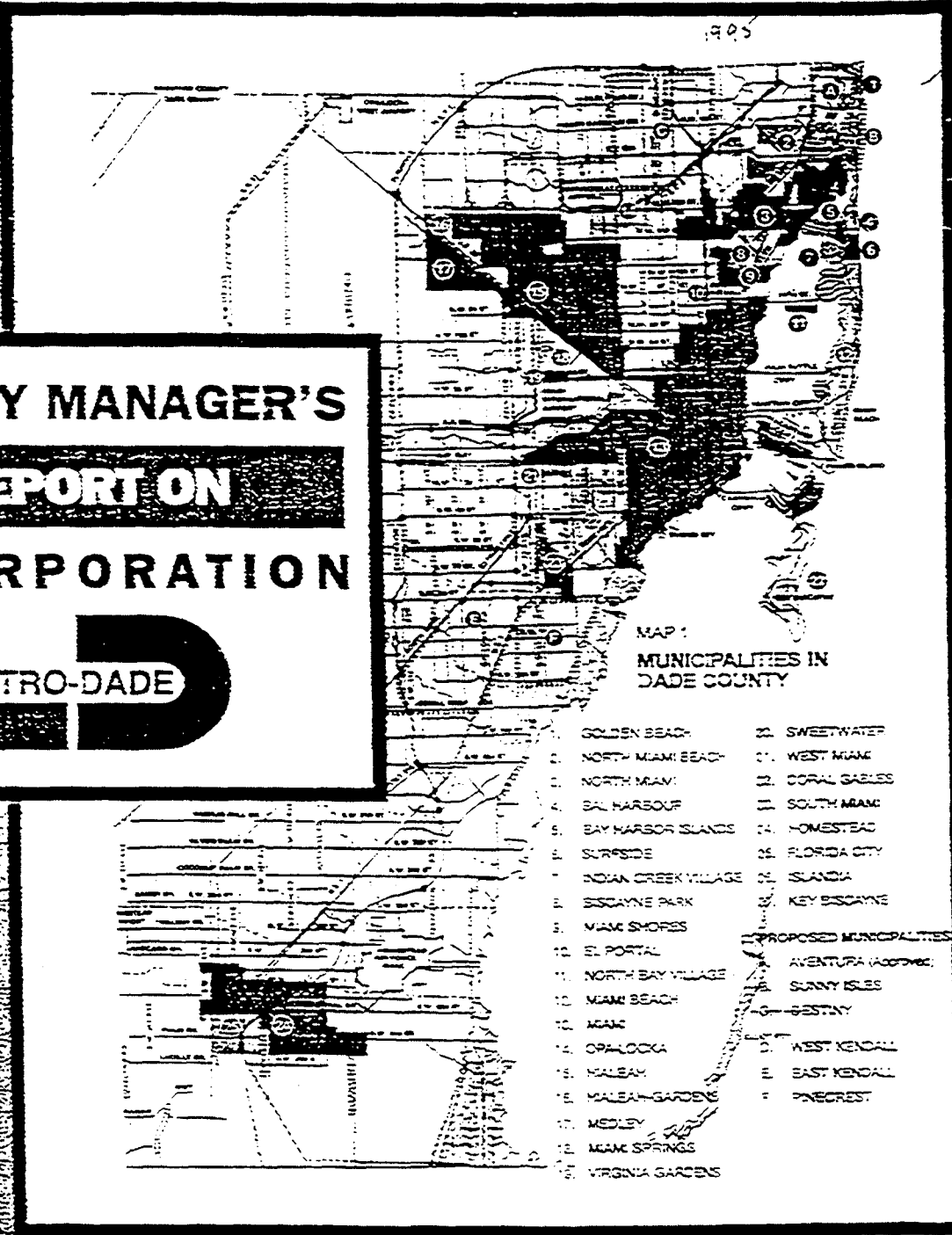


1995



**COUNTY MANAGER'S  
REPORT ON  
INCORPORATION**



MAP 1  
MUNICIPALITIES IN  
DADE COUNTY

- |                        |                                |
|------------------------|--------------------------------|
| 1. GOLDEN BEACH        | 21. SWEETWATER                 |
| 2. NORTH MIAMI BEACH   | 22. WEST MIAM                  |
| 3. NORTH MIAM          | 23. CORAL GABLES               |
| 4. BAY HARBOUR         | 24. SOUTH MIAM                 |
| 5. BAY HARBOUR ISLANDS | 25. HOMESTEAD                  |
| 6. SURFSIDE            | 26. FLORIDA CITY               |
| 7. NOIAN CREEK VILLAGE | 27. SUANOA                     |
| 8. BISCAYNE PARK       | 28. KEY BISCAYNE               |
| 9. MIAM SHORES         |                                |
| 10. EL PORTAL          | <b>PROPOSED MUNICIPALITIES</b> |
| 11. NORTH BAY VILLAGE  | 1. AVENTURA (ADOPTED)          |
| 12. MIAM BEACH         | 2. SUNKY ISLES                 |
| 13. MIAM               | 3. BOSTON                      |
| 14. OPALOGGA           | 4. WEST KENDALL                |
| 15. MALEAY             | 5. EAST KENDALL                |
| 16. MALEAY-GARDENS     | 6. PINECREST                   |
| 17. MESLEY             |                                |
| 18. MIAM SPRINGS       |                                |
| 19. VIRGINIA GARDENS   |                                |

MEMORANDUM

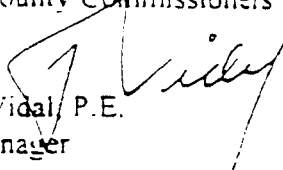
Agenda Item No. 6(a)10

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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

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The subject report and recommendation respond to the requests made at your workshop on incorporation held on November 15, 1994.

# INDEX

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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, 1995, 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:

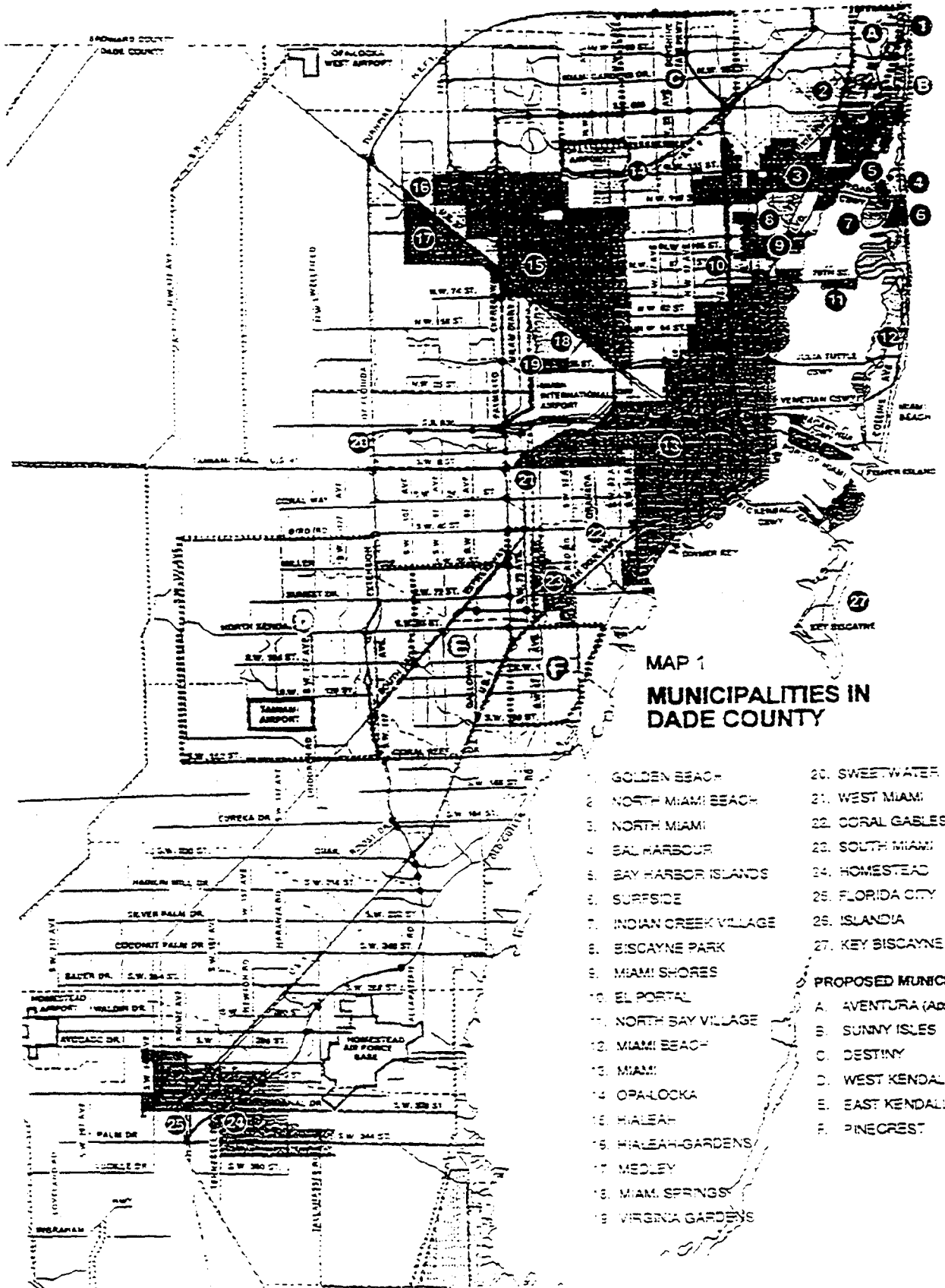
1. Incremental incorporation, into multiple cities, as provided by the recently adopted ordinance
2. Total concurrent incorporation of the unincorporated area into one or more cities
3. Total concurrent establishment of community councils in which elected officials would be delegated key local responsibilities

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.

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\* The portion of the unincorporated area designated for urban development on the County's comprehensive plan.

# CURRENT AND PROPOSED MUNICIPALITIES



MAP 1  
MUNICIPALITIES IN  
DADE COUNTY

- |                         |                                |
|-------------------------|--------------------------------|
| 1. GOLDEN BEACH         | 20. SWEETWATER                 |
| 2. NORTH MIAMI BEACH    | 21. WEST MIAMI                 |
| 3. NORTH MIAMI          | 22. CORAL GABLES               |
| 4. BAL HARBOUR          | 23. SOUTH MIAMI                |
| 5. BAY HARBOR ISLANDS   | 24. HOMESTEAD                  |
| 6. SURFSIDE             | 25. FLORIDA CITY               |
| 7. INDIAN CREEK VILLAGE | 26. ISLANDIA                   |
| 8. BISCAYNE PARK        | 27. KEY BISCAYNE               |
| 9. MIAMI SHORES         |                                |
| 10. EL PORTAL           | <b>PROPOSED MUNICIPALITIES</b> |
| 11. NORTH BAY VILLAGE   | A. AVENTURA (Approved)         |
| 12. MIAMI BEACH         | B. SUNNY ISLES                 |
| 13. MIAMI               | C. DESTINY                     |
| 14. OPA LOCKA           | D. WEST KENDALL                |
| 15. HIALEAH             | E. EAST KENDALL                |
| 16. HIALEAH-GARDENS     | F. PINECREST                   |
| 17. MEDLEY              |                                |
| 18. MIAMI SPRINGS       |                                |
| 19. VIRGINIA GARDENS    |                                |



## 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 nation's cities and counties.

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\* 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.

\* 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 area 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.

\* 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 discontinuities 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<br>Budget UMSA<br>(000) | Estimated<br>Revenue Loss<br>(000) | Net<br>Budget<br>(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<br>(000) | Estimated<br>Service Cut<br>(000) | Estimated<br>Budget Need<br>(000) | Staff<br>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<br>Budget<br>(000) | Estimated<br>Revenue Loss<br>(000) | Net<br>Revenue<br>(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<br>(000)               | Estimated<br>Service Cut<br>(000)  | Estimated<br>Budget Need<br>(000) | Staff<br>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<br>Budget<br>(000) | Estimated<br>Revenue Loss<br>(000) | Net<br>Revenue<br>(000)           |                     |
|---|-------------------------------|------------------------------------|-----------------------------------|---------------------|
| Property Tax                              | \$20,814                      | \$4,052                            | \$16,762                          |                     |
| Other                                     | 13,980                        | 0                                  | 13,980                            |                     |
| Total                                     | \$34,794                      | \$4,052                            | \$30,742                          |                     |
| Expenditure                               | Budget<br>(000)               | Estimated<br>Service Cut<br>(000)  | Estimated<br>Budget Need<br>(000) | Staff<br>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<br>(Local/Area) | Incremental<br>Incorporations | Total<br>Incorporation  |
|---|------------------------------|-------------------------------|-------------------------|
| <u>Municipal Governance</u>                                     |                              |                               |                         |
| Local accessibility, responsiveness and accountability          | Local                        | Incrementally Increased       | Fully Increased         |
| <u>Areawide Governance</u>                                      |                              |                               |                         |
| Commissions ability to focus on Countywide issues and solutions | Area                         | Incrementally Increased       | Fully Increased         |
| <u>Intergovernmental Cooperation</u>                            |                              |                               |                         |
| Ease of Coordination  | Local/Area                   | Incrementally Diminished      | Greatly Diminished      |
| <u>Planning &amp; Zoning Responsiveness</u>                     |                              |                               |                         |
| Ability to satisfy area needs                                   |                              |                               |                         |
| Local   | Local                        | Incrementally Increased       | Greatly Increased       |
| Areawide  | Area                         | Incrementally Diminished      | Greatly Diminished      |
| <u>Community Cohesiveness</u>                                   |                              |                               |                         |
| Sense of area identity  |                              |                               |                         |
| Local   | Local                        | Incrementally Increased       | Greatly Increased       |
| Areawide  | Area                         | Incrementally Diminished      | Greatly Diminished      |
| <u>Governmental Units</u>                                       |                              |                               |                         |
| Number of cities  | Area                         | Incrementally Increased       | Significantly Increased |
| <u>Cost of Government</u>                                       |                              |                               |                         |
| 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

MEMORANDUM

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 municipality 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.)<sup>1</sup>

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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<sup>1</sup>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<sup>2</sup> 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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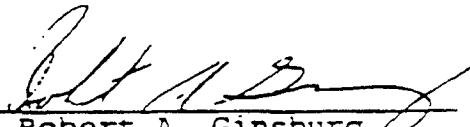
<sup>2</sup>The precise mechanism for effectuating such commitment, whether by municipal charter provision, contract, creation of a special district which survives incorporation, or otherwise, would require further legal analysis.

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.



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Robert A. Ginsburg  
County Attorney

RAG/rk  
Attachment

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### 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.<sup>1</sup>

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.

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1. This quotation and all data are from Metropolitan Council, Minneapolis, Minnesota, *Fiscal Disparities Discussion Paper* (April 10, 1991).

ATTACHMENT 2

ORDINANCE #95-78

MEMORANDUM

Amended  
Not On  
Substitute No. 2  
Alternate No. 2  
Agenda Item No. 7(B)

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To: Hon. Chairperson and Members      Date: May 2, 1995  
Board of County Commissioners

Subject: Ordinance Pertaining to  
Incorporation


From: Robert A. Ginsburg  
County Attorney

O#95-78

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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

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.

Prepared by:

RAG  
[Signature]

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 Uninc. 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%   | 43.0%    | 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%   | 43.0%    | 37.7%       | 44.9%               | 53.8%   | 48.6% | 45.9%       | 44.5%       | 33.0%        | 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%       | 27.7%   | 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%       | 29.2%               | 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 Uninc 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%        | 70.0%        | 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%       | 75.6%        | 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%        | 21.4%     |

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 Uninc Dade | Hialeah | Miami | North Miami | Miami Beach | Coral Gables | Key Biscayne | Opa Locka |
|-------------------------|--------------|--------------|-----------|-------------|---------|----------|-------------|--------------------|---------|-------|-------------|-------------|--------------|--------------|-----------|
| 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%        | 21.1%     |
| <25 thousand ideal      | 32.1%        | 32.6%        | 41.5%     | 40.7%       | 41.6%   | 42.2%    | 43.3%       | 35.6%              | 39.1%   | 25.9% | 34.7%       | 26.0%       | 26.2%        | 56.5%        | 38.1%     |
| 25-100 thousand ideal   | 38.6%        | 39.5%        | 37.1%     | 27.4%       | 26.6%   | 37.5%    | 32.7%       | 34.8%              | 37.1%   | 32.4% | 36.0%       | 43.8%       | 43.4%        | 18.0%        | 29.1%     |
| 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%         | 11.7%     |

|  | West Kendall | East Kendall | Pinecrest | Westchester | Destiny | Aventura | Sunny Isles | Rest of Dade | Hialeah | Miami | North Miami | Miami Beach | Coconut Gables | Key Biscayne | Other |
|--|--------------|--------------|-----------|-------------|---------|----------|-------------|--------------|---------|-------|-------------|-------------|----------------|--------------|-------|
| 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%        | 35.1% |
| 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%        | 61.1% |
| 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%        | 40.1% |
| 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%        | 24.1% |

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 | Westchester | Destiny | Aventura | Sunny Isles | Other Dade Unincorp |
|------------------------|--------------|--------------|-----------|-------------|---------|----------|-------------|---------------------|
| 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 | Westchester | Destiny | Aventura | Sunny Isles | Other Dade Unincorp |
|----------------------------|--------------|--------------|-----------|-------------|---------|----------|-------------|---------------------|
| 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 | Westchester | 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 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 commissioners.

|                                      | West Kendall | East Kendall | Pinecrest | Westchester | Destiny | Aventura | Sunny Isles | Other Dade Unicorp |
|--------------------------------------|--------------|--------------|-----------|-------------|---------|----------|-------------|--------------------|
| Very good/<br>local zoning boards    | 41.6%        | 33.0%        | 32.6%     | 34.6%       | 39.1%   | 45.4%    | 43.5%       | 35.4%              |
| Mostly good/<br>local zoning boards  | 44.1%        | 46.9%        | 46.2%     | 45.0%       | 47.8%   | 39.1%    | 43.5%       | 46.7%              |
| Very good/<br>taxes                  | 8.4%         | 5.8%         | 9.1%      | 9.7%        | 11.5%   | 13.5%    | 8.8%        | 11.0%              |
| Mostly good/<br>taxes                | 31.1%        | 29.8%        | 25.5%     | 20.8%       | 34.8%   | 30.1%    | 30.6%       | 28.9%              |
| Very good/<br>admin centers          | 55.6%        | 52.8%        | 42.4%     | 52.9%       | 63.3%   | 51.3%    | 62.9%       | 57.3%              |
| Mostly good/<br>admin centers        | 31.6%        | 38.5%        | 43.1%     | 35.0%       | 31.2%   | 35.8%    | 25.3%       | 31.6%              |
| Very good/<br>reps for Uninc areas   | 37.3%        | 36.5%        | 32.1%     | 31.9%       | 40.7%   | 38.1%    | 33.3%       | 37.1%              |
| Mostly good/<br>reps for Uninc areas | 44.0%        | 42.4%        | 41.1%     | 39.1%       | 44.0%   | 43.8%    | 49.3%       | 41.6%              |
| Very good/<br>own commissioners      | 45.3%        | 40.1%        | 36.3%     | 37.0%       | 45.5%   | 41.9%    | 36.7%       | 46.5%              |

|                               | West Kendall | East Kendall | Pinecrest | Westchester | 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 occurrence 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<br>Costs For Adequate<br>Services | X | Proportion of<br>Revenues From<br>Property Taxes | = | Minimum<br>Per Capita Taxable<br>Value Required For<br>Resource Equity |
| (\$381)  |   | (.48)  |   |  |
|  |   |  |   |  |
| Appropriate Property<br>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<br>Unincorporated<br>Area Per Capita<br>Taxable Value | ÷ | Minimum Per<br>Capita Taxable<br>Value Required<br>For Equity | X | Current Urban<br>Unincorporated<br>Area Per Capita<br>Taxable Value | = | Maximum Per<br>Capita Taxable<br>Value Required<br>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 standard 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 in 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<br>Cities      | Population | Taxable<br>Property<br>Value | FY 1994-95<br>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  
Excess/Shortfall)

| Jurisdiction                      | Population | 1994<br>Taxable Value<br>('000) | Taxable Value<br>per Capita | Difference between<br>Required<br>and Actual Per Capita<br>Tax Base | Total Tax base<br>Required for<br>tax Revenues<br>(population * shortfall) | Tax base Required for<br>Total Revenues<br>(Total * 2.08) | Total Revenue<br>Required (Taxbase/1000<br>* 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        | 400,813                         | 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                         | 33,400                      | 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   |  |   |   |
| Opal-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)   |
| Virginia 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  | (\$117,867,386)  | (\$245,164,163)   | (\$2,200,103)   |
|                                   |            |                                 |                             | subtotal  |  |   |   |
| Approved/proposed Cities          |            |                                 |                             | 111,529   |  |   |   |
| Aventura                          | 15,384     | 2,029,270                       | 131,910                     | (1,808)   |  |   |   |
| Destiny                           | 69,785     | 1,295,963                       | 18,570                      | 24,587  |  |   |   |
| East Kendall                      | 81,940     | 3,684,502                       | 44,970                      | 7,102   |  |   |   |
| West Kendall                      | 154,797    | 4,253,982                       | 27,480                      | 53,031  |  |   |   |
| Pincrest                          | 15,800     | 1,159,873                       | 73,410                      | 63,255  |  |   |   |
| Sunny Isles                       | 11,772     | 984,537                         | 83,630                      | 9,400   |  |   |   |
| Remaining UUA (after<br>Aventura) | 990,896    | 29,507,730                      | 29,780                      |   |  |   |   |
| Remaining after all<br>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 Total Revenue)

| 1) Model at \$381 per capita for minimum expenditure and current millage rate |                | Per Capita Property Taxable Value (000) |             | Revenue Required (Population * \$381) | Property Tax Generated | Total Revenue With Property Tax | Difference between Revenue Available and Required | Additional Revenue Required | Excess Revenue Available |
|---|----------------|---|-------------|---------------------------------------|------------------------|---------------------------------|---|-----------------------------|--------------------------|
| Population  | Tax Base (000) | Value (000)                             | Value (000) | (Population * \$381)                  | Generated              | With Property Tax               | Available and Required                            | Required                    | Available                |
| Existing UUA  | 31,537,000     | 31.34                                   | 383,392,558 | 151,748,160                           | 399,337,263            | 15,944,704                      |   |                             |                          |
| Pending/proposed Cities   |                |   |             |                                       |                        |                                 |   |                             |                          |
| Aventura*   | 2,029,270      | 131.91                                  | 5,861,304   | 9,764,340                             | 25,695,631             | 19,834,327                      |   |                             | 19,834,327               |
| Destiny   | 1,295,963      | 18.57                                   | 26,588,085  | 6,235,850                             | 16,410,131             | (10,177,954)                    |   | (10,177,954)                |                          |
| East Kendall  | 3,684,502      | 44.97                                   | 31,219,140  | 17,728,902                            | 46,655,007             | 15,435,867                      |   |                             | 15,435,867               |
| West Kendall  | 4,253,982      | 27.48                                   | 58,977,657  | 20,469,098                            | 53,866,047             | (5,111,610)                     |   | (5,111,610)                 |                          |
| Pincrest  | 1,159,873      | 73.41                                   | 6,019,800   | 5,581,019                             | 14,686,892             | 8,667,092                       |   |                             | 8,667,092                |
| Sunny Isles   | 984,537        | 83.63                                   | 4,485,132   | 4,737,346                             | 12,466,700             | 7,981,568                       |   |                             | 7,981,568                |
| Remaining UUA (after all)   | 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  | 31,537,000     | 31.34                                   | 400,499,313 | 181,708,310                           | 478,179,763            | 77,680,450                      |   |                             | (51,918,854)             |
| Pending/proposed Cities   |                |   |             |                                       |                        |                                 |   |                             |                          |
| Aventura*   | 2,029,270      | 131.91                                  | 6,122,832   | 11,692,146                            | 30,768,806             | 24,645,974                      |   |                             | 24,645,974               |
| Destiny   | 1,295,963      | 18.57                                   | 27,774,430  | 7,467,015                             | 19,650,039             | (8,124,391)                     |   | (8,124,391)                 |                          |
| East Kendall  | 3,684,502      | 44.97                                   | 32,612,120  | 21,229,179                            | 55,866,262             | 23,254,142                      |   |                             | 23,254,142               |
| West Kendall  | 4,253,982      | 27.48                                   | 61,609,206  | 24,510,381                            | 64,501,002             | 2,891,796                       |   |                             | 2,891,796                |
| Pincrest  | 1,159,873      | 73.41                                   | 6,288,400   | 6,682,898                             | 17,586,574             | 11,298,174                      |   |                             | 11,298,174               |
| Sunny Isles   | 984,537        | 83.63                                   | 4,685,256   | 5,672,656                             | 14,928,042             | 10,242,786                      |   |                             | 10,242,786               |
| Remaining UUA (after all)   | 18,128,873     | 27.6                                    | 261,407,069 | 104,454,034                           | 274,879,037            | 13,471,968                      |   |                             | 13,471,968               |
| Totals  |                |   |             |                                       |                        |                                 |   |                             | \$85,804,841             |
|   |                |   |             |                                       |                        |                                 |   |                             | (\$8,124,391)            |

\* Aventura which has been approved for incorporation was retained in this table because it remains in the 1994-95 County budget.