

CITY OF MEMPHIS

"Petition for Annexation Project"

Generates \$3 to \$8 Million in Annual Revenues



*Prepared by
City of Memphis Engineering Division
September 26, 2005*



Front Cover: Sample \$1.2 Million Area at Winchester and Hacks Cross Road

Back Cover: Bridgewater Area at Goodlett Farms Parkway and Appling Road

“Petition for Annexation Project”

Each of the three alternatives is a viable option. However, the “Low Hanging Fruit” is the best initial option for the City to pursue. The primary difference in these three alternatives is the number of residential homes proposed to be annexed.

The amount of property tax revenue shown for each alternative is a careful calculation based on the 2005 appraisal value. For each alternative the 2005 appraisal values were totaled by property tax classification (*i.e. Residential/Farm, Business/Industry, etc...*) and then calculated at the Memphis tax rate using the Assessor’s “City Property Tax Calculator”. There are other revenues that would be associated with the annexation of these properties. For the commercial properties, the city would receive a portion of the sales tax revenue generated. All properties would be assessed appropriate city fees including solid waste collection and the proposed storm water utility fee. The commercial properties have a considerable amount of paved area which would generate substantial revenue for our drainage program.

The cost for taking in these properties would be minimal. We already have lights along many of the streets since the streets are already within the city limits. Since the properties are contiguous to the current city limits, emergency services coverage should be adequate. In addition, annexation of these properties could eliminate some potential confusion as to which jurisdiction the properties are located.

In Alternatives A and B, we have identified some residential properties for annexation. The reason for this was to create a “cleaner” annexation area or it is necessary to annex them to reach a commercial/industrial property that is contiguous to the residential property. We understand there may be some negative implications to annexing residential properties at this time. Many of the residential units are in apartment/condo complexes.

We understand that the other divisions would need to provide input as to the full impact of annexing the properties identified. The purpose of this document is to provide some general information that would facilitate additional analysis.

A copy of the ordinance to annex the Winchester Road Wal-Mart is contained at the end of this document. The annexation of these contiguous properties would provide for orderly growth of the city and provide urban level services where needed. In addition, this method may limit the number of “unfriendly” annexations that take place since these properties have already agreed to annexation.

Alternative A – Low Hanging Fruit

Alternative “A” could generate the City of Memphis \$3,105,292.94* (*over \$3 million*) annually in City property tax revenues. At present, the “Low Hanging Fruit” consists of 257 contiguous parcels. These 257 parcels fall within 62 contiguous final plats with a signed “Petition for Annexation” within the Memphis Reserve Area as per the following breakdown.

<u>No. of Parcels</u>	<u>Class</u>	<u>Assessed City Taxes</u>
73	Commercial	\$ 2,552,884.89
42	Industrial	334,062.72
135	Residential	166,177.10
7	Exempt	52,168.23*
257	TOTAL	\$ 3,105,292.94*

Alternate B – Primary Contiguous Parcels

Alternative “B” could generate the City of Memphis \$4,749,219.69* (*nearly \$5 million*) annually in City property tax revenues. At present, the “Primary Contiguous Parcels” consists of 902 contiguous parcels. These 902 parcels fall within 86 contiguous final plats with a signed “Petition for Annexation” within the Memphis Reserve Area as per the following breakdown.

<u>No. of Parcels</u>	<u>Class</u>	<u>Assessed City Taxes</u>
86	Commercial	\$ 3,161,682.75
42	Industrial	334,062.72
753	Residential	1,178,714.71
1	Golf Course	20,353.55
2	Farmland	2,345.73
18	Exempt	52,168.23*
902	TOTAL	\$ 4,749,219.69*

Alternative C – All Contiguous Parcels

Alternative “C” could generate the City of Memphis \$7,728,171.02* (*nearly \$8 million*) annually in City property tax revenues. At present, the “All Contiguous Parcels” consists of 3,391 contiguous parcels. These 3,391 parcels fall within 132 contiguous final plats with a signed “Petition for Annexation” within the Memphis Reserve Area as per the following breakdown.

<u>No. of Parcels</u>	<u>Class</u>	<u>Assessed City Taxes</u>
87	Commercial	\$ 3,172,290.45
42	Industrial	334,062.72
3,218	Residential	4,138,518.40
1	Golf Course	20,353.55
5	Farmland	10,777.67
38	Exempt	52,168.23*
3,391	TOTAL	\$ 7,728,171.02*

* Includes PILOT Exemption Fee of 5% of Assessed City Taxes Due on IDB Properties such as Thomas & Betts.

ROLL CALL BY ITEM

MEMPHIS CITY COUNCIL

Page 14 of 29

DATE: 5/16/2000

Present or Absent	COUNCIL MEMBERS	AYE	NAY	ITEM NO. <u>15</u> ORD. NO. _____
	JOE W. BROWN 2	✓		<i>Approved</i>
	EDMUND H. FORD	✓		
	BARBARA HOLT, Chairman	✓		
	JANET HOOKS			
	E.C. JONES	✓		
	MYRON LOWERY			
	TOM MARSHALL 1	✓		
	TAJUAN STOUT MITCHELL	✓		
	RICKEY PEETE	✓		
	JACK SAMMONS	✓		
	BRENT TAYLOR	✓		
	PAT VANDERSCHAAF	✓		
	JOHN VERGOS	✓		

ONE ORIGINAL
ONLY STAPLED
TO DOCUMENTS

Planning & Development

Annexation & Intergovernmental Relations COMMITTEE:

DIVISION
4/25/00

DATE

PUBLIC SESSION: April 25, 2000

DATE

ITEM (CHECK ONE)

ORDINANCE

CONDEMNATIONS

GRANT ACCEPTANCE / AMENDMENT

RESOLUTION

GRANT APPLICATION

REQUEST FOR PUBLIC HEARING

OTHER:

ITEM DESCRIPTION: An ordinance annexing the Winchester Road Wal-Mart Study Area (Study Area no. 48), a 31.9 acre area located on the south side of Winchester Road opposite the terminus of Germantown Road. This annexation is being initiated at the request of Wal-Mart Stores, Inc. the owner of part of the property. Memphis Light, Gas and Water Division is also joining in the annexation..

Ord. 4771

1st Reading 4/25/00
2nd Reading 5/2/00
3rd Reading 5/16/00

RECEIVED

APR 18 2000

MEMPHIS CITY ATTORNEY

RECOMMENDED COUNCIL ACTION: Approve the ordinance on first reading

PRIOR ACTION ON ITEM:

APPROVAL - (1) APPROVED (2) DENIED

DATE

ORGANIZATION - (1) BOARD / COMMISSION

(2) GOV'T. ENTITY (3) COUNCIL COMMITTEE

FUNDING:

REQUIRES CITY EXPENDITURE - (1) YES (2) NO

\$ AMOUNT OF EXPENDITURE

\$ REVENUE TO BE RECEIVED

SOURCE AND AMOUNT OF FUNDS

\$ OPERATING BUDGET

\$ CIP PROJECT #

\$ FEDERAL/STATE/OTHER

ADMINISTRATIVE APPROVAL:

DATE

POSITION

<i>Stephen Muller</i>	4/17/00	DIRECTOR
		DIRECTOR (JOINT APPROVAL)
<i>Mace B</i>	04/19/00	COMPTROLLER
		FINANCE DIRECTOR
		CITY ATTORNEY

CHIEF ADMINISTRATIVE OFFICER:

Rick Mason 4/25/00

For Mason

COUNCIL CHAIRMAN

AN ORDINANCE TO EXTEND THE BOUNDARIES OF THE CITY LIMITS OF THE CITY OF MEMPHIS BY VIRTUE OF THE PROVISIONS OF CHAPTER 113 OF THE PUBLIC ACTS OF THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE FOR 1955, AS AMENDED, BY ANNEXING THE WINCHESTER ROAD WAL-MART ANNEXATION AREA, STUDY AREA 48, AND ASSIGNING SAID AREA TO A COUNCIL DISTRICT.

WHEREAS, the City of Memphis on its own initiative is authorized to annex territory if it appears that the prosperity of the City of Memphis and of the territory affected will be materially retarded, and the safety and welfare of the inhabitants and property thereof endangered if said territory is not annexed to the City of Memphis; and

WHEREAS, Wal-Mart Stores, Inc. has petitioned the City of Memphis to annex property which it owns on the south side of Winchester Road opposite the terminus of Germantown Road and Memphis Light, Gas and Water Division has consented to join in the annexation and;

WHEREAS, a Plan of Services for the area proposed to be annexed is not required because said area is not over one-fourth square mile in area nor does it have a population of more than five hundred persons; and

WHEREAS, by resolution of the Council of the City of Memphis adopted on April 25, 2000, the Comptroller of the City of Memphis was authorized by said Council to give notice that a hearing would be held for the purpose of determining the action to be taken relative to the annexation of the hereinafter described property, which notice was published so as to give the required notice under the annexation statutes; and

WHEREAS, said notice was duly made by the Comptroller for a hearing on April 25, 2000 at 3:30 p.m. o'clock, in the Council Chamber of the City Hall, 125 North Main, Memphis, Tennessee, at which time and place upon presentation of the matter pursuant to the requirements of Chapter 113 of the Public Acts of the General Assembly of the State of Tennessee for 1955, as amended, it was determined by the Council of the City of Memphis that the proposed annexation reflects the planned and orderly growth and development of the City of Memphis taking into consideration the characteristics of the City of Memphis and those of the area proposed for annexation and is reasonable for the overall well being of the City of Memphis and the proposed area to be annexed; that it appears that the prosperity of the City of Memphis and the affected territory will be materially retarded and the safety and welfare of the inhabitants and property thereof endangered if such area is not annexed to the City of Memphis; that, therefore, it is in the best interest, safety and welfare of the inhabitants and property of said territory as well as the municipality as a whole to annex the following described property to the boundaries of the City of Memphis, and an appropriate annexation ordinance should be enacted;

NOW, THEREFORE,

SECTION 1. BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MEMPHIS, That the Council does find that the proposed annexation reflects the planned and orderly growth and development of the City of Memphis, taking into consideration the characteristics of the City of Memphis and those of the area proposed for annexation and is reasonable for the overall well being of the City of Memphis and the proposed area to be annexed; that it appears that the prosperity of the City of Memphis and the affected territory will be materially retarded and the safety and

welfare of the inhabitants and property thereof endangered if such area is not annexed into the City of Memphis; that, therefore, it is to the best interest, safety and welfare of the inhabitants and property of said territory as well as the municipality as a whole to annex the hereinafter described property to the boundaries of the City of Memphis.

SECTION 2. BE IT FURTHER ORDAINED, That all of the people and territory within the following boundaries shall be annexed to and become a part of the City of Memphis, and that the City of Memphis will provide services thereto, commencing on June 15, 2000:

BOUNDARY DESCRIPTION
WINCHESTER ROAD WAL-MART ANNEXATION AREA,
STUDY AREA 48

Beginning at a point in the existing Memphis City Limits, said point being in the center or mid-stream of the Nonconnah Creek Drainage Canal and located a distance of 300 feet southwardly from the centerline of Winchester Road, as measured perpendicular thereto; thence eastwardly with the existing Memphis City Limits, 300 feet south of and parallel to the centerline of Winchester Road, to its intersection with the westerly right-of-way line of a Unnamed Cove; thence southwardly with the existing Memphis City Limits and the westerly right-of-way line of a Unnamed Cove and continuing along the right-of-way of the radius of a cul-de-sac located at the terminus of said Unnamed Cove to a point on the westerly boundary line of the Winchester/Nonconnah Parkway Planned Development, Phase I; thence southeastwardly with the existing Memphis City Limits and the westerly boundary line of the Winchester/Nonconnah Parkway Planned Development, Phase I to a point on the southwest corner of said Planned Development; thence southeastwardly with the existing Memphis City Limits and the southwesterly boundary line of the Winchester/Nonconnah Parkway Planned Development, Phase I to its intersection with the westerly right-of-way line of Nonconnah Parkway; thence southeastwardly with the westerly right-of-way line of Nonconnah Parkway to its intersection with the centerline or mid-stream of the Nonconnah Creek Drainage Canal; thence northwestwardly following the centerline or mid-stream of the Nonconnah Creek Drainage Canal and its meanderings to its intersection with the existing Memphis City Limits, said point of intersection being the point of beginning.

SECTION 3. BE IT FURTHER ORDAINED, That upon annexation of the hereinabove described area, the said area shall be assigned to and become a part of the Council District 2 until said Council District boundaries are further amended. A map describing said Council District boundaries is on file in the Office of the Comptroller of the City of Memphis.

SECTION 4. BE IT FURTHER ORDAINED, That this Ordinance take effect from and after the date it shall have been passed by the Council, signed by the Chairman of the Council, certified and delivered to the Office of the Mayor in writing by the Comptroller, and become effective as otherwise provided by law.

Chairman of Council

Attest

City Comptroller

THE FOREGOING ORDINANCE
477 PASSED
1st Reading 4/25/00
2nd Reading 5/2/00
3rd Reading 5/16/00
Approved by Gene Starnes
Chairman of Council

Date Signed: JUNE 7, 2000
APPROVED:
[Signature]
Mayor, City of Memphis, Tenn.

Date Signed: 6/12/00
I hereby certify that the foregoing is a true copy, and said document was adopted by the Council of the City of Memphis as above indicated and approved by the Mayor.
[Signature]
Comptroller

Prime Sample Area

\$ 1,223,615.81

\$ 1.2 Million Revenue to be collected from
City Property Taxes for 25 "Petition" Parcels

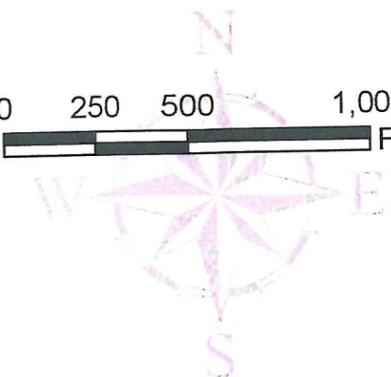
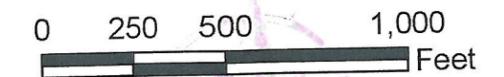
Previous Annexations in the Immediate Area
that were taken into the City of Memphis
by "Petition for Annexation"

Study Area 45 - Annexed July 16, 1998
Winchester - Hacks Cross Annexation Area
A.K.A. FEDERAL EXPRESS Annexation

Study Area 46 - Annexed August 5, 1999
Winchester - Nonconnah Parkway Annexation Area

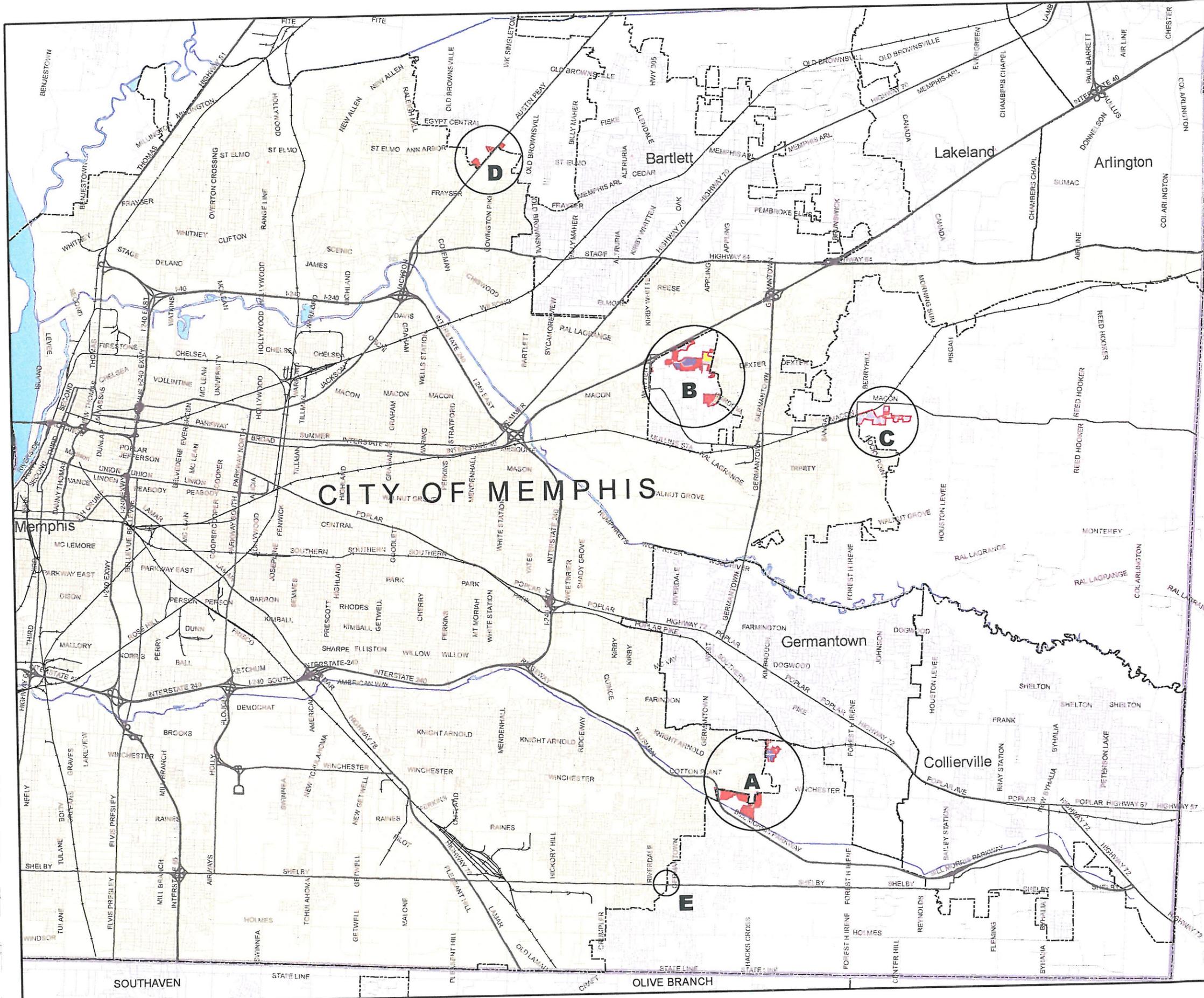
Study Area 47 - Annexed November 25, 1999
COSTCO Annexation Area

Study Area 48 - Annexed June 15, 2000
Winchester Road WAL-MART Annexation Area



September 26, 2005
Mapping and Central Records
City of Memphis Engineering Division





Alternative "A"

\$ 3,105,292.94

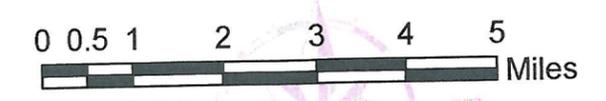
\$3.1 Million Revenue to be collected from City Property Taxes for 257 "Petition" Parcels

Proposed City Tax Revenue	Parcel Classification
\$ 2,552,884.89	Commercial (73)
334,962.72	Industrial (42)
166,177.10	Residential (135)
52,168.23	Exempt (7)
\$ 3,105,292.94	257 Parcels

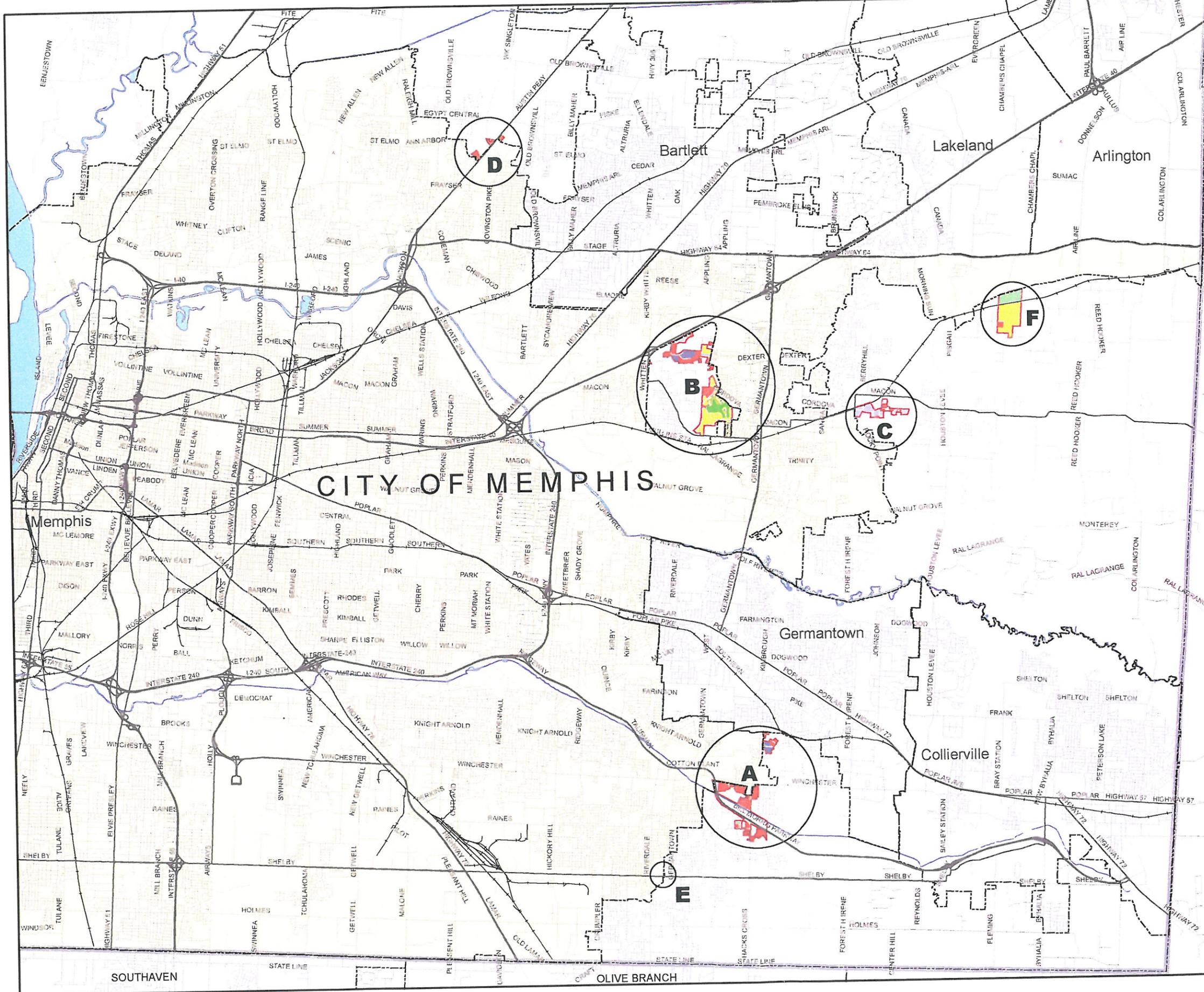
- Area A - Winchester / Hacks Cross
- Area B - Bridgewater
- Area C - Cordova Industrial Park
- Area D - Raleigh North
- Area E - Shelby Drive

Legend

- City of Memphis
- Memphis Reserve Area



September 26, 2005
 Mapping and Central Records
 City of Memphis Engineering Division



Alternative "B"

\$ 4,749,219.69

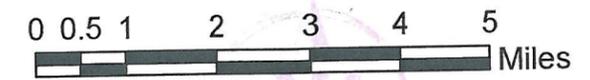
\$4.7 Million Revenue to be collected from City Property Taxes for 902 "Petition" Parcels

Proposed City Tax Revenue	Parcel Classification
\$ 3,161,682.75	Commercial (86)
334,962.72	Industrial (42)
1,178,714.71	Residential (753)
20,353.55	Golf Course (1)
2,345.73	Farmland (2)
52,168.23	Exempt (18)
\$ 4,749,219.69	902 Parcels

- Area A - Winchester / Hacks Cross
- Area B - Bridgewater
- Area C - Cordova Industrial Park
- Area D - Raleigh North
- Area E - Shelby Drive
- Area F - Oaklawn Estates P.D.

Legend

- City of Memphis
- Memphis Reserve Area



September 26, 2005
 Mapping and Central Records
 City of Memphis Engineering Division

Alternative "C"

\$ 7,728,171.02

\$7.7 Million Revenue to be collected from City Property Taxes for 3,391 "Petition" Parcels

Proposed City Tax Revenue	Parcel Classification
\$ 3,172,290.45	Commercial (87)
334,962.72	Industrial (42)
4,138,518.40	Residential (3,218)
20,353.55	Golf Course (1)
10,777.67	Farmland (5)
52,168.23	Exempt (38)
\$ 7,728,171.02	3,391 Parcels

- Area A - Winchester / Hacks Cross
- Area B - Bridgewater
- Area C - Cordova
- Area D - Raleigh North
- Area E - Shelby Drive
- Area F - Oaklawn Estates P.D.

Legend

- City of Memphis
- Memphis Reserve Area



September 26, 2005
Mapping and Central Records
City of Memphis Engineering Division

