

# Memorandum



Date:

November 6, 2007

Supplement to  
Agenda Item No. 12(B)3

To:

Honorable Chairman Bruno A. Barreiro  
and Members, Board of County Commissioners

From:

George M. Burgess  
County Manager

Subject:

City of North Miami Beach Annexation

The information below is provided as a supplement to the North Miami Beach annexation application item. The staff report presented to the Planning Advisory Board and attached to the North Miami Beach annexation item was developed using the FY 2006-07 budget information. The information provided below was updated based on the FY 2007-08 Final Adopted Budget. The expected tax increase in the annexation area decreased from \$1,582,000 to \$1,274,058 and the net revenue gain to the Unincorporated Municipal Service Area (UMSA) budget increased from an estimated \$770,000 to \$953,000. Additional information is also provided from Miami-Dade Water and Sewer Department.

*Handwritten page 14 should be updated as follows:*

2. The existing and projected property tax cost for the municipal-level service to the average homeowners in the area currently as unincorporated and as included as part of the annexing municipality.

The 2007 preliminary property tax value for the annexation area is \$265,378,047. At the FY 2007-08 City of North Miami Beach millage rate (6.6905 mills) and debt service millage rate (0.7889 mills) for a total millage rate of (7.4794 mills), the ad valorem revenues attributable to the annexation area would be \$1,885,625. At the FY 2007-08 UMSA millage rate (2.0416 mills) including the library millage rate of (0.3842 mills) for a total UMSA millage rate of (2.4258 mills), the ad valorem revenues attributable to the annexation area would be \$611,566. The library millage is included in the UMSA total millage because the City of North Miami Beach does not belong to the Library District. Based on the analysis, the average homeowner in the proposed annexation area would pay an additional \$516 in ad valorem taxes if the area is annexed to the City.

<b>Existing and Projected Property Tax Cost</b>		
<b>North Miami Beach Annexation Area</b>		
<b>FY 2007-08</b>		
	Millage Rate	Millage x Taxable Value
City of North Miami Beach		
Municipal Millage	7.4794	\$1,885,625
Unincorporated Area		
UMSA Millage	2.0416	
Library Millage	.3842	
Total UMSA Millage	2.4258	\$611,566
Increase	5.053	\$1,274,058

*Handwritten page 15 should be updated as follows:*

4. 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 the adjacent remaining unincorporated area.

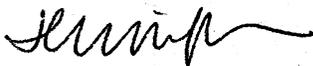
The 2007 preliminary property tax value of the annexation area is \$265,378,047. The area generates approximately \$1,051,000 in UMSA revenues. The County spends approximately \$2,004,000 per year providing services to the area. Therefore, the net revenue gain to UMSA if this annexation is approved is approximately \$953,000. The UMSA revenues and expenses are derived using various factors such as taxable values, population, number of police calls for service, cost per lane miles, and number of lane miles in the proposed area. These factors are used in conjunction with formulas to calculate estimated revenue and expense figures for the area.

Section 20-8 of the County Code allows the County to retain all franchise fees for the term of the current franchise agreement, and utility tax revenues in perpetuity, for the area if annexed. It is estimated that the County will retain approximately \$206,000 in Franchise Fees and \$292,000 in Utility Taxes.

### **Water and Sewer**

The City of North Miami Beach currently provides water service to the proposed annexation area. The City charges residents and other water service accounts in the Unincorporated Municipal Service Area (UMSA) a 25% utility surcharge. There are approximately 1,860 UMSA customers being annexed into the City of North Miami Beach. This consists of 912 residential accounts, 915 multi-unit accounts and 33 non-residential accounts. The non-residential accounts consist of commercial accounts, two schools and a synagogue.

The shopping mall located at 163 Street and any other property that has sewer in the annexation area is part of the County's sewer system and will continue to be serviced by the County. On the other hand, the water service at the shopping mall is provided by the City of North Miami Beach. The commercial businesses in the shopping mall are currently within UMSA and are currently being charged the 25% utility surcharge, after annexation takes place, the utility surcharge will not be levied.



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Jennifer Glazer-Moon  
Director, Office of Strategic Business Management