



To: Honorable Chairperson Barbara Carey-Shuler, Ed.D. **Date:** July 27, 2004
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Supplemental
Analysis to Agenda Item
No. 4A

This supplemental information is provided to address the direction given by the Board with regard to the Cutler Ridge incorporation item at the July 13, 2004 Board of County Commissioners meeting. This supplemental contains a fiscal impact analysis for the proposed revised boundaries for the Cutler Ridge proposed incorporation area, as agreed to by the Goulds and Cutler Ridge representatives through the Florida Conflict Resolution Consortium (FCRC) process. Additionally, revised demographic and police information is included in this report.

The County Code, Section 20-23(b) and Section 20-30(b) contain a set of guidelines that the Boundaries Commission, the Planning Advisory Board, and the County Commission are to consider in developing their recommendations and actions on incorporation proposal. These guidelines were developed with the intent of assuring both that the proposed new city is fiscally viable and that the potential negative impact of the creation of the new city on the remaining Unincorporated Municipal Service Area (UMSA) is minimized.

FISCAL IMPACT

The analysis was conducted using the appropriate allocation methodologies to estimate the revenues and expenses for the proposed incorporation area of Cutler Ridge. It is estimated that the incorporation of this area will result in the loss of approximately \$8.26 million in Unincorporated Municipal Service Area (UMSA) revenues and the reduction of approximately \$9.85 million in UMSA expenses, for a net gain of approximately \$1.59 million. This means that the County currently spends approximately \$1.59 million more in the proposed incorporation area than it collects in revenue from the area. The incorporation of this recipient area will not have an adverse affect to the remaining UMSA and in fact will result in a net gain. If this area incorporates it will be up to city officials to determine how to bridge this \$1.59 million gap of excess expenditures over revenues by either seeking additional revenue sources or reducing expenditures. The original Impact to UMSA Analysis conducted by Office Business Management (OSBM) for the original boundaries only contemplated a difference of \$331,297.

The figures listed below in the *Cutler Ridge Area Estimated Revenue and Expense Impact to UMSA* analysis reflect changes for the 2003 – 2004 fiscal year and reflect the use of ratios and assumptions based on the adopted budget for each support function to the total direct services budget, which included Police, Public Works and Parks. The assumptions do not include gas tax funded projects, canal maintenance revenues or expenses, proprietary activities such as building, zoning, and solid waste, and fire and library districts. The revenues and expenditures are based on allocations and not on actuals.

The Miami-Dade Police Department (MDPD) conducted additional analysis to estimate the cost of local patrol and specialized police services for the revised incorporation area boundaries. The estimated cost for local patrol police services are \$5,288,500. The cost estimates are determined by applying an average cost for each position both sworn and non-sworn with the inclusion of an overhead rate. The above cost estimates are for the minimum recommended staffing levels. Any reduction thereof will not be acceptable to provide safe operation for both the citizens and the officers servicing the area. If this area should incorporate the municipal government will have the ability to contract with the county for a level of service greater than the minimum for an additional cost.

Police Analysis

The estimate for specialized police services for the revised boundaries is \$1,615,740 when a credit for a portion of countywide taxes paid, approximately \$288,490, is applied. The estimated total cost is \$1,327,250. The cost is determined by utilizing a three year rolling average based on workload and availability with the inclusion of an overhead cost. Comparatively, the OSBM estimated the cost for police services based on approximately \$250 cost per police call in the area with 79-percent attributable to local patrol and 21-percent attributable to specialized police. These assumptions are based on a total of 28,864 calls for 2003 produced an estimated cost of \$5,711,745 for local patrol services and \$1,518,312 for specialized police services. This analysis is conducted by OSBM in order to estimate the potential impact to the remaining UMSA area by using the cost per call method. The difference between the OSBM estimates for police, utilized for fiscal analysis purposes and the estimated costs provided by MDPD for first year operating expenses are \$423,245 for local patrol and \$191,062 for specialized services respectively.

Based on FY 03-04 Budget	Assumptions	
2003 Taxable Property Rolls		\$1,124,720,302
2000 Census Population		30,315
2003-04 UMSA Millage		2,447
Police Calls for Service for 2003		28,864
Cost per Police Call		\$250
Cost per Lane Mile		\$1,123
Number of Lane Miles		162.74
Per Capita Taxable Value		\$37,101
Gross Revenue Loss to UMSA		
Property Tax Revenue	<i>Allocation based on tax roll & millage</i>	\$2,615,000
Franchise Fees	<i>Allocation based on tax roll/population</i>	\$833,000
Sales Tax	<i>Allocation based on \$49.73 per person</i>	\$1,508,000
Utility Taxes	<i>Allocation based on tax roll/population</i>	\$1,646,000
Communications Tax	<i>Allocated based on tax roll/population</i>	\$1,324,000
Alcoholic Beverage License	<i>Allocation based on \$0.22 per person</i>	\$7,000
Occupational License	<i>Allocation based on \$3.23 per person</i>	\$98,000
Fines and Forfeitures	<i>Allocation based on \$5.24 per person</i>	\$159,000
Interest	<i>Allocation based on .53% of all revenues</i>	\$44,000
Miscellaneous Revenues	<i>Allocation based on \$0.81 per person</i>	\$25,000
Gross Revenue to UMSA		\$8,259,000
Cost of Providing UMSA Services		
Police Department	<i>Based on police calls</i>	
	<i>Local Patrol</i>	\$5,711,745
	<i>Specialized & Other</i>	\$1,518,312
Parks and Recreation Dept	<i>Based on cost of parks</i>	\$833,400
Public Works		
Lane Road Miles	<i>Lane miles times cost per lane mile</i>	\$182,757
Planning, Team Metro and others	<i>Direct cost times 9.3%</i>	\$766,898
QNIP (Debt and pay-as you-go)	<i>Utility Taxes as a % of debt service 13%</i>	\$213,980
Policy Formulation/Internal Support	<i>Direct cost times 7.5%</i>	\$618,466
Cost of Providing UMSA Services		\$9,845,559
Net Gain to County		\$1,586,559
Assumptions:		
1. Does not include gas tax funded projects		
2. Does not include canal maintenance revenues or expenses		
3. Does not include proprietary activities: Building, Zoning, Solid Waste		
4. Does not include Fire and Library Districts		
5. Revenues are based on allocations not actuals		

Profile of the Area

The estimated 2000 population of the area is 30,315 persons. Table 1 reports selected demographic characteristics of the area which changed with the revised boundaries. The population of the Cutler Ridge area is predominantly comprised of white, non-Hispanic and Hispanic residents.

Table 1
Social and Economic Characteristics

	Cutler Ridge Area	Miami-Dade
<u>Population Characteristics, 2000</u>	30,315	2,253,362
Percent White, Not Hispanic	45.6	20.7
Percent Black, Not Hispanic	12.0	19.0
Percent Other, Not Hispanic	4.6	3.0
Percent Hispanic Origin	37.7	57.3
<u>Income</u>		
Wtd Median Household Income	\$47,426	\$35,966
Per-capita Income	\$19,229	\$18,497
<u>Housing</u>		
Percent Owner Occupied	68.2	57.8
Percent Single Unit detached	70.0	42.7

Source: U.S. Census Bureau, Census 2000 Summary File 1 and Summary File 3. Miami-Dade County, Department of Planning & Zoning, 2004.

Table 2, provides additional demographic information with modifications to the boundaries only resulting in changes to Census Tract 106.07 increasing by 160 residents.

Table 2
Population By Race and Hispanic Origin
Miami-Dade County, 2000

Tract	Total Persons	White Not Hispanic	Black Not Hispanic	Other Not Hispanic	Hispanic Origin Any Race
82.04 (p)	216	34	10	14	158
106.02 (p)	0	0	0	0	0
106.04	5,097	3,223	397	198	1,279
106.05 (p)	11,464	4,756	1,510	552	4,646
106.06	6,379	3,065	795	306	2,213
106.07(p)	7,159	2,759	939	326	3,135
Total:	30,315	13,837	3,651	1,396	11,431
Percent:	100%	46%	12%	5%	38%

Source: U.S. Census Bureau, Census 2000 Summary File 1, Miami-Dade County, Department of Planning and Zoning, 2003.

Note: (p) denotes partial Census Tract represented.

Development Profile of the Area

Table 3 reports the 2000 land use profile of the area. Almost one-third of the proposed incorporation area is residential with about 7-percent in commercial or agricultural land uses.

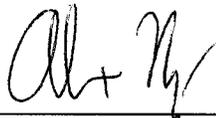
4

Table 3
Land Use in New Curler Ridge Study Area, 2003

Land Use	Acres	Percentage
Residential	2,046.7	31.2
Commercial & Hotels /Motels	271.3	4.1
Institutional	213.6	3.3
Parks/Recreation	873.1	13.3
Transportation,Communication/Utilities/	903.9	13.8
Agriculture	167.6	2.6
Undeveloped	1,805.5	27.5
Inland Waters/Other	279.3	4.3
Total:	6,560.9	100.0

Source: Miami-Dade Department of Planning and Zoning, Research Section, July, 2004

Attachment



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