

**PROPOSED ANNEXATION BY
CITY OF BALLWIN
(Kiefer Creek Area)**

**Report on BC 0410 Prepared by:
St. Louis County Department of Planning
for Submittal to:
Boundary Commission, St. Louis County
September 21, 2004**

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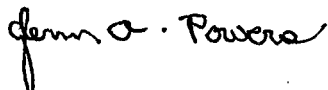
Re: Proposed Ballwin Annexation (BC 0410)

Dear Commissioners:

This report represents St. Louis County's analysis of the annexation proposed by the City of Ballwin (Kiefer Creek Area). Its submittal is in accordance with the 21 day written comment period provided by state statute. The report is a review of the proposed annexation from the perspective of St. Louis County Government. It is intended as a comparative analysis of this proposal that will serve as a guide to the Boundary Commission in its deliberations.

Should the Commission require information in addition to what is contained in this report, we will make every effort to respond to your request in a timely manner.

Sincerely,



Glenn A. Powers, Director
Department of Planning

ANALYSIS OF PROPOSED BALLWIN ANNEXATION

KIEFER CREEK AREA

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Attachment: Map

I. INTRODUCTION

A. Purpose

The purpose of this report is to provide information regarding a proposed annexation of 335 acres (.52 square miles) of unincorporated St. Louis County by the City of Ballwin. This analysis is primarily based on a review of the Plan of Intent submitted to the Boundary Commission by the City of Ballwin, as well as a comparison of City and County data.

II. GEOGRAPHIC INFORMATION

A. Area Proposed to be Annexed - General Description

The 335 acre area proposed for annexation is located immediately to the south of Ballwin. It is bounded on the north by the city limits and is otherwise surrounded by unincorporated St. Louis County. It includes subdivisions located immediately south of and accessed from Kiefer Creek Road. Basic data for the area are provided in the following table.

TABLE 1

DATA	BASIC ANNEXATION AREA
Area ¹	335 acres (.52 square miles)
Population ²	707
Dwelling Units ³	270
Total Assessed Valuation ³	\$19,660,417
Assessed Valuation Per Capita ⁴	\$27,808

- Sources:
- ¹ City of Ballwin
 - ² 2000 U.S. Census
 - ³ St. Louis County Departments of Revenue and Planning, July, 2004
 - ⁴ St. Louis County Department of Planning.

It should be noted that the City's population estimate of 806 is about 100 persons greater than the County's estimate, despite the City's slightly smaller dwelling units figure of 262.

The residential dwelling units in the area proposed to be annexed are all single family.

The area proposed for annexation overlaps with one other pending annexation proposal. The western portion of the proposed Ballwin annexation area is also under consideration for annexation by the City of Ellisville.

B. Compactness and Other Boundary Issues

The Plan of Intent indicates that the area proposed to be annexed is 34 percent contiguous to the City of Ballwin.

The proposed annexation would create a less logical border than what currently exists. The current border runs along Kiefer Creek and Kiefer Creek Road, a logical dividing line between the City and the County.

By itself, the proposed annexation would not create any unincorporated pockets. However, the combined effect of this annexation and a separate, non-overlapping annexation proposal by Wildwood would be to create an unincorporated pocket to the northwest of Ballwin's proposed annexation area, between the cities of Ballwin and Ellisville.

III. FINANCIAL IMPACTS OF PROPOSED ANNEXATION

According to the Plan of Intent, the City does not levy a property tax. The City's utility tax rate is currently 5 percent, equal to the St. Louis County rate. The City's sales tax rate is 7.075%, which is one cent higher than the unincorporated County rate of 6.075%. Ballwin is both a "point of sale" and a "pool" sales tax city. In original parts of the City, it receives sales tax revenue as a "point of sale" city, i.e., based on retail sales activities within these boundaries. In newly annexed portions of the City, it receives sales tax revenue as a "pool" sales tax city on a per capita basis. This sales tax split is dictated by State law. The City's additional one cent sales tax is dedicated in equal amounts to capital improvements and parks/stormwater.

A. Impact on Area Residents and Property Owners

Annexation by the City of Ballwin would have a minimal financial impact on residents and property owners in the annexation area. Property tax and utility tax rates would not change.

If the annexation is successful sales tax on any purchases made within the area will increase from 6.075% to 7.075%. Since there are no commercial properties currently within the area proposed to be annexed there would be no effect on retail store purchases. However, sales tax on the purchase of a \$20,000 vehicle will increase by \$200 (without a trade-in). Also, according to the Plan of Intent, any new residential developments would be assessed a recreational impact fee by the City, typically amounting to about \$2000 per dwelling unit or lot.

If annexed, residents would experience a change in trash collection services. Currently, households individually contract for trash service from a private hauler. The residents would receive services from the trash hauler under contract with the City of Ballwin after an initial two year period that is legislatively mandated by State law. Homeowner savings, if any, from the change in service are not specified in the Plan of Intent.

Some savings could be realized by the City's assumption of street lighting costs. However, the Plan of Intent does not indicate what the amount of the anticipated financial benefits to the homeowner would be.

As a point of information on tax rates, it should be noted that the current County tax rate is \$.58 per \$100 of assessed valuation of real and personal property. All property owners will continue to pay this tax to the County even if the area is annexed. In addition, \$.105 per \$100 assessed valuation collected for the Road and Bridge Tax from the County's \$.58 total tax rate would go to Ballwin if the annexation occurs.

Timing of the Proposal

From comments made at public hearing, it is evident that many residents of the proposed annexation area were under the impression that an annexation moratorium was still in effect. Furthermore, it is not evident that the City made adequate attempts to educate residents about the proposal and gauge its popularity prior to the public hearing. The expired moratorium and the lack of outreach has led to a great deal of confusion over this proposal among affected residents.

B. Impact on St. Louis County

The total annual revenue loss that County Government could experience as a result of the proposed annexation is estimated to be \$228,963. A breakdown of County revenue loss by funding source is provided in the following table.

TABLE 2

ANNUAL COUNTY REVENUE LOSS FROM THE PROPOSED ANNEXATION	
	Annexation Area
Sales Tax ¹	\$65,044
Utility Tax ²	26,730
C.A.R.T. ³	56,056
County Road and Bridge ³	20,643
Cigarette Tax ⁴	2,680
Cable T.V. Tax ⁵	2,430
Fees & Fines ⁶	55,380
TOTAL	\$228,963

¹ Based on \$118 per capita less annexation adjustment of \$26 per capita.

² Assumes average annual utility bill of \$2,000 and a 5% utility tax.

³ Estimate by St. Louis County Department of Highways and Traffic.

⁴ Based on \$3.79 per capita.

⁵ St. Louis County calculates (Housing Units x .5) x (Annual Average Cost of Cable) x .03
= _____

⁶ Based on estimates by the St. Louis County Department of Public Works and the St. Louis County Police Department.

C. Impact on Annexing Municipality

The following table compares the City's and the County's estimates of new revenues for Ballwin if the annexation is successful.

TABLE 3

CITY AND COUNTY ESTIMATE OF BALLWIN'S NEW ANNUAL REVENUES		
Source	County Estimated Amount	City Estimated Amount⁸
Sales Tax ¹	\$85,314	\$97,406
Utility Gross Receipts Tax ²	36,313	50,648
State Road Aid (Gasoline and motor vehicle) ³	28,061	34,472
County Road and Bridge ⁴	20,643	16,022
Cigarette Tax ⁵	2,680	3,058
Cable T.V. Tax ⁶	2,430	2,929
Permits and Inspections ⁷	6,945	6,945
TOTAL	\$185,098	\$211,483

- ¹ County estimate based on \$118 per capita.
- ² Assumes average annual utility bill of \$2,000 with Ballwin utility gross receipts tax rate of 5%.
- ³ State Road Aid includes: gasoline tax, motor vehicle sales tax, and auto license fees. County estimate based on \$39.69 per capita.
- ⁴ Rate is \$.105 per \$100 assessed valuation.
- ⁵ County estimate based on \$3.79 per capita.
- ⁶ St. Louis County calculates (Housing units x .50) x (Annual Average Cost of Cable) x .03 = _____.
- ⁷ City of Ballwin estimate.
- ⁸ Estimates from Ballwin Plan of Intent.

The County estimates that Ballwin will receive \$185,098 from the area if annexed; the City estimates revenues of \$211,483. The difference between total estimates is \$26,385. However, over half of that difference can be accounted for by the gap between the City and County estimates of utility tax revenues.

The Plan of Intent provides estimates on how the revenue generated from the area would be spent. The City's estimates are shown in the following table.

TABLE 4

CITY ESTIMATE OF ANNUAL EXPENDITURES FOR THE AREA		
Service	Estimates for Expenditures¹	
	2005	2006
Public Works	\$196,866	\$115,359
Police	28,841	13,424
Parks & Recreation	5,200	5,408
Administration	95,887	74,503
TOTAL	\$326,792	\$208,695

¹ Estimates are given for both 2005 and 2006 expenditures because of the large discrepancy in the totals. Due primarily to large initial equipment outlays, the 2005 totals are significantly larger than for 2006. The 2006 figures are more typical of annual spending planned for the area.

The Plan of Intent does not anticipate the hiring of any additional personnel to provide services in the area proposed to be annexed, but it does anticipate several equipment purchases. The Plan of Intent states that the City does not have any plans for capital improvement projects for this area in the first five years after annexation.

The costs estimated by the City exceed the County's revenue projection by \$141,694 in 2005 and \$23,597 in 2006 and subsequent years for the proposed annexation area. Since it is unlikely that the City would willfully annex an area that would have a negative net effect on revenue, it is possible that equipment purchases designated for the annexation area would be used to enhance services citywide.

D. Traffic Generation Assessment

The area is within the Big Bend-Oak-Kiefer Creek Corridor Traffic Generation Assessment Road Trust Fund Area. The continuation of the Traffic Generation Assessment Road Trust Fund is integral in meeting the needs of area residents and the traveling public for road improvements in the area. The Plan of Intent implies that the City of Ballwin does not have a specific ordinance authorizing its participation in the Trust Fund for this area.

IV. PROVISION OF SERVICES

A. Existing and Proposed Services

The provision of services to its residents is local government's primary responsibility and function. Currently, St. Louis County is the provider of a variety of municipal-type services to the annexation area. If the annexation election were successful, some of the current services provided by St. Louis County would be transferred to the City of Ballwin. The following table lists basic municipal-type services provided in the area proposed to be annexed and identifies their current and proposed provider.

TABLE 5

SERVICES		
Service	Current Provider	Proposed Provider
Police Protection	St. Louis County	City of Ballwin
Fire Protection/EMS/ALS	Metro West Fire Protection District	
Streets ¹	St. Louis County	St. Louis County, City of Ballwin
Sidewalk Improvement and Repair	St. Louis County	City of Ballwin
Parks and Recreation	St. Louis County	St. Louis County, City of Ballwin
Refuse Collection	Private Haulers	City of Ballwin (contract with private haulers)
Street Lighting	Property Owner	City of Ballwin
Planning, Zoning, and Subdivision Regulations	St. Louis County	City of Ballwin
Building Code, Mechanical Permits and Inspections ²	St. Louis County	St. Louis County, City of Ballwin
Residential Occupancy Permits and Inspections ³	None	City of Ballwin
Health Services-- Rodent Control, Mosquito Fogging, Animal Control ⁴	St. Louis County	City of Ballwin
Municipal Court	St. Louis County	City of Ballwin

¹ Some 4.0 miles of roads on the County Road System would be transferred to Ballwin if the annexation occurs. The 1.33 miles of roads on the Arterial Road System (Kiefer Creek Road) will continue to be maintained by St. Louis County. There are also several roads in a new subdivision under construction that have not yet been accepted by the County.

² Ballwin contracts with St. Louis County to issue permits or enforce codes relating to electrical, explosives, elevators and conveyors, and amusement rides.

³ While no residential occupancy permits and associated inspections program exist in this area, residents could petition the County Council to authorize a Property Conservation District in their area.

⁴ While the City of Ballwin would assume primary responsibility for these services, St. Louis County would continue to provide certain rodent and animal control services even if the City annexes the area.

Provision of County Services

St. Louis County currently is able to reasonably access the area proposed to be annexed via Kiefer Creek Road. St. Louis County provides quality efficient municipal services to the proposed annexation area and will continue to do so if the area remains unincorporated.

B. Services Not Affected

The area is serviced by the Metro West Fire Protection District, which is an independent taxing jurisdiction that will not be affected by annexation. The St. Louis County Water Company and the Metropolitan St. Louis Sewer District will continue to provide water and sewer services, respectively. The area will continue to be served by the Rockwood School District and the St. Louis County Library system. The services provided by these jurisdictions and their respective tax rates would not be affected by annexation.

V. LAND USE AND ZONING

A. Existing Land Use and Zoning

The primary land use in the area is single family residential. Current County zoning designations in the area include NU Non Urban District and FPNU Flood Plain Non Urban District, as well as R-1, R-1A, FPR-1A, R-2, and FPR-2 Residence Districts. Also some properties in the area have been developed under the Planned Environment Unit (PEU) procedure of the St. Louis County Zoning Ordinance.

B. Comparison of City and County Zoning

Most current County zoning districts can be reasonably accommodated by City of Ballwin zoning regulations. St. Louis County's R-1, R-1A, and R-2 Residence Districts could likely be accommodated by the City's R-1A, R-1, and R-2A Residence Districts, respectively. There are some minor differences between the maximum density, setback, and height requirements of the City's zoning designations and their County equivalents, which may result in some nonconformity.

It should be noted that the City does not have a zoning district that is comparable to St. Louis County's NU Non Urban District. The City's R-1A District, the district closest to the County's NU Non Urban District, allows a density of one dwelling unit per 40,000 square feet. The County's NU Non Urban District allows one dwelling unit per three acres. Differences in permitted uses between the County's NU Non Urban District and the City's R-1A District could also result in some nonconformities. Two larger areas are currently zoned NU Non Urban District within the proposed annexation area.

VI. SUMMARY OF ISSUES

1. Compactness and Other Boundary Issues

The proposed annexation would create a less logical border than what currently exists. The current border runs along Kiefer Creek and Kiefer Creek Road, a logical dividing line between the City and the County.

The combined effect of this proposed annexation and a pending annexation proposal by the City of Wildwood would be to create an unincorporated pocket to the northwest of Ballwin's proposed annexation area, between the cities of Ballwin and Ellisville.

2. Impact on Area Residents and Property Owners

If the annexation is successful sales tax on any purchases made within the area will increase from 6.075% to 7.075%. Since there are no commercial properties currently within the area proposed to be annexed there would be no effect on retail store purchases. However, sales tax on the purchase of a \$20,000 vehicle will increase by \$200 (without a trade-in). Also, the City assesses new residential developments a recreational impact fee that typically amounts to about \$2000 per dwelling unit or lot.

Due to miscommunication about a previous City of Ballwin annexation moratorium and a lack of educational outreach on the part of the City, many affected residents feel confused and rushed with regard to this annexation proposal. There is no pressing reason for a vote on this annexation to occur now.

3. Impact on St. Louis County

Financially, St. Louis County will be negatively impacted should the proposed annexation occur. The annual revenue loss to St. Louis County is estimated to be \$228,963. Reduction in the service area impacts St. Louis County's efficiencies and the benefits derived from certain economies of scale.

4. Impact on Annexing Municipality

The costs estimated by the City exceed the County's revenue projection by \$141,694 in 2005 and \$23,597 in 2006 and subsequent years for the proposed annexation area. Since it is unlikely that the City would willfully annex an area that would have a negative net effect on revenue, it is possible that equipment purchases designated for the annexation area would be used to enhance services citywide.

The Plan of Intent does not anticipate the hiring of any additional personnel to provide services in the area proposed to be annexed, but it does anticipate several major equipment purchases.

5. Accessibility of County Services

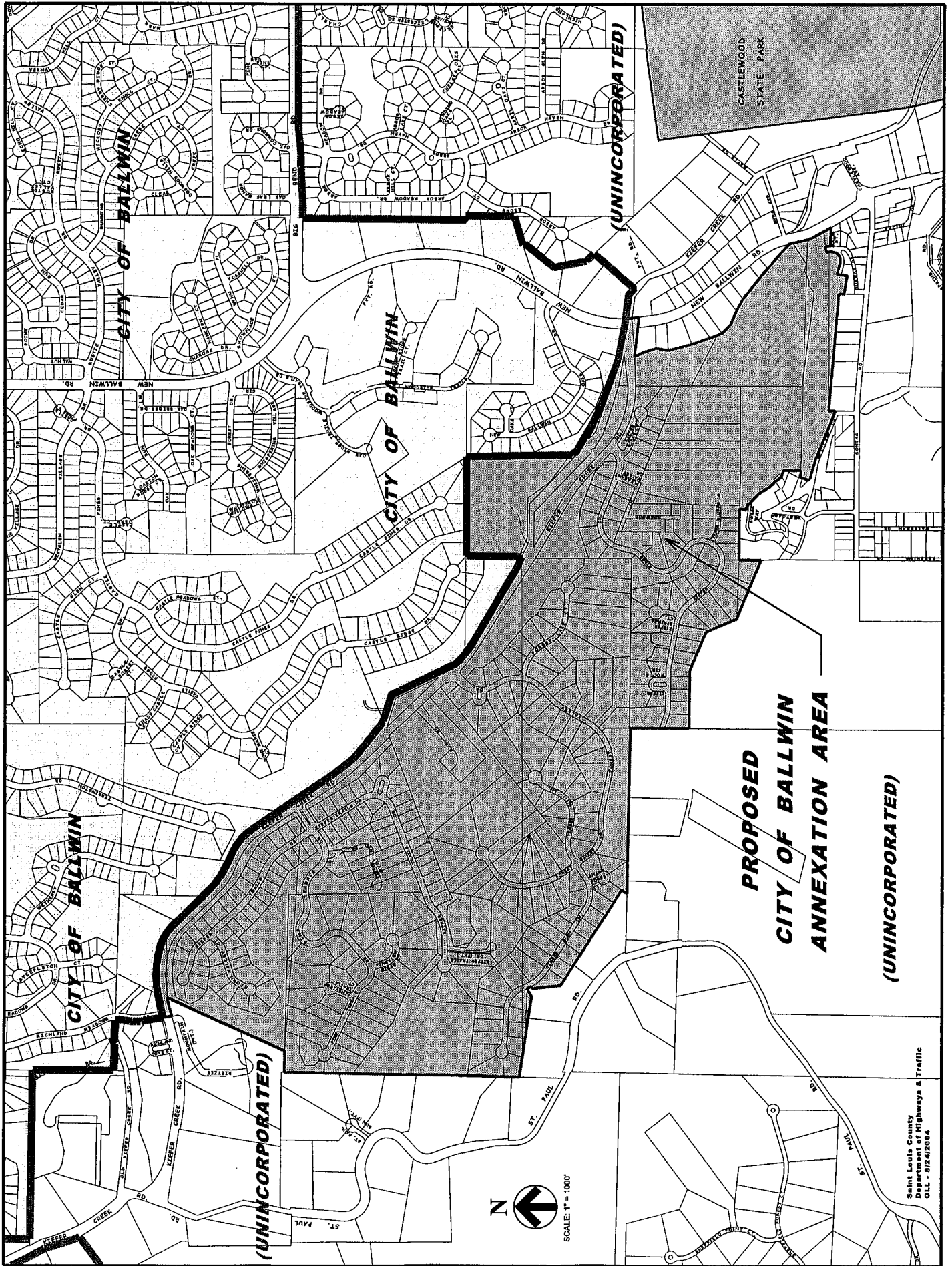
St. Louis County currently is able to reasonably access the area proposed to be annexed via Kiefer Creek Road. St. Louis County provides quality efficient municipal services to the proposed annexation area and will continue to do so if the area remains unincorporated.

6. Land Use & Zoning

The primary current land use in the area is single family residential. Most current zoning designations can be effectively assumed by the City of Ballwin with no consequence. However, the City does not have a zoning district comparable to the County's NU Non Urban District. Differences between the City and County zoning districts may result in nonconformities.

VII. RECOMMENDATION OF ST. LOUIS COUNTY

St. Louis County believes that the proposed annexation is not in the best interest of the area to be annexed or the adjacent unincorporated area. The proposed annexation would have a negative financial effect on the County and the annexation area residents. In light of the comments made at public hearing, it seems that the annexation campaign has been rushed and has limited resident support. Thus, the County questions the wisdom of pressing forward on a vote on annexation at this particular time. For these reasons, St. Louis County is opposed to the annexation and requests the Boundary Commission to consider its disapproval.



**PROPOSED
CITY OF BALLWIN
ANNEXATION AREA**

(UNINCORPORATED)