

**Before the Boundary Commission, St. Louis County, Missouri**

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) File No. BC0411  
In re: Proposal of the City of Valley Park )  
) Peerless Park Annexation Area  
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**SUMMARY OF DECISION**  
**PROPOSAL FOR ANNEXATION OF PEERLESS PARK ANNEXATION AREA**  
**CITY OF VALLEY PARK, MISSOURI**

Pursuant to Section 72.405.2, RSMo. (2002), in disapproving any boundary change proposal, the St. Louis County Boundary Commission (the "Commission") is required to issue a document indicating the reason such proposal was disapproved.

The Boundary Change submitted by the City of Valley Park (the "City") was disapproved for the following reasons:

**INTRODUCTION**

On the 1<sup>st</sup> day of July 2004 the City deposited its Official Submittal (the "Proposal") with the Commission wherein the City proposed to annex an area of property currently within the boundaries of St. Louis County, Missouri, and which was not within the jurisdiction of any municipality, township, village or other incorporated entity. The area is located along the current southern boundary of the City and includes approximately 526 acres, which comprises most of what was formerly the incorporated City of Peerless Park. The effective date of the dis-incorporation of the City of Peerless Park was May 6, 1999. The City refers to the area as the Peerless Park Annexation Area (the "Area") and the Commission has adopted this designation. In response to the completeness review performed by the Commission staff, the City submitted a revised Plan of Intent on July 14, 2004. As revised, the Commission deemed the Proposal complete.

On September 20, 2004, pursuant to Order of the Commission and statutory public notice, the Commission held a public hearing on the Proposal at the Valley Park Middle School. At the public hearing, the City was permitted to present evidence in addition to the Proposal and representatives of the St. Louis County government were permitted to present evidence in response to the Proposal. Public comment was received from anyone in attendance wishing to speak. During the public hearing, members of the public were also notified by the Commission Chairman that they, as well as others not in attendance at the public hearing, could submit written comments to the Commission within 21 days following the date of the public hearing. Written comments from the public were received following the hearing. St. Louis County government also provided additional,

detailed, written comments on the Proposal in the form of a written report dated October 11, 2004 (the "Report").

On or about October 13, 2004, the City of Valley Park submitted an Amended Official Application for Annexation (the "Amended Proposal") with the Commission pursuant to Article VIII of the Rules of the Commission, in which the City modified the Proposal. Upon a finding by the Commission that the Amended Proposal resulted in more than a minor error or discrepancy correction in the legal description of the Area covered by the Proposal and a finding that the Amended Proposal resulted in a significant financial impact on the City and pursuant to Article VIII of the Rules of the Commission, on February 8, 2005, a second public hearing was held on the Amended Proposal at Valley Park City Hall. At the second public hearing, the City was permitted to present additional evidence in addition to the Amended Proposal; representatives of the St. Louis County government were permitted to present evidence in response to the Amended Proposal; and public comment was received from anyone in attendance wishing to do so. During said public hearing, members of the public were notified by the Chairman of the Commission that they, as well as others not in attendance at the public hearing, could submit written comments to the Commission within 21 days following the date of the public hearing. St. Louis County government provided additional written comments to the Commission on December 6, 2004 (the "Second Report").

The Commission makes the following findings based upon: (1) the Proposal and Amended Proposal submitted by the City; (2) information provided by the City at both public hearings; (3) information presented by St. Louis County government at both public hearings and in their subsequent written comments; (4) the public comments received by the Commission at the hearings; and (5) the written comments received within 21 days after the hearings.

#### GEOGRAPHIC

The City submits that the Area contains approximately 526 acres, and is bordered to the north by the Meramec River and the southern City limits. Entirely located south of the Meramec River, the Area also crosses Interstate 44 and stretches further southward along both sides of Missouri Highway 141.

While the City is 25% contiguous to the Area, thereby meeting the statutory contiguity requirements, the Amended Proposal does not represent a logical extension of the City's boundaries from a geographic prospective. The Amended Proposal would create an elongated boundary and decrease the City's compactness. Furthermore, the Proposal extends the City across the Meramec River and along both sides of Highway 141, southward to an arbitrary point surrounded on three sides by unincorporated St. Louis County. It is the Commission's determination that the Meramec River is the more logical southern boundary for the City in that it is a natural geographic feature. Highway 141 is the only means to cross the Meramec River in the Area. Thus, the northern portion of the Area is physically isolated from the City by the Meramec River. The southern portion of

the Area is further isolated by Interstate 44. The Burlington Northern Railroad right-of-way and Highway 141 also provide barriers to access throughout the Area.

Also, most of the Area's land use is industrial and commercial. The residential dwelling units in the Area proposed to be annexed are mostly multiple-family. Of the 27 dwelling units, 24 are condominium units and 3 are single family residences. The Proposal would result in Valley Park, Valley Park Hills and Ward Acres Subdivisions being split as shown on the map submitted to the Commission as figure 3A of the Proposal. The division of subdivisions and the elongated southern portion of the Area is an attempt to avoid including some residents in the area to be annexed in order to secure a vote in favor of annexation, as was admitted by the City at the public hearings. The configuration of the annexation area also impedes access to St. Louis County to the surrounding unincorporated area. Service to these areas could not be provided without traversing the City.

### FINANCIAL

The City presented evidence of the financial impacts and benefits the proposed transfer would have on the City, the Area and St. Louis County. The City established that real property or personal property taxes would increase by \$0.57 per \$100.00 assessed valuation, and the City levies the same five (5) percent gross receipt utility tax rate as St. Louis County. The City is a "pool participant" and distribution of sales-tax revenues is premised on the population of the community, which will lead to a negligible increase in sales-tax revenues for the City. Evidence presented by the City demonstrates that the sales tax will increase from 6.075% to 7.075%, which includes a ½ cent storm water improvement sales tax and a ½ cent capital improvement sales tax.

#### Effect on St. Louis County

Valley Park, as a "pool" sales tax City, receives sales tax revenue on a per capita basis. Valley Park's ½ cent storm water improvements tax would be retained by the City, as would 85% of its ½ cent capital improvements sales tax. Fifteen percent would be shared with the capital improvement sales tax pool, which does not include St. Louis County. The City calculates that the County will annually lose approximately \$36,796 from the Area. The Report indicates that the total annual revenue loss to the County is estimated to be \$122,292. The City failed to provide an explanation of how they calculated their figures, and only accounts for the estimated losses to the County due to losses from sales tax revenues, cigarette tax, State Motor Aid, and utility taxes. Furthermore, the State Road Aid and cigarette tax information provided by the City only shows the per capita rate and does not calculate a total estimate based on population. The Report explains that lost revenues can be attributed to a reduction in sales tax pool revenues based on lost population, loss of the Road and Bridge tax to the City, loss of utility taxes, reduction of highway user tax (CART) funds because of the reduction of the assessed values and miles of roads maintained in the unincorporated area, and losses from cigarette taxes, cable TV franchise fees, and fines and court costs for traffic and other violations. Based on the foregoing, the Commission concludes that the loss of revenue that would result from the

proposed annexation is not insignificant to St. Louis County and would have some negative impact on provision of services to citizens of St. Louis County.

#### Effect on the Area

The Amended Proposal provides estimates on how the revenue generated from the Area would be spent. The City does not anticipate the hiring of any additional City staff or increasing administrative costs due to the proposed annexation. While the Proposal submitted on July 1, 2004 did not propose any capital improvement projects, the Amended Proposal included the installation of sanitary sewer lines and lift stations to serve 64% of the Area at an estimated cost of \$1,416,130. The City also agreed to undertake the maintenance of the parking lot and streets in the Eagle Rock Condominium complex and also to provide maintenance and repair to a rock wall abutting the condominium complex.

#### Effect on Existing City

The total annual expenditures anticipated for either the installation of the sanitary sewers or the improvements to Eagle Rock Condominiums is unclear, except that Table 7 of the Amended Proposal provides that the commitment of the City for those two items alone will result in expenditures in the amount of \$285,838.00, \$293,513.00 and \$301,188.00 for fiscal years 2005, 2006 and 2007, respectively. These expenditures and capital improvements are in addition to the expenditures for the provision of services at \$74,374.00, \$76,489.00 and \$79,014.00 for fiscal years 2005, 2006 and 2007, respectively. These expenditures for capital improvements and services when combined exceed the projected revenue for the Area by over \$100,000.00 per year for the next three years. It is worth noting that the revenues estimated in Table 7 differ from those provided in Table 3 of the Amended Proposal without explanation, and are, in part, based upon five-year old information from the last year that Peerless Park was incorporated.

In addition, the Amended Proposal indicates that no traffic generation assessment trust fund areas exist in the Proposed Annexation Area and that the City does not impose development impact fees for new development. The report, however, states that the Bowles - Summit traffic generation assessment road trust fund area was encompassed to include the proposed annexation Area. Pursuant to the Amended Proposal, the City has not clearly committed itself to participation in this trust fund.

Furthermore, pursuant to the Annexation Agreement with Eagle Rock Condominium Association (the "Eagle Rock Agreement"), the City agrees to designate the Area as a Chapter 353 tax abatement and to use payments in lieu of taxes (PILOTS) to repair a rock bluff threatening residents. By this agreement the City also promises to accept dedication and responsibility for the maintenance of the condominium parking lot and streets, payment of trash collection bills and payment for street light expenses. The Amended Proposal is unclear as to whether the revenues and expenditures have been adjusted to reflect the proposed tax abatement and the proposed expenditures as stated in the Eagle Rock Agreement.

Finally, the Amended Proposal also includes an Annexation Agreement (the "TIF Agreement") by which the City is to rezone the property owned by a developer to a Zoning District that is consistent with the previous Peerless Park zoning district and that the City shall ratify "the Peerless Park Tax Increment Financing Redevelopment Plan" adopted by the former City of Peerless Park, Missouri whereby the City pledges, in part, to allocate to the Special Allocation Fund 100% of all City EATS (as defined in the TIF Act) generated within the Redevelopment Area delineated in the Redevelopment Plan in the equivalent of 50% of any and all City revenue generated within said Redevelopment Area including but not limited to sales tax rates on hotel rooms and business licenses and that the local taxes generated by the Shell service station site previously located in the Redevelopment Area but relocated outside said Redevelopment Area shall not be subject to the Redevelopment Agreement but that taxes from any redevelopment of the former Shell service station site shall be completed in accordance with the TIF Act.

### SERVICES

The City contends that fees for services will change little for the Area upon annexation without providing supporting information. Presently, municipal services are provided through a combination of in-house professionals and contracts with other providers. The City provided information on the major services it currently provides, which include police services, contracted through St. Louis County, fire protection and emergency services, which are currently provided by the Valley Park Fire Protection District, trash collection through a contract with private haulers, municipal planning, code enforcement, contracted through St. Louis County, and parks and recreation. All of these services would be available to residents of the Area. The Area however is primarily commercial and the City provided in the Amended Proposal that it would not be responsible for providing garbage collection for commercial establishments.

While there will be little change in services, most municipal services would continue to be provided by contract or by St. Louis County. Therefore, residents would be burdened with additional taxes with no real increase in services.

The Area contains a mixture of commercial, industrial, institutional, and residential land uses, with a majority of the Area having an industrial land use classification (53%). The remaining portions of the Area consist of 8.7% commercial, 12.6% vacant, 0.2% institutional or governmental and 0.7% either single or multifamily residential. The remaining 24.9% consists of various rights-of-way.

The City contends that no nonconformities would be created by the Annexation Proposal. Pursuant to an Annexation Agreement, however, the City has agreed to rezone property owned by Drury Development Company to a zoning classification reflecting the former Peerless Park zoning, thereby prompting the City to enact a new zoning classification for the City.

DECISION


At a public meeting of the Commission on March 22, 2005, with required statutory notice having been given, the Commission reviewed and discussed the Proposal and the Amended Proposal, and the additional information presented by all interested parties. Following discussion of the foregoing, and after each Commissioner had been provided the opportunity to express their respective thoughts concerning the Proposal and Amended Proposal, a motion was made to approve the Proposal and Amended Proposal as a Boundary Change—Annexation, with details of the motion, seconding of the motion, and vote of the Commissioners set forth in the approved minutes of the Commission from that meeting, which is incorporated by reference herein. The vote of the Commission was zero (0) in the affirmative, and eight (8) in the negative, with two Commissioners having been absent. A second motion was made to disapprove the Proposal and Amended Proposal as a Boundary Change – Annexation, with details of the motion, seconding of the motion, and vote of the Commissioners set forth in the approved minutes of the Commission from that meeting. The vote of the Commission was eight (8) in the affirmative, and zero (0) in the negative, with three Commissioners having been absent. Pursuant to the Rules of the Commission, the motion carried and the Proposal and Amended Proposal were disapproved.

Pursuant to the foregoing vote, the Commission determines that the Proposal and Amended Proposal are not in the best interest of the City, the Area, and unincorporated territories affected by the Proposal and Amended Proposal, and of those areas of St. Louis County next to the Area. In consideration of the best interest test required by applicable statutes and the rules adopted by the Commission, it is the opinion of the majority of the Commission members that the Proposal and Amended Proposal should be disapproved as a Boundary Change—Annexation. Based on all of the circumstances, including the Proposal, Amended Proposal and the evidence presented to the Commission, the Commission has determined that disapproval of the Proposal and Amended Proposal is appropriate and justified by all of the factors available to the Commission for its consideration.

NOW THEREFORE, as of Tuesday, April 26, 2005, the Proposal and Amended Proposal shall be, and hereby are DISAPPROVED, as a Boundary Change—Annexation.

ATTEST:

BOUNDARY COMMISSION,  
ST. LOUIS COUNTY, MISSOURI

  
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Matthew Armstrong, Chairman

April 29, 2005  
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Date