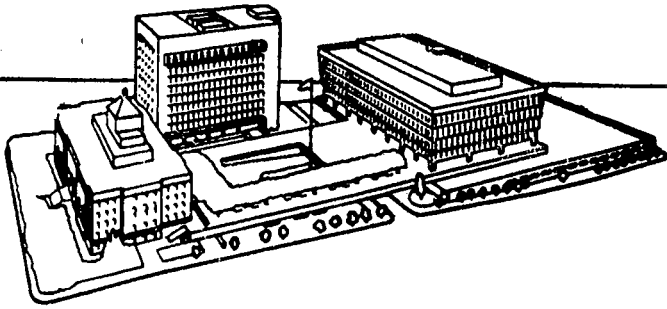


PROPOSED ANNEXATION BY
CITY OF SUNSHINE HILLS
(AREA IV)

Responsible PRC: 0307 Prepared by:
CR, Houtts Community Development Unit
Date Submitted to:
Provincial Government, CR, Houtts Community
August 31, 1995



ST. LOUIS COUNTY, MISSOURI

BUZZ WESTFALL, COUNTY EXECUTIVE

DEPARTMENT OF PLANNING

JUNE MCALLISTER FOWLER, DIRECTOR

August 6, 1996

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

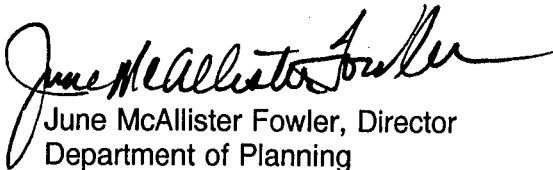
Re: Proposed Sunset Hills Annexation (BC 9607 - Area IV)

Dear Commissioners:

St. Louis County Government is pleased to submit its analysis of the annexation proposed by the City of Sunset Hills. 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/SFG/dhc
(bnd\sunsthls.96)



ANALYSIS OF PROPOSED SUNSET HILLS ANNEXATION

AREA IV

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Attachment: Map

I. INTRODUCTION

A. Purpose

The purpose of this report is to provide information regarding a proposed annexation of 421.5 acres (.66 square miles) of unincorporated St. Louis County by the City of Sunset Hills. 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 Sunset Hills.

B. History of Previous Annexation Proposals Affecting Area

There are no records of any recent annexation attempts for this area or any portions thereof.

II. AREA PROPOSED TO BE ANNEXED

A. General Description

The 421.5 acre area which the City of Sunset Hills seeks to annex is southeast and contiguous to the city boundary. It is geographically bounded by Sappington Road on the east, Sappington Barracks Road on the north, Gravois Road on the west, and Interstate 270 on the south. The City of Sunset Hills recently annexed an area that forms the southern boundary of area IV along I-270. This annexation became effective June 6, 1996.

TABLE 1

BASIC ANNEXATION AREA DATA	
Area ¹	421.5 acres (.66 sq. miles)
Population ²	1,310
Dwelling Units (1996) ¹	530
Total Assessed Valuation ³	\$20,252,667
Assessed Valuation Per Capita ¹	\$15,460

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

B. Land Use and Zoning

This area is mainly composed of single family residences in typical suburban subdivisions. The exceptions to this pattern are the condominiums and duplexes on Benbury Court and the small commercial strip mall at the corner of Gravois and Sappington Barracks Road. This mall primarily consists of various types of offices, such as a dental office, an insurance agency, and a physical therapy center.

The area's zoning pattern mirrors the above land use characteristic. Almost the entire proposed annexation area is currently zoned R-2 15,000 square foot Residence District under St. Louis County zoning regulations. There is a Planned Environment Unit (P.E.U.) containing 4.46 acres in the western portion of the proposed area. This P.E.U., also zoned R-2, consists of four condominium units, two duplex units and four single family lots. A very small and limited area of C-2 Shopping District is found at the southeast corner of Highway 30 and Sappington Barracks Road.

The City has subdivision and flood plain management ordinances but does not anticipate utilizing them in this area because it is fully developed. Furthermore, there are no development projects anticipated in the annexation area.

C. Comparison of City and County Zoning

Under St. Louis County zoning regulations, almost the entire area is currently zoned R-2 Residential. A very small and limited area of C-2 shopping District is found at the southeast corner of Highway 30 and Sappington Barracks Road.

Single Family Residential Districts

The residential area is currently zoned R-2 Residential under the St. Louis County Zoning Ordinance. The R-2 Residential zoning district does not directly correspond to any of the residential zoning districts in the City of Sunset Hills. The closest zoning district in the City of Sunset Hills which would not create a number of non-conforming lots relative to the minimum lot sizes, setbacks and frontages would be the "C" Single Family zoning district.

According to the proposing agent, the only non-conforming use that would be created is the condominium development on Benbury Court. The Plan of Intent states that new district regulations could be created for those properties that are presently zoned by St. Louis County in a manner that does not exist in Sunset Hills.

Commercial Districts

A very limited area of commercial property is currently zoned C-2 Shopping District under the St. Louis County zoning regulations. The only commercial zoning district in the City of Sunset Hills which would allow the development and use of commercial property without the requirement of following a development plan associated with a planned development zoning district is the "E" Commercial zoning district. Based on the size of the properties involved and the development which exists on the properties, the City proposes placing these properties under the "E" commercial zoning district which will not create non-conforming lots or uses.

III. THE ANNEXING CITY: FINANCIAL BACKGROUND

A. Revenue

The City's fiscal year 1995 property tax rate is \$.08 per \$100 of assessed real estate and personal property value. The City's utility tax rate is currently five percent for residential properties, and seven and a half percent for commercial properties. St. Louis County's utility tax rate is five percent for both residential and commercial properties. Sunset Hills is a "point of sale" city, meaning that it receives sales tax revenue based on retail sales activity within its borders, rather than receiving sales tax revenue 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	1994 (Actual)	Percent of Total Budget
Sales Tax	\$1,043,090	37.7
Utility Tax	718,764	25.9
Gasoline Tax	110,685	4.0
Cigarette Tax	21,814	0.8
County Road Funds	132,964	4.8
Property Tax	100,530	3.6
Licenses and Permits	386,498	14.0
Other	255,510	9.2
TOTALS	\$2,769,855	100.0

Source: City of Sunset Hills Financial Statements for fiscal year ended December 31, 1994.

Sales tax receipts and gross receipts taxes on utilities account for the largest share (over sixty percent combined) of the City's General Fund revenues. Licenses and permits and other income sources (which include charges for services and fines) and State gasoline tax funds are the next two largest revenue categories contributing to the General Fund.

B. Expenditures

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

TABLE 3

GENERAL FUND EXPENDITURES		
Sources	1994 (Actual)	Percent of Total
Administration	\$319,509	13.6
Public Works	572,553	24.4
Police	944,425	40.3
Parks and Recreation and Pool	205,400	8.8
Non-Departmental Expenditures	258,942	11.0
Capital Lease Payments	43,471	1.9
TOTALS	\$2,344,300	100.0

Source: City of Sunset Hills Financial Statements for fiscal year ended December 31, 1994.

Approximately two-fifths (40.3 percent) of the City's General fund revenues are spent on police protection. Nearly one quarter (24.4 percent) of the budget is devoted to public works activities, which include street repair and maintenance and street lighting. The City commits 13.6 percent of the budget for administrative expenses. Approximately one-tenth (11.0 percent) of its spending is for parks and recreation.

C. Summary of Finances

A summary of Sunset Hills' financial position is presented in the table below.

TABLE 4

SUMMARY OF FINANCES	
	Actual 1994¹
Revenues ²	\$2,975,090
Operating Expenditures	2,300,829
Excess of Revenues Over (Under) Operating Expenditures	674,261
Capital Expenditures	403,796
Excess of Revenues Over (Under) Total Expenditures	345,519 ³
Fund Balance	\$1,070,191
Bonded Indebtedness ⁴	\$ -0-

Notes: ¹ Sunset Hills' Fiscal Year is January 1 to December 31.

² Includes General Fund and other revenues.

³ Amount adjusted by addition of \$75,054 from other financing sources and subtraction of \$403,796 debt service expenses and capital expenditures.

⁴ According to Ronald Williams, City Engineer, Sunset Hills did not have any bonded indebtedness in FY94. However, the city did release \$5.765 million in bonds on June 20, 1996.

Source: City of Sunset Hills, Financial Statements for fiscal year ended December 31, 1994.

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 is successful, some of the current services provided by St. Louis County would be transferred to the City of Sunset Hills. 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 Sunset Hills
Fire Protection/EMS/ALS	Mehlville FPD	Mehlville FPD
Streets	St. Louis County	St. Louis County, City of Sunset Hills ¹
Sidewalk Improvement and Repair	St. Louis County	City of Sunset Hills
Parks and Recreation	St. Louis County	St. Louis County, City of Sunset Hills
Refuse Collection	Private Haulers	Sunset Hills (contract with private hauler)
Street Lighting ²	N/A	N/A
Planning, Zoning, and Subdivision Regulations	St. Louis County	City of Sunset Hills
Building Code, Mechanical Permits and Inspections ³	St. Louis County	St. Louis County
Residential Occupancy Permits and Inspections ⁴	None	City of Sunset Hills
Health Services - Rodent Control, Mosquito Fogging, Animal Control	St. Louis County	St. Louis County
Municipal Court	St. Louis County	City of Sunset Hills

¹ Some 7 miles of roads on the County Road System would be transferred to Sunset Hills if the annexation occurs. However, maintenance of Sappington Road, which is on the Arterial Road System, will remain a County responsibility.

² Currently, there are no streetlights in the proposed area. The plan of intent does not indicate whether the City will install or pay for street lights.

³ Sunset Hills contracts with St. Louis County to issue permits or enforce codes relating to residential and commercial building inspections, mechanical inspections (including periodic mechanical), elevators, amusement activities, electrical, plumbing, explosives, and weights and measures.

⁴ 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.

B. Services Not Affected

The area is serviced by the Mehlville 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 1995 tax rate of \$.90 per \$100 of assessed valuation to the Mehlville FPD.

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 Lindbergh 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 Sunset Hills would have a minimal financial impact on residents, property owners and businesses in the annexation area. With the Sunset Hills property tax rate of \$.08, a residential property owner in the annexation area with a \$140,000 home with an assessed valuation of \$26,600 would pay an additional \$21 per year in real property taxes. The \$.08 tax rate is also applicable to personal property. Assuming \$4,000 of personal property, a typical resident would pay an additional \$3 per year in taxes.

Any business located in the annexation area would also be subject to the City's \$.08 tax rate on

real and personal property and the additional 1.5 percent tax paid in utility usage over the current five percent charged by St. Louis County. The City also imposes additional merchants, manufacturers, and other business license fees in addition to a standard \$5 business license fee and a tax paid on merchant's and manufacturer's equipment, paid to St. Louis County by businesses in both unincorporated and incorporated St. Louis County.

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 \$239,492. 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	\$100,805
Utility Tax ²	38,755
C.A.R.T. ³	49,244
County Road and Bridge ³	21,265
Cigarette Tax ⁴	5,607
Cable T.V. Tax ⁵	3,816
TOTAL	\$239,492

¹ Based on \$102.95 per capita, less 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 Sunset Hills if the annexation is successful.

TABLE 7

CITY AND COUNTY ESTIMATE OF SUNSET HILLS'S NEW ANNUAL REVENUES		
Source	County Estimated Amount	City Estimated Amount⁹
Sales Tax ¹	134,865	134,930
Utility Gross Receipts Tax ²	61,633	63,608
State Road Aid (Gasoline and motor vehicle) ³	49,244	35,370
County Road and Bridge ⁴	21,265	14,721
Cigarette Tax ⁵	5,606	5,895
Property Tax ⁶	12,309	11,216
Cable T.V. Tax ⁷	3,816	4,698
Miscellaneous taxes/ permits/licenses/ fees ⁸	2,500	2,500
TOTALS	\$291,238	\$272,938

¹ The County estimated amount is based on \$102.95 per capita. The Sunset Hills estimated amount is based on \$103.00 per capita

² Assumes average annual utility bill of \$2,000 and Sunset Hills utility gross receipts tax rate of 5% for residential properties and 7.5% for commercial property.

³ State Road Aid includes: gasoline tax, gasoline tax increase, motor vehicle sales tax, and auto license fees. The estimate is based on \$37.59 per capita for St. Louis County's estimates, and \$27.00 per capita for Sunset Hills.

⁴ The rate is \$1.05 per assessed valuation.

⁵ The County estimate is based on \$4.28 per capita and the Sunset Hills rate is based on \$4.50 per capita.

- ⁶ The Sunset Hills property tax rate is \$.08 per \$100 on both real and personal property.
- ⁷ Both jurisdictions calculate (Housing units x .5) x (Annual Average Cost of Cable) x .03 = _____.
- ⁸ City of Sunset Hills estimate.
- ⁹ Estimates from Sunset Hills plan of intent.

The County estimates that Sunset Hills will receive nearly \$291,238 from the area if annexed; the City's Plan of Intent estimates revenues of some \$272,938. Although the various estimates by each tax differ, the total City and County estimates are relatively close.

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	\$126,667
Public Works (including streets)	133,156
Culture and Recreation	1,400
Administration/Municipal Courts	5,440
TOTAL	\$266,663

The Plan of Intent provides an explanation of how these estimates were derived. First, with regards to police protection, the City is considering hiring three additional police officers. The costs the City would incur to maintain the current service level includes personnel expense, annual vehicle operating expense, recruitment, and personnel equipment would total \$126,667.

The proposed area is mainly serviced by subdivision streets which will be incorporated into the City's normal street maintenance activities, which include street repairs and snow removal performed by the Public Works Department. These roads will add seven miles to the road City's network. Based on the additional lane mileage to be added to the street network, the City estimates that \$133,156 will be incurred and expended by the Public Works Department. This amount includes the additional operations cost, personnel cost and equipment cost. The City also foresees an additional proposed salary allocation of \$1,400 for part time park attendants. No financial considerations for zoning were provided by Sunset Hills.

The Plan of Intent also states that "It is believed by the city that the boundaries permit the reasonable and efficient placement of services and that no emergency service delivery should be delayed. In fact, the City Hall is closer to the Annexation Area than the closest St. Louis County Police Station..." That claim does not uphold under further scrutiny. Police vehicles will take the most direct route to the annexation area in an emergency. The most direct route to Area IV from the Sunset Hills and St. Louis County police stations is Lindbergh Blvd. The distance between Sunset Hills City Hall and Area IV is approximately 8,000 ft., whereas the distance between the nearest St. Louis County Police substation (located at 9964 Lin-Ferry) and Area IV is approximately 8,100 ft. These distances do not constitute a significant difference for the delivery of efficient services.

VI. COMPACTNESS AND OTHER BOUNDARY ISSUES

According to the Plan of Intent, the area proposed to be annexed is 72 percent contiguous to the

City of Sunset Hills. This contiguity percentage was achieved after the City annexed Area III, which became effective June 6, 1996. Area III bounds the proposed area along highway I-270. The extension of Sunset Hill's boundaries, as proposed, appears to be logical from a compactness and shape standpoint. There is also ample road access to facilitate the provision of services.

VII. ANALYSIS OF ADDITIONAL ISSUES

Road Improvements. Future road improvements in the area could be adversely impacted if the annexation is successful and the City does not make provisions for the continuance of the Baptist Church-Green Park-Buckley Traffic Generation Assessment Road Trust Fund administered by St. Louis County. Funds from the trust are used for the implementation of road improvements identified on the Highway System Plan. A planned improvement that would impact the proposed area is the creation of a third lane on Sappington Road, south of Lindbergh Boulevard. An improvement in progress is work on the drainage channels along Sappington Road to ease stormwater runoff problems.

Licenses and Permits. If annexed, the residents in Area IV would be required by the City to obtain occupancy permits. Businesses in the commercial district on Gravois and Sappington Barracks Road would be required to obtain a Sunset Hills Business License, if annexed. The business license fees are based on annual gross receipts.

Quality of Services. The City of Sunset Hills provides a full range of municipal services. It is reasonable to assume that Sunset Hills 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.

VIII. SUMMARY OF ISSUES BY BOUNDARY COMMISSION FACTOR

Factor 1 Impact

Residents will experience a minimal tax increase if the annexation occurs. The Sunset Hills property tax rate is \$.08 per \$100 of assessed value. A residential property owner in the annexation area with a \$140,000 home with an assessed valuation of \$26,600 would pay an additional \$21 per year in real property taxes. The \$.08 tax rate is also applicable to personal property. Assuming \$4,000 of personal property, a typical resident would pay an additional \$3 per year in taxes. The residential utility tax of 5% is commensurate with the St. Louis County rate, thus there will be no change in utility tax realized by the residents in Area IV, if annexed.

The additional Sunset Hills taxes would also effect businesses. The commercial utility tax rate for the City is 7.5% versus the 5% utility tax rate for St. Louis County. The businesses would also be subject to additional business license fees, which are based on gross receipts.

Factor 2 Legal Description

No Comment

Factor 3 Orderly Incorporation in the County

No Comment

Factor 4 Services

The primary services that St. Louis County would relinquish to the City of Sunset Hills include police protection, planning and zoning, and street maintenance and snow removal. First, in order to maintain the existing service level of police protection, the city is considering hiring three additional police officers. The plan of intent also indicates that the City will acquire seven additional miles to the road network. Sunset Hills anticipates hiring additional personnel and purchasing additional snow removal equipment to accommodate the increase in demand for services. The City of Sunset Hills also foresees a proposed salary allocation increase of \$1,400 for part time park attendants. No financial considerations for zoning were provided by Sunset Hills. There will be no changes in building code enforcement, since Sunset Hills contracts with St. Louis County for this service.

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 Sunset Hill'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 Sunset Hills estimates that it will receive \$272,938 in new annual revenues from the proposed area, if annexed. The City also anticipates spending \$266,663 to provide the previously mentioned services to the annexed area. The County estimate of new annual revenues generated from Area IV is slightly higher, \$291,238.

Factor 8 Extraordinary Effects on Tax Distribution

The total annual revenue loss that County Government could experience as a result of the proposed annexation is estimated to be \$239,492.

Factor 9 Zoning

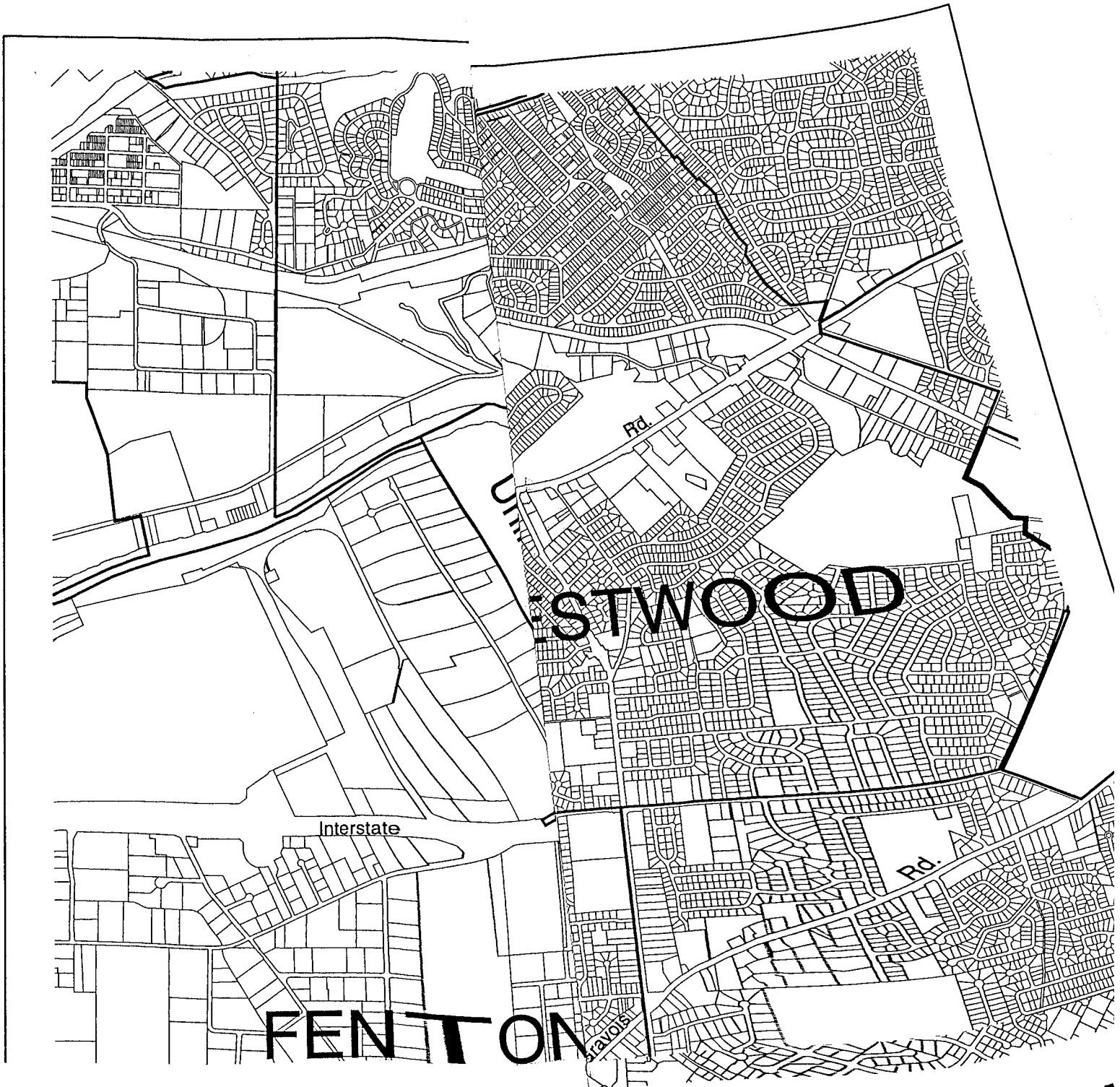
The zoning changes which would be required would be technical ones to zone property into the appropriate Sunset Hills commercial or residential category. However, the only exception would be the condominiums on Benbury Court, which the plan of intent mentions as the only non-conforming use. The plan also states that new district regulations could be created for those properties that are presently zoned by St. Louis County in a manner that does not exist in Sunset Hills. The city does have subdivision and flood plain management ordinances but neither is anticipated to be applicable in this area because it is fully developed.

Factor 10 Compactness

The proposed annexation area is contiguous on three sides with the current Sunset Hills boundary. Furthermore, there are no unincorporated pockets or municipalities interspersed within the area.

Factor 11 Effective Date of Annexation

No Comment



PROPOSED

ANNLS,

MISSOURI

— Existing C
 ▨ Proposed

