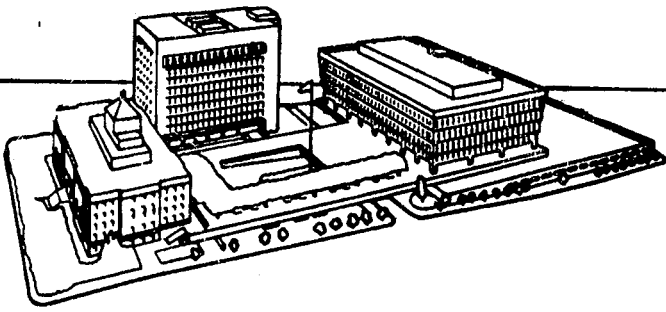


PROPOSED ANNEXATION BY
CITY OF MANCHESTER
(HANINA - SULPHUR SPRING)

Report on BC 9616 Prepared by:
St. Louis County Department of Planning
For Submittal to:
Boundary Commission, St. Louis County
October 8, 1996



ST. LOUIS COUNTY, MISSOURI

BUZZ WESTFALL, COUNTY EXECUTIVE

DEPARTMENT OF PLANNING
JUNE MCALLISTER FOWLER, DIRECTOR

October 8, 1996

Boundary Commission, St. Louis County
1516 South Brentwood Boulevard, Suite 101
St. Louis, Missouri 63144

Re: Proposed Manchester Annexation (BC 9615 - Hanna-Sulphur Spring)

Dear Commissioners:

St. Louis County Government is pleased to submit its analysis of the annexation proposed by the City of Manchester. This report is a review of the proposed annexation from the perspective of St. Louis County Government. It is intended as an objective analysis of this proposal that will serve as a guide to the Boundary Commission in its deliberations. Should this proposal be placed on the ballot, this report will also provide a source of information to assist citizens in making a decision at the polls. The final section of our report includes a summary of issues organized by the Boundary Commission review factors outlined in RSMo 72.403.

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,


June McAllister Fowler, Director
Department of Planning

JMF/CEB/dhc
(bnd\man-sul.96)



ANALYSIS OF PROPOSED MANCHESTER ANNEXATION

HANNA-SULPHUR SPRING ROADS

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I. INTRODUCTION

A. Purpose

The purpose of this report is to provide information regarding a proposed annexation of 595.88 acres of unincorporated St. Louis County by the City of Manchester. This analysis is primarily based on a review of the Plan of Intent and accompanying documents submitted to the Boundary Commission by the City of Manchester.

B. History of Previous Annexation Proposals Affecting Area

The City of Manchester held an annexation election in February 1994 for an area with boundaries similar to this current proposal. The 1994 proposal received approval from the Boundary Commission and was passed by 57% of the City residents, but was defeated in the annexation area.

II. AREA PROPOSED TO BE ANNEXED

A. General Description

The 595.88 acre area proposed for annexation is located along the southern limits of Manchester. It is bounded on the south by Big Bend Road, the City of Manchester on the north, Sulphur Spring Road on the west side, and Hanna Road on the east. The southern, eastern and western limits of the annexation area abut unincorporated St. Louis County. Basic data for the area are provided in the following table.

TABLE 1

BASIC ANNEXATION AREA DATA	
Area ¹	595.88 acres
Population ²	3049
Dwelling Units (1996) ¹	1217
Total Assessed Valuation ³	\$31,376,265
Assessed Valuation Per Capita ¹	\$10,290

- Sources:
- ¹ St. Louis County Department of Planning
 - ² 1990 U.S. Census
 - ³ St. Louis County Departments of Revenue and Planning, July, 1996

B. Land Use and Zoning

The primary land use in the proposed annexation area is single family residential. Most subdivisions are zoned R-3 10, 000 square foot Residence District and R-4 7,500 square foot Residence District. Additionally, a single family subdivision and some larger parcels are zoned R-2 15,000 square foot Residence District. The area also includes two schools, Parkway South High School and Wren Hollow Elementary. There is a small commercial center on the northeast corner of Sulphur Spring and Big Bend Roads zoned C-8 Planned Commercial District. Fishpot Creek runs through the center of the area; properties along the creek are zoned flood plain.

C. Comparison of City and County Zoning

The following analysis compares the provisions of the existing St. Louis County zoning in the area with the most similar Manchester zoning districts. Only limited information is provided in the Plan of Intent regarding details of the Manchester zoning districts.

The majority of the subdivisions in the area contain single family lots of 7,500 to 10,000 square feet and cannot be accommodated within the existing structure of Manchester's Zoning Ordinance which requires a single family lot to maintain a minimum size of 14, 000 square feet. Additionally, there are minimum floor area requirements for homes in Manchester which do not exist in St. Louis County. Setback requirements within Manchester's residential districts are more stringent than in St. Louis County.

The uses allowed within the C-8 Commercial District could be accommodated by the City of Manchester's PCD Planned Commercial District.

The Plan of Intent states that the City of Manchester will consider changing several of its current classifications in order to integrate the proposed area zoning.

III. THE ANNEXING CITY: FINANCIAL BACKGROUND

A. Revenue

The City's fiscal year 1996 property tax rate is \$.20 per \$100 of assessed real estate and personal property value. The City's utility tax rate is currently 4.5%. Manchester is a "point of sale" sales tax city, meaning that it receives sales tax revenue based on retail sales activity within its borders, rather than on a per capita basis. The following table illustrates the major sources of General Fund revenues for the City.

TABLE 2

SOURCES OF GENERAL FUND REVENUES		
Sources	1996 (Budgeted)	Percent of Total Budget
Sales Tax	\$1,962,500	62%
Utility Tax	352,000	11
Intergovernmental	89,000	3
Cable T.V.	28,000	.1
Fines & Court Cost	200,000	6.4
Property Tax	235,000	7.5
Licenses and Permits	138,700	4.5
Other	166,150	5.5
TOTALS	\$3,171,350	100.0

Source: City of Manchester Annual Budget fiscal year 1996.

Sales tax receipts account for the largest share (sixty two percent) of the City's General Fund revenues. The next two largest revenue categories contributing to the General Fund are the gross receipts taxes on utilities (eleven percent) and property tax (over seven percent).

B. Expenditures

The City's major services and expenditures by category are presented in the following table.

TABLE 3

GENERAL FUND EXPENDITURES		
Sources	1995 (Actual)	Percent of Total
Administration	\$232,254	8%
Public Works	927,957	31
Police	1,100,986	37
Culture and Recreation	391,876	13
Municipal Court	115,412	4
Finance	199,364	6
Mayor & Board of Alderman	27,003	1
TOTALS	\$2,994,852	100.0

Source: City of Manchester Annual Budget for fiscal year 1996.

Over one-third (37 percent) of the City's General Fund revenues are spent on police protection. Nearly another one-third (31 percent) of the budget is devoted to public works activities, which includes street repair and maintenance and street lighting. The City commits thirteen percent of its spending to culture and recreation. Eight percent of the budget is used for administration.

C. Summary of Finances

A summary of Manchester's financial position is presented in the table below.

TABLE 4

SUMMARY OF FINANCES	
	Actual 1994¹
Revenues ²	\$3,183,162
Operating Expenditures	2,662,919
Excess of Revenues Over (Under) Operating Expenditures	520,243
Capital Expenditures	457,883
Excess of Revenues Over (Under) Total Expenditures	62,360
Fund Balance	1,123,621
Bonded Indebtedness	\$ 0

Notes: ¹ Manchester's Fiscal Year is January 1 - December 31.

² Includes General Fund and other revenues.

Source: City of Manchester, Financial Statements for fiscal year ended December 1994.

IV. PROVISION OF SERVICES

A. Existing and Proposed Services

The primary services that St. Louis County would relinquish to the City of Manchester include police protection, planning and zoning, and street maintenance and snow removal. The Plan of Intent indicates that the City would provide street lighting.

TABLE 5

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

¹ Some 10.50 miles of roads on the County Road System would be transferred to Manchester if the annexation occurs. The 1.95 miles of the Arterial Road System will continue to be maintained by St. Louis County.

² Manchester contracts with St. Louis County to issue permits or enforce codes relating to commercial mechanical inspections, elevators, amusement activities, commercial electrical, commercial plumbing, explosives, and weights and measures.

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 Manchester would assume primarily responsibility for these services, St. Louis County would continue to provide certain rodent and animal control services even if the area is annexed by the City.

B. Services Not Affected

The area is serviced by the West County Fire Protection District, which is an independent taxing jurisdiction that will not be affected by annexation. Thus, property owners in the area will continue to pay the 1996 tax rate of \$.62 per \$100 of assessed valuation.

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 Parkway School District and the St. Louis County Library system. These services would not be affected by annexation.

V. IMPACTS OF PROPOSED ANNEXATION

A. Impact on Area Residents, Property Owners, and Businesses

Annexation by the City of Manchester would have a minimal financial impact on residents and property owners in the annexation area. With the Manchester property tax rate of \$.20 per \$100/AV, a residential property owner in the annexation area with a \$135,000 home with an assessed valuation of \$25,650 would pay an additional \$51 per year in real property taxes. The \$.20 per \$100/AV tax rate is also applicable to personal property. Assuming \$8,000 of personal property, a typical resident would pay an additional \$16 per year in taxes. However, the City's 4.5% utility tax rate would result in a decrease in utility taxes of approximately \$10 per year for the typical single family home.

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 Manchester's trash hauler after an initial two year period that is legislatively mandated by State law. Because Manchester provides free trash, recycling, and compost pick up, the property tax increase to the annexation area residents will be largely offset by their not having to pay for trash collection.

The additional Manchester property tax would also effect businesses. The businesses would also be subject to the City's business licence fees, which are based on gross receipts.

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 AV collected for the Road and Bridge Tax from the County's \$.58 total tax rate would go to Manchester if the annexation occurs.

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 \$493,641. A breakdown of County revenue loss by funding source is provided in the following table.

TABLE 6

ANNUAL COUNTY REVENUE LOSS FROM THE PROPOSED ANNEXATION	
	Annexation Area
Sales Tax ¹	\$234,820
Utility Tax ²	120,483
C.A.R.T. ³	83,883
County Road and Bridge ³	32,945
Cigarette Tax ⁴	13,034
Cable T.V. Tax ⁵	8,476
TOTAL	\$493,641

- ¹ Based on \$102.95 per capitaless annexation adjustment estimated at \$26.00 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 \$4.28 per capita.
- ⁵ St. Louis County calculates (Housing Units x .5) x (Annual Average Cost of Cable) x .03 = _____

C. Impact on Annexing Municipality

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

TABLE 7

CITY AND COUNTY ESTIMATE OF MANCHESTER'S NEW ANNUAL REVENUES		
Source	County Estimated Amount	City Estimated Amount⁹
Sales Tax ¹	\$313,898	\$391,920
Utility Gross Receipts Tax ²	114,000	133,520
State Road Aid (Gasoline and motor vehicle) ³	109,885	117,120
County Road and Bridge ⁴	32,945	31,790
Cigarette Tax ⁵	13,034	15,050
Property Tax ⁶	62,752	58,220
Cable T.V. Tax ⁷	8,476	14,840
Miscellaneous taxes/permits/ licenses/fees ⁸	79,570	79,570
TOTALS	\$734,560	\$842,030

- ¹ Based on \$102.95 per capita.
- ² Assumes average annual utility bill of \$2,000 and Manchester utility gross receipts tax rate of 4.5%.
- ³ State Road Aid includes: gasoline tax, gasoline tax increase, motor vehicle sales tax, and auto license fees. Estimate based on \$31.21 per capita.
- ⁴ Rate is \$.105 per \$100 assessed valuation.
- ⁵ Estimate based on \$4.28 per capita.
- ⁶ Manchester property tax rate is \$.20 per \$100 on both real and personal property.
- ⁷ St. Louis County calculates (Housing units x .50) x (Annual Average Cost of Cable) x .03 = _____.
- ⁸ City of Manchester estimate.
- ⁹ Estimates from Manchester Plan of Intent.

The County estimates that the City of Manchester will receive nearly \$734,560 from the area if annexed; the City's Plan of Intent estimates revenues of some \$842,030. The difference in estimates

is \$107,470, primarily due to difference in the sales tax calculations.

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 8

CITY ESTIMATE OF EXPENDITURES FOR THE AREA	
Service	Estimates for Expenditures
Police	\$316,110
Public Works	301,140
Culture and Recreation	0
Administration/Municipal Courts	0
Capital Improvements	137,000
TOTAL	\$754,250

In order to maintain the existing service level of police protection, the city is considering hiring seven additional police officers. The city will acquire 10.50 additional miles of the road network. Manchester anticipates hiring two additional public works staff members to accommodate the increase in demand for services.

VI. COMPACTNESS AND OTHER BOUNDARY ISSUES

From a compactness and shape standpoint the extension of the City of Manchester's boundaries as proposed appears to be logical. There are direct street connections from the existing Manchester boundary with the single family subdivisions in the area. There is ample road access to facilitate the provision of services.

VII. ANALYSIS OF ADDITIONAL ISSUES

Road Improvements.

The annexation area is served by Sulphur Spring Road and Big Bend Road which are a part of the St. Louis County Arterial Road System along with Hanna Road, which is part of the County Road System.

The proposed area of annexation is encompassed by the Big Bend-Oak-Kiefer Creek Corridor Traffic Generation Assessment Road Trust Fund. The continuation of the Traffic Generation Assessment Road Trust Fund and implementation of the Highway System Plan are integral in meeting the needs of area residents as development progresses in the area. The St. Louis County Department of Highways and Traffic recommends that the Boundary Commission make the annexation proposal contingent upon the City of Manchester amending its Plan of Intent to make provisions for the continuance of the Traffic Generation Assessment Road Trust Fund.

Quality of Services.

The City of Manchester provides a full range of municipal services. It is reasonable to assume that Manchester could provide normal municipal services to the area. Likewise, it should be noted that St. Louis County provides quality efficient municipal services to the proposed annexation area and will continue to do so if desired by the voters of the area.

IIIV. SUMMARY OF ISSUES BY BOUNDARY COMMISSION FACTOR

Factor 1 Impact

Residents will experience a minimal tax increase if the annexation occurs. With the Manchester property tax rate of \$.20/\$100 AV, a residential property owner in the annexation area with a \$135,000 home with an assessed valuation of \$25,650 would pay an additional \$ 51 per year in real property taxes. The tax rate is also applicable to personal property. Assuming \$8,000 of personal property, a typical resident would pay an additional \$16 per year in taxes.

The City's 4.5% utility tax rate would result in a decrease in utility taxes of approximately \$10 per year for the typical single family home.

Because Manchester provides free trash, recycling, and compost pick up, the property tax increase to the annexation area residents will be largely offset by their not having to pay for trash collection.

The additional Manchester property tax would also effect businesses. The businesses would also be subject to additional business licence fees, which are based on gross receipts.

Factor 2 Legal Description

No comment.

Factor 3 Orderly Incorporation in the County

No comment.

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Factor 4 Services

The primary services that St. Louis County would relinquish to the City of Manchester include police protection, planning and zoning, and street maintenance and snow removal. The Plan of Intent indicates that the City would provide street lighting. First, in order to maintain the existing service level of police protection, the city is considering hiring seven additional police officers. The city will acquire 10.50 additional miles of the road network. Manchester anticipates hiring two additional public works staff members to accommodate the increase in demand for services.

If annexed, residents would experience a change in trash collection services. Currently, residents in unincorporated St. Louis County normally contract for trash service by household. The residents would receive services from Manchester's trash hauler after an initial two year period that is legislatively mandated.

It should be noted that St. Louis County provides quality efficient municipal services to the proposed annexation area and will continue to do so if desired by the voters of the area.

Factor 5 Schedule of Service Delivery

No comment.

Factor 6 Current Tax Rates

No Comment

Factor 7 Sources of Revenue

The City of Manchester estimates that it will receive \$754,430 in new annual revenue from the proposed area, if annexed. The City anticipates spending \$754,250 to provide services to the annexed area.

Factor 8 Extraordinary Effects on Tax Distribution

No comment.

Factor 9 Zoning

Within the proposed annexation area, single family subdivisions are primarily in St. Louis County's R-4 7,500 square foot Residence District and R-3 10, 000 square foot Residence District. Additionally, a single family subdivision and some larger parcels are zoned R-2 15,000 square foot Residence District.

The majority of the subdivisions in the area contain single family lots of 7,500 to 10,000 square feet and cannot be accommodated within the existing structure of Manchester's Zoning Ordinance which requires a single family to maintain a minimum size of 14, 000 square feet. Additionally, there are minimum floor area requirements for homes in Manchester which do not exist in St. Louis County. Setback requirements within Manchester's residential districts are more stringent than in St. Louis County.

The vast majority of the proposed annexation area is residential. However, at the northeast corner of Sulphur Spring and Big Bend Roads is a parcel of property zoned C-8 Planned Commercial District by St. Louis County. The uses allowed within that District could be accommodated by the City of Manchester's PCD Planned Commercial District; however adjustments may be required to some of Manchester's buffering and setback regulations.

The Plan of Intent does state that the City of Manchester will consider changing several of its current classifications in order to integrate the proposed area zoning.

Factor 10 Compactness

The proposed annexation area is contiguous to the City of Manchester's southern border. From a compactness and shape standpoint the extension of the City of Manchester's boundaries as proposed appears to be logical. There are direct street connections to the area to facilitate the provision of services. Furthermore, there are not unincorporated pockets or municipalities interspersed within the area.

Factor 11 Effective Date of Annexation

No Comment