Florida City	4,089	93,447	22,850	2,474			
Golden Beach	806	208,777	259,030	238,650			
Hialeah	199,923	4,197,646	21,000	617			
Hialeah Grdns	9,828	316,979	32,250	11,874			
Homestead	18,732	433,792	23,160	2,779			
Indian Creek	44	92,295	2,097,610	2,077,235			
Key Biscayne	8,881	1,741,922	196,140	175,761			
Medley	862	480,813	557,790	537,409			
Miami	364,679	10,741,026	29,450	9,074			
Miami Beach	95,160	5,424,904	57,010	36,629			
Miami Shores	10,125	339,049	33,490	13,107			
Miami Springs	13,299	503,026	37,820	17,445			
N. Bay Village	5,650	218,168	38,610	18,235			
North Miami	50,243	1,114,992	22,190	1,813			
N. Miami Beach	35,689	976,042	27,350	6,970			
Opa-Locka	15,216	370,535	24,350	3,973			
South Miami	10,407	537,480	51,650	31,267			
Surfside	4,263	344,121	80,720	60,344			
Sweetwater	14,081	181,421	12,880	(7,495)	(105,535,699)	(219,514,254)	(1,969,921)
Virgina Grdns	2,206	72,878	33,040	12,657			
West Miami	5,743	150,486	26,200	5,824			
city total	916,338	34,013,186					
Existing UUA	1,006,280	31,537,000	31,340	10,961			
				subtotal	($117,867,386)	($245,164,163)	($2,200,103)
Approved/proposed Cities							
Aventura	15,384	2,029,270	131,910	111,529			
Destiny	69,785	1,295,963	18,570	(1,808)	($126,185,515)	($262,465,871)	($2,355,369)
East Kendall	81,940	3,684,502	44,970	24,587			
West Kendall	154,797	4,253,982	27,480	7,102			
Pinecrest	15,800	1,159,873	73,410	53,031			
Sunny Isles	11,772	984,537	83,630	63,255			
Remaining UUA (after Aventura)	990,896	29,507,730	29,780	9,400			
Remaining after all proposed	656,802	18,128,873	27,600	7,223			
				total	($244,052,901)	($507,630,034)	($4,555,472)

Table A3
Community Councils Revenue Sharing Model
(Assumes Property Tax is 38% of Ttotal Revenue)

	Population	Tax Base (000)	Per Capita Property Taxable Value (000)	Revenue Required (Population*$381)	Property Tax Revenue Generated	Total Revenue With Property Tax	Difference between Revenue Available and Required	Additional Revenue Required	Excess Revenue Avaialable
1) Model at $381 per capita for minimum expenditure and current millage rate									
Existing UUA	1,006,280	31,537,000	31 34	383,392,558	151,748,160	399,337,263	15,944,704		
Pending/proposed Cities									
Aventura*	15,384	2,029,270	131 91	5,861,304	9,764,340	25,695,631	19,834,327		19,834,327
Destiny	69,785	1,295,963	18 57	26,588,085	6,235,850	16,410,131	(10,177,954)	(10,177,954)	
East Kendall	81,940	3,684,502	44 97	31,219,140	17,728,902	46,655,007	15,435,867		15,435,867
West Kendall	154,797	4,253,982	27 48	58,977,657	20,469,098	53,866,047	(5,111,610)	(5,111,610)	
Pinecrest	15,800	1,159,873	73 41	6,019,800	5,581,019	14,686,892	8,667,092		8,667,092
Sunny Isles	11,772	984,537	83 63	4,485,132	4,737,346	12,466,700	7,981,568		7,981,568
Remaining UUA (after all)	656,802	18,128,873	27 6	250,241,440	87,231,605	229,556,854	(20,684,586)	(20,684,586)	
2) Model at $398 per capita for minimum expenditure and 6.065 millage rate									
Existing UUA	1,006,280	31,537,000	31 34	400,499,313	181,708,310	478,179,763	77,680,450	($35,974,149)	($51,818,854)
Pending/proposed Cities									
Aventura *	15,384	2,029,270	131 91	6,122,832	11,692,146	30,768,806	24,645,974		24,645,974
Destiny	69,785	1,295,963	18 57	27,774,430	7,467,015	19,650,039	(8,124,391)	(8,124,391)	
East Kendall	81,940	3,684,502	44 97	32,612,120	21,229,179	55,866,262	23,254,142		23,254,142
West Kendall	154,797	4,253,982	27 48	61,609,206	24,510,381	64,501,002	2,891,796		2,891,796
Pinecrest	15,800	1,159,873	73 41	6,288,400	6,682,898	17,586,574	11,298,174		11,298,174
Sunny Isles	11,772	984,537	83 63	4,685,256	5,672,656	14,928,042	10,242,786		10,242,786
Remaining UUA (after all)	656,802	18,128,873	27 6	261,407,069	104,454,034	274,879,037	13,471,968		13,471,968
							totals	($8,124,391)	$85,804,841

* Aventura which has been approved for Incorporation was retained inthis table because it remains in the 1994-95 County budget.

PLANNING ADVISORY BOARD RESOLUTION MAKING RECOMMENDATIONS TO THE COUNTY COMMISSION CONCERNING IMPLEMENTATION OF FIRST TIER OF LOCAL GOVERNMENT

WHEREAS, there have been a number of requests recently presented to the County by community groups within the unincorporated area, seeking greater self-determination such as by incorporation or annexation;

WHEREAS, the Planning Advisory Board is charged with planning functions including incorporations and annexations, and the County Commission has directed the Planning Advisory Board not only to conduct feasibility studies for the incorporation of communities within the unincorporated area, but also to make recommendations to the Commission with regard to the overall implementation of two-tier government in Dade County;

WHEREAS, there exists concern as to the impact of incorporations and annexations upon the County and upon other areas within Dade County;

WHEREAS, the Planning Advisory Board, through various steering committees, has conducted a series of public workshops throughout the portions of Dade County wherein the desire for incorporation has been formally expressed, has been provided with staff's analysis as to the revenues and expenditures for each of the areas considering incorporation, as well as the impact that such incorporations could have upon the county government and the remaining unincorporated area, and has considered the following reports from prior committees or organizations that have studied the issues pertaining to implementation of the first tier local of government in Dade County:

(a) Final Report and Recommendation, Dade County Metropolitan Study Commission, 1971 (Exhibit "1" hereto);

(b) Report On A Review Of Two-Tier Government In Miami Dade County, Touche Ross & Co., 1978 (Exhibit "2");

(c) Report Of Dade County Charter Review Commission, 1982 (Exhibit "3");

(d) David Bendel Hertz, Governing Dade County: A Study Of Alternative Structure, 1984 (Exhibit "4");

(e) Report Of Citizens Charter Review Committee On Dade County, 1986 (Exhibit "5");

(f) Final Report, Dade County Citizens' Advisory Committee On Countywide Incorporation, 1992 (Exhibit "6");

(g) Final Report, Citizens Task Force On Incorporation, 1994 (Exhibit "7").

WHEREAS, the Planning Advisory Board has given these issues extensive and intensive consideration at several public meetings, THE FOLLOWING FINDINGS ARE HEREBY MADE:

1. In most of Florida's counties, incorporation of new municipalities is governed by the provisions of Chapter 165 of the Florida Statutes (Exhibit "8"). That law essentially requires areas seeking to incorporate to be compact, contiguous, amenable to separate municipal government, of a certain minimum population (depending on the size of the county), of a minimum average population density of 1.5 per acre, and to make equitable fiscal arrangements. Since the statute envisions an "incorporate as you go" approach rather than incorporating already-urbanized areas, it requires city boundaries to be a minimum of two (2) miles apart.

2. By virtue of the Home Rule Amendment to the Florida Constitution and the adoption of Dade County's Home Rule Charter in 1957, sole discretion over incorporations was transferred from the State to Dade County.

3. At the time the Dade County Charter was proposed in 1955, there existed 26 municipalities and more than three quarters (78%) of the County's population lived within such municipalities. (See, Exhibit "6" at p. 6).

4. Since adoption of the Home Rule Charter in 1957 and despite extensive population growth and urbanization in Dade County, only two new cities have been created: Islandia (having a population of less than three) and Key Biscayne (with a population of approximately 9,000)[1] and one, Pennsuco, has been dissolved.

5. Today, the majority of Dade County's population lives within the unincorporated area (more than 54% as of the 1990 census). Between 1980 and 1990, seventy-six percent (76%) of the County's population growth occurred in the unincorporated area. (See, Exhibit "6" at p.6).

6. The unincorporated area is governed as to all of its local affairs, (with the exception of a few special districts), by the Board of County Commissioners ("BOCC").

7. The BOCC, which serves not only as county government for all of Dade County including those who live within the 27 municipalities, but also as "city" government for the residents of the unincorporated area, consists of 13 Commissioners elected from single member districts, all but one (District 11) of which include municipalities within their boundaries. In fact,

[1]The unique area of "Blockbuster Park" partially in Northwest Dade, was recently created as a "Special District" pursuant to Section 165.031 of the Florida Statutes.

residents of municipalities are a majority in six of the thirteen districts (Districts 3,4,5,6,7 and 13)[2].

8. As part of its "city" government function for the unincorporated area, the BOCC governs a $318 million dollar general fund Unincorporated Municipal Service Area ("UMSA") budget and makes all purely local, zoning and other land use decisions within the unincorporated area. In contrast, in the parts of Dade County that are incorporated, those decisions are made by the locally-elected municipal governing body.

9. Since all members of the BOCC (including those representing districts that are mostly or entirely incorporated) vote on the taxes, expenditures and other budgetary and fiscal issues for the unincorporated area as well as on the zoning and land usages within the unincorporated area, the result is a lack of accountability of elected officials for such decisions and a dilution of the impact of the vote of the citizens who reside in the unincorporated area. In other words, a commissioner whose single member district consists in significant part or exclusively of incorporated communities, cannot effectively be called to task at the voting booth by residents of the unincorporated area for such Commissioner's voting record on the "city" issues that affect only such area. Since most or all of the voters to whom such commissioner is accountable at the voting booth are not impacted by such decisions (as they have their own local

[2] These districts are currently represented by Commissioners Teele, Margolis, Kaplan, Reboredo, Ferre and Millan, respectively. The percentages of the population in such districts that live in the unincorporated area are as follows: 10.24%, 44.73%, 0.01%, 15.21%, 13.49%, and 20.12%, respectively.

governments to make those decisions for them) those voters are not likely to have much interest in that commissioner's voting record on such issues.

10. As a result of the foregoing, it has been a growing view within the unincorporated area (as most recently evidenced by the citizen initiative to amend the charter to create locally-elected planning and zoning boards) that local government has not succeeded in the urbanized, unincorporated area and that changes which would result in developing the first tier of local government for the unincorporated areas are desperately needed. In fact, a Dade County Citizens Survey taken by Florida International University in May, 1995 demonstrates that only 24% of the citizens of UMSA would vote to remain unincorporated as of the date of the survey. The plurality was not ready to vote without further study.

11. Instead of proceeding as in practically every other county in the State of Florida, or even as in Dade County before 1957, in creating municipalities to provide that first tier of local government to each community as it developed, Dade County has provided "two hat" rather than "two tier" government to such areas. (However, Dade, as most counties, responds to requests to incorporate by area residents. Of the three requests that have progressed to conclusion since 1957; two were approved).

12. As a result of the failure to incorporate as we urbanized, concern now exists that different parts of the currently unincorporated, urbanized areas have different economic characteristics and that if the area were to incorporate into separate municipalities, these would have different economic capabilities with some being better able to provide local services than

others. Had the areas been incorporated as they developed, there is no question that some areas would have had higher property values and greater tax revenues than others: the existing 27 municipalities have disparate economic scenarios -- Bal Harbour has a much higher per capita and per square mile tax base than Opa Locka, etc. The same is true in all the other counties within the State of Florida (except Duval where the entire area was incorporated into the city of Jacksonville).

13. If fiscal analysis is used as the primary consideration in whether or not to allow areas to incorporate, the effect is a "damned if you do, damned if you don't" approach whereby if an area is deemed to be a "recipient" community, request for incorporation would be denied based upon the perception that "it cannot afford to incorporate," whereas if an area is deemed to be a "donor" community, the application would be denied because it is presumed to have a negative impact upon the budget for the remaining unincorporated area. Such "Catch 22" would result in the preservation of the status quo and is quite likely to result in an increased frustration of the residents of the unincorporated areas.

14. Despite the fact that a number of cities within Dade County have lower per capita or per square mile tax base than the average tax base in the UMSA, no such cities have sought to disincorporate to become part of the UMSA, although to do so would hypothetically result in higher level of services or lower taxes to residents of such areas.[3] This indicates either that

[3]The City of Pennsuco did dissolve itself in 1986 and portions of the City of Miami and of South Miami have sought to separate but have been denied by those cities.

smaller municipalities more effectively or efficiently use their revenues than does the county or, at the least, that citizens of existing municipalities are more concerned with self-determination than with the added costs, if any, thereof. (However, in terms of choice with respect to efficiency and effectiveness, fire rescue and library services are the only municipal-type services for which city residents are relatively free to express a preference across government jurisdictional lines and 21 and 19 cities, respectively, have selected the county as provider of these services).

15. Nevertheless, since the perception, if not reality, exists that if areas with greater tax bases are permitted to incorporate, the remaining areas may not be able to maintain their existing levels of service, and since we are considering incorporations after the areas have been largely developed, some form of fiscal disparity mitigation (such as revenue sharing) should be pursued and implemented to at least prevent creation of any "pockets of poverty."

16. Given the huge size of this County, there exists a significant variation in the priorities of the different communities. A comparison of the (non-scientific) survey results from the various areas seeking to incorporate demonstrates the dramatic differences that exist. For example, in West Kendall, improvement of land use and zoning was ranked as the top single priority. "Governance" received an 88% "highest" priority ranking, while 56% felt issues of costs should be at the "lowest" priority. In contrast, in Pinecrest, improvement of police services was the highest priority, with 66% feeling that issues of services should rank the highest priority,

while governance was only allocated a 28% "highest priority" rating. (See the Survey results attached as Composite Exhibit "9").

17. Testimony from a number of residents in several of the public hearings has revealed that not all areas of Dade County necessarily wish to be incorporated. Yet, the County ought to consider whether it wishes to remain in the business of providing first tier local government to any urbanized portion of Dade County or whether it would be best for the County to concentrate all of its efforts on providing the area-wide government that a strategically located, aspiring "citi-state," more populous than 17 states of the union, demands. Since more than 50% of the BOCC's time is spent dealing with first tier issues for the UMSA, the BOCC is prevented from dedicating all its efforts to providing the superior, area-wide focus that the Charter envisioned and that an emerging "citi-state" demands.

18. In sum, it is felt that smaller units of local government, closer to the people it serves, are better able to direct the allocation of the area's resources and make its local decisions in a manner that better corresponds to the area's priorities than does a government as large as that of UMSA. (See, Osborne & Gaebler, Reinventing Government).

WHEREFORE, in light of the foregoing, THE PLANNING ADVISORY BOARD RECOMMENDS TO THE COUNTY COMMISSION AS FOLLOWS:

GRADUALLY IMPLEMENT TRUE TWO-TIER GOVERNMENT

WITH FISCAL DISPARITY MITIGATION

First tier local government must be implemented for all residents of Dade County in order to more closely reflect the original vision of the Home Rule Charter enacted in 1957: the provision of two-tier local government overseen from the county seat rather than from the state capitol, recognizing the area's unity as a metropolitan area while respecting its differences as local communities. However, since the first tier of local government tier will be provided "after the fact" to already developed areas, fiscal disparity mitigation is necessary in order to prevent significant differences in levels of services provided among the various communities that today make up UMSA.

County government should focus exclusively on providing truly "area-wide" services such as pertain to: airport; seaport; public health; tourism; trade; major public facilities; regional crime (such as car theft, drug enforcement, organized crime, etc.) and centralized communications, helicopter, emergency backup, and crime lab support to local police departments; major transportation facilities; water and sewer facilities; environmental and coastal regulation; public housing and welfare; regional planning and coordination of inter-local relations; etc.

The entire urbanized but currently unincorporated area should be incorporated into a relatively large number of relatively small municipalities (populations not to exceed 175,000) which will provide the first tier of local government services to these communities. In turn, these local governments would be prohibited from duplicating the area-wide services provided by the

county such as are listed above. (Since it is unlikely that the existing 27 municipalities can be dissolved and the entire county provided first tier local government through limited power municipal units ("LPMUs"), for the sake of consistency and so as to not deprive citizens of the currently unincorporated area equal treatment, full incorporation of such areas is recommended.)

These cities would have access to the county's centralized computer system and will share information and, potentially, resources via an "information super-highway" managed by the county. The city structure and relationship with the county will be set up in such manner as to result in streamlined city administrations that would avoid needless duplication of services and would maximize the benefits of interlocal agreements, resource and information sharing, and other regional coordination and cooperation, with the county as the central research gathering and coordinating authority.

Areas within existing municipalities having major area-wide strategic significance such as the downtown Miami core, major transportation corridors, farmlands, wetlands and areas or major facilities clearly exceeding the interests of local residents, should be controlled by the County as far as development and development regulations, but if it is non-exempt property, shall pay municipal taxes and be subject to the same "revenue sharing tax" as may be assessed countywide.

In order to oversee the orderly incorporation of the currently-unincorporated but urbanized area, the Planning Advisory Board should be required to analyze incorporation applications with the charge of insuring that unincorporated enclaves are not created; that population minimums

(5,000 residents) and maximums (175,000 residents) are observed; that the areas be compact, contiguous and amenable to separate municipal government; that boundaries not be gerrymandered so as to create any significant social division or economic disparity.

The County should consider amending its current ordinances governing incorporation so as to entitle communities to incorporate upon a majority vote of its citizens after demonstrating they meet the foregoing requirements and the further requirements that equipment and resources that would be rendered surplus because of such incorporation be acquired from the county by such new municipality to the extent practicable, and that displaced county employees be given first priority in hiring by the new municipalities without loss of seniority or other vested benefits. The county should **actively encourage** the orderly but gradual incorporation of all the currently unincorporated but urbanized area.

In order to insure that "pockets of poverty" are not created as a result of this restructuring, the BOCC should adopt a resolution formally requesting the State Legislature to enact a statute expressly permitting imposition by the county of a "revenue sharing tax" on a countywide basis. Ideally, the revenue sharing should be modeled on the Minneapolis-St. Paul approach which is, in essence, a tax increment finance district. In the Minnesota approach, "40 percent of the Metropolitan Area's growth in commercial and industrial tax base...[is put] into a metro-wide pool. The pool of tax base contributions is then redistributed among all communities in the [affected]...area. The redistribution is based on a community's population and how its per-capita market value of all real property ("fiscal capacity") compares with the average for the

Metropolitan Area. A community with below average fiscal capacity receives a somewhat larger distribution from the pool, while a community with above average fiscal capacity receives somewhat less."[4]

Alternatively, the Legislature should be requested to permit imposition of a revenue-sharing tax on all municipalities in Dade County (existing and to be created) whose "fiscal capacity" (as defined in the Minnesota plan) exceed the countywide mean by more than 25%. Such a revenue sharing tax shall be no more than the amount by which such municipality's "fiscal capacity" exceeds 125% of the entire county's mean "fiscal capacity." The proceeds of this "revenue sharing tax" shall be distributed annually by the County, based upon a formula to be established by the BOCC, to the various municipal governments (including UMSA) whose "fiscal capacities" are less than seventy-five percent (75%) of the countywide mean, provided that such municipalities are exercising the maximum "tax effort" relative to their "fiscal capacities." The maximum that shall be shared with any such municipality shall be the amount necessary to enhance the municipality's revenues to an amount equal to 75% of the county-wide average.[5] The County shall have the right and obligation to audit the records of all municipalities to ensure

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[4] Staff Report (Draft), Fiscal Disparities Discussion Paper Metropolitan Council, Publications No. 620-91-066 (Rev. April 16, 1991), at page 1.

[5] This formula is designed to implement the Touche Ross & Co. recommendation in its 1978 study (Exhibit "2") that there not exist more than a 50% disparity between any municipalities, 25% from the county-wide mean in either direction. In this regard, it should be noted that the Twin Cities' Metropolitan Council approach in Minnesota only reduced the disparity ratio to 4 to 1. The Touche approach, generally followed here, would permit a maximum ratio of only 1.6 to 1 (125/75).

compliance with these requirements, whether as a donor or as a recipient. Any increases beyond the set limits for this tax shall require majority approval in a county-wide referendum held during a general election.

In any case, to ensure that "pockets of poverty" not be created as a result of the incorporation process and to ensure a minimum acceptable standard level of services beneath which no municipality shall be permitted to fall, the County should exercise its powers under Article 1, Section 1.01.A.18 of its Charter and set minimum standards for the performance of all essential services or functions (such as Police, Fire, Housing, Water, Sanitation, and Sewer) which, if not met by the governing municipality, the County shall take over or grant franchises to operate such services.[6]

The county should consider, either as an alternative to revenue sharing or in addition thereto, creating a "Police District" similar to the Fire District or to the Juvenile Welfare Special District.[7] Such district should govern provision of "regional" police services such as drug

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[6] Of course, boundaries oversight will help prevent creation of pockets of poverty. In this regard, in assisting the Planning Advisory Board in fulfilling its role concerning incorporation requests, the planning staff should be directed to prepare a computer-based model that identifies areas that would be potentially at risk of becoming pockets of poverty and prepare models of the boundary alternatives that would be necessary to prevent such pockets from being created. As an application to incorporate comes forward which infringes on any parts of the boundaries in the computer models for such "at risk" zones, the application would be "red flagged" and alternative boundaries should be recommended which would prevent a deleterious impact.

[7] If a separately elected board is given governing authority, the tax millage for the district will not come out of the County's ten mill cap. If the district is defined to include some or all of the incorporated areas, it may have the same basic effect as revenue sharing, especially since the police budget is the single largest line item for all municipalities. The County Commission has authority to create a police protection district by ordinance pursuant to Article 1, Section 11

enforcement, homicide, car theft, organized crime, crime lab, centralized communications and support including helicopter service and emergency backup to the local police departments, etc. throughout Dade County. The various municipalities would then provide only the truly local "street beat" police services which a local police department is better able to provide.

During the gradual incorporation process, and until at least one of the aforementioned fiscal disparity mitigation plans is implemented, the unincorporated area should be divided into a number of districts, each of which should elect its own five to seven member "municipal advisory council," and have its own "Team Metro" county outreach office which shall work with the elected council. For the areas that have already been the subject of an incorporation feasibility study by the P.A.B., (i.e., Aventura, Destiny, Pinecrest, East Kendall and West Kendall) the boundaries recommended by the Planning Advisory Board shall be the boundaries of the area's respective district. The remaining unincorporated area shall be divided into at least six compact and contiguous districts of roughly equal size. The elected municipal advisory councils shall hear and decide all land use and zoning matters within its boundaries subject to appeal to the BOCC which may only reverse the municipal council's decision by a two-thirds vote of the entire membership of the BOCC. The BOCC shall allocate no less than 80% and no more than 120% of the revenues generated from each district to be spent within such district and the municipal advisory councils shall make recommendations to the Commission regarding

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of the Charter. However, to give governing authority to a body other than the County Commission (and thus to charge the millage against the municipal 10 mills rather than the countywide cap), a Charter Amendment would be required.

expenditure of such funds within its district. Such recommendations may be disregarded by the commission only upon a two-thirds vote of its entire membership unless an express finding is made that to follow the recommendation would be illegal or jeopardize funds or other benefits received by the county from state, federal, or other such sources. The County shall provide all staff and equipment and facilities reasonably necessary for operation of the councils, including planning, legal, building and zoning, clerical and other such needs. **It must be clear, however, that these councils shall not preclude full incorporation should communities within those districts so desire, and otherwise meet the requirements set forth above, once a revenue sharing or similar fiscal disparity mitigation plan is implemented. In the event that for any reason, a fiscal disparity mitigation plan, such as countywide revenue sharing, is not implemented within three (3) years from the adoption hereof, the Commission must allow incorporations to proceed notwithstanding such fact and simply exercise its Charter powers to ensure that minimum levels of service are provided and thus, no pockets of poverty are created.**

In sum, this plan is premised on the tenet that large government is not the most effective or efficient means for delivery of truly local services, and that smaller, streamlined municipal governments provide the most responsive and accountable government, best capable of addressing local communities' needs and providing local government services to its citizenry, while recognizing that the county government is the best means of addressing and governing regional and interlocal concerns as well as coordinating the efforts of the region on such matters as

national and international trade, economic development, coastline protection, and the other previously listed area-wide concerns. It is believed that this approach maximizes the benefits of the recently adopted single member district County Commission structure and would fulfill the promise of two-tier government originally envisioned in the 1957 Charter.

The foregoing resolution was moved by Al Maloof. The motion was seconded by Osmond Howe and upon being put to a vote, the vote was as follows:

The chairperson thereupon declared the resolution duly passed and adopted this 31 day of May, 1995.

Dorothy Cook	Aye	Osmond Howe	Aye
Pan Courtelis	Absent	Rod Jude	Aye
William Delgado	Absent	Abraham Kawa	Absent
Santiago Echemendia	Absent	A. Albert Maloof	Aye
Randolph Espinet	Aye	Jose Rojas	Aye
Charles George	Aye	Jay Sosna	Aye

Gonzalo Sanabria, Chair Aye

Appendix IX

MEMORANDUM

TO: Honorable Chairperson and Members
Board of County Commissioners

DATE: July 22, 1997

SUBJECT: Final Report

FROM: Commissioner Katy Sorenson, Chair
Revenue Sharing Task Force

On behalf of the Revenue Sharing Task Force, I am pleased to submit to the Board of County Commissioners the final Task Force report, which contains, as required, two recommendations for countywide revenue sharing and two recommendations for unincorporated municipal service area (UMSA) revenue sharing and the mitigation of adverse fiscal impacts of incorporation on the remaining UMSA budget.

Over the last six months the Task Force has met 11 times and has reviewed a substantial amount of existing and new reports and data related to revenue sharing, incorporation and annexation issues and the potential implications of incorporation on the UMSA budget. In addition, public hearings were held in north Dade on June 24 and south Dade on June 25.

The issues reviewed and deliberated by the Task Force were complex, controversial and often very emotional. As a group I believe we were successful in maintaining an objective perspective as we deliberated the many issues surrounding revenue sharing. Due to the complexity of revenue sharing-related issues we have, as you know, requested and received two time extensions in finalizing our Task Force recommendations. At this time I can safely say that no easy, non-controversial, "win-win" solutions exist regarding the recent incorporation debate. However, I am pleased with the recommendations being advanced by the Task Force and believe they would ensure incorporation can occur in an orderly, rational fashion while at the same time minimizing any adverse impacts incorporation could have on tax and service levels for residents of the remaining UMSA.

In addition to the two countywide and two UMSA-only recommendations outlined in the attached report, two other conceptual proposals that received serious attention in our meetings and at the public hearings are included in the appendices to the final report. The first deals with the possibility that with future and perhaps total incorporation most of the specialized police functions performed by the Metro-Dade Police Department such as homicide, robbery and narcotics investigation units, the bomb squad, SWAT teams and other sophisticated investigative functions may be lost. This is not a desirable outcome and the Task Force believes a solution must be developed to preserve these specialized services on a regional basis if incorporation were to continue. An outline of a conceptual police district proposal which addresses the issue of preserving regional police services can be found in the Appendix to the final Task Force report.

The second proposal which received a great deal of attention involved the incorporation of the entire unincorporated area by utilizing the Community Council boundaries as the basis for forming new cities by the year 2010. While perhaps an alternative worthy of future review, the Task Force concluded that this was not a revenue sharing plan and thus was not appropriate for Task Force recommendation to the Board. The Community Council proposal with a brief staff analysis is included in the Appendix to the report for your review.

Some people in this community view revenue sharing with skepticism and many people do not understand or appreciate the complexity of revenue sharing and the potentially serious adverse implications piecemeal, uncontrolled incorporation can have on Dade County. By being skeptical and asking hard questions, one can get a clearer picture of the revenue sharing issue and better understand alternative approaches. I believe there is enough information in this report and in previous reports concerning revenue sharing and incorporation to lead any reasonable person to conclude that fiscal inequity is a real problem among existing cities with the potential to become a far more serious problem with continued incorporation of communities with well above average property values. Moreover, this report shows that there are workable revenue sharing and UMSA budget impact mitigation plans that can minimize fiscal inequities among communities in Dade County.

I am requesting that the Board convene a special Commission Workshop during regular Commission meeting in September, prior to the end of the current moratorium on incorporations, to discuss this report, issues surrounding revenue sharing, and approaches which might allow incorporation to proceed in a way that minimizes or negates any adverse impacts on residents of the remaining unincorporated area. I believe it is important for each of us to carefully review this report and ask questions of staff where clarification or better understanding of the complex issues addressed is necessary prior to any fall Commission Workshop on this subject. Furthermore, I would encourage the circulation of this final report to government, community, academic and business leaders so that they can actively participate in this fall workshop.

I would like to thank the members of the Revenue Sharing Task Force for all of their hard work over the last six months. We owe this Task Force a debt of gratitude and I am sure the Board will join me in congratulating them on a job well done. I would also like to thank the staff on the Office of Management and Budget and the Department of Planning, Development and Regulation for their expertise, high quality work products, patience understanding, and hard work throughout this effort. We would not have completed our work without them. I know I speak for the Task Force when I say how fortunate the County is to have such a talented group of dedicated professional public administrators.

I am proud of the dedication of the citizen volunteers who served on the Task Force and gave their time and talent to address this problem. The Task Force work was serious, demanding and time consuming. I believe this report is an excellent example

of how concerned citizens can help point the way to a better community for all and not just for a few. The real test, however, of this work product is not the Task Force itself, for its job was well done, but rather the leadership of this community in its many forms, including the Board of County Commissioners, the mayors of existing cities, Community Council members, those in the forefront of the incorporation movement, the news media and others. Time and time again, this community's leaders have risen to the occasion to help address and solve major problems facing this community. The challenge, then, is for this community's current leaders to reach out to the entire community with a consensus solution to fiscal disparities and, ultimately, with the support of the community, to achieve that solution.

Attachment

SCC/00397

REVENUE SHARING TASK FORCE

FINAL REPORT

JULY 22, 1997

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REVENUE SHARING TASK FORCE
FINAL REPORT
JULY 22, 1997

INTRODUCTION

In October 1996, the Board of County Commissioners (BCC) passed Resolution R-1210-96 creating "a Revenue Sharing Task Force to study various revenue sharing proposals for providing for fiscal equity in funding municipal services in Dade County." Among other assignments, the Revenue Sharing Task Force (Task Force) was requested to "identify the two most appropriate approaches to area wide and unincorporated area revenue sharing."

This report contains the Task Force's recommendations on area wide and unincorporated area revenue sharing and is organized as follows:

- Background
- Problem
- Countywide Revenue Sharing
- Unincorporated Municipal Service Area (UMSA) Revenue Sharing and Mitigation Options
- Appendices

BACKGROUND

With over 2 million residents, Dade County is a large, complex urban area with a multi-cultural, multi-ethnic population mix. Recent census data indicate that Dade County is also one of the poorest urban counties in the United States (sixth poorest large county, "Dade is growing poorer, faster," Dan Keating, Miami Herald, April 2, 1997); yet within the county there are many wealthy neighborhoods and communities. The county currently consists of 29 active municipal governments. These include the largest, Metro-Dade County's unincorporated municipal service area (UMSA), and the two newest cities, Aventura and Pinecrest; it excludes Islandia -- not an active city -- and Sunny Isles Beach, which just approved its charter as a city in June 1997.

The residential population within the boundaries of these 29 active city governments and the governments themselves reflect differences in size, ethnic mix, taxation, household income (a measure of personal wealth) and municipal wealth. A common measure of municipal wealth is per capita property tax base. Property taxes, derived from the tax base, generally are the single largest general revenue source for cities. Unlike state-shared revenues, which are formula based, and utility taxes, which are limited by state law, property tax revenues are the most flexible source of revenue for city officials subject only to the Constitutional tax rate limit of 10 mills. Per capita property tax base is calculated by dividing the total taxable value of property in a city by its population. Studies have shown that wealthier communities (municipal wealth) spend more on municipal services on a per capita basis than their less wealthy counterparts. Such services typically include police, fire, libraries, public works, parks, planning, and code enforcement.

Table1. Dade County Municipal Governments

Jurisdiction	1995 Population	Per Capita Taxable Value	1996 Millage Rate +	Median Household Income
Aventura	16,655	$156,417	2.2270	$31,901
Bal Harbour	3,091	265,714	3.5000	39,773
Bay Harbor Islands	4,774	56,060	5.0000	30,112
Biscayne Park	3,190	**22,897**	8.1780	35,938
Coral Gables	40,154	116,394	2.3650	47,506
El Portal	2,506	**16,055**	7.7000	**26,173**
Florida City	6,290	**22,488**	7.1330	**15,917**
Golden Beach	800	273,494	8.7377	71,965
Hialeah	195,750	**22,858**	5.9894	**23,443**
Hialeah Gardens	9,412	39,989	7.7800	**24,120**
Homestead	30,712	**18,088**	8.6816	**20,594**
Indian Creek Village	45	2,272,933	9.9600	150,001
Key Biscayne	9,333	199,426	2.1060	61,293
Medley	711	775,339	7.9230	**24,750**
Miami	364,075	**31,658**	6.3560	**16,925**
Miami Beach	93,366	65,490	4.4990	**15,312**
Miami Shores	10,442	**32,759**	8.7400	41,670
Miami Springs	13,226	39,292	6.7000	31,461
North Bay Village	5,535	39,251	5.1190	25,165
North Miami	51,973	**22,755**	7.9350	**24,898**
North Miami Beach	36,227	**28,517**	7.7000	**24,963**
Opa-locka	15,454	**24,692**	9.8000	**15,099**
Pinecrest	18,927	87,492	2.2770	74,576
South Miami	10,514	53,186	6.8000	31,741
Surfside	4,170	97,765	5.6030	32,349
Sweetwater	14,717	**13,713**	3.6567	**22,530**
Virginia Gardens	2,197	**34,594**	3.2950	28,269
West Miami	5,751	**28,227**	8.4950	**25,477**
Unincorporated Area	1,086,669	**34,953**	2.2770	27,775
Total or Average	2,056,666	$38,472	6.0874	$26,909

Source: See tables in appendix. Excludes Islandia.

Figures in bold are below the county average.

City names in bold indicate that the city has both below average per capita assessed value and median household income.

+ Several rates were adjusted to back out equivalent fire-rescue millage from the cities' total millage for comparability. See tables in appendix for more details.

Table 1 shows population, per capita taxable value, current municipal millage rates and median household income for these 29 municipal governments. The data indicate that almost 50 percent of Dade's municipal governments (14 of 29) have per capita property tax bases below the county average of $38,472, and 14 have median household incomes below the county average of $26,909. Ten cities fall into both below average categories. The figures that are below average for per capita taxable value and median household income are shown in bold in Table 1. The ten cities' names where both figures are below average are also shown in bold.

PROBLEM

Since new cities created in recent years have per capita property tax bases substantially above the UMSA average, attention has been drawn to disparities in municipal wealth within the remaining unincorporated area as well as in existing cities. In recent months, this attention has been more sharply focused, since all of the communities in unincorporated Dade petitioning to become cities also enjoy per capita property tax values higher than average. Table 2 summarizes relevant data related to recent incorporations and for those areas with petitions to incorporate or for whom incorporation studies have been completed by County staff.

Table 2. Per Capita Property Tax Bases of New Cities, Areas in Queue for Incorporation and UMSA, Adjusted for Actual and Potential Changes

Area	1996 Per Capita Tax Base	Times Greater than Current UMSA
"Old" UMSA*	$38,986	
Key Biscayne	199,426	5.7
Aventura	156,417	4.5
Pinecrest	87,492	2.5
Current UMSA	34,953	
Sunny Isles Beach	84,462	2.4
East Kendall	63,188	1.8
West Kendall	35,521	--
Palmetto Bay	61,887	1.8
Doral	105,713	3
Miami Lakes	79,301	2.3
Country Club Lakes	52,067	1.5
Revised UMSA+	28,791	

* Value using 1996 taxable figures and population with Key Biscayne, Aventura and Pinecrest rolled back into UMSA.
+ Value if remaining areas incorporate.

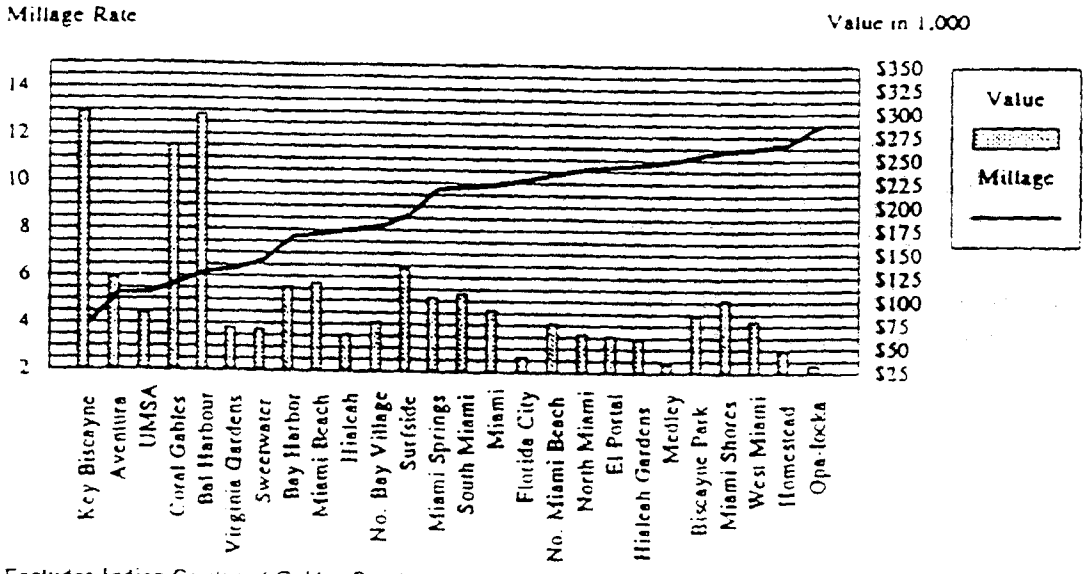
The three recent new cities have caused a decline in the per capita property tax base of UMSA from $38,986 (assuming these areas and their populations were in UMSA) to $34,953, a 10 percent reduction. With the communities in queue, the UMSA per capita tax base would decline from $34,953 to $28,791, almost another 18 percent. If these incorporations occur, it would likely mean (1) many of the remaining communities in unincorporated Dade would not have tax

bases sufficient to become cities and provide a reasonable level of service at a reasonable rate o taxation and (2) it would likely mean tax increases in the remaining UMSA in order to maintain services at current levels.

A major problem facing policy makers centers on potential future fiscal disparities that incorporation may bring as well as on existing disparities in cities that have below average per capita property tax bases; many of these cities are feeling increased pressures of higher taxation in order to provide a level of municipal services desired by their residents. Chart 1, which shov both municipal millage rates and average assessed value of residential property by city, suggests that the higher the assessed value of residential property within a city, the lower the millage rate or, conversely, the lower the assessed value of residential property, the higher the millage rate.

Chart 1. Municipal Millage Rates and Average Assessed Value of a Residence

1996 Rates and Assessed Values



Excludes Indian Creek and Golden Beach whose average assessed values are too high to fit on chart ($2.6 million and $621,161, respectively.)

Millage rates include Fire Rescue and Library Districts, where appropriate.

One solution to the problem of fiscal disparities is to create a countywide municipal revenue sharing program that will allow city governments to provide higher levels of service than they could otherwise afford. Such a program would help reduce fiscal disparities among existing cities and may level the playing field for areas with lower property values to become new cities; it may also reduce the impact of incorporation of high property value areas on the remaining unincorporated area. Thus, all residents of the county could enjoy a certain level of basic municipal services that often can only be provided in wealthier communities. Another solution to address negative impacts only in UMSA due to incorporation of wealthier neighborhoods is to provide a revenue sharing program or mitigation strategies just affecting UMSA. Such alternatives would by definition not address fiscal disparities in existing cities nor help lower-valued areas in UMSA to incorporate with reasonable tax rates.

COUNTYWIDE REVENUE SHARING

This section outlines two approaches to countywide revenue sharing. They have three common components:

- A source of countywide revenue
- A formula to determine municipal eligibility and amounts to distribute
- An oversight committee with strict program application and evaluation criteria

Countywide Revenue Source: 1/2 Cent Sales Tax

The Task Force concluded early in its deliberations that it would not offer any revenue sharing options that used property taxes (ad valorem) as a source for the revenue sharing pool. Several options that possibly could support a countywide revenue sharing program were reviewed, but one stood out. This is a new half penny sales tax. The sales tax offers several benefits, but also has several barriers.

Benefits

There are six major benefits of a half cent sales tax:

1. It raises $100 to $110 million annually, an amount that would be sufficient for a revenue sharing program to be effective.
2. It is a recurring source of revenue.
3. While sales taxes normally are considered regressive in nature, Florida's sales tax excludes food and medicine, and if the revenue sharing program targets poorer cities, the residents there would receive a greater benefit, helping to negate the regressive aspects of this tax.
4. An estimated 30 to 35 percent of sales taxes are paid by tourists and visitors.
5. As a new revenue source, no city would contribute any of its existing revenue.
6. No property tax revenues or tax rates would be affected.

Barriers

There are four major barriers to using this revenue source:

1. It would require a change in state law in order for revenue sharing to be an eligible use of sales tax.
2. It would likely require a referendum of the voters to implement a revenue sharing program, if state law allows such a use for sales tax.
3. It would be a tax increase on consumption.
4. It would preclude the County from using this revenue for other purposes currently allowed under state law.

Current state law allows the County to impose an additional 1/2 cent sales tax with a referendum for indigent health care or infrastructure, and up to 1 cent for mass transit. This part of the statute would have to be amended to make a countywide municipal revenue sharing an authorized use of a local option sales tax.

Eligibility and Distribution Formula

Two options were selected and both assume the source of funds for the revenue sharing pool will come from a new, one-half cent sales tax, raising approximately $100 to 110 million annually. Each has a unique distribution formula that determines eligibility of a city to participate in revenue sharing and how much each eligible city is to receive, subject to meeting other application and evaluation criteria. Table 3 summarizes the hypothetical distribution results for each plan, using the best available current data. Tables A-1 and A-2 in the Appendix show the detailed calculations for each option. The plans are summarized below.

Note: Data in the tables in this report may change from year-to-year since each jurisdiction's tax base, population, and millage rate would likely change as will median household income data when new census information becomes available. If either option is approved, each data element will be reviewed and modified to reflect the most current information available. In the meantime, these data are useful to show the hypothetical results of the two options and thus can assist in effective decision-making.

Option 1

Concept: All cities would be eligible to receive a portion of the revenue sharing pool, but the distribution formula would enable cities with higher tax efforts and lower median household incomes to receive more revenue on a per capita basis than cities with lower tax efforts and higher median household incomes. This option achieves two major goals: all municipalities will receive some revenue, but the "poorer" cities, as measured by tax effort and median household income, would receive relatively greater amounts.

Number of Cities Eligible: 29

Results. Data reflecting a hypothetical distribution with total and per capita results are shown under Option 1 in Table 3. The distribution assumes $100 million in the pool. If all $100 million were distributed to every municipal government based on population alone, the per capita value each city would receive would be approximately $49. Thus, by reviewing the Per Capita column of Table 3, Option 1, one can conclude that cities receiving more than $49 per capita exhibit higher tax efforts or lower median household incomes, or both. Those cities with a per capita revenue sharing value less than $49 reflect lower tax efforts or higher median household incomes, or both. The redistributive result comes from the weighted formula. The weighting methodology is explained later in this report.

Cities with larger populations would receive more funds in terms of absolute dollars because the formula is population based. The appropriate comparison is the per capita values, since this adjusts for the different populations among the municipal governments in the county.

The city names in Table 3 are coded with bold print, italics and shading to help identify those that have below average assessed values (bold), below average median household incomes (italics), and relatively high tax efforts (shading). All but two cities with one code do receive more than $49 per capita. All cities with two or more codes receive more than $49 per capita. All cities without coding receive less than $49 per capita in this hypothetical example.

Table 3. Hypothetical Countywide Revenue Sharing Distribution

Distributed by Population	Option 1		Option 2	
Jurisdiction	Weighted by Tax Effort and Median Household Income to All Cities		Weighted by Tax Effort Only to Below Average Per Capita Tax Base Cities	
	Total	Per Capita	Total	Per Capita
Aventura	$407,716	$24		
Bal Harbour	61,608	20		
Bay Harbor Islands	183,645	38		
Biscayne Park	255,196	80	$527,348	$165
Coral Gables	755,138	19		
El Portal	270,681	108	556,268	222
Florida City	615,679	98	923,434	147
Golden Beach	12,150	15		
Hialeah	10,053,669	51	11,423,534	58
Hialeah Gardens	584,452	62		
Homestead	3,543,058	115	6,822,568	222
Indian Creek Village	245	5		
Key Biscayne	123,402	13		
Medley	21,456	30		
Miami	25,094,023	69	27,223,445	75
Miami Beach	5,406,908	58		
Miami Shores	647,616	62	1,289,454	123
Miami Springs	677,436	51		
North Bay Village	276,956	50		
North Miami	4,534,950	87	8,388,352	161
North Miami Beach	2,676,208	74	4,527,494	125
Opa-locka	1,758,023	114	2,838,898	184
Pinecrest	262,011	14		
South Miami	460,583	44		
Surfside	131,185	31		
Sweetwater	1,123,654	76	1,816,367	123
Virginia Gardens	90,114	41	96,856	44
West Miami	451,662	79	801,080	139
Unincorporated Area	$39,520,576	$36	$32,764,901	$30

Notes:
Cities in bold have below average taxable values.
Cities in italics have below average household incomes.
Cities that are shaded have relatively high tax efforts.
Excludes Islandia.
Sources: Property Appraisal, Planning, Development and Regulation, OMB
(Computed figures are subject to rounding.)

Option 2

Concept: Funds would be distributed only to those cities that have below average per capita taxable values and more funds would be awarded to eligible cities that exhibit higher tax efforts. Option 2 achieves one overarching goal: to help "poorer" cities, as defined by below average per capita property tax base, to achieve a level of services more similar to wealthier cities by providing them substantial revenue sharing funds. Secondarily, the distribution formula also rewards those with higher tax efforts -- those that are trying harder -- with more funds on a per capita basis than other eligible cities would receive.

Number of Cities Eligible: 14

Results. Option 2 provides significant redistributive results to cities whose per capita assessed property values are below the county average and to those in this group that are trying the hardest to fund services based on tax effort. Cities with above average per capita property tax bases do not receive any funds. Eligible cities with higher tax efforts receive more revenue on a per capita basis than eligible cities with lower tax efforts. For example, the unincorporated area has a very low tax effort and a per capita taxable value just slightly lower than the average in the county and it actually would receive more funds under Option 1 than Option 2 -- even though fewer cities participate in Option 2. On the other hand, Homestead which has a relatively high tax effort and low per capita property tax base would receive $6.8 million under Option 2 ($222 per capita) but only $3.5 million under Option 1 ($115 per capita).

Oversight Committee

The Revenue Sharing Task Force strongly recommends that an oversight group be established to administer either Option 1 or Option 2. Thus, under either countywide revenue sharing program, the allocation of funds to jurisdictions based on a pre-established formula would further be limited to specific service enhancements subject to review and approval by an oversight group. This oversight group could be patterned after the Safe Neighborhood Parks Citizens' Oversight Committee created to administer the $200 million parks bond program approved by the voters in November 1996. This committee would have the authority to approve funding, evaluate programs, and withhold funding if programs were poorly managed or did not achieve intended results.

Program Application and Evaluation Criteria

Program application essentially would include the following limitations:

1. Application: Each city must submit a grant proposal identifying specific goals and objectives to create, improve, expand or enhance a service or function.
2. Maintenance of Effort: Each city would be required to maintain its current funding level of the service identified in the grant request, so the revenue sharing funds buy additional services.
3. Annual Report: Each city would have to report on the use of the funds after the end of the year in which the funds were spent.

4. Evaluation: An oversight group would evaluate the results of the increased service effort. Future grant awards may be dependent on past performance.

Exceptions to the maintenance of effort requirement could be allowed in cases where the city's tax effort is substantially higher than the average or other unique circumstances. Such exceptions could be granted by the oversight group.

Eligible Services

Application for revenue sharing funds would be limited to both operating and capital improvement projects for such fundamental municipal services as:

☐ Public Safety

- Police
- Fire-rescue
- Code enforcement

☐ Physical Environment and Public Infrastructure

- Road improvements
- Recycling
- Street beautification and lighting
- Sidewalks and bikeways
- Median maintenance and street cleaning
- Drainage improvements
- New and upgraded public facilities, including code required improvements such as ADA

☐ Recreation

- Parks
- Recreation programs, including programs and activities targeted for youth, seniors and persons with special needs
- Youth programs
- Senior programs
- Libraries

☐ Economic Development

- Job creation
- Job training
- Business retention
- Business attraction

Objectives/Performance Measures

Any grant application for the eligible services could be evaluated according to the objectives listed below. Each service shows common data collected for the services. Other measures could be identified, as well, that would tie the specific objective of the grant request to an outcome measure of performance. Several national organizations have identified performance measures that could serve as useful tools for evaluating requests and assessing outcomes after the program has been implemented.

☐ Police

- Number of sworn staff per 1,000 population
- Average response time to emergency calls
- Crimes cleared
- Number of investigative officers per total sworn personnel

☐ Fire

- Percent of fire and rescue calls responded to within 5 minutes
- Fire rescue personnel per 1,000 population

☐ Code enforcement

- Number of days from complaint to inspection
- Number of days to voluntary compliance

☐ Streets and lighting

- Percent of miles with satisfactory rideability
- Percent of roads with satisfactory appearance
- Percent of streets with street lighting
- Number of code enforcement officers per 1,000 population

☐ Recycling

- Tons collected per household
- Percent of households, businesses participating in program

☐ Recreation

- Acres of parks per capita
- Full time park employees per 1,000 population
- Percent of school age children in after school programs
- Percent of youth in evening programs
- Percent reduction in juvenile crime
- Percent of seniors in programs

- Annual library book circulation per capita
- Number of library employees per 1,000 population
- Number of library books per capita
- Percent of population that are registered borrowers

☐ Economic Development

- Cost per job created
- Percent of persons hired as a result of training
- Number of new businesses brought in

Weighting Distribution Formulas

A predetermined, formula-based method of determining revenue sharing distributions allows for an automatic calculation of the amount of disbursement for all cities. The formula can contain factors that limit which cities receive funding and the amount they receive by the factors used to determine the weighting in the formula. The formulas in Option 1 and 2 use several factors to deliberately affect the amount of funds available to each city participating in the program. The formulas use "weighting" factors to control dollar amounts awarded. The formulas in effect serve as a partial means test, rewarding some cities with relatively more funds than others. The following weighting factors have been used for Option 1:

- Population
- Median Household Income
- Millage Rate
- Per Capita Taxable Value

Option 2 uses the same factors except median household income.

These factors are explained next and hypothetical examples are provided to show how the formulas work. Detailed data can be found in Tables A-1 and A-2 in the Appendix.

1. **Population.** This factor is used in some way in virtually all monetary distribution formulas such as state revenue sharing and in many federal programs. It helps ensure allocations are sensitive to the relative size and hence higher absolute cost of services incurred by larger jurisdictions. The other factors used in the formulas proposed here essentially adjust the population figures which are then used to determine the final distribution from the pool.

2. **Median Household Income.** This factor is a measure of need. Any city with a median household income below the average could be considered more needy than those above the median. Using this factor to weight a formula, cities with median incomes below the average would receive more revenues on a per capita basis than cities with values higher than average. Table 4 below provides hypothetical data assuming a pool of $10 million for distribution with a formula weighted by median household income. With a simple population formula, each city in this example would receive approximately $95 per capita ($10,0000,000 / 105,000).

Table 4. Hypothetical Examples of Income Weighting Formulas

A	B	C	D	E	F	G	H	I
Formula		B total / B		D average / D for each city	E * B	F / F total * 100	G * 10,000	H * 1,000 / B
City	Population	Percent of Total	City Median Household Income and Average	Relative Income Weight	Weighted Population	Weighted Population Share (new percent)	Share of $10 Million Pool (000)	Per Capita Share
City A	60,000	57	$15,000	1.8889	113,333	73.85	$7,385	$123
City B	35,000	33	$30,000	0.9444	33,056	21.54	$2,154	$62
City C	10,000	10	$40,000	0.7083	7,083	4.62	$462	$46
Total or Avg.	105,000		$28,333	3.5417	153,472		$10,000	

Hypothetical cities A, B, and C are shown with respective population and median household income data. Column C shows the percent each city's population makes up of the total. Compare this to the percent under column G and you see how the income weighting affects distribution. A is the largest and poorest city. It makes up 57 percent of the total population of the three cities. It also has the lowest median household income. With the weighted formula, though, it receives the most funding with almost 74 percent of the weighted population share and $123 per capita. City C, the richest and smallest of the three cities, receives only $46 per capita, representing about 5 percent of the weighted population, but 10 percent of the actual population. The effect of income weighting clearly allows more dollars to be directed toward areas with more need as measured by median household income. Table A-1 shows the actual data for income weighting for the existing municipal governments in Dade County as part of the calculations for Option 1.

3. **Millage Rate.** This is a tax rate. In part it reflects the level of effort a city is putting forth to fund its own services, and in part it is a reflection of the value of property in a city. Often, cities with low millage rates can be described as using a low effort to fund its services, and cities with high millage rates can be said to be using a high effort to fund its services. Using millage rate in the proposed formulas, in effect, means a city with a low millage rate, or low tax effort, would not receive as much revenue sharing on a relative basis as a comparable city with a higher millage rate or higher tax effort. To be a more accurate measure of tax effort, the millage rate should be coupled with taxable property value. In the formulas proposed here, as well as the state formula for determining relative ability to raise revenue, the per capita assessed value is one of the factors used as a measure of ability to raise revenue. This factor is explained under 4 below.

Another way to look at the millage rate as a way to address the issue of revenue raising ability is to determine how much capacity a city is using. The millage rate can easily be converted to a percent showing the capacity used and the capacity remaining. A city with a millage rate of 7 is using 70 percent of its capacity to raise property tax revenue (7/10: 7 mills divided by the Constitutional cap of 10 mills). A city with a millage rate of 3 is only using 30 percent of its capacity to raise property tax revenue and has 70 capacity left with which to raise more revenue

if needed. A city at 9.5 mills is expending 95 percent effort at raising revenue and only has 5 percent capacity remaining.

Millage rates, of course, say nothing about the quality of management or services and nothing necessarily about the quantity of services as well. The proposed revenue sharing program recognizes this issue and suggests that this can be addressed by the oversight committee.

4. **Per Capita Taxable Value.** This is a measure of the wealth of a city. It is computed by dividing the total taxable value by the population of a city. Using this as a weighting factor in the formula means a city with a value below the county average would receive more funding on a per capita basis than one with a value higher than the average. As used in the formulas in this proposal, per capita taxable value serves two functions. Under both Options 1 and 2 it is used as part of a tax effort weighting factor that allows cities with a higher tax effort -- those trying harder -- to receive relatively more funds than cities with lower tax efforts. The second use of this factor under Option 2 is to screen out ineligible cities; any city that has a per capita taxable value higher than the county average is not eligible to receive revenue sharing funds; conversely, cities with below average per capita taxable values are eligible to receive revenue sharing funds.

Both the millage rate and per capita taxable value are used in the formulas in Options 1 and 2. These become part of the tax effort weighting factor, and serve the same function as the states relative ability to raise revenue factor in its revenue sharing program. Tax effort is explained next.

Tax Effort. This is determined through the use of two ratios calculated as follows. A city's tax effort is the city's millage rate divided by its per capita taxable value. This is then divided by the county average municipal millage rate divided by the average taxable value in the county to get relative weighting. The first ratio accounts for the range of taxable values from low to high and the range of millage rates from low to high for each city. It helps delineate the relationship between value and millage rate to more accurately c e tax effort. For weighting purposes, the city's ratio of taxable value to millage rate is divided by the ratio of the average municipal millage rate to per capita taxable value to derive the relative tax effort weighting factor. Essentially, this enables one to rank and weight each city relative to the average ratio for all cities. So both taxable value and tax capacity (millage) are translated into one number.

Table 5 uses the same hypothetical cities from Table 4 to illustrate how tax effort weighting factor influences the distribution of revenue sharing funds. Tables A-1 and A-2 in the Appendix show the detailed calculations used to determine the distributions for Option 1 and 2.

As with Table 4, City A with the highest millage rate and lowest per capita taxable value gets the most revenue sharing funds in absolute as well as on a per capita basis. The smallest, wealthiest and lowest tax capacity city, City C, receives the least amount of revenue sharing funds. Thus, this weighted formula also rewards "needier" cities with relatively more revenue.

Table 6 combines the data from Tables 4 and 5 to show what happens when both weighting factors are added together. As to be expected, the city with the greatest tax effort and lowest median household income, receives more on a per capita basis than the other cities. This is City

A, which because it is the largest in population, also receives the most funding in absolute terms as well.

Table 5. Hypothetical Examples of Tax Effort in Weighted Formulas

A	B	C	D	E	F	G	H	I	J
Formula				C *1000 / D	E city / E total	F * B	G city / G total	H *$10,000	I * 1,000 / B
City	Population	Millage Rate	Per Capita Taxable Value	Millage Rate Per Capita Taxable Value Ratio	Relative Tax Effort and Total Tax Effort	Weighted Population	Weighted Population Share (New Percent)	Share of $10,000 Pool (000)	Per Capita Share
City A	60,000	9.5267	$20,000	0.4763	6.4939%	389,634	90.47	$9,047	$151
City B	35,000	6.5342	$80,000	0.0817	1.1135	38,973	9.05	$905	$26
City C	10,000	2.2770	$150,000	0.0152	0.2069	2,069	0.48	$48	$5
Total or Avg.	105,000	6.1126	$83,333	0.0734	7.8143	430,676	100	$10,000	

Table 6. Hypothetical Examples of Median Household Income and Tax Effort in Weighted Formulas

A	B	C	D	E	F	G	H	I
Formula				C + D	E * B	F city / F total weight *100	G * $10,000	H / B
City	Population	Relative Tax Effort	Relative Income Weight	Total Weights	Weighted Population	Weighted Population Share (New Percent)	Share of $10 Million Pool (000)	Per Capita Share
City A	60,000	6.4939	1.8889	8.3828	502,968	86.10	$8,610	$144
City B	35,000	1.1135	0.9444	2.0579	72,027	12.33	$1,233	$35
City C	10,000	0.2069	0.7083	0.9152	9,152	1.57	$157	$16
Total or Avg.	105,000			11.3559	584,147	100	$10,000	

UNINCORPORATED MUNICIPAL SERVICE AREA REVENUE SHARING AND MITIGATION OPTIONS

Options 3 and 4 in this report address mitigation and revenue sharing options solely for the unincorporated municipal service area (UMSA). They do not address fiscal disparities on a countywide basis. In general these options focus on ways to mitigate the negative fiscal impacts of incorporation by identifying ways to minimize adverse service and tax impacts on remaining UMSA residents.

Option 3: Restructuring Incorporation/Annexation Process

Concept: This option was prepared to establish a comprehensive approach to incorporation and annexation, which is sensitive to the impacts of such actions on remaining UMSA residents. It is intended to ensure that an orderly, rational process for incorporation is available in Dade County and, at a minimum, to partially mitigate adverse budget impacts on the remaining Unincorporated Municipal Service Area (UMSA).

This option requires changes to both the County's Home Rule Charter and Code related to incorporation and annexation and offers three alternative paths to incorporation along with an UMSA revenue sharing plan.

Recommendations for Charter and Code Changes

1. Convert current fiscal guidelines to mandatory criteria except as noted below.
2. Develop a package of County Code or Home Rule Charter amendments, addressing incorporation and annexation issues including:
   - Any new incorporations must remain in the Metro-Dade Fire Rescue and Library Districts and must continue to receive solid waste collection services from the County.
   - Annexations will be permitted, subject to Board of County Commission (BCC) approval, through a vote of the area to be annexed when areas to be annexed are within or below the average UMSA per capita taxable value. Such areas may choose the municipality to annex to subject to BCC approval. Areas of less than 250 persons may be annexed to a municipality through BCC action only. Enclave areas may be annexed to a municipality by the BCC with or without a vote of the area to be annexed regardless of per capita taxable value. Areas wishing to annex to an adjoining municipality with values in excess of the per capita taxable value range must follow one of the incorporation alternatives outlined later in this proposal.
   - Once the unincorporated area population drops to a pre-determined percentage of the County population and the UMSA per capita taxable value represents a pre-determined percentage or less of the overall county average value, the BCC may develop and implement a plan to annex remaining unincorporated areas to municipalities without any referendum requirements.
   - Limit permitted incorporations to three the first year after adoption of Home Rule Charter and code changes and two each year thereafter.

- Permit areas desiring to incorporate three avenues to pursue incorporation, while at the same time minimizing the economic/budgetary impacts on the remaining unincorporated area, as described below.
- Consider establishing, via Home Rule Charter or County Code amendment, a contractual, fee-based police district in which all new municipalities would have to participate. Through such a mechanism preservation of certain critical specialized police functions currently funded substantially through the UMSA budget for the benefit of UMSA residents could be ensured. Further, such a concept could significantly mitigate any remaining adverse fiscal impacts of incorporation on the UMSA budget. Appendix B provides a conceptual discussion of the police district proposal.

Recommended Incorporation Approach: 3 Paths to Incorporation

Permit incorporations to proceed following one of three paths as follows:

1. Incorporation may proceed if an area is within prescribed fiscal criteria ranges and no enclaves areas are created. These new cities would be provided their share of electrical franchise fee revenue from the County's current 30 year franchise agreement with Florida Power and Light (FPL).
2. Incorporation may proceed if no enclave is created and the area petitioning to incorporate has a per capita taxable value factor in excess of the high-end of the fiscal criteria value range if that area makes an annual payment to the UMSA budget for net revenue loss in excess of the high-end of the fiscal criteria range. Such new cities would be provided their share of electrical franchise fee revenue from the County's current 30 year franchise agreement with FPL.
3. Incorporation may proceed if an area does not adhere to fiscal criteria and/or creates enclave areas and/or wants its share of County electrical franchise fee revenue and/or does not want to make payments for per capita taxable property values above the high end of the fiscal criteria range if the electors in UMSA, all of which are impacted by such positions of the area petitioning for incorporation, vote in an UMSA-wide referendum to allow such areas to incorporate.

Benefits/Disadvantages of Option 3

Benefits:

- Allows incorporation to proceed in a rational fashion with multiple paths available for incorporation.
- Can mitigate to varying degrees adverse impacts incorporation on the UMSA budget.
- Plans for and makes feasible eventual incorporation of entire UMSA.
- Deals with both annexations and enclaves.

Disadvantages:

- Limits excess revenue which high value/low service demand areas may have for enhanced services.

- Will adversely impact countywide budget as sharing of overhead costs between the countywide and UMSA budgets and economies of scale in the County budget are lost.
- Eventually forces incorporation of areas not necessarily desiring to incorporate.

Impact of Proposal on UMSA Budget

At a minimum, this proposal will reduce the net adverse UMSA budget impact due to incorporation with preliminary figures totaling in the millions of dollars. With the establishment of a contractual fee-based police district, adverse budgetary impacts could be reduced further, if not eliminated. The impact of the areas currently in line for incorporation on the UMSA budget is preliminarily estimated to be as much as a net loss of $36 million. The gross revenue loss is estimated to be $96 million (assuming areas are allowed to receive electrical franchise fee revenues attributable to their areas). Potential expenditure reductions are preliminarily estimated at $60 million. To the extent feasible and while maintaining service levels in the remaining UMSA, additional expenditure reductions will also be identified. A final budget impact analysis is planned to be completed by September. This report will also quantify impacts of pending incorporations on the Library and Fire Rescue districts, the Solid Waste Collection Service Area, and other affected County services. **These figures do not represent the estimated revenues available to these areas, nor do the estimated expenditure reductions reflect the value of services to these areas.**

UMSA Revenue Sharing: Formula Payment from High Value to Areas to UMSA

This is an UMSA revenue sharing plan. The payment would be a function of the difference in the high valued area's per capita taxable value to the UMSA per capita value. While several formulas have been analyzed, refinement is needed to ensure that sufficient revenue is received by UMSA to qualify as a mitigation option while not being an undue burden on the new city. These figures would likely change from year to year as per capita values and population changes and may have a predetermined ending date.

For hypothetical purposes Table 7 shows how such a plan could be implemented. It shows the areas currently proposed for incorporation and two alternative payment plans. Alternative 1 was suggested by the Palmetto Bay Steering Committee as a short-term (3-year limit) solution to UMSA while the County implemented a longer-term countywide revenue sharing plan. The net revenue to UMSA from this plan totals $6.4 million dollars. The payment essentially is the property tax value of the difference between the per capita tax base of the area and the maximum per capita value in the fiscal guidelines for incorporation. The ceiling for the guidelines has been modified for the recent incorporation of Sunny Isles Beach. The impact is the ceiling has dropped from $48,000 to $42,600.

Alternative 2 recognizes that other revenues, not just property tax revenues, are lost to UMSA when areas incorporate and attempts to capture these values through a higher payment. A conversion factor of .48 is used to adjust for the lost non-ad valorem revenues essentially doubling the payment. Under this hypothetical example, the payments would total $13.4 million.

Option 4. Restructuring Incorporation/Annexation Process

Option 4 is identical to Option 3 with three exceptions:

1. The requirement for new incorporations to stay in the Fire Rescue and Library Districts and to continue using the County's solid waste collection services was eliminated. Each new city would have the independent choice of how to provide these services.
2. The annexation process would continue as it currently exists, as stated in Section 5.04(B) of the Dade County Home Rule Charter. In part the Charter states that changes in municipal boundaries can only be made by the Board of County Commissioners "after obtaining the approval of the municipal governing bodies concerned,...."
3. No contractual, fee-based police district would be created.

Table 7. UMSA Mitigation Revenue Sharing Approaches

	Doral	E. Kendall	Miami Lakes	Palmetto Bay	W. Kendall	Country Club Lakes	
Per capita tax base	$94,475	$59,888	$69,962	$63,564	$34,211	$69,188	
Max. per capita tax base	$42,600	$42,600	$42,600	$42,600	$42,600	$42,600	
Per capita exceedence	$51,875	$17,288	$27,362	$20,964	($8,389)	$26,588	
Population	10,930	56,642	15,059	22,489	154,797	14,500	
Shared Equivalent tax base	$566,993,750	$979,226,896	$412,044,358	$471,459,396	N/A	$385,526,000	
Appropriate millage UMSA rate **	2.277	2.277	2.277	2.277	N/A	2.277	
Alternative 1							Total
Total property tax revenues	$1,291,045	$2,229,700	$938,225	$1,073,513	N/A	$877,843	$6,410,325
Alternative 2							
Total revenue conversion factor	0.48	0.48	0.48	0.48	N/A	0.48	Total
Total all revenue	$2,689,677	$4,645,208	$1,954,635	$2,236,486	N/A	$1,828,839	$13,354,844

*1996 real property taxable values have been used.

** Assumes all incorporating areas remain in fire and library districts.

pbrs wk4

Source: Calculations by Research Section, Department of Planning, Development and Regulation

APPENDIX A

Table A-1. Sales Tax Revenue Sharing: Distribution by Population Weighted by Tax Effort and Income

(Distribution to all Cities, $100,000,000)

Row #	Jurisdiction	1995 Population	B / B30 Percent of Total	1996 Assessed Value (1,000)	D*1000 / B Per Capita Assessed Value	1996 Millage Rates	F / E*1000 Millage Rate-PC Assess. Val Ratio	G / G30 Relative Tax Effort	Median Household Income	I / K / K30 Relative Income Weight	H + I Total Weights	K* B/1000 Weighted Population	L / L30 Weighted Population Share	M * 100 Million Total to Recipients	N / B Per Capita to Recipients	P * 10 Million Population based Distribution Total	Q P / B Per Capita
1	Aventura	16,635	0.81	2,605,131	$156,613	2.2270	0.0142	0.0930	$31,901	0.8435	0.9355	15.6	0.0041	$407,716	$24	$389,806	$49
2	Bal Harbour	3,091	0.15	821,321	$265,714	3.5000	0.0132	0.0851	$39,773	0.6766	0.7617	2.4	0.0006	61,608	20	150,192	49
3	Bay Harbor Islands	4,774	0.23	767,632	$56,060	5.0000	0.0892	0.5765	$30,112	0.8936	1.4701	7.0	0.0018	183,645	38	232,121	49
4	Biscayne Park	3,190	0.16	73,041	$22,897	8.1780	0.3572	2.3085	$35,938	0.7488	3.0573	9.8	0.0026	255,196	80	155,105	49
5	Coral Gables	40,154	1.95	4,673,668	$116,394	2.7470	0.0236	0.1523	$47,506	0.5664	0.7187	28.9	0.0076	755,138	19	1,952,183	49
6	El Portal	2,506	0.12	40,235	$16,055	7.7000	0.4796	3.0997	$26,173	1.0281	4.1279	10.3	0.0027	270,681	108	121,848	49
7	Florida City	6,290	0.31	141,450	$22,488	7.1330	0.3173	2.0501	$15,917	1.6906	3.7407	23.5	0.0062	615,679	98	303,835	49
8	Golden Beach	800	0.04	218,795	$273,494	8.7377	0.0319	0.2065	$71,965	0.3739	0.5804	0.5	0.0001	13,150	15	38,898	49
9	Hialeah	195,750	9.53	4,474,377	$22,858	2.8820	0.1261	0.8149	$23,443	1.1478	1.9628	384.2	0.1005	10,053,669	51	9,517,831	49
10	Hialeah Gardens	9,412	0.46	376,377	$39,989	7.7800	0.1946	1.2575	$24,120	1.1156	2.3731	22.3	0.0058	584,452	62	457,634	49
11	Homestead	30,712	1.49	555,525	$18,088	8.6816	0.4800	3.1011	$20,594	1.3066	4.4088	135.4	0.0354	3,543,058	115	1,493,291	49
12	Indian Creek Village	45	0.00	102,282	$2,272,933	9.9600	0.0044	0.0283	$150,001	0.1794	0.2077	0.0	0.0000	245	5	2,188	49
13	Key Biscayne	9,333	0.45	1,861,243	$199,416	3.0450	0.0103	0.0663	$61,293	0.4390	0.5053	4.7	0.0012	123,402	13	453,793	49
14	Medley	711	0.03	551,266	$775,339	7.9230	0.0102	0.0660	$24,750	1.0872	1.1533	0.8	0.0002	21,456	30	34,571	49
15	Miami	364,075	17.70	11,535,966	$31,688	5.1145	0.1616	1.0442	$16,925	1.5899	2.6341	959.0	0.2509	25,094,023	69	17,702,194	49
16	Miami Beach	93,366	4.54	6,114,563	$65,490	4.6180	0.0705	0.4558	$19,312	1.7574	2.2131	206.6	0.0541	5,406,908	58	4,539,677	49
17	Miami Shores	10,443	0.51	343,065	$32,759	8.7400	0.2668	1.7244	$41,670	0.6458	2.3702	24.7	0.0065	647,616	62	507,715	49
18	Miami Springs	13,226	0.64	519,672	$39,292	6.7000	0.1705	1.1021	$31,461	0.8553	1.9574	25.9	0.0068	677,436	51	643,080	49
19	North Bay Village	5,535	0.27	217,254	$39,251	5.1190	0.1304	0.8429	$25,165	1.0693	1.9122	10.6	0.0028	276,956	50	269,135	49
20	North Miami	51,933	2.53	1,181,664	$22,755	7.9350	0.3487	2.2538	$24,898	1.0808	3.3346	173.3	0.0453	4,534,950	87	2,327,051	49
21	North Miami Beach	36,227	1.76	1,033,078	$28,517	7.7000	0.2700	1.7452	$24,963	1.0780	2.8232	102.3	0.0268	2,676,208	74	1,761,443	49
22	Opa-locka	15,454	0.75	381,587	$24,693	9.8000	0.3969	2.5653	$15,099	1.7822	4.3414	67.2	0.0176	1,758,023	114	751,410	49
23	Pinecrest +	18,927	0.92	1,655,962	$87,492	2.2770	0.0260	0.1682	$74,376	0.3608	0.5290	10.0	0.0026	262,011	14	920,276	49
24	South Miami	10,514	0.51	559,198	$53,186	6.8000	0.1279	0.8264	$31,741	0.8478	1.6741	17.6	0.0046	460,583	44	511,216	49
25	Surfside	4,170	0.20	407,681	$97,765	5.6030	0.0573	0.3704	$32,349	0.8318	1.2023	5.0	0.0013	131,185	31	202,755	49
26	Sweetwater	14,717	0.72	201,818	$13,713	3.6567	0.2667	1.7235	$22,530	1.1944	2.9178	42.9	0.0112	1,123,634	76	715,576	49
27	Virginia Gardens	2,197	0.11	76,002	$34,594	3.3950	0.0951	0.6156	$28,769	0.9319	1.5475	3.4	0.0009	90,114	41	106,823	49
28	West Miami	5,731	0.28	162,334	$28,327	8.4950	0.3010	1.9452	$25,477	1.0362	2.0014	17.3	0.0045	451,662	79	279,627	49
29	Unincorporated Area	1,086,669	52.84	37,983,561	$34,953	2.2770	0.0651	0.4210	$27,775	0.9688	1.3899	1,510.3	0.3952	39,520,577	36	32,836,435	49
30	Sums or Averages	2,036,666	100.00	$79,134,748	$38,872	5.9524	0.1547	1.0000	$26,909	28.1676	59.8774	3,821.6	1.0000	$100,000,000		$100,000,000	

Note: Millage rates for Coral Gables, Hialeah, Key Biscayne, Miami and Miami Beach are adjusted to account for portion supporting Fire/Rescue. Coral Gables 2.623, Miami 4.485, Miami Beach 2.881, Hialeah 3.102 and Key Biscayne 1.361 mills based on 1995 equivalent millage study; these millages would be slightly different today. Pinecrest could not levy a millage in FY 1996-97 so UMSA millage is used.

SOURCES: Population data: Department of Planning, Development and Regulation, Research Section.

Taxable Values and Millage rates provided by Dade County Property Appraiser. Excludes Islandia.

(Computed figures are subject to rounding)

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Table A-2: Sales Tax Revenue Sharing: Distribution by Population Weighted by Tax Effort

(Distribution to Cities With Below Average Per Capita Taxable Value $100,000,000)

	A	B	C	D	E	F	G	H	I	J	K	L
	Formula		B / B30		D * 1000 / B		F / E*1000	G / G30	H * B	I / I30	J * $10 Million	K / B
Row #	Jurisdiction	1995 Population	Percent of Total	1996 Assessed Value (1,000)	Per Capita Assessed Value	1996 Millage Rates	Millage Rate PC Assess Value Ratio	Relative Tax Effort	Weighted Population	Weighted Population Share	Total to Recipients	Per Capita to Recipients
1	Aventura	16,655	0.81	$2,605,131	$156,417	2.2270	0.0142	0.0920				
2	Bal Harbour	3,091	0.15	821,321	265,714	3.5000	0.0132	0.0851				
3	Bay Harbor ...	4,774	0.23	267,632	56,060	5.0000	0.0892	0.5765				
4	**Biscayne Park**	3,190	0.16	73,041	22,897	8.1780	0.3572	**2.3085**	**7,364**	0.0053	$527,348	$165
5	Coral Gables	40,154	1.95	4,673,668	116,394	2.7420	0.0236	0.1523				
6	El Portal	2,506	0.12	40,235	16,055	7.7000	0.4796	**3.0997**	**7,768**	0.0056	556,268	222
7	Florida City	6,290	0.31	141,450	22,488	7.1330	0.3172	**2.0501**	**12,895**	0.0092	923,434	147
8	Golden Beach	800	0.04	218,795	273,494	8.7377	0.0319	0.2065				
9	**Hialeah**	195,750	9.52	4,474,377	22,858	2.8820	0.1261	**0.8149**	**159,522**	0.1142	11,423,534	58
10	Hialeah Gardens	9,412	0.46	376,377	39,989	7.7800	0.1946	1.2575				
11	**Homestead**	30,712	1.49	555,525	18,088	8.6816	0.4800	**3.1021**	**95,273**	0.0682	6,822,568	222
12	Indian Creek Village	45	0.00	102,282	2,272,933	9.9600	0.0044	0.0283				
13	Key Biscayne	9,333	0.45	1,861,243	199,426	2.0450	0.0103	0.0663				
14	Medley	711	0.03	551,266	775,339	7.9230	0.0102	0.0660				
15	**Miami**	364,075	17.70	11,525,966	31,658	5.1145	0.1616	**1.0442**	**380,158**	0.2722	27,223,445	75
16	Miami Beach	93,366	4.54	6,114,563	65,490	4.6180	0.0705	0.4558				
17	**Miami Shores**	10,442	0.51	342,065	32,759	8.7400	0.2668	**1.7244**	**18,006**	0.0129	1,289,454	123
18	Miami Springs	13,226	0.64	519,672	39,292	6.7000	0.1705	1.1021				
19	North Bay Village	5,535	0.27	217,254	39,251	5.1190	0.1304	0.8429				
20	**North Miami**	51,973	2.53	1,182,664	22,755	7.9350	0.3487	**2.2538**	**117,138**	0.0839	8,388,352	161
21	**North Miami Beach**	36,227	1.76	1,033,078	28,517	7.7000	0.2700	**1.7452**	**63,224**	0.0453	4,527,494	125
22	**Opa-locka**	15,454	0.75	381,587	24,692	9.8000	0.3969	**2.5653**	**39,643**	0.0284	2,838,898	184
23	Pinecrest +	18,927	0.92	1,655,962	87,492	2.2770	0.0260	0.1682				
24	South Miami	10,514	0.51	559,198	53,186	6.8000	0.1279	0.8264				
25	Surfside	4,170	0.20	407,681	97,765	5.6030	0.0573	0.3704				
26	**Sweetwater**	14,717	0.72	201,818	13,713	3.6567	0.2667	**1.7235**	**25,364**	0.0182	1,816,367	123
27	**Virginia Gardens**	2,197	0.11	76,002	34,594	3.2950	0.0952	**0.6156**	**1,353**	0.0010	96,856	44
28	**West Miami**	5,751	0.28	162,334	28,227	8.4950	0.3010	**1.9452**	**11,187**	0.0080	801,080	139
29	**Unincorporated Area**	1,086,669	52.84	37,982,561	34,953	2.2770	0.0651	**0.4210**	**457,541**	0.3276	32,764,901	30
30	Sums or Averages	2,056,666	100.00	$79,124,748	$38,472	5.9524	0.1547	1.0000	1,396,437	1.0000	$100,000,000	

(Computed figures are subject to rounding)

Note: Millage rates for Coral Gables, Hialeah, Key Biscayne, Miami and Miami Beach are adjusted to account for portion supporting Fire/Rescue. Coral Gables 2.623, Miami 4.485, Miami Beach 2.881, Hialeah 5.102 and Key Biscayne 1.561 mills based on 1995 equivalent millage study; these millages would be slightly different today. Pinecrest could not levy a millage in FY 1996-97 so UMSA millage is used.

SOURCES: Population data, Department of Planning, Development and Regulation, Research Section; income data from 1990 census

Taxable Values and Millage rates provided by Dade County Property Appraiser. Excludes Islandia

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B. POLICE DISTRICT UMSA REVENUE SHARING CONCEPT

The Revenue Sharing Task Force seriously examined the concept of creating a police district as a potential revenue sharing option, but ultimately chose to recommend that the Board convene a separate group to more thoroughly investigate and formulate an alternative approach or approaches to preserve specialized police services currently funded substantially through the UMSA budget. As the Task Force continued examining the many issues before it, it kept coming back to the possibility that specialized police functions of the Metro-Dade Police Department may be lost as incorporation continues.

As a consequence, the Task Force voted to include a summary of the police district concept in the Appendix to its report. This summary follows:

A. Description of Police District

1. Newly incorporated cities would be required to receive their specialized police services (e.g., robbery, narcotics, sexual crimes, communications, specialized patrol, economic crimes) from Metro-Dade Police Department (MDPD) through the proposed Police District
2. The Metropolitan Dade County Home Rule Charter would need to be amended to mandate that cities which incorporate after the Charter revision are part of the Police District
3. Pre-existing cities would have the option to obtain their specialized police services from Metro-Dade through the Police District or to provide these services themselves
4. Countywide services (e.g., crime laboratory, court services, civil process) currently provided by MDPD as the sheriff remain unchanged and would continue to be funded through the countywide millage
5. Basic police services such as uniform patrol, general investigations, community and school-based police programs (i.e., school resource officers, school crossing guard services, Drug Abuse Resistance Education (DARE), Police Athletic League (PAL), etc.) would be provided by the municipal police departments
6. The estimated cost of the police district would be approximately $104 million (at current service and FY 1996-97 budget levels); estimated shares of district costs would be:
   existing cities - $22 million
   areas considering incorporation - $30 million
   remaining UMSA if all pending areas incorporate - $52 million
7. Currently approximately 21 percent of services that would be provided through the Police District are provided to existing cities and 79 percent are provided to UMSA
8. Areas pending incorporation represent approximately 28.1 percent of the UMSA population and 36.4 percent of the tax roll

B. Assumptions Used in the Analysis

1. The level and nature of services provided through the Police District remain at the current level
2. All existing cities and cities incorporated in the future will continue to receive the same type and level of police services that they currently receive from MDPD

3. MDPD support costs are allocated among countywide, unincorporated municipal service area, and Police District services based on the proportion that each of these areas' direct services represent of the total direct services

C. Funding Options

1. Contractual payments based on current contributions provided through property taxes or contractual payments based on a formula that takes into account population, tax roll value, and other characteristics of the municipality, or combinations of different factors with the goal of securing all of the revenue needed for the district; contractual payments from municipalities would require the governing boards of the cities to provide, through municipal taxes or fees, funding to the district for services provided as opposed to having the Board of County Commissioners levy an additional ad valorem tax
2. Establishment of an ad valorem funded police district as a dependent taxing district subject to the County's countywide 10 mill cap since the district would encompass an area greater than UMSA; because the police district would provide very specialized service which is not really regional in nature it would not be advisable to encumber countywide tax capacity for this service; this countywide tax capacity is not currently available; existing cities would make contractual payments instead of a payment of ad valorem taxes

D. Policy Considerations

1. If required to make contractual payments for police services, many existing cities may chose not to participate in the district resulting in a reduction in the overall cost of the district
2. Public Safety: Metro-Dade may be put into a situation where it would deny services to municipalities that did not contribute to the district thereby contributing to a potential deterioration of public safety
3. Fiscal Equity: Metro-Dade may be put into a situation where it would provide services to a municipality in an effort to preserve public safety even if the municipality did not contribute to the district
4. To participate in the Police District, existing cities should be required to enter into long term, multi-year contracts to maintain the operational and financial stability of the district
5. Existing cities would likely be allowed to contract with the Police District from a menu of police services which might require increasing or decreasing staffing levels of the Police District to match the service demand
6. The Police District structure would increase the complexity of MDPD service delivery due to added number of service provision arrangements.

Appendix C. Total Incorporation of UMSA by 2010 Using Community Council Boundaries for New Cities

The Task Force considered including this proposal as one of its revenue sharing options, but concluded it did not meet the specific directions of the resolution creating the Task Force, since it is neither a revenue sharing plan nor a mitigation option. The complete plan and staff comments are attached to this summary.

Concept

This plan envisions incorporating the entire unincorporated area by the year 2010 using Community Councils as a transition mechanism.

Recommendations

The basic proposal is to use the Community Council boundaries as the mechanism for creating new cities throughout unincorporated Dade County by the year 2010. These new cities would be fully empowered and equal in status and functioning to existing cities in Dade County. No special districts would be created nor tax revenue-generating commercial/industrial areas withheld from the new cities.

Incorporation petitions currently on hold due to a year-long moratorium would be allowed to proceed immediately through the normal incorporation process. Community Councils in the moratorium areas would continue to function as they do now. A Community Council whose area is not under the moratorium would have the right to vote to become a city with Council boundaries. If a Council does not vote to commence incorporation within a limited period, it would be designated a Transitional Council with the power to draw new boundaries within its area in order to incorporate smaller communities of interest. The County would assist the Council in this activity with the ultimate goal of completing countywide incorporations by 2010. If a Council does not complete incorporation by 2010, the area would automatically become incorporated or annexed.

Per Capita Tax Base

The original proposal suggested ten reasons why this option should be implemented. Of particular interest to the Task Force was reason number 6, which stated Community Council areas are financially strong. The Task Force requested staff to determine the property tax base for community councils. Table B-1 shows total real property taxable value, per capita real property taxable value and estimated population for the 16 Community Councils.

The taxable value data in Table B-1 excludes personal property, which was not readily available for this report. Personal property makes up approximately 11 percent in the total UMSA tax base. Some community councils would have higher and others would have lower personal property values than the UMSA average. All of the taxable value figures in Table 9 would be adjusted upwards with the addition of personal property values. Never-the-less, the vast majority of value within an area comes from real property; thus, Table B-1 does provide significant information about the financial condition of Community Councils. Table B-2 compares council areas to existing cities.

Table B-1. Community Council Taxable Real Property (Excludes Personal Property)

Community Council	Total Taxable Value	Per Capita Taxable Value	Estimated Population
2	$1,038,493,359	$26,775	38,786
3	1,635,368,961	21,949	74,508
4	884,021,293	11,697	75,577
5	1,160,397,763	32,436	35,775
6	1,148,819,356	66,792	17,200
7	308,656,395	37,134	8,312
8	1,783,991,364	16,161	110,389
9	3,005,829,733	207,944	14,455
10	5,659,599,758	25,553	221,485
11	4,339,368,165	27,938	155,321
12	5 450,181,456	48,432	112,533
13	-51,410,654	63,564	22,834
14	_ 267,132,256	23,402	96,878
15	1,481,849,543	17,437	84,983
16	486,361,657	2,444,028	199
Total	$32,101,481,713		1,069,233

Source: 1996 certified real property file, Metro-Dade Property Appraiser. Compiled by Department of Planning, Development and Regulation, Research Section, July 1, 1997.

Table B-2. Community Councils and Comparable Cities

Community Councils			Comparable Cities			
Number	Population	Per Capita Taxable Value	Per Capita Taxable Value	Name	Population	1996 Millage Rate+
2	38,786	26,775	28,227	West Miami	5,751	11.526
			28,517	No. Miami Beach	36,227	10.404
3	74,508	21,949	22,897	Biscayne Park	3,190	11.209
			22,488	Florida City	6,290	10.164
			22,858	Hialeah	195,750	7.9894
			22,755	North Miami	51,973	10.639
4	75,577	11,697	13,713	Sweetwater	14,717	6.6877
			16,055	El Portal	2,506	10.731
5	32,436	35,775	34,594	Virginia Gardens	2,197	6.326
			39,989	Hialeah Gardens	9,412	10.811
			32,759	Miami Shores	10,442	11.444
6	17,200	66,792	81,825	Sunny Isles Bch*	13,288	5.303
			53,186	South Miami	10,514	9.831
			56,060	Bay Harbor Isl.	4,774	7.704
			87,492	Pinecrest*	18,927	5.308
7	8,312	37,134	39,292	Miami Springs	13,226	9.731
			39,251	No. Bay Village	5,535	8.15
8	110,389	16,161	16,055	El Portal	2,506	10.731
			18,088	Homestead	30,712	11.7126
9	14,455	207,944	199,426	Key Biscayne	9,333	3.933
10	221,485	25,553	28,517	No. Miami Beach	36,227	10.404
			28,227	West Miami	5,751	11.526
11	155,321	27,938	Same as CC 10			
12	112,533	48,432	53,186	South Miami	10,514	9.831
			56,060	Bay Harbor Isl.	4,774	7.704
13	22,834	63,564	65,490	Miami Beach	93,366	7.826
			56,060	Bay Harbor Isl.	4,774	7.704
14	96,878	23,402	22,755	North Miami	51,973	10.639
			24,692	Opa-locka	15,454	12.504
			28,227	West Miami	5,751	11.526
15	84,983	17,437	18,088	Homestead	30,712	11.7126
			22,897	Biscayne Park	3,190	11.209
			22,488	Florida City	6,290	10.164
16	199	2,444,028	2,272,933	Indian Creek	45	12.991

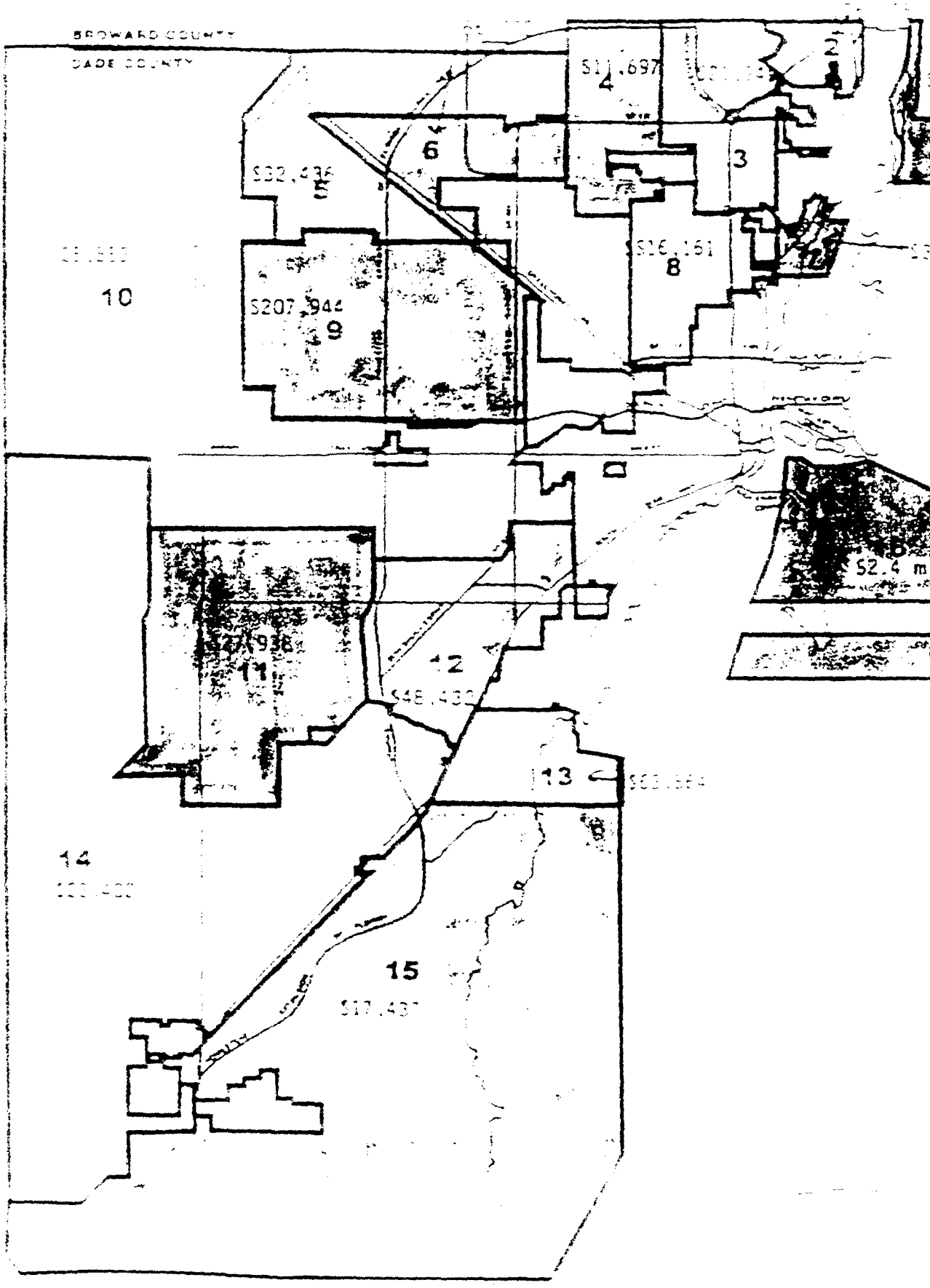
+ Includes city and fire and library, where appropriate

* Millage rates shown are UMSA total, including Fire and Library District

Table B-2 lists Community Councils and their per capita taxable values along with existing cities with similar per capita taxable values and their current millage rates (including fire and library where appropriate). The per capita values range from a low of $11,697 in Community Council 4 to a high of $2.4 million in Community Council 16. By examining the millage rates in the comparable cities, one can get a general idea of the tax impact incorporation might have on the community councils. Property tax revenues general fund about 50 percent of typical municipal services such as police, fire, libraries, parks, public works, planning, and general government.

Further research is required on fiscal differences among Community Council areas, the interest among residents in incorporation based on current council boundaries, and the logic of Community Council boundaries for municipalities.

COMMUNITY COUNCIL BOUNDARIES



APPENDIX C

Proposal by Marsha M. Silverman, Ph.D
Telephone 305-234-3527

COMMUNITY COUNCILS AS A TRANSITION TO DADE COUNTY-WIDE INCORPORATION BY 2010

A Proposal to the Revenue Sharing Task Force
Revised July 1, 1997

Marsha Matson Silverman, Ph.D.

Recent incorporation movements in the United States often involve communities attempting to exert some control over deteriorating social conditions. Contemporary Dade incorporation movements have been stimulated by the highest crime rate in the country, lack of police, over-development, school crowding, road congestion, and the perception of county neglect. Some of these problems are the result of rapid population growth which is expected to continue unabated in the future. Since 90% of Dade's projected growth will occur in the unincorporated area,* an increasing number of communities will try to control it through incorporation.

Rather than reacting to case-by-case incorporation petitions as has been the county's policy, it is time to support a plan for countywide incorporations. In this proposal, I offer ten reasons for using Community Councils as a transition mechanism to complete incorporations by the year 2010.

1. **Broward County has committed to and is working on complete incorporation by 2010.** Broward assists the communities as it encourages them to annex and incorporate. Since all incorporation petitions are carried by the Broward Legislative Delegation to the state legislature for approval, the Delegation is the impetus for resolving the incorporation issue in Broward. By virtue of its home rule charter, Dade has a greater ability to determine the status of incorporation and annexation petitions. Because its charter gives Dade more control over incorporation, it can effectively and efficiency carry out a countywide incorporation mandate.

2. **Community Councils are a transitional mechanism for incorporations.** Created by Dade County Commissioners last year, Community Councils are local governmental entities performing zoning and advisory functions for the 16 areas of unincorporated Dade. These Community Councils provide a convenient mechanism for incorporations. Boundary lines have already been drawn by the county commission (see A-1). Six of the seven members of each Council have been elected by voters of the Community Council areas. The seventh is appointed by the area's county commissioner. Despite their newness, the Councils are

already building a community identity, an important ingredient for cityhood.

Unlike the "limited cities" proposal before the Task Force, my proposal establishes fully-empowered cities equal in status and functioning to the existing cities of Dade County. No special districts would be created nor tax revenue-generating commercial/industrial areas withheld from the new cities.

The incorporation petitions on hold due to a year-long moratorium would be allowed to proceed immediately through the normal incorporation process. Community Councils in the moratorium areas would continue to function as they do now. For example, the Sunny Isles Community Council is functioning as a zoning and advisory board while Sunny Isles moves through its incorporation process.

A Community Council whose area is not under the moratorium would have the right to vote to become a city with Council boundaries. Voters would then vote on incorporation.

If a Council does not vote to commence incorporation within a limited period, it would be designated a Transitional Council with the power to draw new boundaries within its area in order to incorporate smaller communities of interest. Voters in the smaller areas would then vote on incorporation.

The county would assist the Council in this activity with the ultimate goal of completing countywide incorporations by 2010. If a Council does not complete incorporation by 2010, the area would automatically become incorporated or annexed. The county commission has the final vote on all incorporations and annexations as provided in the charter.

3. **Poor people will be advantaged by countywide incorporations.**
With this plan, the complicated and controversial mitigation strategies of fiscal equity, limited cities, and tax increases are unnecessary. Poor people living in unincorporated Dade are included in the Community Council area boundaries (page A-2) and not "left out" of the new cities.

4. Community Council areas are racially and ethnicity diverse.
The Council areas have a wide diversity of population: some are majority African-American, some majority Hispanic, some majority Anglo, and several are "bi-cultural" (page A-3) In fact, they look much like the existing Dade cities in ethnic and racial diversity.**

5. Dade's recent history debunks the myth of incorporation movements as an exclusionary activity of affluent, white communities.

Liberty City was the first to seek cityhood in the early 1980's. Incorporation efforts in the 1990's have emerged in Miami Lakes, Destiny, Palm Springs North, West Dade, Liberty City, Carol City, East Kendall, Doral, West Kendall, Westchester, Country Club, Palmetto Bay, Key Biscayne, Sunny Isles, Aventura, and Pinecrest. These communities encompass every level of income and all ethnic and racial groups in Dade.

6. Community Council areas are financially strong.

Using 1990 Census data on household income, I found that with the exception of Liberty City and Doral, the Council areas have a higher median household income than Dade County as a whole (A-4).

7. Residents of Unincorporated Dade fully participate in revenue sharing.

Currently, 91.4% of unincorporated Dade's property tax goes into common pools from which all Dade County residents derive benefits. Everyone contributes to the schools, the Everglades Project, water management district, inland navigation district, specialized police services, county parks, social services, jails, mass transit, elections, property appraisal, tax collection, fire rescue and library. The airport, seaport, water and sewer service, and waste disposal have their own revenue sources, primarily user fees, so people also pay beyond the property tax bill to contribute to these public goods. The property taxes that would become the revenue of the new cities comprise only 9.6% of the bill. This money is for municipal services: police, planning, zoning, code enforcement, roads and parks.

8. Countywide incorporations eliminate the problem of taxation without representation.

Residents of unincorporated Dade exist in an unequal status of representation relative to their city neighbors. While the neighbors elect city officials who determine their own city taxes and services, unincorporated citizens cannot elect all the county commissioners, who are in fact their city officials. While a Miami Lakes voter is barred from voting for a City of Miami commissioner, a Miami voter can and does elect a municipal official (a county commissioner) for Miami Lakes. Countywide incorporations would eliminate this fundamental representational problem.

9. **There is no agreement in political science on the ideal parameters of a city, either in land area or population size.**

Community Council areas are comparable to existing cities in both (pages A-5, A-6). If the recommendation of optimal size of 10,000-50,000 residents were followed, about half of the existing cities in Dade would not qualify to be cities.

10. **The call for countywide incorporation is not new.**

In 1991, a Task Force on Incorporation held public forums in eight Metro districts. Its eighteen members recommended that all of unincorporated Dade be incorporated or annexed into other cities. However, the county commission did not want to address the recommendation at that time because of a pending minority voting-rights lawsuit. Now that the commission has been reorganized into single-member districts, the time has come to carry out the recommendation of the 1991 Task Force.

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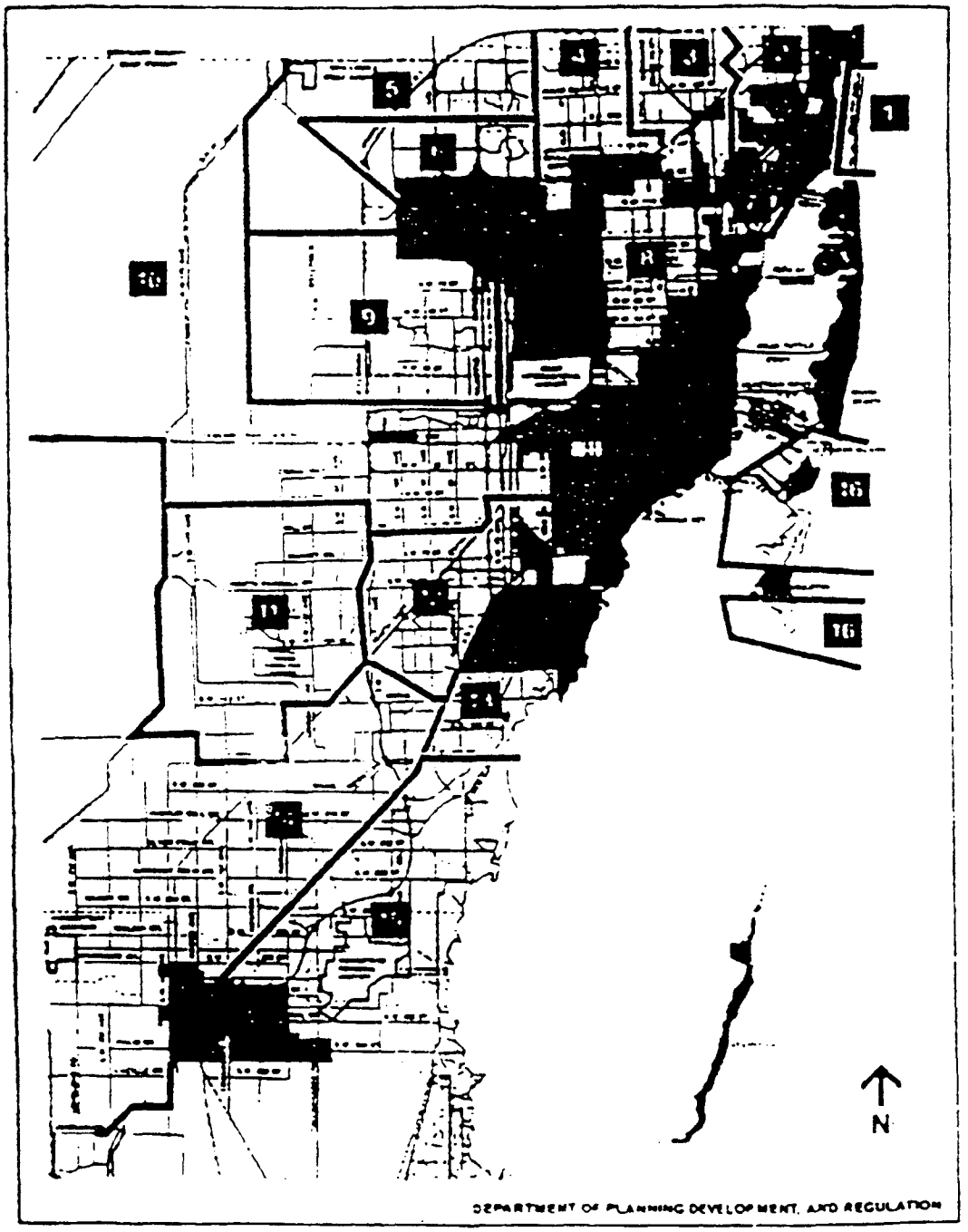
* Dade County Evaluation and Apprisal Report (EAR, p. I-87) cited in "Objections, Recommendations and Comments Report: Dade County 96-2ER," Florida Department of Community Affairs, 2555 Shumard Oak Boulevard, Tallahassee, FL 32399-2100, August 23, 1996, p. 3.

** I used 1996 voter registration data to obtain up-to-date figures on population diversity becaus with Dade's high rate of population growth, 1990 Census data do not accurately reflect the demographics of unincorporated Dade. Voter registration is a conservative estimate of the size of minority populations since they are historically under-represented on voter rolls.

Metro-Dade County Community Councils



PERCENT PERSONS LIVING IN POVERTY, 1990:
DADE CITIES AND COMMUNITY COUNCIL AREAS*

NAME	% PERSONS LIVING IN POVERTY
Liberty City (CC8)	31.67
Miami (City)	31.20
Homestead (City)	29.90
Miami Beach (City)	25.20
Hialeah (City)	18.20
DADE COUNTY	17.90
N. Miami Uninc. (CC7)	17.20
Carol City (CC4)	16.75
N. Miami (City)	15.50
S. Dade (CC15)	15.11
Redlands (CC14)	13.81
Destiny (CC3)	13.77
N. Miami Bch. (City)	12.90
Sunny Isles (CC1)	12.40
Westchester (CC10)	11.47
Ives/Ojus (CC2)	9.60
Central Kendall (CC12)	7.30
Hammocks/W.Ken. (CC11)	6.98
Doral (CC9)	6.53
Coral Gables (City)	6.50
Country Club (CC5)	6.00
Fishers Island (CC16)	4.90
Miami Lakes (CC6)	4.70
Palmetto Bay (CC13)	4.28

*Source: Metro-Dade Department of Planning, Development and Regulation for Community Council areas. U.S. Census for Cities, 1990.

"CC number" is Community Council area number.

Compiled by Marsha M. Silverman, Ph.D., 1997

...ITIES AND COMMUNITY COUNCIL AREAS (CC#)*

NAME	%BLACK	%HISPANIC	%WHITE	%OTHER
Aventura (City)	.62	6.08	91.88	1.42
Bal Harbour (City)	1.29	7.52	89.52	1.67
Bay Harbor Isl. (City)	.68	14.78	82.61	1.93
Biscayne Park (City)	6.14	14.78	76.58	2.50
Carol City (CC4)	65.26	22.23	10.52	1.99
Central Kendall (CC12)	3.68	32.62	61.62	2.08
Coral Gables (City)	1.82	35.49	61.18	1.51
Country Club (CC5)	15.74	42.88	38.75	2.62
DADE COUNTY	20.05	39.24	38.39	2.32
Destiny (CC3)	66.26	7.52	23.57	2.64
Doral (CC9)	3.59	46.71	46.84	2.86
El Portal (City)	51.78	9.66	36.19	2.37
Fishers Island (CC16)	2.17	4.78	91.30	1.74
Florida City (City)	70.17	8.33	19.29	2.22
Golden Beach (City)	.20	11.16	86.85	1.79
Hammocks/W.Ken. (CC11)	4.46	50.51	42.03	3.00
Hialeah (City)	1.02	76.49	20.38	2.11
Hialeah Gards. (City)	.84	78.76	17.91	2.49
Homestead (City)	22.49	17.42	57.27	2.82
Indian Cr. Vil. (City)	.00	10.87	86.96	2.17
Ives/Ojus (CC2)	12.61	12.53	72.08	2.77
Key Biscayne (City)	.26	31.66	66.54	1.54
Liberty City (CC8)	75.59	14.48	7.94	1.99
Medley (City)	.22	59.19	38.79	1.79
Miami (City)	26.30	49.66	21.67	2.37
Miami Beach (City)	2.33	34.96	60.27	2.44
Miami Lakes (CC6)	2.32	43.62	52.35	1.71
Miami Shores (City)	14.66	10.88	72.08	2.38
Miami Springs (City)	.79	33.77	64.11	1.33
N. Bay Village (City)	3.13	29.49	64.34	3.04
N. Miami (City)	32.68	17.28	46.29	3.75
N. Miami Bch. (City)	21.69	18.09	56.18	4.04
N. Miami Uninc. (CC7)	21.10	12.21	63.52	3.17
Opa-locka (City)	73.20	16.01	8.29	2.50
Palmetto Bay (CC13)	5.05	12.77	80.20	1.98
Pinecrest (City)	1.13	15.66	81.34	1.84
Redlands (CC14)	35.74	22.11	39.57	2.57
S. Dade (CC15)	25.20	21.79	50.38	2.62
South Miami (City)	25.38	18.87	53.96	1.79
Sunny Isles (CC1)	.85	15.11	81.84	2.19
Surfside (City)	1.10	27.27	69.69	1.94
Sweetwater (City)	.24	80.56	16.60	2.60
UNINCORPORATED DADE	24.31	35.48	37.90	.
Virginia Gards. (City)	.75	45.04	52.52	1.68
West Miami (City)	.27	69.30	29.09	1.33
Westchester (CC10)	.48	71.23	26.41	1.88

*Source: Dade County Department of Elections, Nov., 1...5

Compiled by Marsha M. Silverman, Ph.D.
(305-254-3078

MEDIAN HOUSEHOLD INCOME, 1990
CITY AND COMMUNITY COUNCIL (CC) AREAS*

NAME	MEDIAN HOUSEHOLD INCOME
Fishers Island (CC16)	150001
Indian Cr. Vil. (City)	150001
Pinecrest (City)	74576
Golden Beach (City)	71965
Palmetto Bay (CC13)	66758
Key Biscayne (City)	61293
Central Kendall (CC12)	50340
Miami Lakes (CC6)	48196
Coral Gables (City)	47506
Hammocks/W.Ken. (CC11)	42852
Country Club (CC5)	42387
Top quartile = $41849	
Miami Shores (City)	41670
Bal Harbour (City)	39773
Biscayne Park (City)	35938
N. Miami Unincc. (CC7)	34535
Carol City (CC4)	34388
Redlands (CC14)	34331
Westchester (CC10)	34266
Ives/Ojus (CC2)	32837
Surfside (City)	32349
Aventura (City)	31901
South Miami (City)	31741
Miami Springs (City)	31461
Median household income = $31444	
S. Dade (CC15)	31427
Destiny (CC3)	31322
Bay Harbor Isl. (City)	30112
Virginia Gards. (City	28269
DADE COUNTY	26909
El Portal (City)	26173
West Miami (City)	25477
N. Bay Village (City)	25165
N. Miami Sch. (City)	24963
N. Miami (City)	24898
Medley (City)	24750
Lowest quartile = $24592	
Hialeah Gards. (City	24120
Hialeah (City)	23443
Sweetwater (City)	22530
Sunny Isles (CC1)	21272
Homestead (City)	20594
Liberty City (CC8)	19029
Doral (CC9)	18673
Miami (City)	16925
Florida City (City)	15917
Miami Beach (City)	15312
Opa-locka (City)	15099

*Source: Department of Planning, Development and Regulation, 1997. Income data from 1990 census

Compiled by Marsha M. Silverman, Ph.D., 1997

LAND AREA IN SQUARE MILES, 1994
DADE CITIES AND COMMUNITY COUNCIL AREAS (CC#)*

NAME	LAND AREA IN SQ. MILES
S. Dade (CC15)	45.56
Hammocks/W.Ken. (CC11)	41.18
Redlands (CC14)	38.19
Westchester (CC10)	36.51
Doral (CC9)	29.06
Central Kendall (CC12)	27.05
Liberty City (CC8)	24.40
Miami Beach (City)	21.20
Hialeah (City)	19.20
N. Miami (City)	17.90
Destiny (CC3)	15.61
N. Miami Bch. (City)	14.90
Carol City (CC4)	14.74
Country Club (CC5)	14.66
Miami (City)	12.80
Miami Lakes (CC6)	11.96
Coral Gables (City)	11.80
Palmetto Bay (CC13)	8.59
Homestead (City)	8.50
Ives/Ojus (CC2)	7.10
Fishers Island (CC16)	2.83
Sunny Isles (CC1)	1.30
N. Miami Uninc. (CC7)	.99

Source: For Community Council areas - Metro-Dade Department of Planning, Development and Regulation, 1997. For Cities - U.S. Census, 1994.

Compiled by Marsha M. Silverman, Ph.D.
305-234-3527

1995 POPULATION:
CITIES AND COMMUNITY COUNCIL
AREAS (CCs)*

NAME	1995POP
Miami (City)	364075
Westchester (CC10)	221486
Hialeah (City)	195750
Hammocks/W.Ken. (CC11)	158572
Central Kendall (CC12)	112532
Liberty City (CC8)	110386
Redlands (CC14)	96877
Miami Beach (City)	93366
S. Dade (CC15)	84983
Carol City (CC4)	75577
Destiny (CC3)	74507
Top quartile population size = 68873	
N. Miami (City)	51973
Coral Gables (City)	40154
Ives/Ojus (CC2)	38786
N. Miami Bch. (City)	36227
Country Club (CC5)	35775
Homestead (City)	30712
Palmetto Bay (CC13)	22834
Pinecrest (City)	18927
Miami Lakes (CC6)	17200
Aventura (City)	16655
Opa-locka (City)	15454
Median population size = 15085	
Sweetwater (City)	14717
Doral (CC9)	14445
Miami Springs (City)	13226
Sunny Isles (CC1)	13097
South Miami (City)	10514
Miami Shores (City)	10442
Hialeah Gards. (City)	9412
Key Biscayne (City)	9333
N. Miami Uninc. (CC7)	8312
Florida City (City)	6290
West Miami (City)	5751
Lowest quartile population size = 5589	
N. Bay Village (City)	5535
Bay Harbor Isl. (City)	4774
Surfside (City)	4170
Biscayne Park (City)	3190
Bal Harbour (City)	3091
El Portal (City)	2506
Virginia Gards. (City)	2197
Golden Beach (City)	800
Medley (City)	711
Fishers Island (CC16)	199
Indian Cr. Vil. (City)	45

Source: Metro-Dade Department of Planning, Development and Regulation, 1997

Compiled by Marsha H. Silverman, Ph.D

APPENDIX D

Summary Staff Analysis

Community Councils as a Transition to Dade County-Wide Incorporation by 2010

- The proposal is not an UMSA mitigation option or a revenue sharing approach
- It is a proposal for total incorporation of UMSA by a date certain 2010 (Similar to Broward)
- Making incorporation and/or annexation a requirement would require at least a Charter change.
- Present indications are that the entirety of the unincorporated area population is not in favor of this alternative (F.I.U. Survey).
- The Mayor and Board of County Commissioners would likely want to fully discuss any approach to total incorporation with respect to the division of area-wide and municipal functions
- It is not clear how this approach contains any particular advantage for poor areas. Many factors would be involved
- The current Community Council boundaries were not designed to provide for adequate and equitable municipal resources or for efficient service delivery.
- It appears that substantial modification of the Community Council boundaries would be required in order to avoid a serious imbalance in fiscal resources.
- Median household income is not necessarily a good measure of an area's financial strength. Also several of the income estimates are not reliable for statistical reasons.
- The present Community Council areas range widely in population size (199 to 221,486) and several are not particularly diverse within themselves.
- There could still be a need for some type of UMSA mitigation strategy as these areas incorporated at different times.
- The proposal contains a confusing statement (Point 7) regarding tax revenues and expenditures in Dade County (see attached explanation).

Point Number 7: Clarification

A total of 23.68 mills are levied against properties in unincorporated Dade; of this total the unincorporated millage of 2.277 makes up 9.6 percent. One should not assume that remaining tax revenue from the levy of the remaining 21.403 mills goes into a revenue sharing pool. In fact, it actually goes to various separate and distinct governmental taxing jurisdictions for specific purposes and is not shared with anyone else. The various taxing jurisdictions and millage rates affecting property owners in unincorporated Dade are shown below.

Total Millage Levied Against Property
in Unincorporated Dade County
(1996 Rates)

Jurisdiction	Millage Rate
School Board	10.366
Everglades Project	0.100
South Florida Water Management District	0.572
Florida Inland Navigation District	0.038
Countywide	7.243
Fire Rescue District	2.745
Library District	0.339
UMSA	2.277
Total	23.680

The Countywide millage rate levied by Metro-Dade helps pay for countywide (regional) services such as parks and social services. Again, these revenues are not shared with any other governmental body; it is Metro-Dade's responsibility alone to provide these countywide services, just as it is Metro-Dade's responsibility to provide jails, mass transit, elections, property appraisal and tax collection within the County. Moreover, general revenues, including property taxes, are not used to fund the airport, seaport, water and sewer service or solid waste disposal or collection. These functions have their own revenue sources, primarily user fees.

APPENDIX E

REVENUE SHARING TASK FORCE
Appointed Members

Dade County State Legislative Delegation
- Honorable Ron Silver, Florida Senate
- Honorable Rudy Garcia, Florida House of Representatives - Resigned

Dade League of Cities
(Mayors of two existing cities, one with less than $25,000 per capita taxable value)
- Honorable James A. Reeder, Mayor, Biscayne Park
- Honorable Raul Valdes-Fauli, Mayor, Coral Gables

Applicants for incorporation of Aventura Beach/Sunny Isles; Doral; Miami Lakes; and Palmetto Bay
- Miami Lakes
  - Ms. A. Louise Harms
- Palmetto Bay
  - Mr. Warren Lovely

Miami Dade Chamber of Commerce
- Mr. Johnnie Williams

The Greater Miami Chamber of Commerce
- Mr. Andrew Dolkart

CAMACOL
- Ms. Edith Campins

Florida International University College of Urban and Public Affairs
- Dr. Milan Dluhy, Director, Institute of Government

The League of Women Voters
- Ms. Carol von Arx

Unincorporated area residents who reside in Community Development Target Areas
- Mr. Phillip Murray (Goulds)
- Mr. Melford Pinder (West Little River)

Other Resident Electors of Dade County
- Mr. Manuel Rodriguez, P.E., Dade Manager, Corporate and External Affairs, FP&L
- Ms. Ruth Shack, Director, Dade Community Foundation - Resigned

Special Advisors to the Task Force [Members of Previous Revnue Sharing Committee]
- Mr. Daniel Lavan
- Mr. Jose Rojas

Two Members of the Board of County Commissioners
- Commissioner Katy Sorenson
- Commissioner Jimmy L. Morales

APPENDIX F

Agenda Item No. 6(D)(13)
10-8-96

RESOLUTION NO. R-1210-96

RESOLUTION CREATING REVENUE SHARING TASK FORCE TO STUDY AND RECOMMEND REVENUE SHARING APPROACHES FOR DADE COUNTY; SPECIFYING PURPOSE AND REPORT TO COUNTY COMMISSION

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF DADE COUNTY, FLORIDA:

Section 1. There is hereby created a Revenue Sharing Task Force to study various revenue sharing proposals for providing for fiscal equity in funding municipal services in Dade County.

Section 2. The County Commission shall appoint the Task Force members which shall consist of: two County Commissioners, two members of the Dade County State Legislative Delegation; two Mayors of existing cities (including one city with less than $25,000 per capita taxable value) to be named by the Dade County League of Cities; two persons from among the applicants for incorporation of Aventura Beach/Sunny Isles, Miami Lakes, Doral and Palmetto Bay; one representative each from the Miami Dade Chamber of Commerce, the Greater Miami Chamber of Commerce, CAMACOL (Latin Chamber of Commerce), the FIU College of Urban and Public Affairs, and the League of Women Voters; two representatives of unincorporated areas for which petitions for incorporation have not been filed and which are Office of Community and Economic Development Target Areas; and two additional members who are qualified electors of Dade County. All appointed members should have outstanding reputations for civic interest, community welfare, integrity and responsibility. The Boundaries Commission and the Planning Advisory Board shall each designate one of their members to serve as special advisors to the Task Force. With the exception of County Commission members, the County Manager shall submit a list of prospective Task Force members designated by the organizations named herein as well as those positions which do not represent a specific group or organization, by October 22, 1996

Section 3. The Revenue Sharing Task Force is specifically requested to

A. Review the revenue sharing/fiscal equity background information recently prepared by the Office of Management and Budget and Department of Planning, Development and Regulation and the FIU Institute of Government,

B. Convene a workshop of local business, academic and government representatives to discuss and develop a consensus on the opportunities and obstacles involved in revenue sharing approaches,

C. Identify the two most appropriate specific approaches to area wide and unincorporated area revenue sharing,

D. Conduct two public hearings, one in North Dade and one in South Dade, to determine the perceived advantages and disadvantages of the proposed approaches,

E. Report back to the Board of County Commissioners no later than the second regular County Commission meeting in February.

Upon acceptance of the report and recommendations of the Task Force by the Board of County Commissioners, the Task Force shall be deemed dissolved.

Section 4. Staff support for the Revenue Sharing Task Force shall be provided by the Office of Management and Budget and the Department of Planning, Development and Regulation.

The foregoing resolution was sponsored by Commissioner Katy Sorenson and was offered by Commissioner Katy Sorenson, who moved its adoption. The motion was seconded by Commissioner Betty Ferguson and upon being put to a vote, the vote was as follows:

James Burke	absent	Miguel Diaz de la Portilla	aye
Betty T. Ferguson	aye	Maurice A. Ferré	aye
Bruce Kaplan	absent	Gwen Margolis	aye
Natacha S. Millan	aye	Dennis C. Moss	aye
Alexander Penelas	absent	Pedro Reboredo	aye
Katy Sorenson	aye	Javier D. Souto	absent
		Arthur E. Teele, Jr.	absent

BFRESORS.SAM

The Chairperson thereupon declared the resolution duly passed and adopted this 8th day of October, 1996. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board

DADE COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS

HARVEY RUVIN, CLERK

BY: KAY SULLIVAN
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency

BFRESORS.SAM

Approved _____ Mayor

Agenda Item No. 6(D)(13)
2-4-97

Veto _____

Override _____

R-150-97
RESOLUTION NO. _____

RESOLUTION AMENDING RESOLUTION NO. R-1210-96 TO EXTEND REPORTING DEADLINE OF THE REVENUE SHARING TASK FORCE

WHEREAS, the Revenue Sharing Task Force held its initial meeting on January 29, 1997; and

WHEREAS, the report of the Revenue Sharing Task Force is due no later than the second regular County Commission meeting in February pursuant to Resolution No. R-1210-96; and

WHEREAS, the Revenue Sharing Task Force has determined that more time is needed to complete its work,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF DADE COUNTY, FLORIDA, that Resolution No. R-1210-96 is hereby amended to provide that the Revenue Sharing Task Force shall report back to the Board of County Commissioners no later that the second regular County Commission meeting in April.

The foregoing resolution was sponsored by Commissioner Katy Sorenson and was offered by Commissioner Katy Sorenson, who moved its adoption. The motion was seconded by Commissioner Gwen Margolis and upon being put to a vote, the vote was as follows:

C:\WP60\RESO\REVENUE.SUM

Dr. Miriam Alonso	absent	James Burke	aye
Dr. Barbara M. Carey	absent	Miguel Diaz de la Portilla	aye
Betty T. Ferguson	aye	Bruce C. Kaplan	aye
Gwen Margolis	aye	Natacha Seijas Millan	absent
Jimmy L. Morales	aye	Dennis C. Moss	aye
Pedro Reboredo	absent	Katy Sorenson	aye
		Javier D. Souto	aye

The Chairperson thereupon declared the resolution duly passed and adopted this 4th day of February, 1997. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

KAY SULLIVAN

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency. RAG

STATE OF FLORIDA)
) SS:
COUNTY OF DADE)

I, HARVEY RUVIN, Clerk of the Circuit Court in and for Dade County, Florida, and Ex-Officio Clerk of the Board of County Commissioners of said County, DO HEREBY CERTIFY that the above and foregoing is a true and correct copy of Resolution No. R-150-97, adopted by the said board of County Commissioners at its meeting held on February 4, 19 97.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on this _____ day of _____, A.D. 19 _____.

HARVEY RUVIN, Clerk
Board of County Commissioners
Dade County, Florida

By _____
Deputy Clerk

SEAL

Board of County Commissioners
Dade County, Florida

CLK/CT 587 3/93

Approved _____ Mayor

Veto _____

Override _____

Agenda Item No. 6(D)(15)
2-6-97

RESOLUTION NO R-476-97

RESOLUTION AMENDING RESOLUTION NO. R-150-97 TO EXTEND REPORTING DEADLINE OF THE REVENUE SHARING TASK FORCE

WHEREAS, Resolution No. R-1210-96 established the Revenue Sharing Task Force; and

WHEREAS, the Revenue Sharing Task Force held its initial meeting on January 29, 1997; and

WHEREAS, pursuant to Resolution No. R-150-97 the report of the Revenue Sharing Task Force is due no later than the second regular County Commission meeting in April; and

WHEREAS, the Revenue Sharing Task Force has determined that more time is needed to complete its work,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF DADE COUNTY, FLORIDA, that Resolution No. R-150-97 is hereby amended to provide that the Revenue Sharing Task Force shall report back to the Board of County Commissioners no later that the second regular County Commission meeting in July, 1997.

The foregoing resolution was sponsored by Commissioner Katy Sorenson and was offered by Commissioner Katy Sorenson, who moved its adoption. The motion was seconded by Commissioner Gwen Margolis and upon being put to a vote, the vote was as follows:

F:\AUTHORS\SOR\REVENUE1.SAM

Dr. Miriam Alonso	aye	James Burke	absent
Dr. Barbara M. Carey	aye	Miguel Diaz de la Portilla	aye
Betty T. Ferguson	aye	Bruce C. Kaplan	absent
Gwen Margolis	aye	Natacha Seijas Millan	aye
Jimmy L. Morales	aye	Dennis C. Moss	aye
Pedro Reboredo	absent	Katy Sorenson	aye

Javier D. Souto aye

The Chairperson thereupon declared the resolution duly passed and adopted this 6th day of May, 1997. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: KAY SULLIVAN
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

c:\wp\prores\97revenue.sw

Appendix X

07.07-17A METRO-DADE/GSA/MAY 1997

MEMORANDUM

TO: Honorable Alex Penelas, Mayor

Honorable Chairperson and Members
Board of County Commissioners

DATE: April 12, 1999

SUBJECT: Recommended Incorporation Policies

FROM: M. R. Stierheim
County Manager

RECOMMENDATION

After much deliberation, I recommend the following policies and requirements be adopted by the Board to guide all future incorporations. I believe strongly that these policies and requirements, taken collectively, are the best approach to managing future incorporations and represent a fair process for all individuals impacted by incorporation. Each of the points in the following executive summary is explained in greater detail in the body of the report.

EXECUTIVE SUMMARY

First: Repeal the policy calling for the County to be out of municipal service delivery by the year 2007.

Second: Adopt and implement a formal Board of County Commission policy that future incorporations will only be allowed to proceed to their completion if A and B occur or A and C, as described below.

A. The proposed new city agrees to remain within the Miami-Dade Fire and Rescue District, the Miami-Dade Public Library System, the County solid waste collection system and to continue to receive specialized law enforcement services from the Miami-Dade Police Department; and

B. The boundaries of the proposed incorporation are drawn to ensure the area is revenue neutral or, in the case of donor areas, the new city agrees to mitigate the adverse fiscal impact caused by the new incorporation on the remaining unincorporated area; or

C. The proposed incorporation is submitted to an UMSA-wide vote. The Board should deny incorporation requests from all requesting areas that would have an adverse fiscal and service impact on the remaining residents of unincorporated Miami-Dade unless an UMSA-wide vote is held.

Third: Provide for the creation of Safe Neighborhood Improvement Districts (town concept) as an alternative to incorporation.

Fourth: Put on the ballot appropriate Charter amendments to implement the forgoing policies and adopt modifications to the County Code as required.

Fifth: No further incorporations should be approved until these requirements are in full force and effect.

BACKGROUND

I am aware of the mounting pressures to make a decision on pending incorporation requests, in particular the three areas that have been deferred -- two of which are in litigation with the County. As I have repeatedly indicated to you, however, I do not believe we can afford to continue the current ad hoc incorporation process. I am not opposed to incorporation if it is well thought out and the process is fair to everyone. I am opposed to any incorporation that will have an adverse financial and service impact on the remaining residents of the unincorporated area. The potential impact of the continued incorporation of affluent areas on the remainder of unincorporated Miami-Dade is simple to understand.

Picture two houses in unincorporated Miami Dade County: House A has a $300,000 taxable value and House B has a $90,000 taxable value. Both houses contain a family with two parents and two school age children. The houses are located two blocks apart. The two families have identical service needs. They send their children to the same schools, drive on the same roads and rely on the same police officers, firefighters, paramedics, librarians, sanitation workers, etc. The family in House A, however, contributes significantly more property taxes than the family in House B. Essentially, Family A is a donor taxpayer who pays more taxes for the same level of services as Family B. This is entirely proper and appropriate! If the family in House A withdraws from UMSA by incorporating, there will be less revenue for public services for House B. The family in House B will have to pay more in taxes than before to make up for the loss of revenue or receive less service. That fact is beyond dispute.

Now picture Pinecrest as Family A and the unincorporated area as Family B. Just as proximate houses have different levels of wealth and receive the same level of services, so do different neighborhoods. If an affluent area leaves, the remainder suffers. In other words, the taxpayers in the unincorporated area (approximately 1.1 million people) will have to pay more taxes in order to receive the same level of services to make up for the donor tax portion lost through incorporation. It is that simple. The unincorporated area is our municipal service jurisdiction and, if we do not change course, the direction taken thus far will eventually lead to a county balkanized by wealth and poverty, with unincorporated pockets in which no viable municipal services are available or possible.

The approach I am recommending will avoid this future outlook.

First: Repeal the policy calling for the County to be out of municipal service delivery by the year 2007.

That policy, adopted in 1997, has inadvertently led to a great deal of confusion, conflict and an artificial sense of urgency. Many residents of unincorporated Miami-Dade are satisfied with the services they receive and with their government. Since the Board's policy decision in December of 1997, residents in areas that were not concerned with incorporation and not seeking to change

their status have been forced to wonder whether they will have to incorporate or go without services. Without a charter change, residents of the unincorporated area can not be forced to incorporate in any case.

I believe it is unfair and unwise to create an artificial sense of urgency around such an important issue. The Board should send a clear message to the 1.1 million residents of the unincorporated area that they will not be forced into a situation they may neither desire nor understand. That does not mean that all incorporation should stop. Incorporation can proceed, but only under certain conditions which will ensure fairness and equity to all.

Second: Adopt and implement a formal County Commission policy that future incorporations will only be allowed to proceed to their completion if A and B or A and C occur as described below.

A. **The proposed new city agrees to remain in the Miami-Dade Fire and Rescue District, the Miami-Dade Public Library System, the County solid waste collection system and to continue to receive specialized law enforcement services from the Miami-Dade Police Department, and**

B. **The boundaries of the proposed incorporation are drawn to be revenue neutral or, in the case of a donor area, the new city agrees to mitigate the adverse financial impact caused by the new incorporation on the remaining unincorporated area; or**

C. **The proposed incorporation is submitted to an UMSA-wide vote.**

Regional "Municipal" Services

Proponents of incorporation typically talk about the value of having local control over purely local services. The services most frequently mentioned, and those small cities typically provide, are: local police patrol and some general police investigation, local park and recreation services, local landscaping and roadway maintenance activities, code enforcement, local zoning regulation and planning, and local government administration. These are the services that newly incorporated cities and those areas that are seeking to incorporate are eager to take on. For these kinds of services I agree that the government closest to the people governs best.

On the other hand, certain functions and services, such as fire rescue, solid waste collection and disposal and specialized police services, require both a more-than-local perspective and a level of resources and capacity that small local governments cannot, and should not have to, provide. These municipal-type services must be funded and provided on a more regional basis to ensure that a quality service is available to all unincorporated area residents when needed.

Revenue Neutrality or Mitigation

No new city should be allowed to have a negative impact on either the tax rate or the service levels available to the remaining part of the unincorporated area. Currently, UMSA residents are paying more in UMSA property taxes than they would have had the four newest cities, previously part of

UMSA (Key Biscayne, Aventura, Pinecrest and Sunny Isles Beach), either remained unincorporated or been configured in such a way to take a larger share of municipal service costs. These are fine cities; but I do not believe that it is fair that areas that were donors to a larger service area should have been allowed to freely leave with no consideration for the remainder.

Requiring that proposed new cities are configured in such a way that the projected revenue loss to UMSA is substantially equal to the projected loss of service costs is the only mechanism currently available to the Board to provide that the rest of UMSA does not suffer negative fiscal impacts from future incorporations. If residents of an area are willing to work with County staff to achieve this, that area should be permitted to incorporate. If residents of an area are committed to municipal boundaries that are not revenue neutral, some form of mitigation must be proposed so that the property owners and residents of the area left behind are not unduly impacted. An area that commits to mitigate the negative fiscal impact of their proposed boundaries would be able to avoid the requirement of an UMSA wide vote. A charter provision requiring fair compensation to the affected remainder of unincorporated Miami-Dade County would allow a neighborhood--no matter how small and affluent--to achieve local self-governance without eroding the capacity of the remaining unincorporated neighborhoods to continue to receive municipal services at a millage rate unaffected by the new city's withdrawal from UMSA.

UMSA-Wide Vote

At the last workshop, several Commissioners discussed the option of having an UMSA-wide vote regarding incorporation. The intent of such a vote is to allow everyone who is affected by a proposed incorporation to be heard. Surely this is the fairest and most democratic way to approach the issue. However, I recommend that, rather than having a straw-ballot on the general issue of incorporation, a vote should be held for each incorporation that has an adverse financial impact on the remaining unincorporated area. A vote of all UMSA residents would ensure that all individuals impacted by a proposed incorporation are allowed to vote on an issue that has a direct economic impact on all UMSA residents.

In addition, given the magnitude of the issue and the need for transition planning, if an incorporation moves forward that has an adverse impact on the remaining unincorporated area, I recommend that each such incorporation vote be scheduled only for a general election to ensure the highest level of participation and that only one incorporation be placed on the a general election ballot at a time.

Third: Provide for the creation of Safe Neighborhood Improvement Districts as an alternative to incorporation.

For some areas, the desire to incorporate may be less about becoming a full city and more about improving and enhancing local services and retaining control over the funds that provide for those enhancements. For these areas I recommend that the Board, through an enabling ordinance, provide for the creation of Safe Neighborhood Improvement Districts as an alternative to incorporation. Services such as extra local police patrol, more recreation services at parks, extra code enforcement and landscaping or even local capital improvements can be obtained by any area that is willing to become a Safe Neighborhood Improvement District. This vehicle enables the

creation of a district either by voter referendum (FS 163.511) or by Commission Ordinance (FS 163.506). That district is able to have up to two mills of municipal-type millage to provide for a range of improvements, services and activities within that area. Once established, the area becomes in effect a dependent taxing district with a great deal of flexibility in how its revenue can be spent and control over that spending. Under either type of district formation, the Commission may appoint a local Board of Directors, with authority to develop a plan and budget for the district. Under the non-voted district, the Board may also appoint a local advisory Council. Although the County Commission appoints the directors, it may choose to identify those appointments through a local election.

Clearly, this approach does not have all of the advantages of incorporation. However, as an approach to immediately make available a greater degree of local control over truly local services without requiring that an area be revenue neutral, it has much to offer.

Fourth: Seek appropriate charter amendments to ensure that these requirements remain in force.

Required charter amendments will be prepared and advanced to the Board for voter consideration at the next general election (spring 2000). Also, all required County Code changes will be promptly prepared and advanced for Board consideration.

Fifth: No further incorporations should be approved until these requirements are in full force and effect.

I believe that taken together, these recommendations address incorporation in a manner that is fair and equitable.

cc: Honorable Harvey Ruvin, Clerk of Courts
Honorable Joseph P. Farina, Chief Judge, Eleventh Judicial Circuit
Robert A. Ginsburg, County Attorney
County Manager's Assistants
Department Directors
Eric McAndrew, Chief Legislative Analyst

	EFFECT OF RECENT INCORPORATIONS			
	Pinecrest	Aventura	Sunny Isles Beach	Sub-total of Recent Incorporations
Based on FY 98-99 Budget				
1998 Property Rolls (000's)	$1,699,976	$3,095,559	$1,243,960	$6,039,495
1997 Population	18,431	20,383	14,500	53,314
1998-99 UMSA Millage	2.517	2.517	2.517	
Gross Revenue Loss to UMSA	($8,348)	($12,715)	($5,845)	($26,908)
Effect on Millage				.614 mill decrease if the area had not incorporated
Effect on $100,000 home ($75,000 taxable value)				$46 decrease if area had not incorporated
(Assuming resources are redeployed in UMSA)				
Cost of Providing UMSA Services	$2,564	$1,317	$1,369	$5,250
Net Budget Loss to UMSA	($5,784)	($11,398)	($4,476)	($21,658)
Effect on Millage				N/A
Effect on $100,000 home ($75,000 taxable value)				N/A
(Assuming Resources are not redeployed in UMSA)				

		EFFECT OF PENDING INCORPORATIONS		
	Doral	Miami Lakes	Palmetto Bay	Sub-total Pending Incorporations
Based on FY 98-99 Budget				
1998 Property Rolls (000's)	$1,363,786	$1,371,457	$1,417,124	$4,152,367
1997 Population	10,930	15,059	22,939	48,928
1998-99 UMSA Millage	2.517	2.517	2.517	
Gross Revenue Loss to UMSA	($6,597)	($7,109)	($8,205)	($21,911)
Effect on Millage				0.641 mill increase
Effect on $100,000 home ($75,000 taxable value)				$48 increase
(Assuming resources are redeployed in UMSA)				
Cost of Providing UMSA Services	$2,238	$4,396	$4,523	$11,156
Net Budget Loss to UMSA	($4,359)	($2,713)	($3,682)	($10,755)
Effect on Millage				0.315 mill increase
Effect on $100,000 home ($75,000 taxable value)				$24 increase
(Assuming Resources are not redeployed in UMSA)				

		EFFECT OF OTHER PROPOSED INCORPORATIONS				
	Destiny (Expenses per study inflated to FY 1999)	County Club Lakes	East Kendall	West Kendall	Sub-total of Other Proposed Incorporations	Total of Pending and Proposed Incorporations
Based on FY 98-99 Budget						
1998 Property Rolls (000's)	$1,364,171	$1,113,914	$3,909,836	$6,073,998	$12,461,919	$16,614,286
1997 Population	69,785	33,616	57,896	165,321	316,618	365,546
1998-99 UMSA Millage	2.517	2.517	2.517	2.517		
Gross Revenue Loss to UMSA	($13,459)	($8,267)	($22,010)	($41,753)	($85,489)	($107,400)
Effect on Millage						4.81 mill increase
Effect on $100,000 home ($76,000 taxable value)						$361 increase
(Assuming resources are redeployed in UMSA)						
Cost of Providing UMSA Services	$16,459	$6,767	$15,194	$25,817	$64,237	$75,393
Net Budget Loss to UMSA	$3,000	($1,500)	($6,816)	($15,936)	($21,252)	($32,007)
Effect on Millage						1.434 mill increase
Effect on $100,000 home ($76,000 taxable value)						$108 increase
(Assuming Resources are not redeployed in UMSA)						

		EFFECT OF PENDING INCORPORATIONS		
	Doral	Miami Lakes	Palmetto Bay	Sub-total Pending Incorporations
Based on FY 98-99 Budget				
1998 Property Rolls (000's)	$1,363,786	$1,371,457	$1,417,124	$4,152,367
1997 Population	10,930	15,059	22,939	$48,928
1998-99 UMSA Millage	2.517	2.517	2.517	
Gross Revenue Loss to UMSA (000)				
(Base Lon 1998-99 budget				
Property Tax Revenue	$3,261	$3,279	$3,389	$9,929
Franchise Fees	$612	$669	$786	$2,068
Sales Tax	$554	$763	$1,162	$2,479
Utility Taxes	$2,069	$2,259	$2,657	$6,985
Miscellaneous Revenues	$101	$139	$211	$451
Gross Revenue Loss to UMSA	$6,597	$7,109	$8,205	$21,912
Cost of Providing UMSA Services (000)				
Police	$1,882	$3,416	$3,280	$8,578
Parks and Recreation Dept	$17	$255	$349	$621
Public Works	$35	$128	$280	$443
All Other	$304	$596	$614	$1,514
Cost of Providing UMSA Services	$2,238	$4,395	$4,523	$11,158
Net Budget Loss to UMSA	$4,360	$2,713	$3,683	$10,758
(Assuming Resources are not redeployed in UMSA)				

		EFFECT OF OTHER PROPOSED INCORPORATIONS			
	Destiny (Expenses per study inflated to FY 1999)	County Club Lakes	East Kendall	West Kendall	Sub-total of Other Proposed Incorporations
Based on FY 98-99 Budget					
1998 Property Rolls (000's)	$1,364,171	$1,113,814	$3,909,836	$6,073,998	$12,461,919
1997 Population	69,785	33,616	57,896	155,321	$316,818
1998-99 UMSA Millage	2.517	2.517	2.517	2.517	
Gross Revenue Loss to UMSA (000) Based on 1998-99 Budget					
Property Tax Revenue	$3,262	$2,664	$9,349	$14,524	$29,799
Franchise Fees	$1,375	$820	$2,100	$4,102	$8,397
Sales Tax	$3,535	$1,703	$2,933	$7,843	$16,014
Utility Taxes	$4,645	$2,770	$7,094	$13,859	$28,368
Miscellaneous Revenues	$642	$310	$534	$1,425	$2,911
Gross Revenue Loss to UMSA	$13,459	$8,267	$22,010	$41,753	$85,489
Cost of Providing UMSA Services (000)					
Police	$12,096	$5,580	$12,291	$20,301	$50,268
Parks and Recreation Dept	$1,716	$174	$310	$1,365	$3,565
Public Works	$414	$95	$531	$647	$1,687
All Other	$2,233	$918	$2,062	$3,503	$8,717
Cost of Providing UMSA Services	$16,459	$6,767	$15,194	$25,816	$64,236
Net Budget Loss to UMSA (Assuming Resources are not redeployed in UMSA)	($3,000)	$1,500	$6,816	$15,937	$21,253

Appendix XI

MIAMI LAKES
MUNICIPAL ADVISORY COMMITTEE
REPORT

The following presents a conceptual agreement for incorporating a new city of Miami Lakes that both addresses area residents' desire for local government and respects the concern of assuring that the remainder of the unincorporated area is not unduly harmed. While many items remain to be worked out in terms of specific implementation measures, this conceptual agreement outlines a framework under which Miami Lakes can proceed with their incorporation process.

Background

The Miami Lakes incorporation proposal was one of three applications that went to public hearing before the Board of County Commissioners in the fall of 1996 that failed to receive either the Board's approval or denial of the next step -- a vote of area electors on whether or not to create a new municipality. At the conclusion of that public hearing, the Board expressed serious reservations about continued piece-meal incorporation. Since that time there have been numerous workshops and reports reviewing the potential impacts of, and possible solutions to, the incorporation issue.

The basic stumbling blocks to moving forward with incorporation initiatives continue to be:

- The risk that critical service structures that provide municipal-type services that significantly benefit from being provided at a more regional level will be dismantled. These services include fire and rescue, solid waste collection, library and police services that are currently provided by the County within both the unincorporated area and some municipalities.

- The potential adverse fiscal impact on property owners and residents of the remaining unincorporated area as donor areas incorporate.

The Miami Lakes Municipal Advisory Committee, a group of Miami Lakes-area residents appointed by the Board of County Commissioners, was created, under the sponsorship of Commissioner Natacha Seijas Millan, to attempt to break the current stalemate on the Miami Lakes incorporation proposal. This group of citizens was charged with reviewing incorporation-related issues and concerns, and suggesting new and innovative ways to address them. The group has met for nearly a year, sometimes on their own and sometimes with County staff from various departments. They have worked diligently and responsibly to understand the issues involved and to devise strategies for moving the proposed Miami Lakes incorporation forward in a positive direction.

The following is a conceptual agreement proposed by the Miami Lakes Municipal Advisory Committee. The terms of the agreement are delineated in bold print and are followed by more detailed explanations.

CONCEPTUAL AGREEMENT

Whereas, the Miami Lakes Municipal Advisory Board acknowledges that certain municipal-type services are essential to the health of their community and the County as a whole.

Now therefore, the Members of the Committee agree to the following:

The new City of Miami Lakes will remain a part of the Miami-Dade Fire Rescue District, the Miami-Dade Library System, and the Miami-Dade Solid Waste Collection system. The new City may contract with the Department of Solid Waste Management for additional services and, if so desired, the local government may negotiate additional collection schedules and frequency for the new city.

The new City of Miami Lakes will also contract with the Miami-Dade Police Department for a specific level of patrol staffing and all support and specialized police services.

The contract will specify a fixed level of patrol staffing for the Miami Lakes Area Police District, agreed to by both the local government of Miami Lakes and the County. The contract will clearly define, and provide for the cost of, municipal-type support and specialized police services that will be guaranteed to the area. The new city will thus have the full assurance of continued specialized services as well as having its own local police force through contract with Miami-Dade County.

The Miami Lakes Police District, while remaining an arm of the Miami Dade Police Department (MDPD), will be responsive to the local government. The Miami Lakes District Chief (*Miami Lakes District Police Major*) will be appointed by the Director of MDPD subject to the approval of the Miami Lakes Governing Body. The Governing Body can request removal of the Miami Lakes District Chief (*Miami Lakes District Police Major*) at which point the Director of the Miami-Dade Police Department will appoint a new Miami Lakes District Chief (*Miami Lakes District Police Major*), subject to the approval of the Miami Lakes Governing Body. It is understood that from time to time there may be necessary staff changes, due to promotions or other circumstances. It is also understood that there will be no arbitrary staff changes or transfers of the Miami Lakes District Chief (*Miami Lakes District Police Major*) except for promotional or career opportunities or at the request of the Miami Lakes District Chief (*Miami Lakes District Police Major*).

Uniforms and patrol units will clearly identify the staff and vehicles belonging to the Miami Lakes Municipal Police Unit. Within the context of MDPD policy and sound law enforcement practice, the Miami Lakes Governing Body and their (*City Manager/Mayor*) will have the authority to establish local priorities and provide direction on all local police issues. To the extent possible, the Miami Lakes District Chief (*Miami Lakes Commander*) will attend all Miami Lakes local government meetings and at all times will be responsive to the government and citizens of the new city.

The patrol portion of the contract between the County and Miami Lakes will be revisited periodically to tailor staffing levels to the needs and desires of the local government and to assure that the residents continue to receive the best law enforcement available. After the initial three-

years of the contract period, the City can issue a no less than 12-month notice to terminate the contract for cause. The contract for specialized police services will be in perpetuity, with renewal and price recalculations every three years.

Whereas the members of the Miami Lakes Municipal Advisory Committee acknowledge that the creation of the City of Miami Lakes will have a negative financial impact on the remainder of the UMSA area, and

Whereas the members of the Committee acknowledge that the new city will benefit in many ways from a continued relationship with existing unincorporated municipal service area programs, services and activities, and other County administrative and support systems as detailed below,

Now therefore, the members of the Miami Lakes Municipal Advisory Committee agree that the City shall enter into a Memorandum of Understanding to contribute the equivalent of one mill of municipal property tax revenues after municipal incorporation to the County into a Municipal Service Trust Fund (MSTF). The amount to be paid into the MSTF will be set at a dollar value during the first year of operation of the City of Miami Lakes. This dollar value will be the equivalent of one mill of property tax revenue based on the preliminary tax roll for the new City of Miami Lakes for that year. That amount (which is approximately $1.45 million) will be adjusted annually based on the Consumer Price Index (CPI) for the Miami area, all categories, but shall otherwise not be subject to any increases.

Assurances will be built in to the agreement that the terms and duration of the MSTF will be renegotiated should significant changes in the composition of the remaining unincorporated area occur. For example, if the remaining Unincorporated Municipal Service Area is reduced to fewer than 500,000 residents, or the unincorporated area per-capita tax base exceeds the average of the countywide per capita tax base due to growth in the roll, or the incorporation of low tax base areas decrease the need to continue the payment at that amount, the amount and duration of the contribution will be revisited. Otherwise the MSTF payment will be maintained.

Both parties also agree that if a subsequent incorporation of any donor area is approved, without conditions outlined in this agreement, including but not limited to the contribution of at least 55% of the surplus funds to the MSTF, and those terms would be beneficial to the City of Miami Lakes, the terms under this Memorandum of Understanding will immediately be replaced with the terms granted to the subsequent new city.

The MSTF will have two purposes. First, funds will be allocated to preserve police services in neighboring communities that might otherwise be harmed by the incorporation of a donor area such as Miami Lakes. Second, in recognition of the fact that the development of a new city requires considerable effort and a period of transition during which the new city can benefit from a strong mentoring relationship with the current service providers and administration, and in recognition of the fact that both the new city and the County desire to have an ongoing, cooperative relationship, the fund will serve as a municipal assistance retainer, enabling the new city to receive benefits and services from the County that will be made uniquely available to Miami Lakes and the unincorporated area and that will not be made available to other municipalities that have not entered into such an agreement.

These benefits will include, but not be limited to:

- The ability to access existing County contracts without the surcharge typically required of other jurisdictions.

- The ability to take part in training opportunities provided to County staff with no cost over and above any fees charged to County departments.

- Priority assistance from County Departments when necessary after a natural disaster beyond that normally provided to County residents.

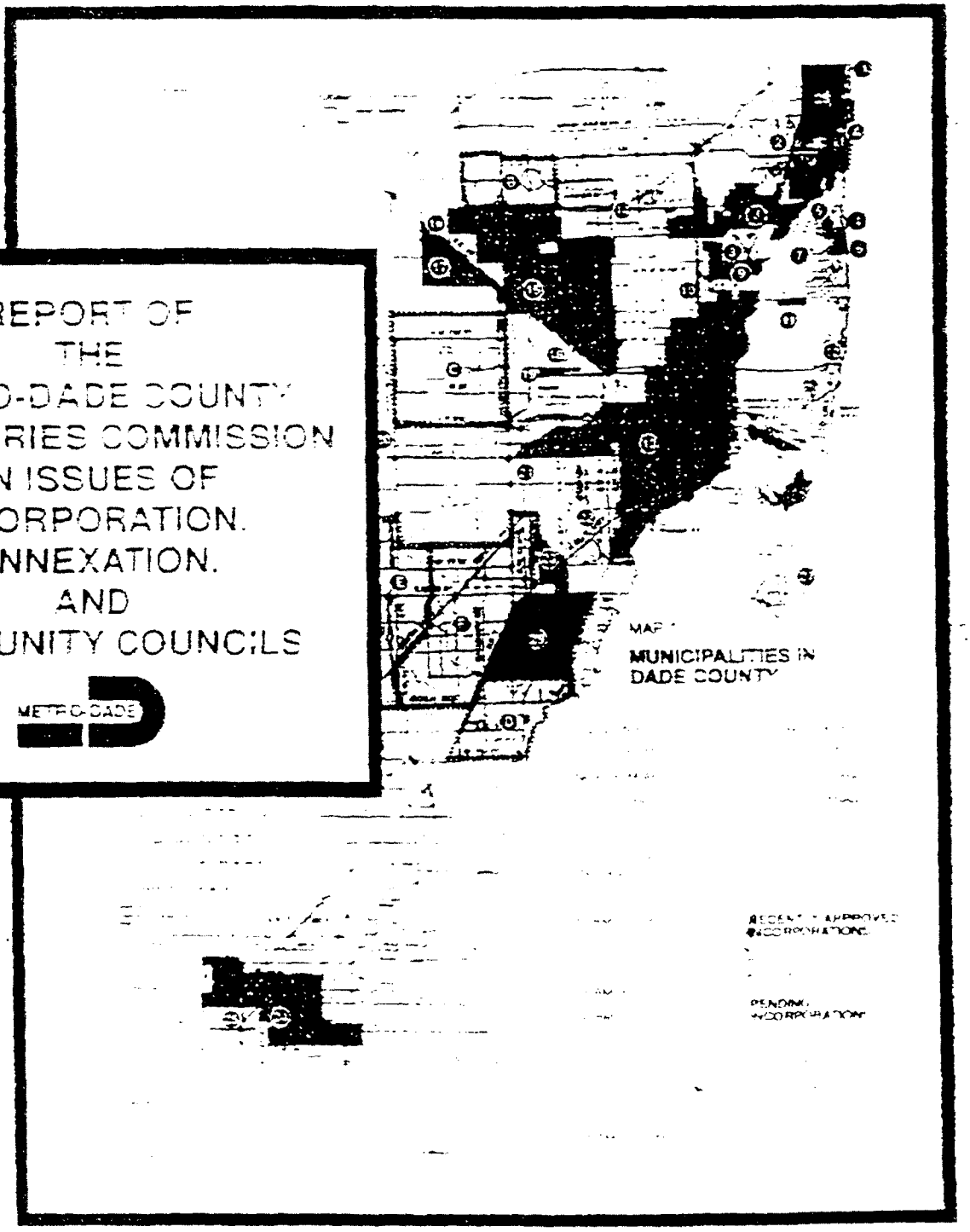
- The opportunity to call on the administrative expertise of the County in financial, budget, technology, planning, engineering, code enforcement and other professional resources that are not routinely made available to all other cities at no cost.

- Enabling Miami Lakes to take priority over any other city that has not entered into a an MSTF agreement, in negotiations for other contracting opportunities for services such as preparation of local master plans, utilization of the County's Geographic Information System and other information technology systems, and other services that the new city may wish to access from the County.

The new city of Miami Lakes area will receive all other municipal revenue sources such as utility taxes and including those that the County by right may otherwise retain, such as the franchise fees and will continue to receive all services that are provided to cities under the Countywide budget.

Both parties also recognize that this contribution to the MSTF does not fully cover the net loss of revenue that will be experienced by the remaining unincorporated area due to the incorporation of Miami Lakes.

REPORT OF THE METRO-DADE COUNTY BOUNDARIES COMMISSION ON ISSUES OF INCORPORATION, ANNEXATION, AND COMMUNITY COUNCILS



Official Board Report No. 1

MEMORANDUM

To: Honorable Chairperson and Members
Board of County Commissioners

Date: May 21, 1996

From: Daniel Lavan, Chair
Boundaries Commission

Subject: Boundaries Commission Report on Issues of Incorporation, Annexation and Community Councils

I am pleased to transmit the Boundaries Commission Report on Issues Of Incorporation, Annexation and Community Councils. We look forward to further work with you, in committee and in any other forum, on steps to implement its recommendations.

The members of this Commission have worked long and hard on this report. We began with many different points of view. After months of careful deliberation and public input, the group has reached a consensus.

We believe that initially, community councils are the most appropriate vehicle for responding to the desires of the majority of unincorporated area residents in a forward looking and responsible fashion. These councils would give residents a greater voice in their local affairs and enable all communities to build on and diversify their strengths. At the same time, community councils would acknowledge: first, that the varied areas of unincorporated Dade share a common goal -- the strengthening of all neighborhoods; and second, that in the long run, these neighborhoods are made stronger by working together.

Our recommendations concerning community councils can be found on pages five to seven of this report.

The Commission also recognizes that there are pending incorporation and annexation applications. We believe that without strict adherence to guidelines and procedures, incorporation and annexation will pose serious threats to fiscal equity in the unincorporated area and may lead to disruption in important services, in particular law enforcement, both in the unincorporated area and the County as a whole. Thus, the Commission strongly recommends that if any new cities are created they must meet specified criteria. The creation of new cities that jeopardize the well-being of other unincorporated areas and the County overall is not in the long term interests of anyone.

Our recommendations regarding the criteria that should be applied to all pending and new incorporation and annexation applications can be found on pages seven to nine of this report.

With respect to the question of fiscal equity, the majority of the Commission believes that a long-term solution, one that would address the problem in the unincorporated area and the County as a whole, is a goal worth pursuing. We recognize that developing an adequate and sound Countywide approach to revenue sharing or alternatives will require considerable effort and consensus. We are prepared to help you in this effort.

Our recommendation regarding alternative approaches to fiscal equity is contained on page eight.

The Board of County Commissioners, as the governing body of both the unincorporated area and the County as whole, has an exciting opportunity to significantly shape the future of our community. This Commission expects that this report and its recommendations will assist you in that effort.

REPORT OF THE METRO-DADE COUNTY BOUNDARIES COMMISSION ON ISSUES OF INCORPORATION, ANNEXATION AND COMMUNITY COUNCILS

May, 1996

METROPOLITAN DADE COUNTY
BOUNDARIES COMMISSION

Daniel Lavan
Chair

William Lehman, Jr.
Vice Chair

Peggy Appler
Charles Blakeley (resigned)
Dorothy Cissel
Ana Maria Escagedo
Janet Gavarrete
Armando Lacasa
Dario Moreno, Ph.D.
Dave Samson
Gerry Suarez
Pat Tornillo, Jr.
Shirley Merlin West, Ed.D.

PREFACE

Members of the Boundaries Commission conclude that strong and flexible community councils offer the best answer to improving governance in unincorporated Dade. The Commission began this process with many different points of view. After months of careful deliberation and public input, the group has reached a consensus that at this moment, community councils are the most appropriate vehicle for responding to the desires of the majority of unincorporated area residents in a forward looking and responsible fashion. These councils, as described below, will give residents a greater voice in their local affairs and will enable all communities to build on and diversify their strengths. At the same time, community councils would acknowledge: first, that the varied areas of unincorporated Dade share a common goal -- the strengthening of all neighborhoods; and second, that in the long run, these neighborhoods are made stronger by working together.

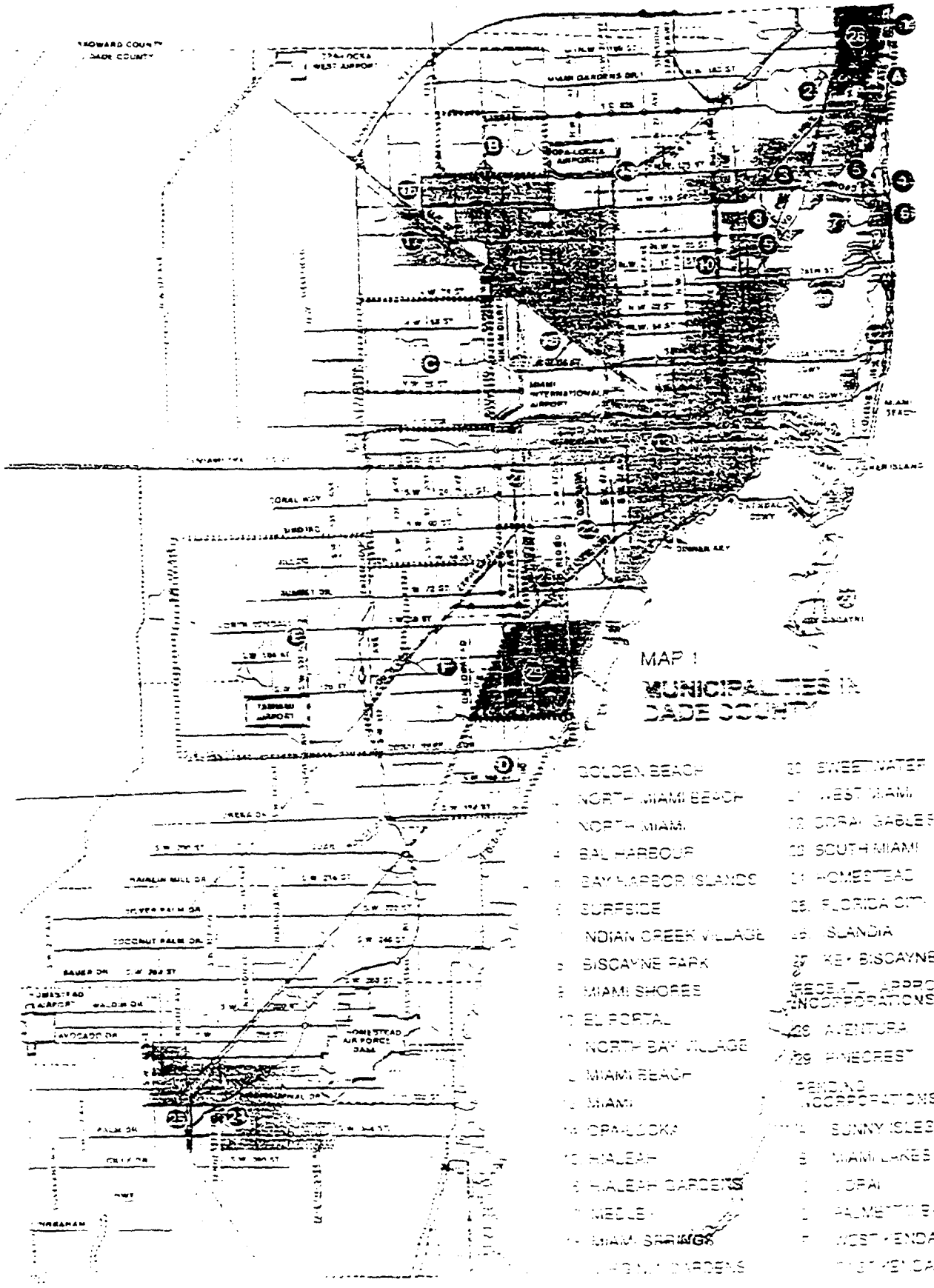
Dade County is a unique and exciting place. Over the last five years, Dade has seen significant changes in governance -- in 1992, the transition to single member districts and in the fall of 1996, the arrival of a strong mayor. The Boundaries Commission believes that Dade deserves sound and forward looking solutions.

At the same time, the Commission recognizes that some areas have begun the process of building support for becoming separate cities. The Commission believes that the continued fragmentation of Dade into small, fiscally unequal and homogeneous cities will have potentially serious consequences not only for the residents of unincorporated Dade but also for the region as a whole. The Commission discussed recommending a moratorium on incorporation -- at least until community councils were given a fair chance to develop and until an adequate and effective Countywide response to the problems of fiscal inequity and public safety had been designed and implemented. However, the Commission is not recommending such a moratorium. Instead, the Commission strongly recommends that if new cities are created they must meet specified criteria. The creation of new cities that jeopardize the well-being of other unincorporated areas and the County overall is not in the long term interests of anyone.

The majority of the members of the Boundaries Commission also agree that immediate action should be taken towards the implementation of a revenue or resource sharing program that would mitigate the potentially negative fiscal impact of the creation of new cities on the unincorporated area and that would extend to all jurisdictions in Dade County. Once such a revenue or resource sharing program is in place, the recommended fiscal equity criteria for the creation of new cities could be relaxed. The Boundaries Commission recommends that an appropriate entity be charged with thoroughly analyzing and evaluating the potential applications of various revenue sharing programs and other appropriate alternatives as a means of addressing fiscal inequity in both the unincorporated area and the metropolitan area as a whole. That entity should report back to the Board of County Commissioners no later than September 3, 1996.

The Board of County Commissioners, as the governing body of both the unincorporated area and the County as whole, has a significant and exciting opportunity to shape the future of our community. This Commission expects that this report and its recommendations will assist you in that effort.

RECENTLY APPROVED AND PENDING INCORPORATION



MAP 1

MUNICIPALITIES IN DADE COUNTY

1 GOLDEN BEACH
2 NORTH MIAMI BEACH
3 NORTH MIAMI
4 BAL HARBOUR
5 BAY HARBOR ISLANDS
6 SURFSIDE
7 INDIAN CREEK VILLAGE
8 BISCAYNE PARK
9 MIAMI SHORES
10 EL PORTAL
11 NORTH BAY VILLAGE
12 MIAMI BEACH
13 MIAMI
14 OPA-LOCKA
15 HIALEAH
16 HIALEAH GARDENS
17 MEDLEY
18 MIAMI SPRINGS
19 MIAMI GARDENS
20 SWEETWATER
21 WEST MIAMI
22 CORAL GABLES
23 SOUTH MIAMI
24 HOMESTEAD
25 FLORIDA CITY
26 ISLANDIA
27 KEY BISCAYNE

RECENTLY APPROVED INCORPORATIONS

28 AVENTURA
29 PINECREST

PENDING INCORPORATIONS

30 SUNNY ISLES
31 MIAMI LAKES
32 DORAL
33 PALMETTO BAY
34 WEST KENDALL
35 EAST KENDALL

INTRODUCTION

Members of the Boundaries Commission see Dade County at important and critical crossroads. This area is widely viewed as having unique opportunities for economic growth and success in the 21st Century. The current discussion of unincorporated area governance is an important opportunity for the leadership of the County to put in place a process that benefits all unincorporated area residents and that enhances the County as a whole.

The Boundaries Commission recognizes that should the current pattern of incorporations and annexations continue with little regard to their fiscal implications, not only will there be serious negative consequences to the remaining unincorporated area but also to all the residents of Dade County. Given the number and scope of the pending applications for incorporation[1], it is timely that the County Commission addresses these seminal issues comprehensively and resolutely.

Our findings and recommendations are the product of months of diligent work and thorough debate. We have reviewed a variety of public input, read voluminous material, listened to experts and examined and reexamined our own views.

This report is submitted to the Board of County Commissioners with the expectation that it will provide the comprehensive direction that this Commission was charged to deliver and that all of the residents of Dade County deserve.

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[1] See Map 1.

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

1. There is a strong desire among residents of the unincorporated area to improve municipal governance by:

   - improving effectiveness of services by bringing decision making and administrative processes closer to residents;
   - enhancing efficiency of services by maintaining economies of scale of key services;
   - maintaining low costs of basic services while providing additional means for purchasing above basic services;
   - recognizing the diversity of needs and desires in the many different areas of unincorporated Dade by giving residents a greater voice.

2. There is also significant concern about the negative impact of continued incorporation and annexation on the unincorporated area and on the County as a whole. That concern seeks solutions that:

   - encourage careful consideration of the full range of problems and potentials before initiating major unincorporated area restructuring;
   - above all, avoid divisive fiscal, economic and social fragmentation of the metropolitan area.

3. The interest in incorporating new municipalities or annexing to existing ones is limited to a few areas. On the basis of the straw ballot, the survey conducted by Florida International University and public input at various meetings, it appears that most unincorporated area residents prefer non-city alternatives for governance improvements.

4. The ability to create a new city or join an existing one is not solely the right of area residents but is regulated under the County's Home Rule Charter and ordinances in the interest of the common good. As the sole governing body of the unincorporated area, the Board of County Commissioners has the responsibility to assure that incorporation and annexation actions are consistent with the interest of the larger community before allowing the area electors to determine if these same actions are in their interest.

5. The fiscal future of the unincorporated area is at risk. Strong action should be taken by the governing body responsible for the well-being of all of the unincorporated area, the Board of County Commissioners, to implement means of insuring fiscal equity lest the capacity for such action be lost in a tidal wave of fiscally unmitigated incorporations and annexations.

6. The currently adopted approach for maintaining fiscal equity of the unincorporated area by limiting financial resource losses through the application of the allowable per capita tax base range is the simplest, fairest, and easiest means available for maintaining fiscal equity in the unincorporated area. The existing County Charter fully empowers the County Commission to use this approach. Other approaches to area-wide fiscal equity will require considerable effort and consensus building. The Boundaries Commission believes that there is an immediate need to deal with the revenue/resource sharing issue. This effort should be pursued and, until such a program is in place, the tax base range approach should be continued.

7. Fire rescue and police issues are central to the incorporation and annexation process. Increased effectiveness and reduced costs of these services are often priority desires for new city proponents. Conversely, reduced effectiveness and increased costs of these same County services are serious concerns for the remaining unincorporated area and for current municipal users.

8. There is a high level of satisfaction with Metro-Dade Fire Rescue. However, if incorporation and annexation areas continue to opt out of the Fire Rescue District then the ability of the District to effectively and efficiently serve the remaining unincorporated areas and participating cities would be adversely affected.

9. There is dissatisfaction with the level of police services in the unincorporated area. Much of this stems from levels of staffing and the Department's related emphasis on response rather than patrol.

10. In a complex metropolitan area there is significant benefit to having a large and diverse law enforcement agency. The size of the Metro-Dade Police Department provides substantial economies of scale in matters such as helicopter service, specialized investigations, and training. The size of the force also enables it to deal effectively with large-scale emergencies and events such as Hurricane Andrew and the Summit of the Americas in a manner that would not be possible with many smaller departments.

11. No ability to assure that the depth and scope of law enforcement activities that are provided by the Metro-Dade Police both to the unincorporated area and the entire County could be maintained in the face of continued small incorporations. The Boundaries Commission believes that without a solid means of providing for an adequate area-wide police presence, continued erosion of the department by incremental incorporation would put the entire County in jeopardy.

12. Annexation is a valid alternative to incorporation. However, with the requirement for a willing city and willing electors or property owners, annexations have generally been successful only in instances involving vacant land or developed higher tax base residential areas seeking to avoid incorporation into new cities. Strict adherence to the process and criteria would avoid the disruption and confusion of defensive annexations. Without changes to the Charter and Code, there is little likelihood that historic lower tax

base enclave areas will be annexed. When annexation and incorporation efforts occur in the same area at the same time, it is confusing and competitive, to the detriment of both processes.

13. Initially, community councils should be used as the major means of accomplishing the desired improvements to unincorporated area governance since they offer the most advantages and the least disadvantages.

RECOMMENDATIONS

1. With the sole exception of enclave areas, the Board of County Commissioners should fully commit to the current approach for maintaining fiscal equity in the unincorporated area by adopting the present fiscal equity guideline (updated with current data) as a requirement criterion for approval of all incorporation and annexation applications and for acceptance of any such new applications.

2. Because of the generally low household incomes in significant portions of the unincorporated area, the fiscal equity guidelines should be based on an unincorporated area millage that is 85% of the municipal jurisdiction average. This would change the per capita tax base range allowable for incorporation or annexation to approximately $24,000 to $41,000 per capita.

3. Steps must be taken to establish an innovative revenue sharing program as an alternative and Countywide approach to providing for fiscal equity among all municipal jurisdictions. Such an approach would allow future incorporations and annexations to go forward with less restrictive fiscal criteria. Any such approach will require considerable consensus building and effort. This Boundaries Commission is prepared to begin the process of convening members of the business, academic and local government communities to start this important action.

4. The Board of County Commissioners should make all attempts to place a revenue/resource sharing proposal on the ballot of November, 1996. The Board should direct an appropriate entity to analyze more thoroughly and evaluate the potential application of various revenue sharing programs and other appropriate alternatives as a means of addressing fiscal inequity in both the unincorporated area and the metropolitan area as a whole. As part of this review, that entity should review and evaluate methods of determining the amount of revenue or resources required to ensure fiscal viability or to equalize municipal services in the participating jurisdictions. That entity should also convene and participate in a workshop of local business, academic and government representatives to discuss and develop a consensus on the opportunities and obstacles involved in such revenue sharing approaches and the elements of an education effort to develop full community understanding of the proposals. That entity should report back to the Board of County Commissioners by September 3, 1996.

Organization: The community councils should be organized to have seven members, six of which should be elected from sub-areas and one should be appointed by the Board of County Commissioners. No more than two of the elected members may be non-residents who have significant business or community involvement in the council area. Those members must be residents of Dade County. All other members must be residents of the council area. Existing County staff should be assigned to work with the community councils so as to minimize new costs associated with their implementation. Such staff may include: a local area community council administrator and administrative assistant, clerical staff and others as needed. Team Metro will develop strong linkages to the councils. Within parameters, each council should be empowered to establish their own procedures for conducting their business and select from the authorized activities those that are tailored to their needs.

Configuration: The overall council area should be large enough to reasonably accommodate local zoning issues without unduly increasing staff requirements. Within each community council area there should be a variable number of sub-areas to ensure that distinct communities have representation in the council. The boundaries of the community councils should be drawn to encompass recognized communities, i.e., Census Designated Places to the extent possible. They should not be required to meet fiscal equity guidelines. Enclave areas that are large enough not to require annexation and that do not desire to be annexed may be part of a nearby community council.

10. All incorporation or annexation requests should meet the criteria described below with the exception of enclave areas. To emphasize this important policy position, the incorporation and annexation criteria should be made requirements for the County Commission's: 1) approval of all currently ongoing requests for incorporation; and 2) acceptance and approval of all future applications.

- Specifically, steps should be taken to make the following requirements for incorporation and annexation:
    - Boundaries:
        -- Not divide a U.S. Census Designated Place, to the extent feasible.
        -- Include adjacent areas of ethnic minority and lower income residents in which 10 percent of those residents have so petitioned.
        -- Have contiguity and not create any unincorporated enclave area that would 1) be surrounded on more than eighty (80) percent of its boundary by one or more municipalities and 2) of a size that could not be serviced efficiently or effectively.

-- Have natural or built barriers as boundaries to the extent feasible, and

-- Include a mixture of residential and commercial land uses.

-- Area is totally contained within the Urban Development Master Plan.

- Fiscal Equity:

  -- An area proposed for incorporation and annexation should have a per capita taxable value that is between approximately $24,000 and $41,000.

- The following should be considered not as a guideline but as important information for making recommendations and decisions on the application:

  - The analysis of the impact of the incorporation or annexation on the ability of the County to efficiently and effectively provide services to adjacent remaining unincorporated areas should be expanded to include in particular the impact on the operations of the Metro Dade Police and Fire Rescue Departments.

  - Evidence of support:

    -- The petition or application should show support of at least 10% of the area electors.

  - Alternatives:

    -- There are no suitable alternatives to incorporation, including annexation to an existing city for the area as a whole or any sub-areas within it that is seeking annexation.

- With regard to current applications, these changes will likely require some reconfiguration of their boundaries to assure that these applications do not unfairly burden or restrict the potential to incorporate the remaining area. As noted, all new requests should meet the criteria prior to their formal acceptance.

BACKGROUND

BOUNDARIES COMMISSION CREATION

The Boundaries Commission was created by the Metro-Dade County Board of County Commissioners in 1995 as a result of a resolution and an ordinance[2]. That action was taken at the conclusion of a special County Commission workshop on incorporation held in July of 1995 at which the Commission heard and discussed The Manager's Report on Incorporation, June 1995. That report was prepared in response to the Board of County Commissioners' concern with the impact of potential incorporations on the unincorporated area as a whole and its desire to consider a range of alternatives for improving governance in the unincorporated area.

BOUNDARIES COMMISSION RESPONSIBILITIES AND APPROACH

By the creating resolution and the ordinance, the Boundaries Commission was directed to:

- Conduct public education concerning a straw ballot of voters on unincorporated area governance alternatives;
- Prepare a comprehensive analysis of incorporation, annexation and their alternatives; and make recommendations on these issues, and
- Make recommendations on individual applications for incorporation and annexation.

In preparing its comprehensive report, the Commission was specifically directed to discuss and seek public input concerning the potential creation of community councils in the unincorporated area. Specifically, the Commission was requested to seek input on the range of functions and responsibilities that the Councils should have, and whether they should be elected or appointed.

Since its first meeting on December 4, the Commission has held 21 regular meetings, all open to the public.[3]

During the course of its regular meetings, the Commission reviewed a large amount of information and held thorough discussions on many issues. Specifically, the Commission has:

- Reviewed the history and background of the issues[4];
- Carefully examined and discussed recently adopted changes to the County Code governing incorporation and annexation;
- Reviewed and discussed with its principal investigator, Dr. Milan Dhuly, the Florida International University Institute of Government's survey of residents concerning

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[2] See Appendix A.

[3] Copies of the minutes of these meetings are available at the office of the Department of Planning, Development and Regulation.

[4] See Appendix B for a list of the documents distributed and discussed.

potential improvements in unincorporated area governance and other matters related to incorporation:

- Prepared an informational brochure concerning the three unincorporated government options on the March 12 straw ballot that was widely distributed to unincorporated area residents;
- Worked with the Metro-Dade Communications Department to develop a public information program concerning the straw ballot;
- Analyzed and discussed the results of the straw ballot;
- Requested and heard presentations from the Metro-Dade Fire Rescue Department and the Metro-Dade Police Department on their current operations and on the potential impacts on their operations, and on public safety in general, of the straw ballot options;
- Requested and heard a special presentation from the County Attorney on the legal aspects of the full range of means available for accomplishing fiscal equity;
- Reviewed a fiscal equity proposal presented by Randolph Espinet, Co-Vice Chair of the Planning Advisory Board calling for the designation of the commercial and industrial area west of Miami International Airport as an unincorporated tax base resource and linking it fiscally to the large unincorporated area east of the airport;
- Reviewed a draft revenue sharing proposal submitted to the Commission by Eugene Stearns, Esq., an attorney for several incorporation areas; and,
- Requested and heard a special presentation by Dr. Curtis Johnson, Chair of the Twin Cities Metropolitan Council, about the Minneapolis/St. Paul revenue sharing plan and related issues.

In addition to its regular meetings, the Boundaries Commission also held four public meetings to present information on the straw ballot issues and receive citizen input on the issues of unincorporated area governance.

PUBLIC PERCEPTIONS

The Boundaries Commission has received and reviewed public input on the issues of incorporation. annexation and alternatives from a variety of sources. These include:

- special public meetings;
- the March 12 straw ballot results;
- the Florida International University public opinion survey results: and
- annexation hearings.

PUBLIC MEETINGS

The Boundaries Commission held four public meetings. These meetings were designed to accomplish two goals:

- to inform the unincorporated area voters about the March 12 straw ballot and the three unincorporated area governance options on it;
- to obtain feedback on the issues and in particular on the concept of community councils.

The dates. locations and approximate attendance at these meetings were as follows:

Area	Location	Date	Attendance
North Dade	Highland Oaks Middle School	February 15	70
Middle Dade	Southwest High School	February 22	50
Middle Dade	Miami Killian Sr. High School	February 28	25
South Dade	South Dade Government Center	March 6	35
Total			180

Each meeting involved a presentation and discussion of the content of the straw ballot and general discussion of the question of unincorporated area governance. All of the meetings involved considerable and lively discussion among members of the public and the Boundaries Commission. No consensus emerged from these discussions: rather all points of view were represented. The following major themes emerged in these discussions:

Case-By-Case Incorporation

At several of the meetings, the Commission heard from persons currently involved in several incorporation efforts (East Kendall, Miami Lakes, Doral Park and Palmetto Bay). They spoke largely in favor of case-by-case incorporation or in favor of community councils as a temporary and interim step to full incorporation for their neighborhoods. Some argued that it was important that area residents be entitled to draw-up their own boundaries as these boundaries would best reflect the desires of residents. The proponents also stated that municipal services and access to government decision making and decision makers would be improved through the establishment of full municipal government. Some expressed the concern that their area would be left in the position of supporting the poorer areas of unincorporated Dade if they did not incorporate now.

Community Councils

Other speakers (e.g., the presidents of the Westchester Homeowners Association and the West Golden Glades Civic Association) spoke in favor of community councils. They viewed community councils as a method of maintaining resource equity for all communities and economy of scale in service delivery within the unincorporated area. They also saw community councils as a means of providing area residents with a greater voice in local affairs and as a method for building community involvement.

Some residents expressed the view that community council members should be elected and should be given greater authority than was implied by the straw ballot language[5]. Others expressed the concern that the councils might become just another and expensive layer of government without any real services improvement. On the whole, however, most who spoke to this issue agreed that if community councils were to be created, they should be given significant responsibilities. There was, however, considerable confusion evident over the role of the current Zoning Appeals Board that might be transferred to the councils and concern that council decisions might be disregarded at the County Commission level. Most indicated that they would like to see council members elected, rather than appointed.

Planned Total Incorporation

A few speakers suggested that the total incorporation of all of the unincorporated area into a single city, with its own representatives and with the potential for consolidation with existing cities over time, would resolve some of the desire for full two-tier governance while not increasing division in the County. Others suggested that multiple municipal government units throughout the unincorporated area would be a positive step, but only if the boundaries of the new cities were drawn fairly and concurrently to assure that no area was placed at risk of insufficient services.

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[5] See Appendix C for straw ballot language.

No Change

At several meetings, speakers expressed the desire for things to remain as they are, with a moratorium placed on further incorporations. These speakers objected to the fact that there was no option on the straw ballot that would allow them to make it clear that they did not want any incorporations. They indicated that they were satisfied with existing services and did not want the desires of a few pro-incorporation individuals to prevail.

STRAW BALLOT RESULTS

The Board of County Commissioners, to assist the Boundaries Commission in addressing issues of unincorporated area governance, included a non-binding, straw ballot item on the March 12 presidential preference election. The following alternatives were included on the ballot which was limited to unincorporated area electors.

- Option A -- Continue to have the County consider applications for new cities on a case by case basis.
- Option B -- Continue to have the County provide city services for residents of unincorporated Dade County, but simultaneously create community councils to serve as local zoning appeals boards with authority to make recommendations to the County Commission regarding various other governmental services.
- Option C -- Develop a plan for creating cities throughout the entire unincorporated area.

Table 1 displays the overall results of that ballot.

Table 1
Results of Straw Ballot
on Unincorporated Area Government
Percent Approving

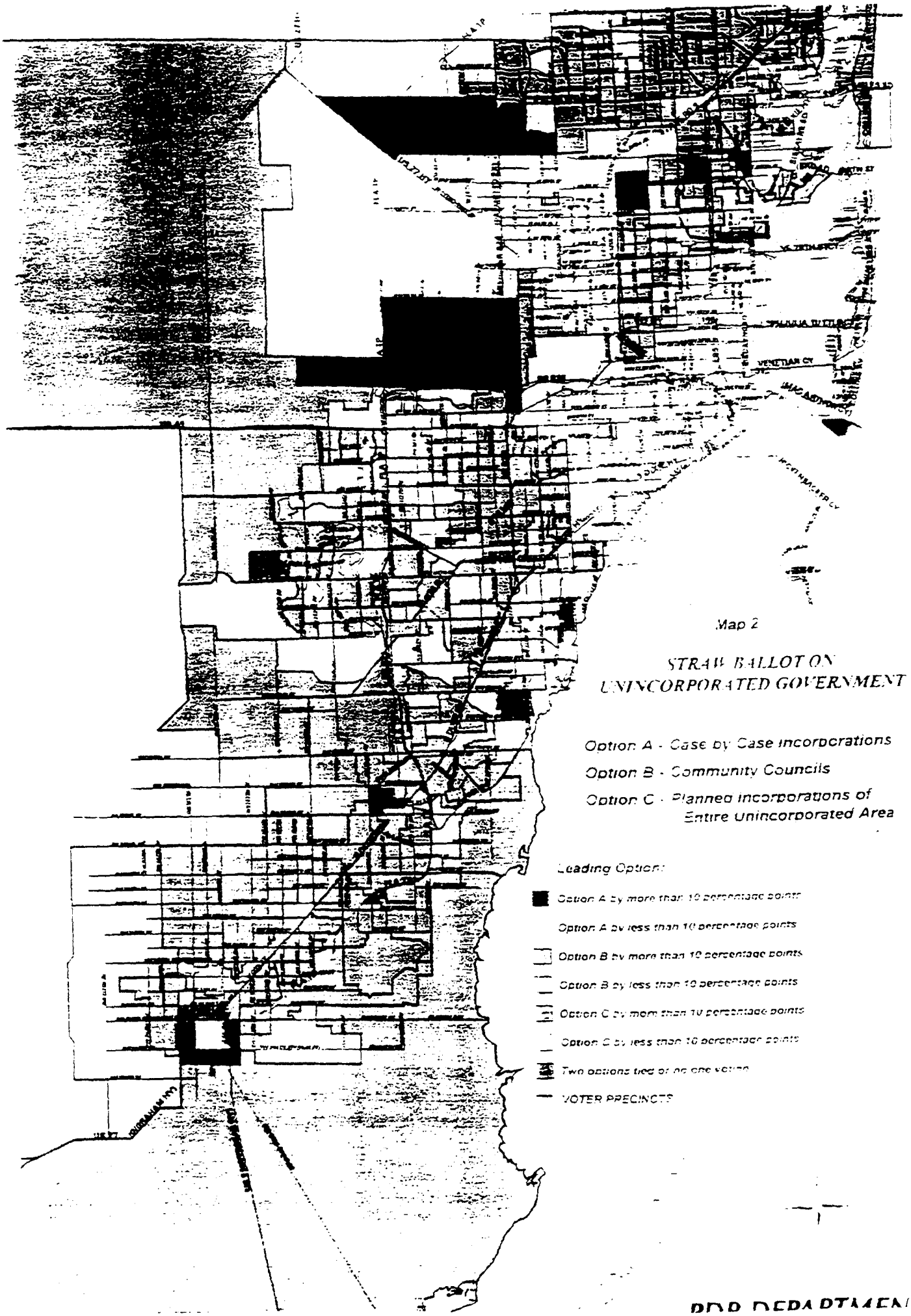
	Registered Voters	% Voting on this Ballot	A Case by Case Incorporation %	B Community Councils %	C Planned Total Incorporation %
Total	403,592	14	34	46	20
Sunny Isles	6,135	12	23	30	47
Destiny	16,330	9	24	47	29
Miami Lakes	6,339	17	49	31	20
Pinecrest	10,542	38	43	42	15
W. Kendall	51,557	13	34	46	20
E. Kendall	26,760	15	36	49	15
Palmetto Bay	9,823	19	42	42	16
Doral	2,867	11	59	29	13
Total, Less Above Areas	283,062	13	33	47	20

Proper interpretation of the straw ballot results is not entirely clear. There are indications that in several areas (East Kendall and Westchester) some voters viewed Option A as the choice that would indicate status-quo, non-incorporation. However, Option C was unquestionably an incorporation choice and Option B was both a choice for non-incorporation and for a lesser level of change. With that in mind, the option with the greatest support was the non-incorporation alternative of continuing to have municipal services provided by Metro-Dade but creating community councils throughout the unincorporated area -- Option B.

As can be seen on Table 1, some, but not all, of the areas that are currently seeking to incorporate are exceptions to this pattern of support for community councils.

It is clear that incorporation is not a priority issue with most unincorporated area residents. The majority of those unincorporated area residents who voted on this issue do not support continued case-by-case incorporation and almost as many favor the community councils alternative as any form of incorporation.

Map 2 depicts the results of the straw ballot by precinct.


Map 2
STRAW BALLOT ON
UNINCORPORATED GOVERNMENT
Option A - Case by Case Incorporations
Option B - Community Councils
Option C - Planned Incorporations of
Entire Unincorporated Area
Leading Option:
Option A by more than 10 percentage points
Option A by less than 10 percentage points
Option B by more than 10 percentage points
Option B by less than 10 percentage points
Option C by more than 10 percentage points
Option C by less than 10 percentage points
Two options tied or no one voted
VOTER PRECINCTS

The colors indicate the prevailing option, with the greater intensity of color showing that it won by 10 percentage points or more. Dark Green, indicating that the community council option won by a significant margin, is clearly dominant.

FLORIDA INTERNATIONAL UNIVERSITY SURVEY RESULTS

In early 1995 the Board of County Commissioners requested a survey by the Florida International University Institute of Government to examine residents' attitudes towards services. That survey included both unincorporated area residents and residents of existing cities. Separate samplings and tabulations were made of residents in areas that were considering incorporation and in the remaining unincorporated area. Aventura, which had not approved its charter when the survey was begun, was included. The survey also looked at residents' views on incorporation. The final report of that survey is now available and the Boundaries Commission reviewed the findings and spoke with the principal investigator of the study[6].

Attitudes Towards Incorporation

Among other items, the survey asked the following question:

- If you had to make a decision today about the unincorporated area you live in, would you prefer that your area remain unincorporated, become part of a nearby city as a result of annexation, become incorporated as a city or wait for further study?

Overall, only 19% of unincorporated area respondents said that they would prefer to become incorporated; 42% preferred to wait for further study of the issue and 24 % say they would prefer to remain unincorporated. If residents of the then pending cities of Aventura and Pinecrest are removed from the sample, only 15% wanted to become incorporated and 31% preferred further study. The percentage desiring to remain unincorporated increased to 34%.

Respondents were also asked:

- Do you think that a vote on this issue should be taken in your area as soon as possible during the next few months or do you think that more time is needed before a vote is taken?

Overall, only 25% wanted a vote soon and 59% wanted more information. Removing Aventura and Pinecrest respondents, the percent who wanted to get more information rises to 65% and the percent desiring a vote soon fell to 21%.

The analysis was performed separately for registered voters and for active voters; i.e., those who had voted in the last County Commission election and in the last special election. Even among

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[6] See Appendix D for a summary of survey results.

these respondents, only a small minority expressed a preference for incorporation and by far the largest number preferred to wait for further study or to remain unincorporated.

In the final report, Dr. Dhuly described the characteristics of those most interested in voting on incorporation soon as including: "living in an upper-class neighborhood, older, higher income, White and conservative." He concluded: "There is a small and clearly defined sub-population which is not only interested in cityhood but also in voting on the issue as soon as possible. The rest of the population is simply not ready and most of these people want to wait to vote until they get more information and, when faced with a choice about their future, to wait for further study."

Alternatives To Incorporation

The survey also asked about alternatives to incorporation. The most popular option was the idea of local administrative centers.

These survey results suggest that most unincorporated area residents, including voters, are not prepared to support incorporation at this time. Although the survey was conducted in the Spring of 1995, the fact that the results of the straw ballot also suggest weak support for incorporation and support for a more moderate alternative. Though it is recognized that the voter turnout was limited, these results suggest that there has been little change in public opinion during that time despite increased media attention to it. This suggests that in the absence of a concerted effort to promote incorporation, unincorporated area residents do not support that option.

ANNEXATION HEARINGS

The Boundaries Commission has also held several hearings on proposed annexations. These included petitions to join South Miami, Hialeah Gardens, Coral Gables and Florida City. Three of these hearings involved statements from residents in the area. Their testimony may be suggestive of the views of a cross section of unincorporated area residents to changing municipal jurisdiction.

The testimony of the South Miami annexation area residents was overwhelmingly in favor of remaining unincorporated. Most expressed satisfaction with area services and were opposed to the proposed annexation. This annexation effort was begun in large part in response to residents who were opposed to becoming part of the proposed, new city of East Kendall. Residents in other areas that were not affected by the potential East Kendall incorporation were largely opposed to annexation.

At the hearing for the annexation of Deering Bay to the City of Coral Gables, the applicant's representative stated that the residents and developer would have preferred to remain unincorporated. However, having seen the rapid incorporation of Pinecrest, and aware that efforts would be underway to create the new city of Palmetto Bay which included them, they sought to become part of an existing city. Although the Boundaries Commission was precluded from considering the several applications for separations from the new city of Pinecrest to Coral

Gables, the members were aware that similar desires to not be a part of a new city sparked those requests.

These annexation hearings were not a direct measure of support for remaining unincorporated. Nonetheless they lend support to the findings of the straw ballot and the Florida International University survey that most unincorporated area residents are not interested in forming new cities or changing municipal jurisdiction at this time.

The overall findings are that while there are some highly motivated individuals and groups of individuals seeking to incorporate new cities, the majority of unincorporated area residents are not strongly inclined to incorporate at this time. In many ways unincorporated area residents express relative satisfaction with the services they are receiving and are reluctant to make any dramatic and sudden changes. The Boundaries Commission believes that individuals who are strongly pro-incorporation have been able to raise interest in the issue in some areas. This does not, however, reflect a ground swell of support for the creation of new municipalities in unincorporated Dade County. To the extent that unincorporated area residents and voters want change, they prefer it to be slow and cautious. There is more support for alternatives such as community councils or local administrative centers than for the creation of new cities.

The term "right for self determination" is often used by the proponents of annexation and incorporation. A review of the County Charter and State statutes finds there is no such legal right, to be part of a new or existing city requires the approval of both the County Commission from the standpoint of the larger community and, in most cases, also of the area electors.

CONCLUSIONS

Based on these multiple sources of public input, the Commission concludes:

1. There is a strong desire among residents of the unincorporated area to improve municipal governance by:

   - improving effectiveness of services by bringing decision making and administrative processes closer to residents;
   - enhancing efficiency of services by maintaining economies of scale of key services;
   - maintaining low costs of basic services while providing additional means for purchasing above basic services;
   - recognizing the diversity of needs and desires in the many different areas of unincorporated Dade by giving residents a greater voice.

2. There is also significant concern about the negative impact of continued incorporation and annexation on the unincorporated area and on the County as a whole. That concern seeks solutions that:

- encourage careful consideration of the full range of problems and potentials before initiating major unincorporated area restructuring;
- above all, avoid divisive fiscal, economic and social fragmentation of the metropolitan area.

3. The interest in incorporating new municipalities or annexing to existing ones is limited to a few areas. On the basis of the straw ballot, the survey conducted by Florida International University and public input at various meetings, it appears that most unincorporated area residents prefer non-city alternatives for governance improvements.

4. The ability to create a new city or join an existing one is not solely the right of area residents but is regulated under the County's Home Rule Charter and ordinances in the interest of the common good. As the sole governing body of the unincorporated area, the Board of County Commissioners has the responsibility to assure that incorporation and annexation actions are consistent with the interest of the larger community before allowing the area electors to determine if these same actions are in their interest.

PRIMARY ISSUES

Two sets of issues are especially relevant to an analysis of unincorporated area governance enhancement. These are fiscal equity and public safety and protection.

FISCAL EQUITY

Fiscal impacts continue to be the dominant concern about incorporation and annexation. Advocates of new cities configure boundaries for positive bottom lines. Consequently, the unincorporated area service providers are faced with the prospect of budgetary shortfalls. In his 1995 report on this issue, the County Manager estimated the County's revenue shortfalls would be between $43.3 and $ 61.3 million if all of the then ongoing incorporations were approved. In his proposed 1996 budget, the Manager has estimated a net loss of $10.2 million in the UMSA budget from the incorporation of Aventura. He has recommended a reduction of 52 positions in the Police Department alone by the incorporations of Aventura and Pinecrest.

Tax Base Restriction

In his June, 1995 Report on Incorporation, the County Manager examined several approaches for dealing with fiscal equity and recommended the use of a tax base criterion for the approval of incorporation and annexation requests as the method that was most feasible and readily accomplished. The recommended fiscal equity criterion identified a per capita ad valorem tax base range ($20.000 to $48.000) that could be removed from the urban unincorporated area without an undue financial burden. At its low end, the criterion indicated the tax base needed to fund a minimally adequate level of municipal services at the average municipal millage rate; neither a new city nor the remaining unincorporated area should be allowed to fall below that tax base level lest they become dysfunctional. At its high end, the criterion indicated the limit of the currently above-minimum tax base of the urban unincorporated area that each incorporation and annexation should be allowed to remove: a few such actions should not be allowed to remove all of the above-minimum tax base.[1]

It should be emphasized that in the interest of being fully equitable, the fiscal equity criterion assumed increases in the current low millage rate of the unincorporated area to the average of Dade's municipal jurisdictions -- a 75 percent increase over the present level that would be significant burden to many home owners. If it is desired to maintain the present low unincorporated area millage rate, then no tax base loss above the current approximately $31,000 per capita level could be allowed. Also, it is intended that the guideline is to be periodically updated to reflect changed conditions.

The Board of County Commissioners recognized the potential magnitude of the impending financial problems that could result from incorporation and annexation and adopted the Manager's recommended fiscal equity provision as a "consideration guideline" rather than as a

[1] For the formulas for developing the criterion see Appendix E.

"approval criterion". The Board also exempted most of ongoing proposed incorporations and annexations from the County Code provisions that contained the adopted guideline.

Over the ten months since the Manager's Report on Incorporation was prepared there has been much incorporation and annexation activity.[8] Four applications encompassing $3.4 billion in unincorporated area tax base have been approved and the number of those in process include 10 with $13.8 billion in taxable value. Had the approved applications been held to the fiscal equity guideline. 99.9% of the lost tax base would have been retained. Additionally, 68.4% of the tax base of in-process incorporations and annexations is embodied in applications that do not meet the fiscal equity guideline.

Although the approval of all of the above analyzed incorporation and annexation applications would not place the remaining unincorporated area below the minimum fiscal equity tax base level, such actions would establish a precedent that, in all probability, could not be politically reversed or legally defended and it may limit the capacity of adjacent areas to meet the minimum guideline for incorporation.

Other Means

The Boundaries Commission reviewed a variety of other approaches to providing for fiscal equity in relation to the incorporation and annexation processes. The County Attorney reviewed with the Commission members the legal aspects of the full range of tax base restriction, revenue retention and taxation methods that might be available for dealing with this issue.[9] Two approaches, the existing Minneapolis-St. Paul Metropolitan Area Tax Base Sharing Program and a proposed Municipal Revenue Sharing Program authored by local incorporation attorney Eugene Stearns, were reviewed in detail.

The Twin Cities Tax Base Sharing Program was selected because it is the oldest and largest such activity in existence. Curtis Johnson, Ph.D., Chair of the Twin Cities Metropolitan Council and nationally recognized authority on fiscal equity issues, reviewed the program at a special meeting of the Boundaries Commission.[10] The salient aspects of the program are:

- The participating jurisdictions are 190 cities in seven counties.
- A portion of the increase in value of commercial and industrial tax base since 1971 in each jurisdiction is pooled each year and redistributed to each jurisdiction by a formula that is based on population and relative tax capacity. This added base is then taxed by each jurisdiction at the regional average millage rate.
- The ratio of tax bases among the jurisdictions has decreased from 22:1 to 4:1 over the 25 years the program has been used.
- The program required state legislation that might not be approved today.

[8] See Appendix F for list.

[9] See Appendix G for memo from County Attorney Robert Ginsberg.

[10] See Appendix H for summary of presentation by Dr. Curtis.

The Municipal Revenue Sharing Program proposed by Eugene Stearns was reviewed by the Office of Management and Budget.[11] The salient aspects of that proposal are:

- It would be applicable to the unincorporated area and all cities in Dade County;
- The County Commission would be authorized to levy a property tax of up to three mills, on a phased in basis, that would be redistributed to the jurisdictions on the basis of population,
- The effect of the program would be to reduce revenues available to jurisdictions with a per capita tax base above the Countywide average and increase revenues for those jurisdictions with a per capita tax base below the Countywide average,
- If a 1 mill tax is levied, $10 million would be redistributed to cities with below average per-capita tax base; if 3 mills, $30 million.
- It is proposed to be implemented by means of a County Charter amendment.

At the request of the Board of County Commissioners, the Boundaries Commission also reviewed a proposal by Mr. Randolph Espinet, economist and member of the Planning Advisory Board, to retain a major commercial and industrial complex from incorporation to serve as a "County Business Resource Area" for another low tax base unincorporated community[12]. Specifically, he proposed fiscally linking the non-residential portions of the Doral area west of Miami International Airport with the large unincorporated enclave area north east of the airport known as Brownsville, ENCIDA, and Model Cities. The key aspects of this proposal were:

- A commercial and industrial tax base in excess of $1.6 billion would be fiscally tied to a residential area to raise its current low per capita tax base to an acceptable level.
- the implementation of the proposal would possibly require only a County Commission resolution.

With regard to any program seeking to generate new or reallocate existing resources among jurisdictions, the following questions should be addressed: 1) Would the amount of revenue or resources be sufficient to meet the goals of the effort?; 2) What steps (legislative and other) would be required to put the program in place?; 3) What are the obstacles to taking those steps?; 4) What would occur in the interim to address the issue or to assure that the problem is not made worse?; and, 5) Is the program legally defensible? Answers to these questions with regard to any of the above proposals are not yet available.

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[11] See Appendix I for summary and review by the Office of Management and Budget.

[12] See Appendix J for summary of proposal.

Conclusions

With respect to the important issue of fiscal equity, the Boundaries Commission concludes:

5. The fiscal future of the unincorporated area is at risk. Strong action should be taken by the governing body responsible for the well-being of all of the unincorporated area, the Board of County Commissioners, to implement means of insuring fiscal equity lest the capacity for such action be lost in a tidal wave of fiscally unmitigated incorporations and annexations.

6. The currently adopted approach for maintaining fiscal equity of the unincorporated area by limiting financial resource losses through the application of the allowable per capita tax base range is the simplest, fairest, and easiest means available for maintaining fiscal equity in the unincorporated area. The existing County Charter fully empowers the County Commission to use this approach. Other approaches to area-wide fiscal equity will require considerable effort and consensus building. This effort should be pursued but in the meantime the tax base range approach should be continued.

Recommendations

After examining these aspects of fiscal equity, the Boundary Commission recommends that:

1. With the sole exception of enclave areas, the Board of County Commissioners should fully commit to the current approach for maintaining fiscal equity in the unincorporated area by adopting the present fiscal equity guideline (updated with current data) as a requirement criterion for approval of all incorporation and annexation applications and for acceptance of any such new applications.

2. Because of the generally low household incomes in significant portions of the unincorporated area, the fiscal equity guidelines should be based on an unincorporated area millage that is 85% of the municipal jurisdiction average. This would change the per capita tax base range allowable for incorporation or annexation to approximately $24,000 to $41,000 per capita.

3. Steps must be taken to establish an innovative revenue sharing program as an alternative and Countywide approach to providing for fiscal equity among all municipal jurisdictions. Such an approach would allow future incorporations and annexations to go forward with less restrictive fiscal criteria. Any such approach will require considerable consensus building and effort. This Boundaries Commission is prepared to begin the process of convening members of the business, academic and local government communities to start this important action.

4. The Board of County Commissioners should make all attempts to place a revenue/resource sharing proposal on the ballot of November, 1996. The Board should

direct an appropriate entity to analyze more thoroughly and evaluate the potential application of various revenue sharing programs and other appropriate alternatives as a means of addressing fiscal inequity in both the unincorporated area and the metropolitan area as a whole. As part of this review, that entity should review and evaluate methods of determining the amount of revenue or resources required to ensure fiscal viability or to equalize municipal services in the participating jurisdictions. That entity should also convene and participate in a workshop of local business, academic and government representatives to discuss and develop a consensus on the opportunities and obstacles involved in such revenue sharing approaches and the elements of an education effort to develop full community understanding of the proposals. That entity should report back to the Board of County Commissioners by September 3, 1996.

MUNICIPAL SERVICES

Much of the discussion concerning incorporation involves the perceived dissatisfaction of unincorporated area residents with the municipal services provided in the unincorporated area. The survey conducted by Florida International University sheds some interesting light on this matter. A major finding was that unincorporated area residents are in fact more dissatisfied with upper-tier services (such as the courts, Metro-Rail, etc.) than with lower-tier services. Incorporation would not address these services.

In terms of lower-tier services, unincorporated area residents expressed a relatively high level of satisfaction. These residents were more satisfied than dissatisfied with five of the lower-tier services considered in the study: trash and garbage collection, fire and rescue, libraries, police, and parks and recreation. Planning and zoning, roads and maintenance and code enforcement were rated more negatively than positively. It should be noted that over the past year considerable attention has been paid to improving code enforcement by the hiring of additional code enforcement officers and their assignment to Team Metro Offices.

With regard to incorporation, many factors influence the levels of services in cities. Depending on the revenues available to a new city and on the way that the officials decide to spend those revenues, a new city might be able to provide more services to residents than the unincorporated area. Typically cities spend more per person than the unincorporated area and correspondingly deliver a higher level of service. Nonetheless, many unincorporated area residents do express satisfaction with the services they receive. However, the relative satisfaction with municipal services is not uniform. Those interested in citihood were more likely than others to be concerned about services and in particular to be concerned about crime.

The Boundaries Commission determined that those services related to public safety -- both police and fire rescue -- deserved special attention in their discussions. Representatives of the Metro-Dade Fire Rescue and Metro-Dade Police Departments were invited to attend meetings of the Commission to describe their current operations and the likely impact of the three alternatives

that were contained in the straw ballot and to discuss these issues in general with the members of the Commission[13].

[13] See Appendix K for summary of those presentations.

Metro-Dade Fire Rescue Department

The Metro-Dade Fire Rescue Department includes several components: fire suppression, emergency medical services and special operations such as air rescue. In addition, the Department performs prevention services such as inspections, permitting and education. The Department currently provides Fire Rescue services to all of the unincorporated area and to all but five cities. These are Hialeah, Miami, Coral Gables, Miami Beach and Key Biscayne.

It is the view of the Department that a regional approach to fire rescue services is in the best interests of the unincorporated area and of the County as a whole. A regional model involves having a single jurisdiction provide Fire Rescue services throughout the area. In this model the cost of service is supported through a taxing district that broadly distributes the costs. With the exception of the cities mentioned above, Metro-Dade Fire Rescue is a regional system. The size of the District allows for both the delivery of services at a smaller per-unit cost than is possible in a small jurisdiction and a greater capacity to easily deal with large scale emergency fire or rescue situations.

The alternative model is a multi-jurisdictional system, such as exists in Broward County, with each individual jurisdiction either developing their own Fire Rescue services or contracting with other jurisdictions for them. The success of this kind of arrangement depends on complex mutual aide agreements and the willingness of each jurisdiction to contribute its fair share to the costs of services.

The Department representatives noted that a regional system may have some drawbacks in terms of neighborhood satisfaction. They indicated that the Department attempts to be as sensitive as possible to area differences in service needs. It was also noted that the successful approval of the last bond issue for the construction of new stations suggests that the District enjoys widespread community support.

Overall, the Department representatives indicated that the most negative fire rescue situation in the County would be in the transition from a largely single jurisdiction system to truly multiple jurisdiction system. They noted that in Broward, the interlocal arrangements between jurisdictions have evolved over a period of time so that a system is in place.

In terms of the three options, the Department representatives suggested that: with regard to Option A, to the extent that new cities continue to participate in the District, case by case incorporation does not pose a problem. However a new city may, as did Key Biscayne, decide to withdraw from the District. If the voters approve the separation from the district, the loss of the tax base and the necessary reconfiguration of the service area may be detrimental to the remaining district as a whole. With regard to Option B, it was suggested that community councils would have no negative effect on the district. The existence of community councils might be of service to the district in local planning. With regard to Option C, as with A, the impact of new cities throughout the unincorporated area would depend on whether or not they all remained with the District.

With regard to annexations. the Department has noted that when areas are annexed to cities that have their own fire department. there is an erosion in the District's revenues and some threat to service.

Metro Dade Police Department

The Metro-Dade Police Department described its current operation in terms of area-wide functions and municipal-type functions. The area-wide functions include: the sheriffs responsibilities (e.g., warrant services, the courts, etc.), and some law enforcement activities such as the crime lab. record keeping, and major investigations. The definition of a major investigation is not spelled out; it was suggested that it might involve serial events, such as multiple bombings, rather than a single bombing. The Department also handles emergency communications for all but Miami Beach. Coral Gables and Hialeah.

All of the funding for area-wide services comes from area wide taxes -- paid by property-owners in cities and in the unincorporated area. The operations of the eight (soon to be nine) police districts are supported by unincorporated area taxes only -- not by area-wide support. Other central and specialized law enforcement functions. such as training, special units such as canine patrol and helicopters. and major investigations are centralized and are paid for by both unincorporated area funds and area-wide funds. About 90% of the activity of these units is spent in the unincorporated area and an equivalent share of the cost is born by the unincorporated area.

It was pointed out that for some functions there are clear economies of scale. The fact that the unincorporated area law enforcement agency is so large allows it to place a substantial investment in training -- one that is not possible for small police departments. The training facilities of Metro-Dade are made available to municipal police forces on an "as-available" basis--e.g., if there is space available in a training class. an officer from Sweetwater or Miami Springs may be able to participate. The costs associated with services for other agencies are attributed to area-wide funding. The as-available sharing of services and facilities is true of helicopter services. major investigative services. the canine unit etc.. Priority is always given to unincorporated area needs and area-wide funding is used for the portion of the services that are provided area-wide.

In terms of service orientation. it was also noted that. given the size of the jurisdiction and the number of available officers. the Department operates under a response orientation rather than a patrol orientation. Without a significant infusion of new funding, a major shift to a patrol orientation is not reasonable.

With regard to straw ballot Option A. the Department stated that if the more affluent areas continued to incorporate: direct police service in the remaining unincorporated area would likely to be reduced; investigative. technical and administrative support services to the County would be reduced; support to other agencies would be reduced; and the ability of the department to handle major emergencies and special events would be reduced .

With regard to Option B, the Department stated that it would have the least impact on services and may offer another source of valuable input to the Department.

With regard to Option C, if the all of the new municipalities opted to have their own police force -- and there is not currently a way for the Department to provide long-term municipal law enforcement to cities -- the Department would be severely reduced. There would be no ability to shift resources from one area of the County to another for an intensive public safety or law enforcement situation; the Department's ability to assume police functions for a municipality making a request would be severely hampered; and, those centralized functions that would have to be maintained (e.g., communications, crime lab, etc.) would continue.

Conclusions

Based on these meetings the Boundaries Commission reached the following conclusions:

7. Fire rescue and police issues are central to the incorporation and annexation process. Increased effectiveness and reduced costs of these services are often priority desires for new city proponents. Conversely, reduced effectiveness and increased costs of these same County services are serious concerns for the remaining unincorporated area and for current municipal users.

8. There is a high level of satisfaction with Metro-Dade Fire Rescue. However, if incorporation and annexation areas continue to opt out of the Fire Rescue District then the ability of the District to effectively and efficiently serve the remaining unincorporated areas and participating cities would be adversely affected.

9. There is dissatisfaction with the level of police services in the unincorporated area. Much of this stems from levels of staffing and the Department's related emphasis on response rather than patrol.

10. In a complex metropolitan area there is significant benefit to having a large and diverse law enforcement agency. The size of the Metro-Dade Police Department provides substantial economies of scale in matters such as helicopter service, specialized investigations, and training. The size of the force also enables it to deal effectively with large-scale emergencies and events such as Hurricane Andrew and the Summit of the Americas in a manner that would not be possible with many smaller departments.

11. No ability to assure that the depth and scope of law enforcement activities that are provided by the Metro-Dade Police both to the unincorporated area and the entire County could be maintained in the face of continued small incorporations. The Boundaries Commission believes that without a solid means of providing for an adequate area-wide police presence, continued erosion of the department by incremental incorporation would put the entire County in jeopardy.

Recommendations

Therefore, the Commission recommends that:

5. If new incorporations are approved, they should be encouraged to remain in the Fire Rescue District. However, the configuration of new municipalities should be such that if the residents were to vote to leave the District, there would be no undue adverse impact on fire rescue services in the remaining service area.

6. The Commission recommends that the Metro-Dade Police Department, in conjunction with the County Manager's office, develop a process to assure that adequate Countywide law enforcement would continue in the face of continued incorporations.

ALTERNATIVES ANALYSIS

The Boundaries Commission reviewed and evaluated in depth the major alternatives for enhancing local governance in the unincorporated area. These included the following that were and were not included explicitly on the straw ballot:

- Annexation -- The inclusion of portions of the unincorporated area into existing cities. This was not a straw ballot option.
- Incorporation -- The creation of new cities in the unincorporated area on a case by case basis and concurrently throughout the entire unincorporated area. These were Option A and Option C on the straw ballot.
- Community councils -- The establishment of area boards in the unincorporated area to make selected decisions or recommendations on matters of local concern. This concept was encompassed in straw ballot Option B.

The Boundaries Commission reviewed and evaluated the alternatives in three ways:

- by thoroughly analyzing the alternatives,
- by developing a set of conceptual configurations depicting the potential outcomes of an alternative, and,
- in the case of the incorporation and community councils alternatives, by analyzing each option in terms of a common set of questions.

ANNEXATION

Annexation has been a popular means of bringing unincorporated areas within a municipal jurisdiction. From 1957, when the Metro-Dade government was established, up until this year there has been approximately as much land annexed as incorporated. However, virtually all of these annexations have been by owners of vacant land seeking city-provided infrastructure or liberal zoning. Prior to the most recent annexations, less than one hundred owner-occupied homes had been absorbed within existing cities within the last 25 years.

Recently, in response to increased interest in incorporation, extensive annexations of developed residential areas have been sought by home owners or city officials, often of the same area at the same time. Annexation has become an alternative to incorporation that holds some of the same benefits and burdens. Several issues of annexation were examined.

Infill Annexation

Small enclave unincorporated areas exist in several locations. As defined by the current annexation guidelines, these are areas that are bounded by cities on 80% or more of their boundaries and are of such a size that they that cannot be effectively or efficiently serviced by the County. These areas exist in several locations.

The County is unable to force the annexation of these areas to an adjacent city. The County Charter requires approval by the receiving city and the majority of the voters in areas with more than 250 electors. The County Code currently also requires either property owner or voter approval in areas with less than 250 electors.

Limited "Squaring Off" Annexations

Where existing city boundaries are ragged and illogical, there is merit to squaring off these boundaries. Such action could make communities whole and make municipal services provision more efficient and effective. Again, to accomplish this requires approval of the annexing cities as well as the property owners or voters in the annexation areas. The ongoing South Miami squaring off annexation will test the viability of this approach.

Comprehensive Annexations

From time to time it has been suggested that all of Dade's urban unincorporated area be made part of existing cities. Given the smallness of many existing cities, these proposals usually have also called for the reconfiguration of Dade's municipalities into much larger units.[14]

The stated advantages of this approach include:

- Dividing the unincorporated area among experienced cities as opposed to totally new ones as with incorporation;
- In conjunction with city mergers, potentially helping or eliminating cities that are too small in size or without sufficient resource base to be efficient or effective.

There is now no method available for accomplishing this approach without approval of cities and annexation area residents. (See discussion of infill annexation above).

Annexation Concurrent With Incorporation

The recent incorporation proposals have in some areas resulted in a series of defensive annexation requests. These concurrent annexations are often divisive and always confusing. If a well conceived incorporation is initiated within the adopted incorporation criteria and is strongly

[14] Touche Ross and Company, Report on Two-Tier Government in Miami/Dade County, 1978, p. 53.

supported. it should be allowed to run its course without hastily conceived annexations that are not consistent with the guidelines being allowed to occur first. so long as there is strict adherence to the process. including the appropriate notice to all homeowners affected in the drawing of boundaries. Adhering to the annexation guidelines and process would help eliminate defensive, "cherry picking" annexations. An additional means of overcoming this problem would be to require a stronger showing of support for incorporation before initiating the process (i.e., as with special tax districts) and then place a moratorium on concurrent annexations until the incorporation process has been completed.

Conceptual Configuration

Only the elimination of enclaves and the squaring off of irregular city boundaries was analyzed from a conceptual configuration standpoint. Map 3 shows the result of a conservative approach to these limited annexations. As noted above. there is. at present. no means of accomplishing this without County Charter and/or Code Changes.

Conclusions

With respect to annexations. the Boundaries Commission concludes:

12. Annexation is a valid alternative to incorporation. However. with the requirement for a willing city and willing electors or property owners. annexations have generally been successful only in instances involving vacant land or developed higher tax base residential areas seeking to avoid incorporation into new cities. Strict adherence to the process and criteria would avoid the disruption and confusion of defensive annexations. Without changes to the Charter and Code. there is little likelihood that historic lower tax base enclave areas will be annexed. When annexation and incorporation efforts occur in the same area at the same time. it is confusing and competitive. to the detriment of both processes.

Recommendations

With regard to annexation. the Boundaries Commission recommends:

7. Annexations and incorporations should be encouraged of enclave areas that are determined to be too small to be effectively and efficiently served by the County. To facilitate this. the County Code should be changed to remove the requirement for elector approval for the annexation of areas with 250 or less electors and to allow the Board of County Commissioners to initiate incorporation or annexation where an enclave is 100% surrounded by municipal boundaries.

8. The annexation process and criteria should be strictly adhered to. so as to avoid disruptive and confusing concurrent annexations within ongoing incorporation areas which have demonstrated a strong showing of support.

INCORPORATION AND COMMUNITY COUNCILS

The straw ballot options were used to evaluate the incorporation and community council alternatives. Although the basic dimensions of incorporation are known to most residents, the concept of community council is new and only partially dimensioned in the straw ballot language. As requested by the Board of County Commissioners, the Boundaries Commission directed considerable effort in developing the approach that could be used to permit more specific analysis of this alternative.

The following parameters were proposed to guide the consideration of the community councils alternative.

Community Councils

Number: Eight to twelve community councils should be established throughout the unincorporated area. All but one or two should be contained within the urban Development Boundary.

Purpose: Community councils will seek to provide the following benefits of incorporation and avoid the major pitfalls. They will seek to:

- increase accountability, accessibility and responsiveness to key community issues.
- improve service effectiveness by making them more responsive to community desires.
- retain service efficiencies by maintaining economies of scale.
- continue fiscal equity by preserving the ability to match needs and resources in the unincorporated area, and
- through their configuration foster a sense of community identity, inclusiveness and empowerment at the local level.

Functions: These should center on the following: zoning, planning, budgeting, communications and public services. The extent to which each community council assumes or emphasize functions beyond zoning will be locally determined. The goal is to allow different areas to develop their own agenda of activities within the options provided.

Zoning

- study and decide on community-level zoning requests.
- recommend on regional-level zoning requests.

Planning

- compile profiles of community social, physical and economic conditions,
- prepare an annual statement of community needs including development patterns and regulations, public facilities and services,
- recommend on community-related Comprehensive Development Master Plan amendments, and
- recommend on public facility locations and other infrastructure issues within the community.

Budgeting

- recommend expenditure priorities for community facilities and services and on Community Based Organization grants in the area, and
- recommend revenue needs including unincorporated area property tax millages and special taxing districts.

Communications

- conduct forums on community issues for exchange of information between community residents, property owners, business, local government and County administrators,
- disseminate information about community and County organizations, programs and activities,
- work with local Team Metro offices to facilitate and expedite community needs, in particular with regard to code enforcement.

Public Safety

- work with the Metro-Dade Fire and Police Departments to enhance public safety in their areas through better communication and service needs assessments.

Organization: The community councils should be organized to have seven members, six of which should be elected from sub-areas and one should be appointed by the Board of County Commissioners. No more than two of the elected members may be non-residents who have significant business or community involvement in the council area. Those members must be residents of Dade County. All other members must be residents of the council area. Existing County staff should be assigned to work with the community councils so as to minimize new costs associated with their implementation. Such staff may include: a local area community council administrator and administrative assistant, clerical staff and others as needed. Team Metro will develop strong linkages to the councils. Within parameters, each council

should be empowered to establish their own procedures for conducting their business and select from the authorized activities those that are tailored to their needs.

Configuration: The overall council area should be large enough to reasonably accommodate local zoning issues without unduly increasing staff requirements. Within each community council area there should be a variable number of sub-areas to ensure that distinct communities have representation in the council. The boundaries of the community councils should be drawn to encompass recognized communities, i.e., Census Designated Places to the extent possible. They should not be required to meet fiscal equity guidelines. Enclave areas that are large enough to not require annexation and that do not desire to be annexed may be part of a nearby community council.

Current Guidelines

The current incorporation guidelines were reviewed as a point of comparison for the graphics and analytical consideration of the incorporation options. The current guidelines for incorporation include three kinds of parameters:

- Fiscal -- Does the incorporation fall within the recommended range of $20,000 to $48,000 per-capita taxable value?,
- Social -- Does the proposed boundary provide for a community that is cohesive and inclusive, specifically not dividing a Census Designated Place and not excluding an adjacent area of lower income or minority resident if a majority have petitioned to be included? ; and,
- Physical -- Does the area include a mixture of land uses and have logical boundaries?

The complete text of the guidelines as they apply to incorporation and annexation are contained in Sections 20-23 and 20-7 of the County Code.[15]

Conceptual Configurations

For a graphic analysis of the potential incorporation and community council alternatives, four informational maps were used to show key aspects of these characteristics as they exist within the Urban Unincorporated Area (that portion of the unincorporated area within the Urban Development Boundary of the County's Comprehensive Development Master Plan). These maps were:

- A square mile section map that depicts whether each section falls below, within or outside of the $20,000 to $48,000 range of allowable per capita taxable value,

[15] See Appendix L.

- A map of Census Designated Places. These are communities recognized by the local community and the Census Bureau as having some identity.
- A map of racial/ethnic residential patterns based on a block level census data.
- The County Land Use Plan Map, depicting the variety of existing land uses and activity centers.

Case-by-case Incorporation

The configuration of Option A was based on the incorporation of all of the proposals that are currently in process. Although not included in this analysis, additional incorporations could be projected using the 10,000 to 20,000 person population and above average tax base that have been characteristic of recent new cities. The Option A configuration assumed that the existing guidelines are not used either to alter the boundaries of the proposed incorporation applications or deny them. This conceptual Option A pattern was overlaid on each of the three key informational maps. (See Maps 4 though 6.)

In terms of the fiscal parameter, it is clear from Map 4 that the boundaries of most of the existing applications largely ignore the fiscal equity guideline. All but two of the ongoing proposed incorporations include a disproportionate share of high taxable value area. It is noteworthy that, when those areas are removed through incorporation, there is a substantial reduction in the capacity of the remaining unincorporated area to meet the fiscal equity guidelines.

Map 5 shows that in terms of the Census Designated Places, the applications for the most part do not significantly divide any. The exception is Palmetto Bay which divides the Perrine CDP.

With regard to the ethnic and racial characteristics of the areas, there are some clear demarcations shown on Map 6. For example, there is a well established Black community to the west of Palmetto Bay, while the application area itself is largely non-Hispanic White. A low density and predominantly Hispanic community is just north of Miami Lakes and a largely Black community is northeast. However, there is no evidence that these boundaries were designed to exclude adjacent minority communities and there is also no evidence that residents in those areas would be desirous of being included in the pending incorporation.

In terms of land uses, for the most part there are mixtures of land uses. However, Palmetto Bay is largely residential while Doral includes a large industrial and commercial area.

Having reviewed these maps, members of the Commission were impressed by the extent to which these current incorporation applications would draw off a substantial share of the high per-capita tax base unincorporated area and, in the case of Doral, a large and developing share of commercial and industrial land uses[16].

[16] This developing commercial and industrial area is the area that was proposed by Randy Espinet as a potential resource area for the large unincorporated enclave area northeast of

Total Concurrent Incorporation

Next, a conceptual map was drawn of Option C, in accord with the adopted guidelines. The fiscal equity guidelines were used as the priority consideration in delineating nine hypothetical municipal areas. These had per capita tax bases that ranged between $22,000 and $30,900 and populations from 86,100 to 131,100.

Other potential configurations could be drawn. However, the existing pattern of tax base distribution in the unincorporated area places very real limits on the alternatives for which the fiscal equity guidelines could be maintained. For the potential sites to be smaller in size and greater in number would require that the fiscal equity tax base range be extended to permit lower and higher per capita tax base cities.

By design, the hypothetical municipal areas are successful with respect to fiscal equity as seen on Map 7. From other standpoints, the configuration of Area 3 is far from ideal, but there are no other possibilities for providing the large enclave area northeast of Miami International Airport with resources that would bring its $8,000 per capita tax base within the equity range.

As shown on Map 8, the hypothetical municipal boundaries generally keep Census Designated Places whole except for those in South Dade that straddle U.S. 1, which is a dividing line for potential municipal areas. Again, the tax base patterns dictates those municipal area boundaries.

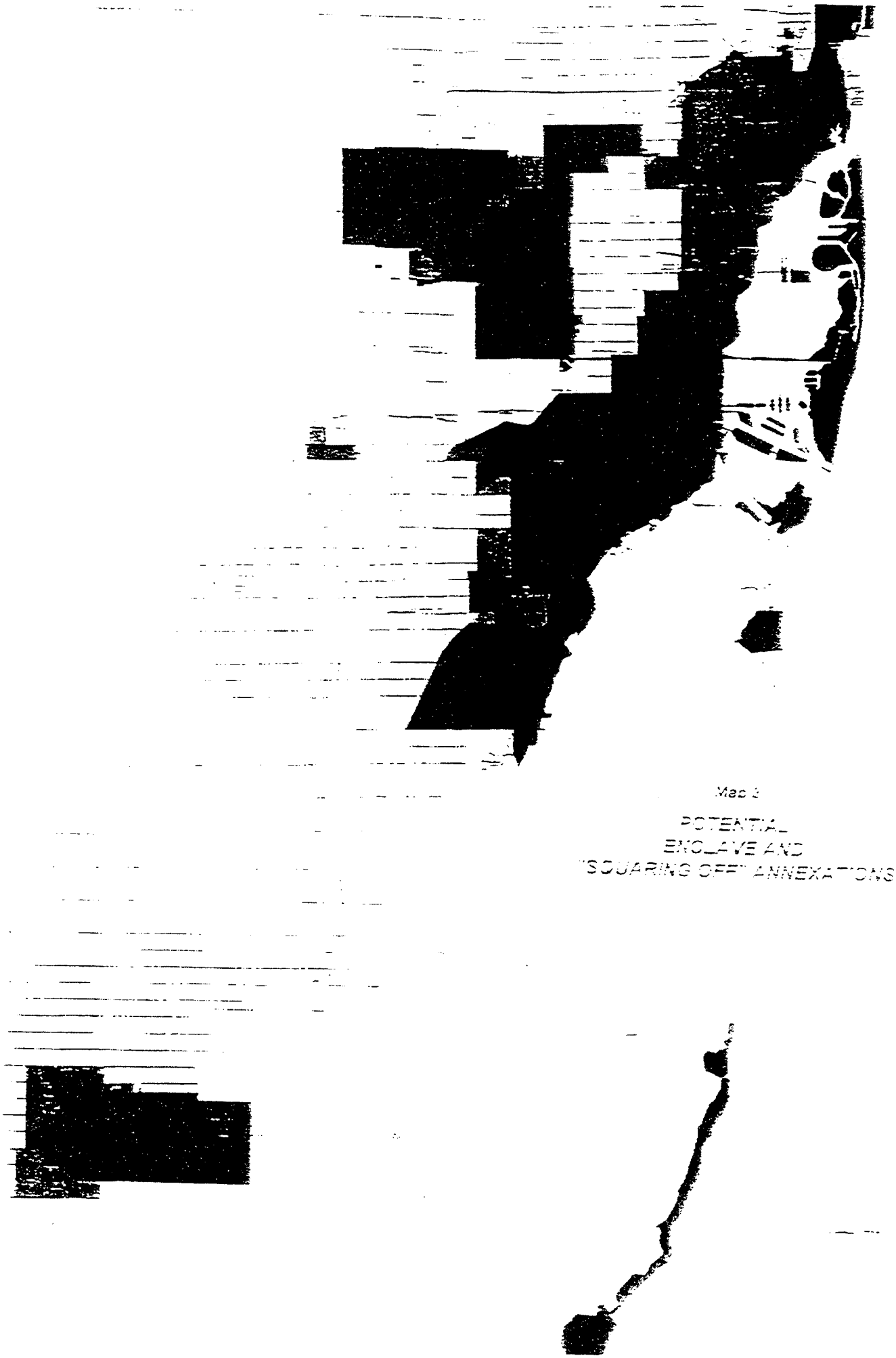
As indicated by Map 9, the hypothetical municipal boundaries are large enough to generally contain ethnically diverse populations. Since, by design, all of the unincorporated area is included in potential municipalities with fiscally equitable tax bases, there is no minority or low income exclusions.

This analysis suggests that it would be possible to configure fiscally balanced cities throughout the unincorporated area. Those cities, however, would be larger than any of the pending applications and would not reflect any real sense of recognized community.

Community Councils

The Boundaries Commission believed that community councils should be configured in terms of recognized communities and Census Designated Places, rather than with priority consideration given to fiscal equity. As seen on Map 10, a configuration of eight such councils was drawn to conceptualize the possibilities. The configuration honors Census Designated Place boundaries. The relationship of the proposed area to fiscal equity was not mapped, since they would keep the current unincorporated tax base district. If community councils areas sought to incorporate they would be expected to meet the fiscal equity guidelines unless a substitute revenue sharing device was in place.

MIA. (See discussion above.)



Map 3

POTENTIAL
ENCLAVE AND
"SQUARING OFF" ANNEXATIONS

Map 4
POTENTIAL
CASE BY CASE INCORPORATION
FISCAL IMPACTS
Per Capita
Taxable Value Per Section
Less than $20,000
$20,000 to $40,000
Greater than $40,000
No Taxable Value
No Population

Map 5

POTENTIAL
CASE BY CASE INCORPORATION
- COMMUNITY IMPACTS

Census Designated Places

Map
POTENTIAL
CASE BY CASE INCORPORATION
- SOCIAL IMPACTS
Hispanic
Black
Non-Hispanic White
Mixed

Map 7

POTENTIAL
TOTAL CONCURRENT INCORPORATIONS
FISCAL IMPACTS

Per Capita
Taxable Value Per Section

- Less than $20,000
- $20,000 to $40,000
- Greater than $40,000
- No Taxable Value
- No Population

Map 3

POTENTIAL
TOTAL CONCURRENT INCORPORATIONS
- COMMUNITY IMPACTS
Census Designated Places

Map 1
POTENTIAL
TOTAL CONCURRENT INCORPORATIONS
- SOCIAL IMPACTS
Hispanic
Black
Non-Hispanic White
Mixed

Map

POTENTIAL
COMMUNITY COUNCILS
CONFIGURED BY CENSUS DESIGNATED
PLACES

Analysis Of Alternatives

The Boundaries Commission also reviewed and evaluated the options with regard to a common set of questions:.

- What is the impact of the option on fiscal equity?
  - Does the option minimize or exacerbate fiscal inequity?
  - What is the potential for unequal services and unequal tax effort among the new jurisdictions?
  - Are there viable alternatives in place, or likely to be in place in a timely fashion, to minimize negative effects?
- How does the option affect services (locally and in the remaining area)?
  - What effect, if any (positive, negative or neutral) would the option have on services?
  - In particular, what is the effect on public safety, i.e., police and fire rescue services?
  - Are there viable alternatives in place, or likely to be in place in a timely fashion, for minimizing negative impacts?
- How does the option affect area wide concerns?
  - What impact, if any (positive, negative or neutral) does the option have on area-wide concerns such as:
    - -- economic development,
    - -- the siting of area wide facilities or locally undesirable land uses,
    - -- sense of community cohesion?
- How does the option address local concerns?
  - From the perspective of the local area that may seek incorporation or become part of a community council, what impact would the option have on:
    - -- improved local services,
    - -- lower costs,
    - -- easier access to government services such as permits, and
    - -- greater local control over zoning and development decisions and local expenditures.

Table 3 presents this analysis in a matrix form.[17]

[17] See Appendix J for a more detailed description of this analysis.

OPTIONS ANALYSIS

	Incorporation		Non-Incorporation	Combined
	Case-by-Case no fiscal guidelines	Concurrent by guidelines	Community Council	Mixtures of Incorporation with guidelines and Community Councils
OPTION	A	C	B	
ISSUES CONSIDERED				
Between Jurisdictions				
Impact on				
* Fiscal Equity	Likely to be Negative	Somewhat negative	Neutral	Somewhat negative
* Services/tax inequity	Likely to be Negative	Somewhat negative	Neutral	Somewhat negative
Mitigation alternatives	Boundaries Adjustment	Tighten fiscal range	Does not apply	Tighten fiscal range
Within Jurisdictions				
Impact on Services				
* Police				
- In the area	Unknown: +/-	Unknown/somewhat negative	Neutral/potential +	Somewhat negative
- Remaining area	Potentially Negative	Does not apply	Does not apply	Somewhat negative
Mitigation alternatives	None in place	None in place		
* Fire				
- In the area	Unknown: +/-	Unknown: +/-	Neutral/potential +	Neutral/unknown
- Remaining area	Potentially Negative	Neutral/negative	Neutral	Neutral/unknown
Mitigation alternatives	Yes - Fire District	Yes - Fire District		
* Other Services				
- In the area	Unknown: +/-	Unknown: +/-	Potential +	Somewhat negative
- Remaining area	Unknown: +/-	Unknown: +/-	Does not apply	Somewhat negative

OPTIONS ANALYSIS

	Incorporation		Non-Incorporation	Combined
	Case-by-Case no fiscal guidelines	Concurrent by guidelines	Community Council	Mixture of Incorporation with guidelines and Community Councils
Area wide concerns				
* Economic development	Potentially Negative	Potentially Less Negative	Neutral	Neutral/unknown
* Siting Area-wide facilities	Potentially Negative	Potentially Less Negative	Neutral	Neutral/somewhat negative
* Area-wide cohesion	Potentially Negative	Potentially Negative	Neutral	Somewhat negative
Local concerns				
* Services	Unknown: +/-	Unknown: +/-	Depends: -/+	Depends: -/+
* Cost				
- Aggregate cost	Potentially Higher	Potentially Higher	Somewhat higher	Higher
- Taxes	Potentially Lower/Higher	City: Potentially Lower/Higher	UMSA: Lower/Higher	Umsa/city/lower/higher
* Access	Improved	Improved	Somewhat improved	Improved/somewhat improved
* Control				
- Zoning	Greater	Greater	Somewhat greater	Greater/somewhat greater
- Budgets	Greater	Greater	Recommend	Greater/recommend
Other Issues				
* Determination of Boundaries	By Applicants Commission Approval and Voter Approval	By Commission with Voter Approval	By Commission with Voter Approval	by Commission and Voter approval

Option A.

With regard to option A. the analysis assumes that incorporations may be approved that do not meet the fiscal guidelines. All of the pending applications (Palmetto Bay, Doral Park and Miami Lakes) were filed after the Board of County Commissioners adopted those guidelines but there is no indication that the applicants attempted to consider the fiscal equity issue. The Commission's analysis suggests that while in some cases there may be benefits in terms of improved local services, access and control to residents of areas that incorporate without adherence to the guidelines, there is a strong potential for negative impacts on the remaining unincorporated area and on the County as a whole. Those impacts range from the likely need to either decrease services or increase taxes -- or both -- in the remaining unincorporated area due to the loss of resources if largely affluent areas were to incorporate, to the more general problem of creating a climate of uncertainty for commercial development and investment. As discussed above, there are also likely to be serious consequences to public safety -- in particular law enforcement. At the current time, it is unclear how the public safety effects could be mitigated. For fiscal equity, the primary alternative would be for the Board of County Commissioners to require a reconfiguration of the proposed boundaries.

Option C.

With regard to Option C, total concurrent incorporation, the negative fiscal impacts of case-by-case incorporation would be somewhat mitigated while the benefits of increased access and increased control would obtain. These incorporation areas could also be made large enough to afford some economies of scale in costs of services and could be configured to make service provision reasonably efficient. The boundaries, however, may not have the support of local residents or electors.

Option B.

Community councils, Option B, would have less negative fiscal impacts than either incorporation alternative. They would offer area residents some increased voice and access, and if they are given authority over local zoning issues, increased control over zoning. They would offer area residents less control over other matters such as budgets and less local zoning issues.

Combination of B and A with criteria

Finally, a combination of community councils with incorporations that meet specific criteria was examined. This option would allow incorporations to proceed -- but only if they meet the criteria described below thus mitigating the negative impacts. For the remaining area, community councils would be established.

CONCLUSIONS

13. Initially, community councils should be used as the major means of accomplishing the desired improvements to unincorporated area governance since they offer the most advantages and the least disadvantages.

RECOMMENDATIONS

This Commission recommends:

9. Community councils should be created throughout the unincorporated area and should have the purposes and characteristics described on pages 32-34.

10. All incorporation or annexation requests should meet the criteria described below with the exception of enclave areas. To emphasize this important policy position, the incorporation and annexation criteria should be made requirements for the County Commission's: 1) approval of all currently ongoing requests for incorporation; and 2) acceptance and approval of all future applications.

- Specifically, steps should be taken to make the following requirements for incorporation and annexation:
  - Boundaries:
    - -- Not divide a U.S. Census Designated Place, to the extent feasible,
    - -- Include adjacent areas of ethnic minority and lower income residents in which 10 percent of those residents have so petitioned,
    - -- Have contiguity and not create any unincorporated enclave area that would 1) be surrounded on more than eighty (80) percent of its boundary by one or more municipalities and 2) of a size that could not be serviced efficiently or effectively,
    - -- Have natural or built barriers as boundaries to the extent feasible, and
    - -- Include a mixture of residential and commercial land uses.
    - -- Area is totally contained within the Urban Development Master Plan.
  - Fiscal Equity:
    - -- An area proposed for incorporation and annexation should have a per capita taxable value that is between approximately $24,000 and $41,000.

- The following should be considered not as a guideline but as important information for making recommendations and decisions on the application:

- The analysis of the impact of the incorporation or annexation on the ability of the County to efficiently and effectively provide services to adjacent remaining unincorporated areas should be expanded to include in particular the impact on the operations of the Metro Dade Police and Fire Rescue Departments.
- Evidence of support:
    - -- The petition or application should show support of at least 10% of the area electors.
- Alternatives:
    - -- There are no suitable alternatives to incorporation, including annexation to an existing city for the area as a whole or any sub-areas within it that is seeking annexation.

- With regard to current applications, these changes will likely require some reconfiguration of their boundaries to assure that these applications do not unfairly burden or restrict the potential to incorporate the remaining area. As noted, all new requests should meet the criteria prior to their formal acceptance.

FINAL618 SAM

MIAMI-DADE POLICE DEPARTMENT SERVICES AND THE FEASIBILITY OF A POLICE SERVICES DISTRICT

JANUARY 1999

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I. INTRODUCTION

A. BACKGROUND

At the Board's Incorporation Workshop on July 14, 1998, staff discussed issues related to the delivery of police services. Staff were directed to come back with a more comprehensive discussion addressing both the need for, and the feasibility of, a countywide police district.

The question of how to ensure adequate law enforcement services throughout Miami-Dade County is both complex and critically important. Any crime -- no matter where it occurs in the community -- has an effect on the entire community. Crime has serious economic and social impacts on Miami-Dade County. The impact on the tourism industry of the murder of a tourist or the extent to which crime statistics discourage industries to come to the area underscore the economic impact of crime. On a personal level, few Miami-Dade County residents stay within the boundaries of a single jurisdiction. Most cross municipal boundaries and police jurisdictions every day to work, recreate, and visit family and friends. If any area of the County is "off limits" due to the reality of -- or the perception of -- crime, the daily lives of all are diminished.

Crime in Miami-Dade continues to be a very real problem, but, due to the combined efforts of the Miami-Dade Police Department (MDPD) and the police departments of all of the municipal governments, the Miami-Dade County area is in a better position today than previously to deal with a wide range of criminal activity.

The current situation, however, depends on a delicate equation that involves:

- the current size and capacity of the Miami-Dade Police force;
- the continued funding of specialized services jointly through Countywide and UMSA taxes; and,
- the cooperation and efficacy of all the municipal police departments in the County.

Any change in this equation, whether in the size and capacity of MDPD due to incorporation or annexation, or in the willingness of all County residents, both in UMSA and the municipalities, to support a fair share of the cost of law enforcement services through municipal, UMSA and countywide taxes, can threaten it.

This report addresses the delivery of a range of law enforcement functions. For the purposes of the report, the functions are treated as three types: countywide (sheriff's services and the crime lab that are provided countywide); specialized (services that can be considered municipal and may or may not be provided by cities); and general municipal, local services. Generally, the breakdown is as follows:

Countywide (Provided to all Municipalities and UMSA)	**Specialized (Provided to UMSA and available to all Municipalities)**	**General Municipal (Provided to UMSA Only)**
Court Services	Tactical Services	Routine Patrol and Response
Crime Lab	Special Response Team	Bicycle Patrol
Warrants/ Civil Process	Canine (including all specialized canine units	Community Policing
Juvenile Assessment Center	Aviation / helicopter	General Investigations
911 Communications	Motorcycle Patrol	Burglary
	Hostage Negotiation	Larceny
	Marine Patrol	Assault
	Underwater Recovery	Auto Theft
	Bomb Squads (detection & disposal)	Public Housing Policing
	Central Investigations	
	Homicide	
	Traffic Homicide	
	Robbery Investigation	
	Narcotics - Interdiction	
	Sexual Crimes	
	Domestic Violence/ Child Exploitation	
	Economic Crimes	
	Criminal Intelligence / Organized Crime, including Auto Theft and Arson	
	Juvenile Gang Unit	
	Serious Habitual Offender Criminal Apprehension Program (SHOCAP)	
	Public Corruption	

B. ORGANIZATION OF THE REPORT

The following sections of this report contain:

Section II: A review of the current structure and funding of police services in Miami-Dade County;
Section III: A description of different types service structures;
Section IV: A description of alternative funding structures;
Section IV: A discussion of four potential models for countywide law enforcement in Miami-Dade County under four different incorporation scenarios; and,
Section V: Conclusions, recommendations and suggested strategies for their implementation.

II. POLICE SERVICES IN MIAMI-DADE COUNTY - CURRENT STRUCTURE

A. MUNICIPAL AND COUNTYWIDE SERVICES

Law enforcement services to residents and visitors in Miami-Dade County are currently provided by the municipal police departments in the 30 existing municipalities, the Miccosukee Police Department, and by MDPD which provides services both countywide and in the unincorporated area. A complete analysis of all law enforcement services in the County is beyond the scope of this report; however, a 1995 study of municipal services in Miami-Dade conducted by researchers at Florida International University (FIU) provides some insight into the current structure.

The municipal police departments in Miami-Dade County vary considerably in size and in the ratio of law enforcement employees to population. Based on data from the 1993 Uniform Crime Reports, the FIU study reported that Indian Creek had 12 law enforcement employees, for a ratio of 272.7 per thousand population; El Portal had five employees, for a ratio of 2.0 per thousand population; Virginia Gardens employed seven, for a ratio of 3.2 per thousand population; and the City of Miami employed 1,495, for a ratio of 4.2 per thousand population. These departments all provide, at a minimum, local patrol, response and arrest functions within their own jurisdictions. (See Appendix 1.)

Unlike municipal police departments, MDPD provides both countywide and municipal law enforcement functions. The Department provides all law enforcement functions in the unincorporated area. On a countywide basis, it provides all state mandated sheriff's services, the crime lab, and a range of specialized police services involving major investigations, economic crimes, and other cross jurisdictional matters. MDPD also provides services to some cities that could be considered municipal but that are in fact provided by few of the incorporated municipal police departments (e.g., homicide investigation and aviation).

With regard to police services in the unincorporated area, the FIU report estimated 3,294 law enforcement employees for a ratio of 3.1 per thousand population. There are currently 3,200 law enforcement officers in UMSA, for a ratio of 3.0 per thousand population. That ratio is expected to rise in FY 98/99 and FY 99/00 with the employment of additional officers.

Some law enforcement functions are also performed by the Florida Department of Law Enforcement (FDLE). FDLE is primarily involved in very high profile cases and in multi-agency efforts such as the Tactical Operations Multi-Agency Cargo Anti-theft Squad (TOMCATS), a task force consisting of personnel from MDPD, FDLE, the US Customs Service and the FBI that was formed in response to growing commercial cargo theft.

B. VARIATION IN MUNICIPAL LAW ENFORCEMENT FUNCTIONS

Two surveys were conducted to determine variation in functions among the local jurisdictions. An internal survey of the Miami-Dade Police Department collected information from various units regarding the provision of specialized services to existing municipalities. These include:

tactical services, centralized investigations (e.g., homicide and robbery) and administrative support services such as training. (See Appendix 2.) In addition, a questionnaire was sent to all municipal police jurisdictions in the County asking for their view of service relationships. (See Appendix 3.)

The internal survey indicates that, with few exceptions, MDPD provides, or assists cities in the provision of, virtually all specialized law enforcement services. Only the cities of Miami, Miami Beach and Hialeah, for example, were reported as not having been routinely supported by MDPD in homicide investigations.

A total of 21 jurisdictions responded to the municipal police department questionnaire. Although many jurisdictions report providing a wide range of services, most acknowledge at least drawing on the assistance of MDPD for many of these services. With respect to many specialized police functions, only five of the 21 jurisdictions responding reported that they provided homicide investigation, seven reported providing traffic homicide investigation and none reported providing aviation or full bomb squad (detection and disposal) services.

It should be noted that this survey does not address the level of service that a city is capable of providing for these functions. For example, a department that provides homicide investigation may not have the capacity to handle multiple homicides at the same time or a very high profile homicide such as the Gianni Versaci assassination

In summary, the surveys demonstrate two things:

- In order to maintain high quality specialized law enforcement services, the region as a whole is highly dependent on MDPD's ability to provide, support or enhance them;

- There is no uniform delineation of service provision between MDPD and municipal police departments. The level of services provided by municipal police departments is more a function of past practices and funding availability than an organized plan. Some cities are highly dependent on MDPD, while others offer a fuller range of law enforcement police services.

C. FUNDING STRUCTURE

Local police departments are funded through local revenues. According to the FIU study, total law enforcement expenditures among the municipalities varied from $428,448 in El Portal to $91,737,000 in the City of Miami. Per capita expenditures for police services also vary widely; for example, Indian Creek Village spent $14,553 per capita on law enforcement; South Miami, $246; El Portal $174; Hialeah $130; and the unincorporated area $206. (See Appendix 4.) In an analysis of factors predicting police expenditures, community wealth was found to be the major predictor of per capita spending.

MDPD services are currently funded in three ways.

- Funding is derived from countywide taxes for those services that are a 100% countywide function (i.e., Sheriff's functions, the crime lab, and the Juvenile Assessment Center - JAC).

- For "split" services - those specialized services available to existing cities and provided to the unincorporated area - funding is apportioned between the countywide budget and the UMSA budget, adjusted both for work effort in the cities and to account for UMSA residents' countywide tax contribution.

- Police functions that are performed only in the unincorporated area are 100 % supported by UMSA taxes.

The following Table depicts some of the current funding allocations for MDPD. A full budget allocation is contained in Appendix 5.

Table 1 Funding for Selected MDPD Functions By Percent Allocation to UMSA and Countywide Budgets		
Law Enforcement Service /Function	Percent Countywide	Percent UMSA
Director's Office	23%	77%
Office of Director	23%	77%
Police Legal Bureaus	23%	77%
Budget and Planning Bureau	23%	77%
Media Relations	23%	77%
Information Services - Communications Bureau	100%	0
Investigative Services	0%	0
Criminal Intelligence	74%	26%
Enhanced Crime Fighting	0%	100%
Criminal Investigations		
Economic Crimes Bureau	15%	85%
Homicide Bureaus	19%	81%
Robbery Bureau	22%	78%
Sexual crimes	22%	78%
Narcotics	28%	72%
Domestic Crimes	0	100%
Uniform Service		
Community Policing	19%	82%
Special Patrol	4%	96%
Tactical Operations	19%	81%
Aviation Section	19%	81%
Special Events	0	100%
Police Operations Bureau	4%	96%
Public Housing	0	100%
South Operations: Chief, Doral Station, Cutler Ridge Station, Kendall Station, Hammocks Station	0	100%
North Operations : Chief, Miami Lakes Station, Northside Station, Intracoastal Station, Carol City Station		100%
Centralized Services		
Court Services	100%	0%
Training, Personnel, Psychological Services	23%	77%
Sheriffs Services		
Warrants Bureau	100%	0%
Crime Laboratory Bureau	100%	0%
Property and Evidence Bureau	4%	96%
Crime Scene Investigations	56%	44%

D. ADVANTAGES AND DISADVANTAGES OF CURRENT SERVICE AND FUNDING ARRANGEMENTS

The current structure of police services and funding in Miami-Dade County has developed over a long period of time and has proved fairly stable.

Advantages: The existence of a very large, unified and nationally recognized police department such as MDPD within Miami-Dade County benefits the entire county. The current method of funding MDPD has established a department that:

1) provides certain services (e.g., sheriffs services and the crime lab) to all residents of the County, irrespective of municipal jurisdiction;
2) provides all law enforcement services - both local patrol and specialized law enforcement services - in the unincorporated area;
3) enables independent cities to utilize the specialized law enforcement services of MDPD; and,
4) has the ability to provide a countywide perspective on, and response to, crime.

The quality of services provided by the Miami-Dade Police Department is widely recognized. At the same time, the ability of individual municipalities to provide at least some of their local police functions through a municipal police department allows for some degree of local prioritization of law enforcement activities. To the extent that their fiscal capacity allows, each jurisdiction can set and provide for its own desired level of local service. In addition each jurisdiction is able to depend on the support and assistance, when requested, of the Miami-Dade Police Department.

Disadvantages: Despite these advantages, it must be noted that the structure allows for significant disparity in local services between jurisdictions. Some municipal jurisdictions are able to and do purchase a level of local road patrol that other jurisdictions would have a very hard time funding.

In addition, the current method of funding "split" services has certain risks. These are:

1) The method of funding some services from both the countywide and the unincorporated area budgets, requires that the "split" be regularly revisited and readjusted. Not only is it difficult to calculate the appropriate split based on work effort, but any readjustment is in effect a "zero-sum" game. If the split does not reflect as accurately as possible the balance of incorporated and unincorporated effort, either the unincorporated area property tax payer or the residents of municipalities may be supporting more than a fair share of services. Finally, the allocation of funding is difficult to understand and may lead to public misperceptions regarding the funding of MDPD.

2) The current structure is inefficient in terms of the aggregate cost of municipal and county services. The current structure allows each municipality the option of providing

services that are already provided by the County thereby unnecessarily duplicating services, and capital expenditures thus increasing the aggregate cost of law enforcement services.

3) The current structure creates fiscal inequities. Those jurisdictions which provide certain services (e.g., homicide investigations in the City of Miami and North Miami Beach) experience a financial burden that is not comparable to other municipalities (e.g., Key Biscayne, Bal Harbor or South Miami) that do not provide those services even though they are treated equally with respect to their taxing capacity.

4) The current structure is also potentially confusing given the proximity and irregularity of municipal boundaries within a largely urbanized metropolitan region. In most cases, the boundary between adjacent municipalities is not clearly marked. A traffic accident or other incident in the middle of an intersection may cross three or more municipal jurisdictions. Confusion over which jurisdiction has first-response responsibility may delay response and at a minimum cause inconvenience to those involved. In addition, the lack of uniformity between jurisdictions in certain functions, e.g., traffic control or response priorities to calls, produces uncertainty regarding what to expect from law enforcement within different jurisdictions.

5) The capacity of different jurisdictions to provide local law enforcement services is widely varied. As a result there is the potential for considerable inequity in important police functions. One jurisdiction, with a low level of need, may be able to afford a far greater level of neighborhood patrol than another with a far greater need. Variation in local capacity also affects the conditions under which law enforcement officers work, e.g., facilities and support staff.

6) Finally, the current structure is highly vulnerable to the impact of potential future incorporations. The current system depends on the existence of a large enough and financially healthy unincorporated area to support both the scope of services and the level of manpower of MDPD.

At some point, given future incorporations, erosion of the size of the department and the fiscal capacity to support specialized services, would lead to a seriously diminished law enforcement capacity in the County as a whole.

In summary, despite the fact that the current funding structure has been stable and satisfactory over a long period of time, it may be appropriate to consider changing the funding structure for MDPD services, in particular for specialized services. Alternative methods of delivering and funding these services must be considered and evaluated .

III. ALTERNATIVE MODELS OF SERVICE STRUCTURE

As part of the analysis, staff considered various models of service delivery. In general, the structure of any local service delivery system can vary on three core dimensions: planning, financing and service provision.

Four principle models of service structure are:

- Consolidated - in which the same agency plans, finances and produces the service;
- Regulated - in which one agency plans or regulates the service but either one or more other agencies finance and deliver the service;
- Contract - in which one or multiple agencies plan and finance the service but another provides it; and
- Mutual aid agreements - in which multiple jurisdictions coordinate certain services under special circumstances.

Each model has advantages and disadvantages and the selection of a particular model will depend on a variety of local conditions and priorities.

This section describes the advantages and disadvantages of consolidated, regulated and contract service delivery and mutual aid agreements in terms of service provision. The following section describes alternative financing models.

A. CONSOLIDATED SERVICE MODEL

In a jurisdiction with a fully independent police department, police services are, by definition, consolidated. These departments may be small or very large. The New York City Police Department, for example, serves the five counties that make up the City of New York. The Department's command structure includes the five boroughs and local precincts, but the overall financing, planning and delivery of services is under a single unified department. Although it is rare for multiple jurisdictions to join in a single consolidated department, it can occur. In Metro Toronto, for example, the independent local police departments of the 13 municipalities and the City of Toronto that comprise the Metropolitan Council, were originally retained as local service functions in 1953 when Metro was formed. In 1957, however, in the interests of economies of scale, the departments were "amalgamated' into the Metro Police Council.

Advantages and Disadvantages of Consolidated Services

In general, a consolidated model has the advantage of maximizing the likelihood of uniform service delivery throughout a jurisdiction thus eliminating, or at lest minimizing, inequity in service within the jurisdiction. As the simplest-to-understand model, it can also be the most accountable - everyone knows who is in charge and who is responsible for a particular service. A consolidated system also ensures a jurisdiction-wide perspective. Where crime is mobile, it is

sensible to have a law enforcement jurisdiction that is large enough to view trends in crime and to respond to them in a comprehensive manner.

On the other hand, the very uniformity that a consolidated model may provide can prevent achieving a desirable level of local variation in service. In addition, if the system is very large and becomes unwieldy, a consolidated structure may lead to a loss, real or perceived, of access and accountability.

B. REGULATED SERVICE MODEL

Under a regulated model, one agency plans or regulates a service that is delivered by and paid for by others. This model most typically applies to services for which there are clear and measurable standards of activity and outcomes. In terms of law enforcement, a regulated model would involve the establishment and enforcement of specific standards for municipal police departments in terms of such matters as: the ratio of officers to population, the ratio of officers to geographic area; the specific range of services provided and functions performed; standardized protocols for matters such as evidence collection and record keeping; standardized personnel and training requirements and standards for crime clearance.

Currently, there is no established model for such standards with respect to municipal law enforcement. Local law enforcement agencies may through application and review by the Commission for Accreditation of Law Enforcement Agencies (CALEA) become nationally accredited. The process is time consuming and voluntary, however, and is not designed to serve as a regulatory system monitoring performance and outcomes.

Advantages and Disadvantages of Regulated System

One advantage of a regulated model of service delivery is that enforcing established and appropriate standards can assure at least a minimum level of service for residents of every jurisdiction. To the extent that the standards are sufficient and enforceable, there would be some assurance that law enforcement basic needs would be met in every area of the County.

The major obstacle to implementing such a system is that meaningful, measurable standards are extremely difficult to establish, agree to and enforce. Currently there are no such agreed on standards nationally or in Miami-Dade County. As described above, local police departments vary widely in terms of levels of staffing and functions performed. Each department has a great deal of autonomy in personnel practices, hiring, screening and evaluation. Clearance rates vary widely.

C. CONTRACT MODEL

In a contract system, individual jurisdictions enter into contracts with other agencies for the provision of all or only certain law enforcement services. There are examples of such an approach. Typically in law enforcement, contracting involves a very large department, often a County Sheriff's Department, under the direction of a countywide elected sheriff, that routinely

provides major investigations (such as homicide and economic crimes) and, in addition, enters into contracts with individual cities to provide a specified level of local law enforcement.

1. Los Angeles - the "Lakewood Model"

The Los Angeles County Sheriff's Department is the largest and the oldest model of police service contracting. Starting with the then-new City of Lakewood in 1954, the Department now contracts with 40 cities to provide the full set of law enforcement needs. Some services, including homicide and narcotics investigations, are provided and funded countywide. For all non-countywide services (e.g. local patrol, routine investigations), cities may choose to contract with the Sheriff's Department either individually or as partners in a regional contract with other adjacent cities as an alternative to funding an independent police department.

The contracts are negotiated for specific levels of service and are currently based on a "one-cost" model for different levels of service. For example, in FY 1998-99, a two-deputy, 56-hour deputy-sheriff service unit is priced at $428,442 per year. (See Appendix 6.) The actual level of service must be agreed to by the LA Sheriff's Department Station Captain for the area and by city officials. That level of service must meet or exceed the Sheriff's Departments recommended minimum patrol and investigative capacity for that particular city.

The Department reports that the size and structure of the department, in particular the ability that contracting provides to draw on a large force of officers for major events or emergencies such as an earthquake or major civil disturbance, is critical to maintaining countywide public safety capacity. In this case, the structure guards against the potential fragmentation in law enforcement capacity and performance in the metropolitan area and multiple jurisdictions of Los Angeles County.

Although since the inception of the program, some contracting cities formed independent local departments, all of those have since rejoined the contract program.

2. Broward County

In Broward County, many specialized functions are provided countywide through the Broward Sheriff's Department. The Division of the Office of the Sheriff contains, in addition to the Sheriff's office, a public information section, a legal section and the Metropolitan Intelligence Unit which coordinates with other law enforcement agencies in the county to identify, prosecute and seize the assets of narcotics organizations and other organized criminal groups.

The Crime Prevention Division consists of five districts. This division provides a full range of police services in the small unincorporated area of the county as well as strategic intelligence, specialized police and emergency services, including aviation and marine services, crime scene and gangs throughout the county. The Department also contracts with six cities within the county (Pembroke Park, Dania, Lauderdale Lakes, Tamarac, Deerfield Beach and Weston) to provide all law enforcement activities.

Advantages and Disadvantages of the Contract Model

A contract model can provide significant benefits in delivering specialized and general law enforcement services in a metropolitan area. Additionally, new and existing cites are able to achieve some economies of scale in administrative functions. To the extent that the resulting department is large enough to support a full range of specialized services that small departments might not be able to afford, and to employ a large enough contingent of law enforcement officers to assure capacity for large-scale events, a contract model can enhance the level of law enforcement available to all of the participating jurisdictions.

There are, however, a range of difficulties associated with establishing this kind of model.

- First, as described below under financing alternatives, it is exceedingly difficult to develop a fair and predictable pricing system for law enforcement services. Contracts are also voluntary and introduce a level of uncertainty that without long enough contract periods can make long-term planning for staff and capital investments problematic. In Los Angeles, the contract period is typically five years, subject to annual review.

- Minimum levels of service must also be determined. The Los Angeles Sheriff's Department establishes a threshold service level that must be met for each participating municipality. This requires considerable cooperation and good faith on the part of all parties. For example, it requires that the city officials agree to the Sheriff's Department's assessment of their minimum service level - even if that level of service is more costly than they would like or than they anticipated.

- In addition, given the voluntary nature of contracts and the mobility of crime, there is a threat that without some clear standards for service levels for all jurisdictions, including those who provide their own services. the crime problems of a nonparticipating jurisdiction may spill beyond its boundaries.

- In the examples of Broward County and LA County, in which the same department provides services to both contracting municipalities and to the unincorporated area, there is the additional risk that the unincorporated area, which does not have a discrete contract for a fixed level of service, may be shortchanged.

D. MUTUAL AID AGREEMENTS

For some types of local services - typically related to public safety - service sharing through mutual aid agreements provides a different mode of service delivery. In this model different jurisdictions agree that, under specific conditions - typically of an emergency nature, they will help each other out.

Advantages and Disadvantages of Mutual Aid

A mutual aid agreement recognizes and, to some extent, compensates for the fact that individual jurisdictions cannot always provide adequate law enforcement on their own under all circumstances. With mutual aid agreements, a small municipality retains local control over its law enforcement services but is able to call on other jurisdictions for manpower and assistance if needed. Thus the aid agreement acts as a kind of insurance policy against any individual jurisdiction's unforeseen and unfunded emergency.

There are, however, many disadvantages to an over-reliance on mutual aid.

- For many specialized law enforcement services that require complex and dedicated training and equipment (e.g., complex homicide investigations, specialized domestic violence programs, or bomb removal and disposal), the sum of many small departments cannot equal the resources and equipment of one large one.

  If no single jurisdiction has the capacity to dedicate sufficient staff and resources to a specific function, then the function simply cannot be provided no matter how willing the jurisdictions are to help each other out.

In addition, as a method of reliably and routinely ensuring adequate law enforcement, mutual aid agreements have other serious disadvantages.

- The agreements are voluntary and are operationally complex. For example, the command structure and protocols will vary depending on which jurisdiction has requested assistance and the location of the event. The potential for non-uniform protocols or non-standardized training in such matters as crowd control or evidence collection may compromise the safety of residents and police officers or, in an investigation, the apprehension and prosecution of criminal violators.

- Finally, the principal of mutual aid assumes some degree of common capacity. A mutual aid agreement in which one jurisdiction provides far more aid than it receives from another is out of balance because reciprocation may not be feasible to the extent that is required by the major, larger agency. This can lead to one jurisdiction, and one jurisdiction's tax payers, being unfairly burdened for the cost of providing aid to another jurisdiction.

E. MODELS FOR MIAMI-DADE COUNTY

Each model clearly has a mix of advantages and disadvantages and it is difficult to fit any one model to the context and needs of Miami-Dade County.

Current Model

As currently structured, law enforcement services in Miami-Dade County are a complex consolidated model - different police services are consolidated at different levels of jurisdiction.

Sheriff's services and the crime lab are consolidated countywide. Local patrol is consolidated at the municipal level - each jurisdiction independently plans, funds and delivers local patrol within its jurisdiction, with the County acting as the jurisdiction for the unincorporated area.

Specialized services - the "split services" described above - are harder to describe. Some cities, in addition to financing and providing local patrol, also finance and provide a range of special services including homicide. Those cities can, to some extent, be viewed as having a consolidated service structure. Most cities, however, depend at least to some extent -- many entirely -- on MDPD for such services. To the extent that Miami-Dade County both plans and delivers these law enforcement services, makes them available countywide, and funds them through a mix of countywide and UMSA taxes, these specialized services can be said to be operationally consolidated. However, the mix of funding sources and the capacity for municipalities to self-provide the services complicates the picture.

Total Consolidation

To achieve a fully consolidated model would require the merger of all police functions - including all municipal law enforcement services provided in the incorporated and unincorporated area - into a single large agency under the authority of a single jurisdiction.

Although there are examples of large police departments that serve populations larger than that of Miami-Dade County, e. g,. the New York City Police Department which serves all five boroughs of New York. it is extremely unlikely that this could occur in Miami-Dade County. Existing cities or new cites are unlikely to voluntarily give up control over their own local police departments. In addition, without an alternative funding mechanism, there is no capacity within the countywide budget to fully fund a countywide consolidated police department.

On the other hand, the consolidation of at least some of the specialized services may be somewhat easier to accomplish. Since many jurisdictions do not provide the full range of services, there could be less resistance to fully transferring these functions to MDPD. Those cities that either already provide or choose to provide the service in the future, could have the option of doing so but there would be a clear understanding that MDPD has the primary responsibility - and appropriate funding - for these services. Funding for such a department would require capacity within the countywide budget.

Regulated Law Enforcement

With respect to establishing a regulated law enforcement model in Miami-Dade County, the Miami Dade County Home Rule Charter provides that the County may set minimum standards for a range of services. If those minimum standards are not met. the County may assume the

function and require reimbursement. Although not codified, those standards could include minimum standards for the provision of some or all law enforcement services by a municipality.

Developing a regulated model, would require:

- establishing reasonable standards to which all jurisdictions could agree;
- developing a fair and accountable regulatory process for monitoring those standards; and,
- achieving consensus on a clear and fair process for establishing the conditions under which the County would in effect pre-empt a municipality's law enforcement functions and the municipal revenues required to provide it.

Contract Model

At present, MDPD does not enter into long-term contracts for any services. For a new city, it has been the practice for the department to continue to provide service at the level at which it had been provided prior to their incorporation during a transition period through an inter-local agreement in which the new city pays for the service. At the end of that period, local police functions, at whatever level the jurisdiction has determined are appropriate, are assumed by the new municipal police department.

For the newest cities, these locally assumed functions have not typically involved homicide investigation or many of the other specialized services for which they remain dependent on MDPD. As new cities have formed, both the significance of having these services available countywide and the vulnerability of the current system has become more apparent.

The idea of a contract model for Miami-Dade has some attraction. The primary obstacles, which are discussed further in the following section, are:

- establishing a pricing system. e.g. Does the contracting jurisdiction pay for only selected services? If for a fixed number of patrol units does the contract price include full overhead?, etc.;
- the voluntary nature of contracts;
- assuring that contractual obligations to one jurisdiction do not lead to any degradation of service in the area otherwise served by the contracting jurisdiction - whether that is MDPD or another municipal police department.

By policy, the Board of County Commissioners has required that Department not contract for any services with new cities beyond the transition period unless it is established that there are no unmet needs in the unincorporated area.

In addition, a contract model is especially problematic in relation to specialized services (e.g. multiple homicides or hostages) which may be infrequently needed, and therefore not seen by a city as a high budget priority. When those services are needed, they are needed urgently.

Mutual Aid

With respect to mutual aid, the County and cities, with the exceptions of Key Biscayne, Bay Harbor Islands and Homestead, have recently agreed that, in addition to providing mutual aid in certain types of events, officers from each jurisdiction may make arrests within each others' jurisdictions without a prior call for assistance under very specific circumstances - i.e., if the officer witnesses a crime in progress while in a jurisdiction other than their own. (Appendix 7.)

This is clearly a step forward in acknowledging the metropolitan nature of crime in the county. Without the scale and scope of MDPD to support specialized services, however, mutual aid alone cannot address the metropolitan law enforcement needs of the County.

Summary of Models

In sum, there is a need to preserve the integrity of the specialized services provided by MDPD and it cannot be guaranteed that this capacity can be preserved under the current structure if there are future incorporations of any significant size or negative fiscal impact.

If we consider alternatives to the current situation from a purely operational point of view, a **countywide consolidated model for specialized services**, in particular those that are clearly too expensive for many of the municipalities to routinely provide (e.g., aviation, specialized canine services, bomb disposal) and those that clearly address regional issues (e.g., economic crimes, narcotics intervention) could assure the preservation of those services.

In addition, given the choice of most small municipalities to stress local patrol rather than specialized services, **continued local provision of routine patrol and local investigations** would allow individual municipalities the ability to tailor these services to their individual desires and fiscal capacity. By clearly separating the funding for specialized services, some of the current obstacles to **MDPD contracting** with new or existing jurisdictions for local services would also be removed.

To minimize inequity in local law enforcement, **explicit minimum standards** could be established for municipal police departments that would assure that each department had adequate local patrol and response time and the capacity to appropriately conduct general investigations.

If the Board were to pursue this strategy, the issues of how to fund specialized law enforcement, how to establish a contract program, and how to establish a regulatory framework for local law enforcement will need to be addressed.

Funding options for services are discussed in the following section.

IV. ALTERNATIVE MODELS OF SERVICE FUNDING

Financing for local services, both operating and capital, derives from a variety of sources, including taxes and fees, grants (federal and state), capital and revenue bonds, entitlements - such as state revenue sharing, interest earned, etc.. Any one service may be funded from multiple sources.

Law enforcement in the County, both for MDPD and for the individual police department, is funded from a variety of sources, including general funds (municipal, Countywide, UMSA), grants (e.g., COPS), and the Law Enforcement Trust Fund (LETF) established with proceeds from the sale of seized goods and property.

Four basic alternative funding structures for municipal services are:

- Fee Based: The recipient of the service wholly or in part makes direct payment for service received at the point of service.
- Contracts: The recipient purchases the availability of services over a longer term through an arranged payment.
- Taxing District: (Independent or Dependent): Recipients of the service pay for the availability of the service within an established geographic area through a uniform millage rate.
- Benefit District: The recipients of the service are assessed for a service that has a direct and common benefit to properties within the geographic area covered by the district.

A. FEE BASED:

With respect to specialized law enforcement services provided to cities, there has been some discussion of directly charging any municipality that receives a specialized law enforcement service from MDPD for the actual cost of that specific service on an event-by-event basis. This would involve establishing a fee schedule for each type of activity, e.g., a homicide investigation, the deployment of a bomb squad or SWAT team. The fee schedule could also take into account the duration and intensity of an event and the number of staff dedicated to it.

Advantages and Disadvantages of A Fee Based Structure

Although this method has the apparent advantage of ensuring that Miami-Dade is fully reimbursed for services rendered within a municipal jurisdiction, in practice it is neither workable nor equitable.

- It would not be possible, without potentially bankrupting a small city, to fully recover the cost of a major event or an investigation such as was involved in the series of murders along the Tamiami Trail through fees and charges.

- Some incidents, such as the school-bus high jacking, cross multiple municipal jurisdictions and there is no rational accounting basis that could establish a fair allocation of charges.

- There is also no method for a municipality to judiciously structure its municipal budget to anticipate such charges. Few municipalities would be able to establish the level of reserve or contingency funds that might be needed to compensate for a major and unanticipated investigation or event.

- In addition, a direct cost recovery model would produce serious uncertainty regarding long-term financing of MDPD.

It may be possible to establish a fee structure for certain very specific activities or programs, such as special anti-auto-theft programs (e.g. VIN etching) or specific training programs for municipal officers. However, as a means of supporting general law enforcement activities in multiple jurisdictions over a long period of time, a fee-based structure cannot provide the financial stability and predictability required to plan and provide adequate law enforcement services.

Staff were unable to identify any general law enforcement program that is conducted and financed on a fee basis.

B. CONTRACT

Some examples of a contract system are described in Section III of this report. In such a system. individual jurisdictions could enter into contracts with MDPD for the provision of all or only certain law enforcement services.

Fiscal Advantages and Disadvantages of the Contract Model

A contract model can provide some fiscal benefits for the delivery of both specialized and general law enforcement services.

- To the extent that newly formed cities contract with an existing law enforcement agency, they are saved the startup costs of a new police department.

- New and existing cites are also able to achieve some economies of scale in administrative functions.

- Jurisdictions would also be assured of common training and reliable recruitment practices.

- In addition, to the extent that the resulting department is large enough to support a full range of specialized services and has a large enough contingent of law enforcement officers to provide capacity for large-scale events, the economies of scale of a contract model can enhance the level of law enforcement available to all of the participating jurisdictions.

There are, however, a range of fiscal difficulties associated with establishing this kind of model.

- First, it is difficult to develop a fair and predictable pricing system for law enforcement services. Since the inception of its contract system, the LA Sheriff's Department has developed and negotiated a variety of pricing structures - including a detailed "menu " based system and the current "one price" patrol unit model.

  Immediately prior to the adoption of this model, the Department offered cities the option of purchasing two types of patrol - general law patrol and traffic law patrol. The traffic-law patrol officers, available at a lower rate, were expected to focus primarily on traffic issues and did not have the same level of training as general law enforcement officers. Some cities, however, came to depend on these officers for a full range of law enforcement services. Those cities required more intensive district back-up for general law enforcement and the district was not recovering its full cost for investigative services.

- In addition, as described above, contracts are voluntary and introduce a level of uncertainty that can make long-term planning for staff and capital investments problematic. In Los Angeles, the contract period is typically five years, subject to annual review. Without a clear expectation that a contract will be renewed, it is difficult to adequately plan for staffing and for any long-term investments in technology, equipment or facilities.

- Finally, a city that may clearly need a service, may not be able to afford to contract for it.

C. SPECIAL TAXING AND BENEFIT DISTRICTS

Special taxing and benefit districts, as opposed to general government districts, typically provide services that are not otherwise available within a particular jurisdiction, or may provide enhanced levels of service over and above what is otherwise provided. State law governs the method of creating, and the authority awarded to, such districts. There is little flexibility under current state law to design alternative funding methods for a countywide police district.

Depending on their governance structure and budget approval provisions, special taxing districts may be independent or dependent.

1. INDEPENDENT SPECIAL TAXING DISTRICT

The establishment of an independent police services district to provide all or a limited set of law enforcement functions would have to meet all state mandated minimum requirements for such districts. These requirements govern the purpose of the district, the powers, function and duties of the district regarding ad valorem taxation, bond issuance and revenue raising capabilities, the membership and organization of the governing board, the methods of financing the district and other requirements. These are described in Chapter 189.404(3), Florida Statues. Independent

districts are typically created by the state legislature by special act and cannot provide general government functions.

However, under Florida Law, counties do have the authority to create certain types of independent countywide districts. These districts are limited to children's services, county health care, mental health care and community development districts. If the functions of such districts were expanded to include specialized police services, the creation of the district, like others, would likely be subject to the passage of a countywide referendum authorizing the district's charter and the millage rate for the district within whatever limit was allowed by stature. For example, current law caps a county children's services district .5 mills; while a county health care district is capped at 5 mills. (Subsection 125.901 F. S.)

Thus, under current state law an independent police services district could not be created by county ordinance without prior statutory authorization and voter approval or, if modeled after a community development district, without the approval of 100% of the property owners. In addition, in order to qualify as an independent district, the district must not meet any of the criteria set forth in Subsection 189.403(2) F. S.. The County Commission would not provide its governance and its governing board. The district's board would be wholly responsible for policy-making, planning, operating and setting the budget of the police district in accordance with the district's charter provisions.

No examples were identified of a special independent police services district that provided a wide range of general law enforcement functions across multiple jurisdictions.

Advantages and Disadvantages of an Independent Special District

If it were possible to create such a district, an independent special taxing district for police specialized services, that district could include all existing municipalities and the unincorporated area and would clearly distribute the fiscal responsibility for supporting those services among all Miami-Dade taxpayers.

There are however, substantial obstacles to implementation.

- First, it would require legislative authorization in order to have taxing authority.

- Second, the creation of the district, and the approval of a millage to support it, would likely require a countywide referendum. It is unlikely that such a referendum would be approved without substantial support from all the municipalities and a prolonged and vigorous campaign.

- Finally, even if these obstacles were overcome, the County Commission may wish to consider whether or not it would choose to relinquish such an important function of what is typically a general government function to an independent governing body.

2. DEPENDENT SPECIAL TAXING DISTRICT

Under the Miami-Dade Home Rule Charter, Section 1.10(A), the Board of County Commissioners may establish a special taxing district by ordinance. Thus the Board of County Commissioners could, without a referendum, create a dependent special taxing district for police services that could cover the unincorporated area and any individual municipalities that choose to participate in the district.

The milllage required to support the services provided by the district would depend both on the range of services provided and the taxable value of the participating area. As a dependent district, the millage, like that of the Fire and Rescue District, would count against the County's countywide 10 mill cap.

Advantages and Disadvantages of a Dependent Special District

The creation of a dependent district would be easier to accomplish than the creation of an independent district. Unlike an independent district, it would not require legislative authorization and, depending on the ordinance creating it, it may not require voter approval. In addition, the Board of County Commissioners would remain the governing body with policy and budget approval.

However, there are serious fiscal and operational limitations on such a district.

- First, the millage required to support a dependent district Could count against the County's 10 mill cap. Depending on the number of services to be provided by the district, the millage currently available may not be sufficient to support the services.

- Second, should any city choose not to participate, the County would in effect be forgoing potential countywide revenues for provision of services that are not countywide. This is currently the case with the Fire and Rescue District. For that district, the County does not collect Fire-Rescue District millage from the cities of Miami, Hialeah, Coral Gables and Key Biscayne despite the fact that the millage for the district is counted against the 10 mill cap.

- In addition, depending on the range of services to be included in the police district, those cities that do not participate may no longer be entitled to critical law enforcement services currently available to them, placing the residents of those cities at greater risk. Given the mobility of crime and the countywide impact of crime in any jurisdiction, the County as a whole could suffer.

3. SPECIAL BENEFIT DISTRICTS

A special benefit or assessment district requires a clear and direct "benefit" resulting from the assessment paid and a clear method of establishing the benefit. There are many special benefit districts in the County that provide for landscaping and infrastructure such as sidewalks or

sewers or lighting. Public safety benefit districts include guard gates and roving patrols. It would, however, be legally impossible, absent a reversal of recent Florida Supreme Court Opinions, to establish the necessary direct benefit for a more general law enforcement services special benefit district as well as a defensible, measurable method for benefit assessment charges to individual property owners.

In addition, any benefit district requires majority voter approval. Past experience demonstrates that approval for such districts is difficult to obtain, and may be especially difficult for a large metropolitan area.

a. Inglewood, California

With respect to general law enforcement, as opposed to a single-purpose district such as a guard district or roving patrol district, staff were able to identify only one existing law enforcement benefit assessment district. That district is located in the City of Inglewood, California (population 100,000 with an area of nine square miles) and grew out of a an anti-crime effort similar to Operation Clean Sweep/Safe Streets that had previously been funded on an overtime basis. Having determined that a 20-officer unit would be adequate to continue the service, city officials and voters approved a Police Benefit Assessment District (P.B.A.D.) consisting of all city parcels. The district funds a special anti-crime unit focused on the suppression of narcotics and gang-related activity. (Appendix 8.)

Although Inglewood does provide an example of a successful benefit district, it must be noted that the service provided is very limited in scope. It is also a small geographic area and the funding is essentially for one specialized unit. It is difficult to generalize this example to Miami-Dade County.

Advantages and Disadvantages of Special Benefit Districts

A special benefit district enables an area to receive a service or benefit that is not otherwise available or at a level that is not otherwise available. To the extent that such a district requires voter approval, they enable local areas to establish levels of services that are specifically tailored to the desires of residents. There are many obstacles to creating such a district.

- Absent a reversal of current case law, it is impossible to establish the necessary direct benefit and assessment methodology for a service such as specialized law enforcement.

- Given the requirement for voter approval, such a district would be difficult to establish at the scope and scale that would be needed.

D. MUNICIPAL SERVICES TAXING AND BENEFIT UNIT:

Section 125.01, F.S., enables counties to establish municipal service taxing or benefit units (MSTU/MSTB) specifically for the purpose of providing "municipal services and facilities from

funds derived from service charges, special assessments of taxes within such district only." 125.01(5)(a)(F.S.). These MSTUs or MSTBs may include both incorporated and unincorporated areas provided that the governing bodies agree to participate.

Advantages and Disadvantages of MSTU

Although a municipal services taxing unit could allow multiple jurisdictions to participate in funding general or specialized law enforcement, and while there are fewer restrictions as to the purpose of this type of district, there are significant drawbacks.

- State law requires the agreement of all of the governing bodies of the jurisdictions that would be participating in the MSTU. In Miami-Dade County, the millage to fund the services would count against the 10 mill municipal caps of the participating cities and of UMSA. Many cities may be unwilling, or unable, to commit a portion of their municipal millage to this purpose.

- Given fiscal constraints, it is possible that those cities most in need of specialized services would be least likely to be able to participate in the MSTU.

- In addition, because an MSTU is voluntary, any jurisdiction, although agreeing to participate for a fixed number of years, could, after the termination of the agreement, opt to leave the MSTU. The remaining jurisdictions would have to reassess issues of cost effectiveness, long term planning and funding.

No examples were identified of an MSTU that provided a range of law enforcement functions across multiple jurisdictions.

However, in several counties, MSTUs are used to provide local police services in the unincorporated area. In Penellas County, for example, an MSTU supports law enforcement services provided by the Sheriff's Department in the unincorporated area. In addition, the Sheriff's Department contracts with 10 small cities to provide full police services.

As in Broward, the Pinellas County Sheriff is a constitutional officer, elected countywide.

E. SUMMARY OF FUNDING ALTERNATIVES

Although there are several possible special district approaches to funding specialized law enforcement services, they all have significant impediments and drawbacks.

- The most straightforward approach to funding specialized services would be to fund such services through the countywide millage.

Unlike creating a countywide special district, this approach would avoid the statutory limitations on independent districts created by ordinance and the requirement for voter approval. Unlike a

dependent district or MSTU, this approach would ensure that these services would be available throughout the County, and not be dependent on the voluntary participation of each municipality.

The major obstacle to this approach is financial. At present, there is little capacity to accommodate significant additional costs for law enforcement within the 10 mill cap, without potentially eroding or limiting other countywide services. In addition, for those cities that elect to continue to provide some or all of the specialized services, an argument could be made that that this approach constitutes double taxation.

If, however, in the future, funding responsibilities in the countywide 10 mill cap were removed, and if the support for this approach were obtained from the existing municipalities, this alternative could become more feasible.

Three possible sources of funding responsibility relief include:

- the establishment of a non-advalorem fire rescue special assessment district;
- a dedicated funding source for mass transit (e.g., a local option transit sales tax); and
- a shifting of costs currently borne by counties is support of the judiciary to the state.

Revision Seven to the Florida Constitution which approves such a shift of court-support costs was approved by the electorate on November 3, 1998. We must now monitor closely the legislature's actions in response to this vote of the people.

Thus the extent to which this approach is both feasible and desirable, depends on the specific services that would be provided and the costs of those services.

The following section reviews four models for a countywide police service, ranging from very limited countywide services to full consolidation.

IV. MODELS OF COUNTYWIDE LAW ENFORCEMENT IN MIAMI-DADE COUNTY

To assist the Board in evaluating potential alternatives for establishing a police department to provide services countywide by means of countywide funding, staff reviewed four models of countywide law enforcement services. These models vary by specific functions that would be available and funded on a countywide basis, with all other services to be provided by existing or new municipal police departments.

The four models are:

- Sheriff's Mandated Services and Crime Lab
- Sheriff's Mandated Services, Crime Lab and Limited Central Services
- Sheriff's Mandated Services, Crime Lab, Limited Central Services, and Specialized Services
- Consolidated Police Services - all of the above including road patrol

Each model is reviewed in terms of the following questions:

- What services would be provided by the Countywide department?
- What is the cost of those services?
- How could those services be funded?
- What services would no longer be provided countywide?
- What is the cost of those services?
- What are the fiscal implications to UMSA and the municipalities?
- What are the advantages and disadvantages of the model under four incorporation scenarios?

Because many potential incorporation configurations have been suggested and considered, for the purpose of this study we have focused on four incorporation scenarios. They are:

- Scenario A - Total incorporation (or annexation) of the entire unincorporated area into one large jurisdiction;
- Scenario B - Incorporation of the unincorporated area into several cities of about the size of the City of Miami or larger;
- Scenario C - Total incorporation into municipalities of 10,000 to 20,000 persons with a residual unincorporated area;
- Scenario D - Continued incremental incorporation, with a gradually and unpredictably diminishing unincorporated area.

These models and their advantages and disadvantages are considered individually in Sections A through D and summarized in Section E.

A. MODEL 1: SHERIFFS' MANDATED SERVICES AND CRIME LAB

1. What services would be provided countywide by the County?

Court Services
Warrants
Crime Lab

2. How would these services be funded?

Countywide taxes would be available to cover these services.

3. What is the cost of these services (FY 98-99)?

$24,261,000 ($19,320,000 plus overhead)

4. What services would not be provided Countywide or to cities?

All other services, including
911
Juvenile Assessment Center
Aviation
Central Records
Central Investigations
Economic Crime Bureau
Homicide and Crime Scene
Sex Crime Investigation
Domestic Crime Investigation
General Investigation (including burglary, larceny, assault and auto theft)
Narcotics
Criminal Intelligence
Robbery
Special Patrol
Tactical (SRT)
Aviation - helicopter
Underwater recovery
Training
Local Patrol in UMSA would be the responsibility of a redefined department that served only the unincorporated area)

5. What is the cost of these services (FY 98-99)?

$316,514,000

6. Fiscal Issues

- This model substantially reduces the County's financial obligations for countywide services to the minimum required by law. The countywide millage could be reduced as a result.

- Existing and new municipalities, and UMSA, would be required to self-finance all services no longer provided by MDPD. Cities could make voluntary arrangements to contract for these services with other jurisdictions. The current cost for provision of these services to existing municipalities is about $14 million.

- Smaller cities, and in particular those cities with high service needs and low tax base that are not currently self-providing these services, would be at a serious fiscal and operational disadvantage.

- Given the current UMSA structure, a new UMSA Police Department would be formed to provide local patrol and all specialized services in the unincorporated area only and all non-countywide services would have to be fully absorbed into the UMSA budget.

- UMSA property taxes would have to increase by approximately 1 (one) mill to cover the additional expense of fully funding these services.

INCORPORATION SCENARIOS

Advantages

- Under any incorporation scenario, the state mandated services and the crime lab would be continued.

- This model is consistent with the Board's policy to shed municipal services.

Disadvantages

The major disadvantage of this model under any incorporation scenario would be the disestablishment of the current Miami-Dade Police Department.

Specific disadvantages, and the extent to which there could be serious service disruptions, would depend on the incorporation scenario pursued.

A single large city created out of the current unincorporated area (**Scenario A**) would have the fiscal capacity to form a police department that could provide many, if not all, of the services that would no longer be available countywide. However, that new police department would be entirely under the political and administrative jurisdiction of the new city.

The potential disadvantages to creating a large new police department include:

- Loss of Continuity There would be no ability to ensure continuity in the priorities, performance and the overall values of the Miami-Dade Police Department which is nationally accredited and widely recognized for its professionalism and expertise.

- Start up costs and effort: The startup costs to initialize a new department of this scale could be significant. Although arrangements could be made to convey some MDPD facilities (e.g., the district stations and other facilities) and equipment (including computer systems, hardware, vehicles, etc.), the costs to the new city would be substantial. There would also be a significant cost to either transfer or build up administrative infrastructure such as data bases, financial systems, etc. .

- Personnel: A new department of this size would face significant recruitment issues and, with no assurance that current staff would be absorbed into the new department, the County could face the loss of experienced and trained law enforcement personnel. For staff that were transferred to the new department, a range of issues such as seniority, retirement, liability for unused sick-leave or vacation days would have to be addressed.

- Coordination with the Sheriff's Department and Crime Lab: Under the current structure there is close coordination between the Crime Lab, the crime scene unit and investigative units such as homicide, robbery, and sexual battery. Coordination between these units and continuity and consistency in crime scene and forensic evidence collection protocols minimizes the chance that the integrity of a case will be compromised by inconsistent or improper procedures.

- Juvenile Assessment Center (JAC). The JAC is designed to serve the needs of detained juveniles by providing for quicker processing and appropriate referrals to social services. The JAC also, by serving as a central drop off center for juveniles, enables officers to return to duty faster than would otherwise be the case. Although a single large city may elect to continue the JAC, that is not assured and the participation of other municipalities would require negotiation.

Under **Scenario B** (several large incorporations) in addition to all of the above issues, there would be a significant loss of economies of scale for certain specialized functions that, while infrequently called for, are important elements of public safety.

The capacity of even a city of 300,000 to fund and retain these services is questionable. Those services include:

- Helicopters: MDPD helicopters are used for a variety of functions, such as criminal search and pursuit in UMSA and security for certain high profile events (e.g., visiting dignitaries; the Summit of the Americas, and the Super Bowl, etc.). It would likely be cost prohibitive for a jurisdiction of 300,000 to acquire and maintain this equipment, to provide staff and to ensure the number of flight hours needed for certification.

- Canine: Although several moderately sized cities may be able to fund a limited canine function such as police dogs, the maintenance of specialty canine units would likely be cost prohibitive.

  At present MDPD has 26 canines. Of these, 13 are trained to detect explosives (six at the airport and seven in the Special Patrol Bureau), seven are trained to detect narcotics, three are trained for cadaver searches, one is trained for missing persons and one each is being trained for cadaver and narcotics detection. It is not likely that smaller jurisdictions, even of 300,000, would be able to support similar capacity.

- Special Response Team (SRT): Several smaller police departments may be able to provide some SRT coverage. However, it would likely be cost prohibitive to staff and provide training to the level required to deal with major or highly complex incidents such as a bus hijacking or a multiple hostage situation in a public or private facility.

- Investigative Functions: Specialized investigative functions conducted by the Homicide Bureau, Robbery Bureau, Narcotics Bureau and Sexual Battery Bureau require dedicated training and manpower. It is unlikely that smaller cities would have the capacity to dedicate the funding required to maintain current level of manpower, training, and expertise in these bureaus.

- Countywide Perspective: The independent police departments of the new and existing cities would likely enter into mutual aid agreements and could develop inter-jurisdictional task forces such as the RID program. However, the capacity for any single jurisdiction to maintain a truly countywide "big picture" becomes significantly decreased.

  Crime does not respect municipal boundaries and, given the mobility of crime, there is significant benefit in having a large jurisdiction that has a substantial criminal intelligence unit and the ability to deploy large numbers of officers. This is particularly evident in the area of economic crime (fraud, embezzlement, large scale auto theft operations) that in the long run effect the economic vitality of the region as a whole.

- Manpower Capacity: Certain events, such as a large-sale natural disaster or civil disturbance, or a major incident such as a plane crash, require the coordinated deployment of officers with comparable training and equipment. Without extensive inter-jurisdictional cooperation among several large departments and inter-local agreements providing for a clear command structure and common training for such events there could be a diminished capacity to respond.

  In addition, the capacity to accomplish the kind of large-scale inter-jurisdictional and interagency coordination that is required to deal with major events of countywide significance, such as a summit or national political convention, would be diminished. (Appendix 9 is a brief synopsis of the planning and coordination involved in the providing law enforcement for the Summit of the Americas. Similar arrangements would be

required for any major event such as a national political convention or, on a smaller scale, visits by major elected officials.)

All of these disadvantages are especially acute under **Scenario C** (multiple small incorporations with the potential of a small residual unincorporated area).

Small jurisdictions typically provide local patrol and response with little or no investigative capacity. Under this scenario, it is likely that many specialized and investigative functions would be lost and adequate basic law enforcement could not be assured.

Under **Scenario D** (continued incremental incorporation with a gradually diminishing unincorporated area), the extent of - and the pace at which - these disadvantages would become apparent would depend on the number and characteristics of any new cities that are approved and the size and configuration of the remaining unincorporated area.

- Approval of incorporations that have a negative fiscal impact on the UMSA budget, will require additional millage (both UMSA and Countywide) to fund the level of services that currently exist.

- To the extent that any new city by virtue of its boundaries takes with it a balance of revenues and expenditures, the impact on law enforcement services would be more gradual and would depend on the size and configuration of the remaining unincorporated service area. For example, if future incorporations were to create large several but non adjacent and distant unincorporated areas, the cost of service delivery to those areas would increase.

- Finally, at a certain point, the continued erosion of the department would be such that the department would no longer have the capacity to staff for and provide specialized services.

  It is difficult to predict the point at which that capacity would be lost.

B. MODEL 2. SHERIFFS' SERVICES, CRIME LAB, JUVENILE ASSESSMENT CENTER, CENTRAL RECORDS AND COMMUNICATION

1. What services would be provided countywide?

Court Services
Warrants
Crime Lab
Juvenile Assessment center
Communications - 911
Central Records (Criminal History and Subject Identification)

2. How would services be funded?

Countywide taxes
JAC - Countywide taxes and/or joint financing by the cities

3. What is the current cost of these services (FY 98-99)?

$49,537,000

4. What services would no longer be provided countywide or to cities?

All other services, including
- Aviation
- Central Investigations
- Economic Crime Bureau
- Homicide and Crime Scene
- Sex Crime Investigation
- Domestic Crime Investigation
- General Investigation (including burglary, larceny, assault and auto theft)
- Narcotics
- Criminal Intelligence
- Robbery
- Special Patrol
- Tactical (SRT)
- Aviation - helicopter
- Underwater recovery
- Training

Local Patrol in UMSA would become the responsibility of a new UMSA-only police department)

5. What is the cost of these services (FY 98-99)?

$291,238,000

6. Fiscal Issues

- There would be some decrease in countywide service obligations. The countywide obligation would be at a level below the FY 98-99 level thus the countywide millage could be reduced.

- Existing and new municipalities would be required to self-finance and provide all services no longer provided by MDPD. The current cost for provision of these serves to existing municipalities is about $5.6 million.

- Smaller cities, and in particular those cities with high service needs that are not currently providing these services, would be at a serious fiscal disadvantage.

- If there were no future incorporations and all specialized services not provided countywide were absorbed in a new UMSA Police Department, UMSA police expenditures would have to be increased to cover the $20 million additional expense. There is millage capacity in UMSA to do so.

INCORPORATION SCENARIOS

Advantages:

In addition to the advantages described under Model 1, under any incorporation scenario this model would have the following added advantages:

Retention of a countywide 911 system would assure a stable, countywide police call system. The retention of the current 911 system would be especially advantageous for existing and new cities that may not be able to afford independent communications systems.

The County would also retain the capacity to maintain centralized record controls for such matters as criminal history and subject identification.

The JAC is a countywide function designed to serve the needs of juveniles that are arrested in any jurisdiction by providing for quicker processing and appropriate referrals to social services and to enable officers to return to duty faster than would otherwise be the case. This is particularly important for smaller police departments.

Disadvantages

All of the disadvantages described above for Model 1 under each scenario apply to this model.

C. MODEL 3: SHERIFF'S MANDATED SERVES, CRIME LAB, LIMITED CENTRAL SERVICES, AND SPECIALIZED SERVICES.

1. What services would be provided countywide?

Court Services
Warrants
Crime Lab
911
Juvenile Assessment Center
Central Records
Central Investigations
Economic Crime Bureau
Homicide and Crime Scene
Sex Crime Investigation
Domestic Crime Investigation
Narcotics
Criminal Intelligence
Robbery
Special Patrol
Tactical (SRT)
Aviation - helicopter
Marine Patrol
Training

2. How would services be funded?

Countywide Taxes

3. What is the current cost of these services (FY 98-99)?

The total cost of these services countywide is unknown.

Total countywide expenditures for these services include both MDPD allocations for these services and part of the allocations of each of municipal police departments that provides some of these services.

The current Miami-Dade County cost is $138,589,000. The cost of providing all of these services to all municipalities (for example homicide in the City of Miami) would be considerably higher.

4. What services would no longer be provided to municipalities?

None. All currently available services would be provided to municipalities.

double taxation

Individual cities that currently provide a service could elect to duplicate the service or discontinue it.

5. What is the cost of these services (FY 98-99)?

   NA

6. Fiscal

- The countywide millage would have to be increased. If, for example, the total cost of these services were to increase to $116,600,000 - a reasonable estimate - the increase in county wide millage would be about .5 mills.

  This increase could be accommodated under the current millage cap, but would severely limit remaining millage capacity and reduce or eliminate any budget flexibility to deal with future countywide contingencies in law enforcement or other services.

- Those cities that currently provide these services could reduce their police budgets and potentially lower municipal millage. Alternatively, they could elect to enhance or duplicate a particular service.

- The UMSA police budget for a new UMSA police department could be reduced by the amount shifted to the countywide budget. That could represent more than one mill of UMSA property tax.

INCORPORATION SCENARIOS

Advantages

Under any incorporation scenario **(A, B, C or D)**, there would be some clear advantages to consolidating all special services in the Miami-Dade Police Department.

- With respect to special investigations, provision by a single department would assure some level of consistency in investigation and forensic protocols that could enhance success in both uncovering and prosecuting criminal activity. Uniform training and standards in the provision of these services and Countywide coverage and perspective could enhance public safety in the region as a whole.

- In individual cities that are currently providing these services and in UMSA, tax payers could see a reduction in municipal millage or an enhancement in other services.

- This model would assure both that special services would be available to all jurisdictions. including the jurisdictions that do not currently provide them. and that the cost of those services would be shared countywide.

Disadvantages

Under any incorporation scenario, there would be some disadvantages to this model.

- To the extent that any existing city is currently providing a service, such as homicide investigation, the loss of that function would affect the staff and organization of that city's police department. If the city opted to continue to provide the function, the cost would be redundant and confusion over jurisdictions could occur.

- In addition, given the 10 mill cap on countywide taxes, there would be a substantial decrease in the County's flexibility to enhance law enforcement or any other countywide services or to plan for unforeseen contingencies that may require countywide taxes.

D. MODEL 4 - CONSOLIDATED POLICE SERVICES

1. What services would be provided countywide?

Court Services
Warrants
Crime Lab
911
Juvenile Assessment Center
Central Records
Central Investigations
Economic Crime Bureau
Homicide and Crime Scene
Sex Crime Investigation
Domestic Crime Investigation
General Investigation (including burglary, larceny, assault and auto theft)
Narcotics
Criminal Intelligence
Robbery
Special Patrol
Tactical (SRT)
Aviation - helicopter
Underwater recovery
Training
All Local patrol and all other local police functions throughout the County

2. How would services be funded?

Countywide Taxes

3. What is the current cost of these services (FY 98-99)?

Unknown

The FIU study reported that for FY 94/95 the aggregate police expenditures for the then 27 municipalities in Miami-Dade County totaled approximately $209 million. This is over 2/3 of the current MDPD budget of $340,775,000.

It is not possible without a very detailed analysis of the police department budgets of all of the existing cities to evaluate what costs could be reduced (e.g., administrative costs) and what costs would be increased (e.g., to provide comparable salaries and benefits to all personnel). However, it is safe to say that the additional cost would be significant - and could almost double the current MDPD budget.

4. What services would no longer be provided countywide?

None

5. What is the cost of these services (FY 98-99)?

Unknown

7. Fiscal implications

- To absorb the total cost of a consolidated police department (similar to the Metro Toronto Police Department) in countywide taxes would exceed the 10 mill cap.

- Existing cities could reduce their municipal budgets by the amount required to fund their police departments.

- If the UMSA budget no longer included any law enforcement costs, the UMSA millage could be substantially reduced.

INCORPORATION SCENARIOS

Advantages

As with Model Three, there would be some advantages to total consolidation under any incorporation scenario.

- With respect to special investigations, a single department would assure some level of consistency in investigation and forensic protocols that could enhance success in both uncovering and prosecuting criminal activity.

- Uniform training and standards in the provision of all law enforcement services and a countywide coverage and perspective could enhance public safety in the region as a whole.

- Providing police patrol countywide could reduce existing disparities in law enforcement and could enhance existing service and response time in some existing municipalities.

- For individual cities that are currently self-providing these services and for UMSA, tax payers could see a reduction in municipal millage or an enhancement in other services.

- This model, as the previous model, would also assure that special services would be available to all jurisdictions, including the jurisdictions that do not currently self-provide them and that the cost of those services would be shared countywide.

- This model would ensure the size and capacity of a large countywide department.

A fully consolidated department, would have the greatest benefit under scenarios C and D.

Disadvantages

Under any incorporation scenario, however, there are significant obstacles to and disadvantages of this model.

- The administration and coordination of such a large department could prove difficult.
- To the extent that any existing or new jurisdiction may currently, or in the future, choose to continue to provide a service, there would be a cost to duplicate the service.
- For existing municipalities, there would be a loss of local authority and control and in some instances response time could be degraded.
- Most significantly, the total cost of a consolidated police department in countywide taxes could not be absorbed under the countywide 10-mill cap without serious reductions in other countywide services.
- This would leave the County without any flexibility to enhance countywide services such as social services, transit or traffic signal coordination or to plan for unforeseen contingencies that may require countywide taxes.

E. SUMMARY OF MODELS

It is apparent that the need to create a separate police district for special services varies considerably depending on the combination of service model and incorporation scenario. It is also clear that any transition from the current structure will not be easy.

Model A

If only those services considered under Model A (sheriff's services and the crime lab) were provided countywide, the need for a special district would be most acute under incorporation Scenario Three - many small incorporations.

Currently many municipalities do not provide a full range of law enforcement services and many would not have the capacity to do so. If the County were to be comprised of upwards of 60 independent cities with 60 independent police jurisdictions and there were no large agency able to provide specialized services on a countywide basis, general public safety would be put at risk. Under this conditions, there would clearly be a need to develop alternative means of funding and providing such services.

On the other hand, if there were to be one large new city established in the unincorporated area through a combination of limited annexation and total incorporation of the remaining unincorporated area (Scenario One), the large municipal police department of that new city would likely have the capacity to provide specialized services, at least within its own jurisdiction, and could potentially - through contracts - provide some services to other jurisdictions. The actual nature and scope of the new city's police department would be a function of the policy and financial decisions of the governing body of that jurisdiction.

Under this scenario, smaller cities that currently depend on MDPD for services to which they are now entitled under the "split" of countywide and UMSA funding would be at a serious disadvantage. Those cities' municipal budgets would have to absorb the full cost of these services - either by adding services to their own department or by funding a contractual arrangement with the new large city. It is also unclear who would provide specialized law enforcement services to those cities that need it but have not contracted for it with another jurisdiction.

Under Model A/Scenario Two (countywide provision of sheriff's services and the creation of several medium sized cities) many law enforcement functions could be provided such as are currently provided by the City of Miami.

It is likely, however, that certain very expensive services, such as the police helicopter and the full range of canine and SWAT services, would be lost unless some other arrangement were made to fund them.

Model A/Scenario Four (incremental incorporation with a gradually diminishing unincorporated area) presents the least immediate threat of a loss of specialized services. However, at some point, and it is not possible to clearly predict when, staffing levels of MDPD would be seriously eroded and it would not be possible, without significant increases on the countywide side of the MDPD budget to retain those services.

Model B

Model B, (provision of sheriff's services and limited central services) under any incorporation scenario, would provide some assurance that certain minimal central functions could be performed. As with Model A, the need for some kind of a district to ensure and provide coordinated specialized law enforcement would be most acute under Scenario Three.

Model C

Model C, (provision of all specialized services), would assure that under any incorporation scenario specialized services would continue to be available throughout Miami-Dade County. The question of funding those services through the countywide budget, however, is currently problematic.

To the extent that this model cannot be accommodated under the countywide 10 mill cap without seriously eroding the County's capacity to perform other countywide functions, alternative funding mechanisms such as long term contracts and or a special or general purpose district would be required.

Model D

Model D. the consolidated provision of all law enforcement services by one countywide department, would eliminate the need for a separate agency to provide special services under any incorporation scenario.

Like Model C. this model cannot be funded under the current millage cap without seriously reducing the county's capacity to provide other needed countywide services and, as with Model C, alternative funding mechanisms would be required.

This model would also require existing municipalities to give up control over their local police departments -- an option that most, if not all, municipalities would strongly resist.

VI. CONCLUSIONS AND POLICY OPTIONS

The Miami-Dade Police Department, under its current operational and funding structure, is a department of which we can all be proud. The quality of the specialized law enforcement services provided by the department are widely recognized and the fact that few cities, even those that could afford to do so, have expressed any interest in duplicating these services is a testament to the Department.

Funding for these services, however, is and, under the current system, will continue to be problematic. It is also abundantly clear, however, that the County cannot afford to be without these services or to allow them to gradually diminish in the face of future incorporations.

Most proponents of incorporation speak of wanting only the "bread and butter" local law enforcement services. These include more frequent and visible local patrol, more community policing programs and quicker response time for all events - even non-emergency events in which rapid response is more a matter of reassurance than crime prevention.

Although the Board could pursue the creation of a special district to fund all or some of the specialized police services currently provided, any currently available approach has substantial obstacles and drawbacks.

Given the range of obstacles identified, the following are a set of options for approaches to providing law enforcement services in Miami-Dade County.

A. Countywide Sheriffs and Specialized Services with Regulated Local-Municipal Services and MDPD Contracting

On balance, the option that may be both the most feasible and the most likely to ensure that quality law enforcement is available - in all jurisdictions - would involve having specialized services retained by MDPD by providing them countywide under the countywide millage while allowing municipalities (new or existing) the ability to provide truly local law enforcement either through self-provision or through contracts. This option will require considerable discussion with existing municipalities regarding the potential argument of double taxation.

To the extent that the Board could create the capacity within the Countywide millage to accommodate an appropriate range of specialized services, the continuance of the specialized services would be assured. Potential vehicles to achieve that capacity are:

- Adoption of a non-advalorem assessment method of financing the Fire and Rescue District.
- Adoption of a transit sales tax.
- Realizing the Revision Seven court funding relief.

In addition, by establishing clearly countywide funding for these services, the Board would remove a significant disincentive for new or existing cities to contract with Miami-Dade for truly local law enforcement services.

At present, if the Board were to pursue a strategy allowing MDPD to contract for law enforcement services, the Department must charge for the full range of both local and split services in order to fully capture the cost of special services. Any new or existing city that believes it can count on MDPD to provide specialized services, can, to the extent its fiscal capacity allows, provide local-patrol, enhanced response times and traffic enforcement at a lower rate than would be charged by MDPD. By separating clearly funding for local and specialized services, MDPD could compete on price as well as on quality for local municipal law enforcement functions.

Providing MDPD with the capacity to enter into long-term contracts with new and existing municipalities would also address the issue of having a large force that could, in specific emergencies, be called on to mobilize under a single command structure and would provide a pool of law enforcement officers with comparable training and experience eligible for assignment to specialized units.

Minimum standards could be developed both to assure that an adequate level of local law enforcement services are provided in both UMSA and in the municipalities (either through independent departments or through contracts) and to better structure contracts for services that individual municipalities could enter into with MDPD.

If the Board concurs with this option and additional capacity is available in the countywide millage, the transition to this structure, including the delineation and cost analysis of precisely which services will be provided countywide can be begun and be accomplished within two to three budget cycles.

It would be advisable for the Board to allow the County Manager to obtain the services of a nationally recognized auditing and management consulting firm to help establish the minimum standards and a contract price structure. This firm could working with the Miami-Dade League of Cities and others, to define minimum standards for local law enforcement, including such measures as the ratio of law enforcement officers to population adjusted for density and reported crime, personnel screening and training requirements, and other standards as desired.

This approach would not require legislative approval and would not require either voter or municipal governing body approval. It will, however, require considerable discussion and consensus building with the existing municipalities, their governing bodies, managers and police chiefs.

B. Other Alternatives

Should the Board not create or have available the capacity required to accommodate a full range of specialized services under the countywide millage cap by the methods described above, there are three remaining options.

1. Retain the current structure

To some extent this is clearly the easiest option. If:

- the Board does not approve any future incorporations, or,
- if any future incorporations are small and service neutral in their impact on MDPD; or,
- if only one or two very large new cities are created with significant capacity to provide specialized services,

this approach could be sustained for the foreseeable future.

As described in Section 1, however, a number of risks that, even under a low incorporation scenario, would remain. This option would require no further implementation steps but would depend wholly on the incorporation policy adopted by the Board.

2. Pursue state legislation to enable the creation of an independent special police services district similar to a Mental Health District.

This would require establishing a clear definition of what services the district would perform and making the issue a key part of the county's legislative agenda.

If enabling legislation were adopted at the state level, the risks and benefits of having an independent governing board for such a district would require serious deliberation. In addition, achieving local support and consensus is critical to this choice because it would require approval by county voters. This approach would also require considerable discussion and consensus building with the governing bodies, managers and police chiefs of the existing municipalities

3. Transfer a limited number of specialized services to the countywide budget; establish a contracting structure for other specialized services; and establish a contracting structure for local services.

If the Board were to shift only some of the specialized services (e.g., canine, helicopter/avaiation, economic crimes, bomb squad, etc.) to the Countywide millage, leaving others (e.g., homicide, narcotics, etc.) wholly within the UMSA budget, the Board could direct that MDPD establish a contracting structure for a two tiered set of services:

- local patrol and general investigation; and
- specialized, but not countywide, services such as homicide and sexual battery.

Local patrol and general investigation would be provided to UMSA through the UMSA budget and would be available by contract to cities.

For the second tier of services, specialized but not countywide, a price structure that assured the availability of these services to those cities that enter into contracts for the service could be established. That price structure could be a per-capita figure adjusted for density and historical levels of activity.

Under this option, UMSA would contract with MDPD for these services and both new and existing cities would be able to contract with MDPD, or another agency, for these services and pay for them from local revenues. However, those cities who do not enter into contracts, would not be able to receive the service. This would be a difficult policy decision and public safety could be put in jeopardy.

If this, or any variation of a contracting approach is taken, it is advisable for the Commission to authorize the Manager to obtain the services of a nationally recognized auditing and management consulting firm to help establish the contract price structure.

A transition to this structure could be expected to take up to three years.

Appendix IV

White Paper: "Sustainable Areas" Concept
Mayor Alex Penelas
March 9, 1998

Introduction

For almost twenty years, the issue of incorporation has commanded the attention of Metropolitan Miami-Dade County government to varying degrees. From the 1978 Touche Ross & Co. Report on a Review of Two-Tier Government in Miami-Dade County to the 1997 Final Report of the Revenue Sharing Task Force, much of the public's time and fiscal resources have been engaged in this discussion. Over the last four years, however, the issue has taken on a sense of urgency as more and more areas within Miami-Dade County have sought to incorporate. This issue has remained on the table in part because we, as elected officials, have been grappling with challenging questions regarding the effect of the incorporation movement and the viability of the remaining Unincorporated Municipal Service Area. Our sense of fairness and justice has required us to pause to consider alternatives. I believe that pause has been well utilized and significant proposals have been developed as a result.

Having gone through the budget process for FY1997-1998 in excruciating detail, and for the first time as Mayor, there is no secret about the effect piecemeal incorporations have had and will have on the UMSA budget. Based upon that effect, I cannot overemphasize the compelling need to adopt a strategy for incorporation which will balance the desire to incorporate with the need to have fiscally viable service areas in UMSA.

Action of the Board of County Commissioners

The Board of County Commissioners has adopted a resolution expressing the intent to get out of the municipal services business by 2007. Although I continue to wholeheartedly support the concept of fully transitioning from a dual regional and municipal services government, I am somewhat concerned about adopting the deadline of the year 2007 by which to achieve this result.

The Board is considering several options to transition to an exclusively regional body such as (1) creating the City of UMSA and (2) creating three cities of 400,000 residents. As it relates to these options, I do not believe creation of the City of UMSA is the appropriate method to transition out of the municipal services business. Creating such a city, of 1.1 million residents, would be nothing more than retaining the status quo under a different name and simply "punting" our UMSA problems to another governmental entity as a step to additional incorporations. We know that "the size, shape, boundaries and composition of municipalities can affect their viability . . . cities of 100,000 to 150,000 are the most efficient and those comprised of functional neighborhood units are the most effective."[1] As a result, I likewise oppose the creation of three cities of 400,000 residents.

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[1]Memo dated November 4, 1994 re: Issues Related to Incorporation by Guillermo Olmedillo, p. 9.

Although I agree that new cities could be created, I consider it premature to decide upon how many cities are needed to create an optimal situation for the residents of Miami-Dade County. Further, the substantive effect of deciding now whether to (1) create one city of 1.1 million or three cities of 400,000 and (2) transition to an exclusively regional body by 2007 is to completely disenfranchise UMSA residents since their right to vote to remain in UMSA would be eliminated.

Sustainable Areas

In lieu of retaining the status quo or prematurely deciding upon the number of new cities to create now, I propose the creation of "Sustainable Areas." Through careful fiscal and service delivery analysis, Sustainable Areas in UMSA would be developed and residents in each Sustainable Area would have the opportunity to vote on creating a Sustainable City or remaining in UMSA as a Sustainable Area. Under this concept, a Sustainable Area is:

(1) fiscally self-sufficient - able to adequately provide for municipal services;
(2) designed so that the geographic boundaries respect existing functional neighborhood units; and
(3) revenue neutral in its effect on the UMSA budget - the cost of providing a certain level of services to a Sustainable Area is closely balanced with the revenue that is generated by that area.

Under the Sustainable Area concept, the analysis of proposed incorporations and annexations is identical: the most critical question to address is whether a proposed incorporation or annexation is revenue neutral in its effect on the UMSA budget. For example, as it relates to annexations, a municipality seeking to annex an area of UMSA south of its borders which, according to the proposed boundaries, does not meet the revenue neutral criterion would have two options: (1) expand the proposed boundaries until revenue neutrality is reached; or (2) simultaneously annex another area, perhaps north of its boundaries, which, when taken together with the non-Sustainable area to the south, achieves revenue neutrality.

I must emphasize that the process of incorporating Sustainable Areas is an evolving one: based upon community sentiment, certain areas may be unwilling to leave UMSA. Accordingly, under this proposal, the timing of incorporations would not be a significant issue, since, even if a new Sustainable City were created, the remaining areas in UMSA would be similarly fiscally self-sufficient Sustainable Areas. Further, the timing of annexations would likewise not be a significant issue because, under the Sustainable Area concept, I would support only those annexations which are fiscally neutral in their effect on UMSA. Annexations cannot be used to "cherry pick" only the wealthy pockets while jeopardizing the fiscal health of the remainder of UMSA.

The benefits of creating Sustainable Areas are many: (1) the needs of areas seeking incorporation are balanced with the needs of areas remaining in UMSA; (2) remaining areas in UMSA will be self-sufficient; (3) fiscal disparity between existing UMSA areas and areas seeking to incorporate out of UMSA will be curtailed; (4) economic, social and land use diversity will be encouraged; (5) the need for revenue sharing is eliminated; and (6) the right of UMSA residents to vote on their

future is not limited. Creating Sustainable Areas is a responsible method of proceeding with incorporation that achieves the need for self determination, while not leaving poorer communities behind as incorporation moves forward.

Public Participation

For at least four reasons, moving forward with a ballot question in November regarding the number of cities to create is premature: (1) first and foremost, presenting the voters with a choice of one, two or three cities is a top-down, disenfranchising approach; (2) concrete, detailed fiscal and service delivery analysis must be available prior to making such a decision; (3) the police district study will not be available until July, 1998; and (4) a major policy change of this nature demands that the public is given ample time to comprehend and be involved in the process to develop solutions for the issue.

It is critical to our ongoing community discussion and, ultimately, final resolution of the incorporation issue that public participation is paramount. Citizens must not be disenfranchised, they must have a critical role in determining not only the boundaries of Sustainable Areas, but also the timing of incorporating them, or not, as well. As a result, I encourage a process of open, community wide discussion and support the participation of a professional facilitator to lead the community discussions, similar to the process used in the Empowerment Zone application development process.

Exceptions to the Sustainable Area Policy, Existing Incorporation Petitions and Enclave Areas

There remains the challenge of dealing with exceptions to the Sustainable Area policy as well as addressing the existing petitions of Miami Lakes, Doral and Palmetto Bay. [2] My first preference for incorporations and annexations is that the boundaries are such as to meet the criteria of a Sustainable Area. However, if future incorporation and annexation applications do not meet the Sustainable Area criteria and the applicants are unwilling to adjust the boundaries, then the Sustainable Area policy should only be waived if a revenue sharing plan is adopted.

For the limited cases of Miami Lakes, Doral and Palmetto Bay, I would prefer to amend their boundaries to meet the criteria of a Sustainable Area. If there is no agreement regarding boundary adjustment, I would be willing to allow these three areas to move forward with existing boundaries only if the Board of County Commissioners simultaneously adopts definite Sustainable Area standards that would apply to all future incorporations and also adopts the policy that these three petitions will be the last of the piecemeal incorporations.

Conclusion

On the eve of the twenty-first century, we are at another crossroads in the history of Miami-Dade County. The decisions made regarding incorporation are and will continue to be, in my opinion, the most significant decisions that have faced Miami-Dade County government since its inception. It is incumbent upon us all to move forward with a spirit of cooperation, recognizing that we will disagree but committing to addressing our disagreements in an agreeable manner. As never before,

[2]These three areas submitted incorporation petitions prior to the institution of the moratorium.

civic-mindedness is a necessity: the futures of Miami-Dade County, UMSA and the thirty municipalities comprising our region are impacted by and inextricably linked to one another. Just as we focus on regional economic development, we must likewise focus on regional sustainability.