Rightsize Memphis

February 2 , 2017

Rightsizing our city is the right thing to do

- It positions us for the kinds of sustainable urban growth that is important to the health of our city
- It shrinks by 8% the area served by City government: immediately increasing service levels for the new, more dense municipal service area
  - Shrinking area patrolled by MPD is the equivalent of adding officers to the force
- It shrinks city population by only 1.2%, and annual operating revenue by 1.1%
- By limiting new suburban – type growth in our annexation reserve, we will advance our opportunity to grow the urban core.
- We have the opportunity with continued cooperation by Memphis and Shelby County, and with a small amount of legislative help from the state, to do this without a material impact to local governments.

Why Would Memphis De-Annex

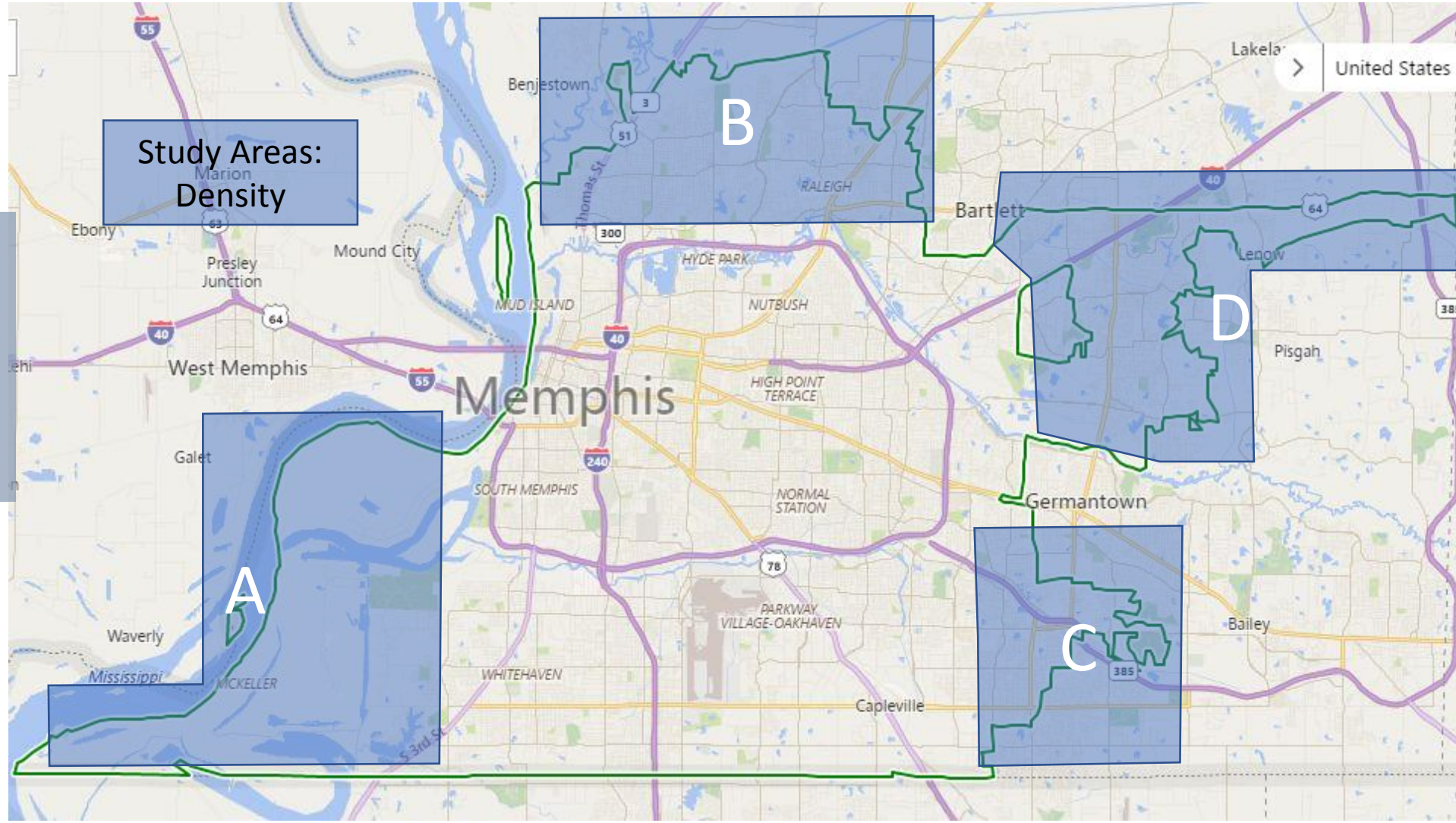
1960	2016
Population	Population
505,563	**646,889**
Square Miles	Square Miles
135	340
Density Per Sq. Mi.	Density Per Sq. Mi.
3,371	**1,902**

56 % Decrease

Strategic Footprint

The Task Force asked to identify areas that:

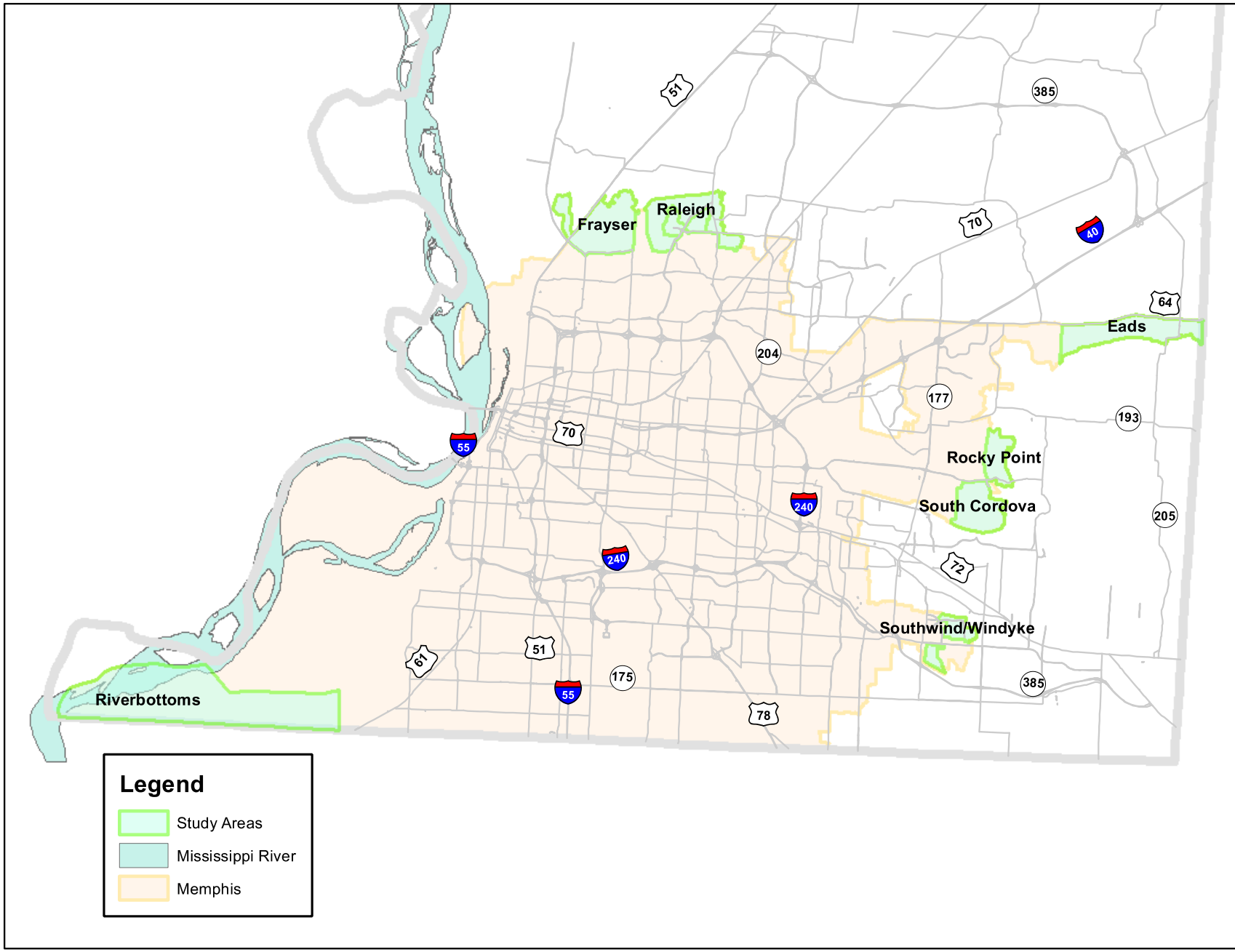
- Are low density
- Are challenging to deliver municipal level of service
- Areas that specifically asked for De-annexation

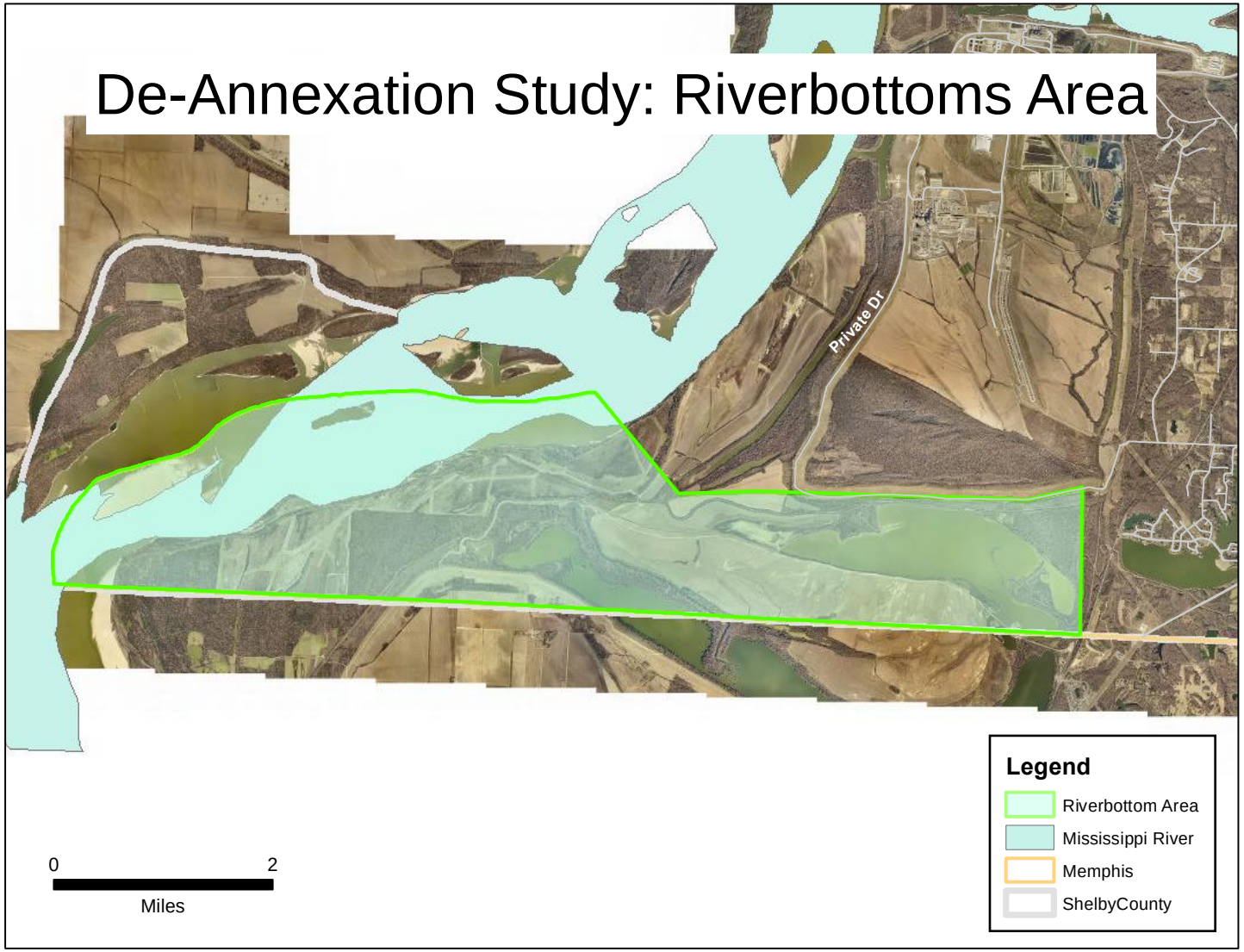


Strategic Task Force Charge to the Administration

The Task Force asked to identify areas that:

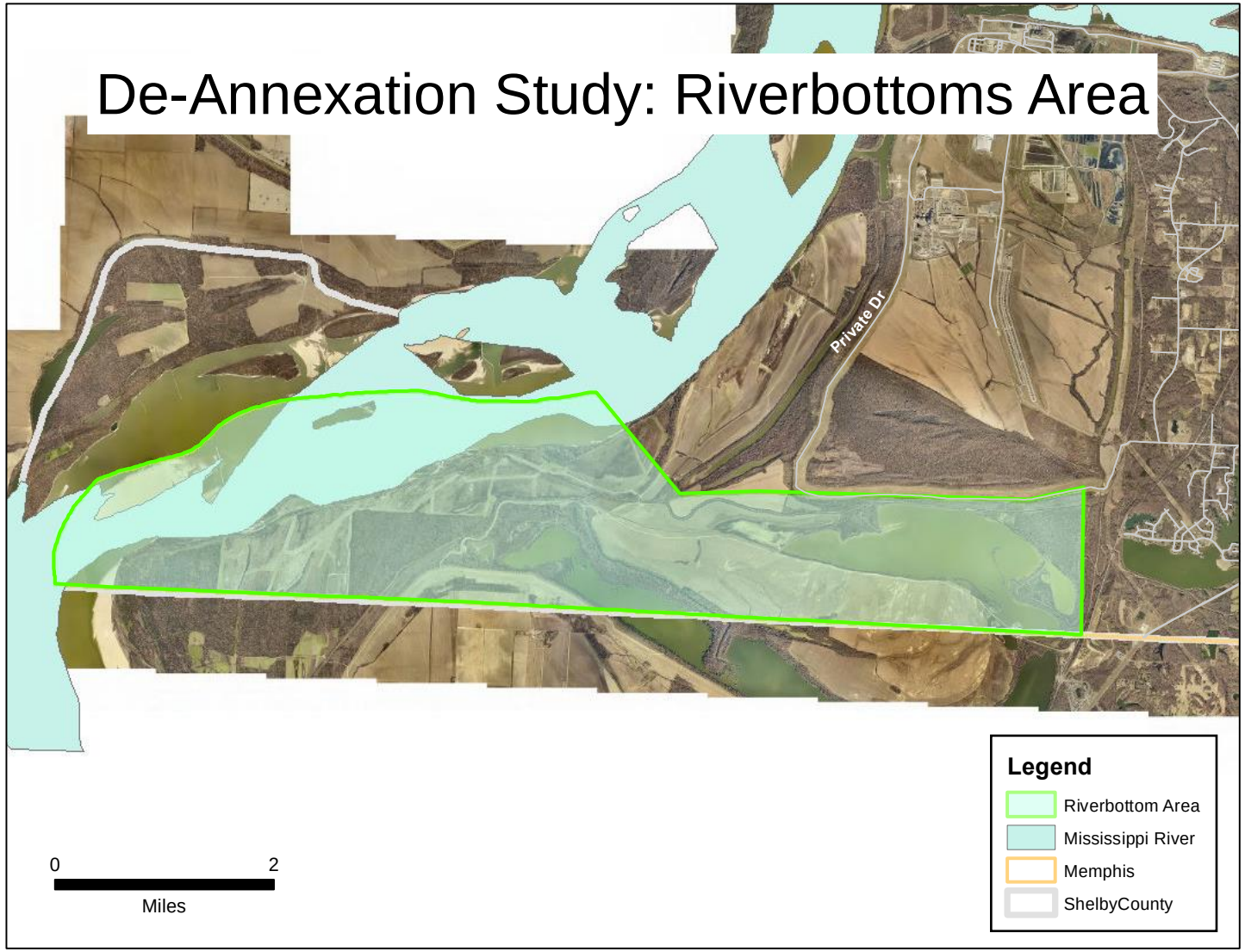
- Are low density
- Are challenging to deliver municipal level of service
- Areas that specifically asked for De-annexation





Area A-1
Bottom Lands

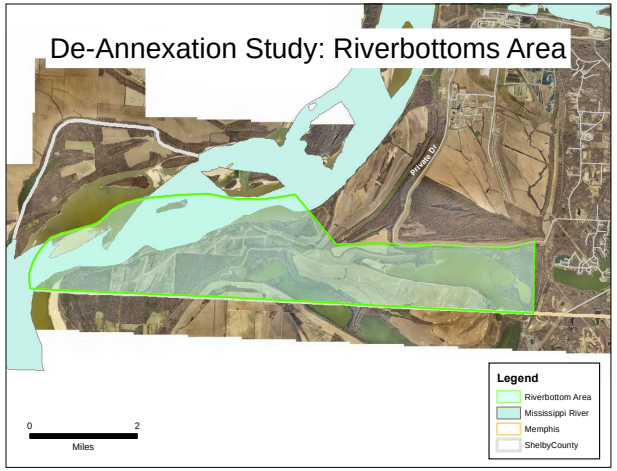
This area in southwest corner of Memphis and Shelby County is outside of the City of Memphis levee system and prone to frequently flooded.



Area A-1 Bottom Lands

Due to the area being in the Mississippi River bottom lands the area is undeveloped, and no recent records exist for requests for service. The greenbelt and flood plain nature of the land, reduces its assessed value to $0.00 and thus no tax dollars are generated from the area.

- Fire & Police Services:
  - Fire and Police Divisions currently serve this area.
- Sewers: No sewers. No development potential.

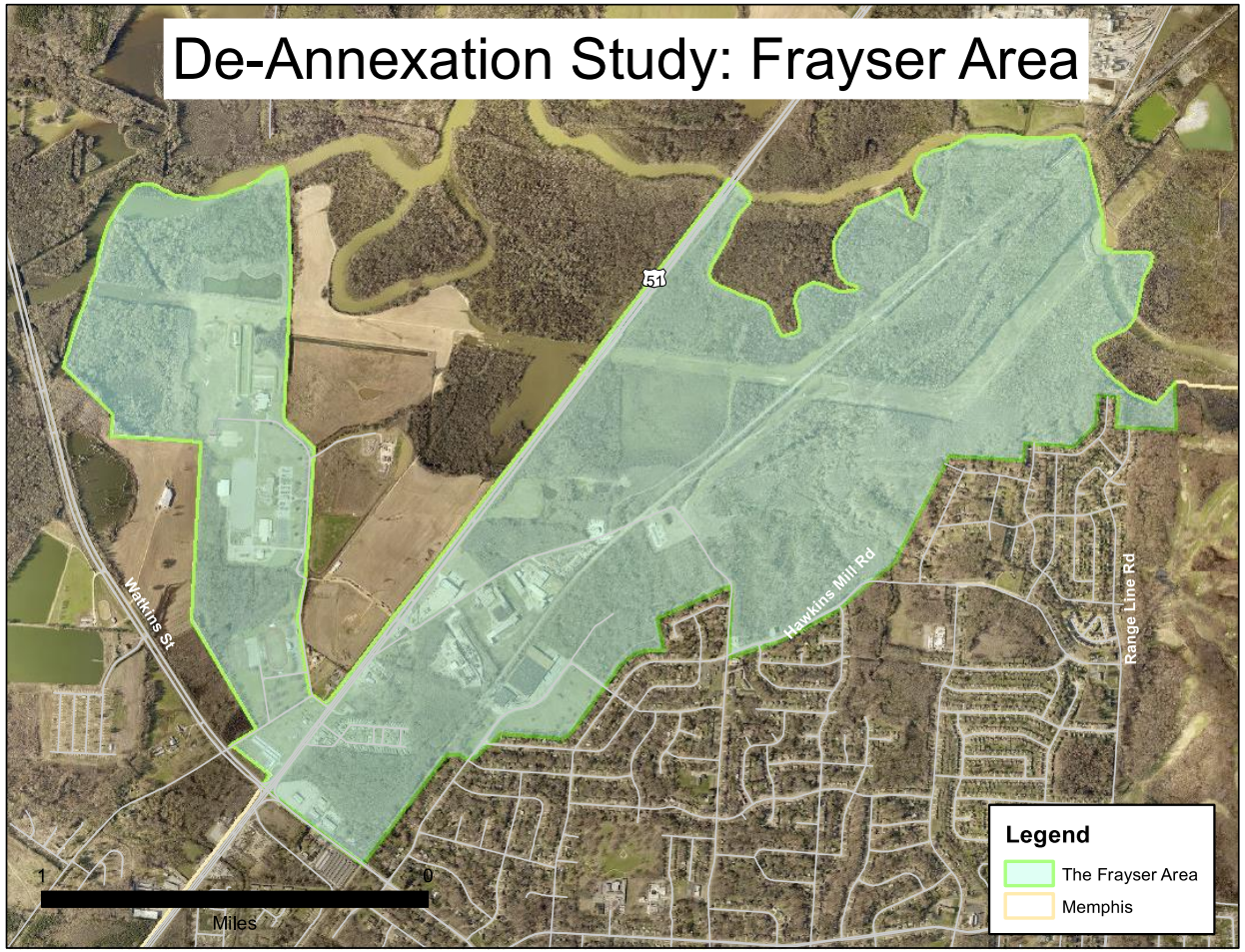


Area A-1 Bottom Lands

Population	Housing	Sq. Miles	Density
0	0	13.4	0 P/SM

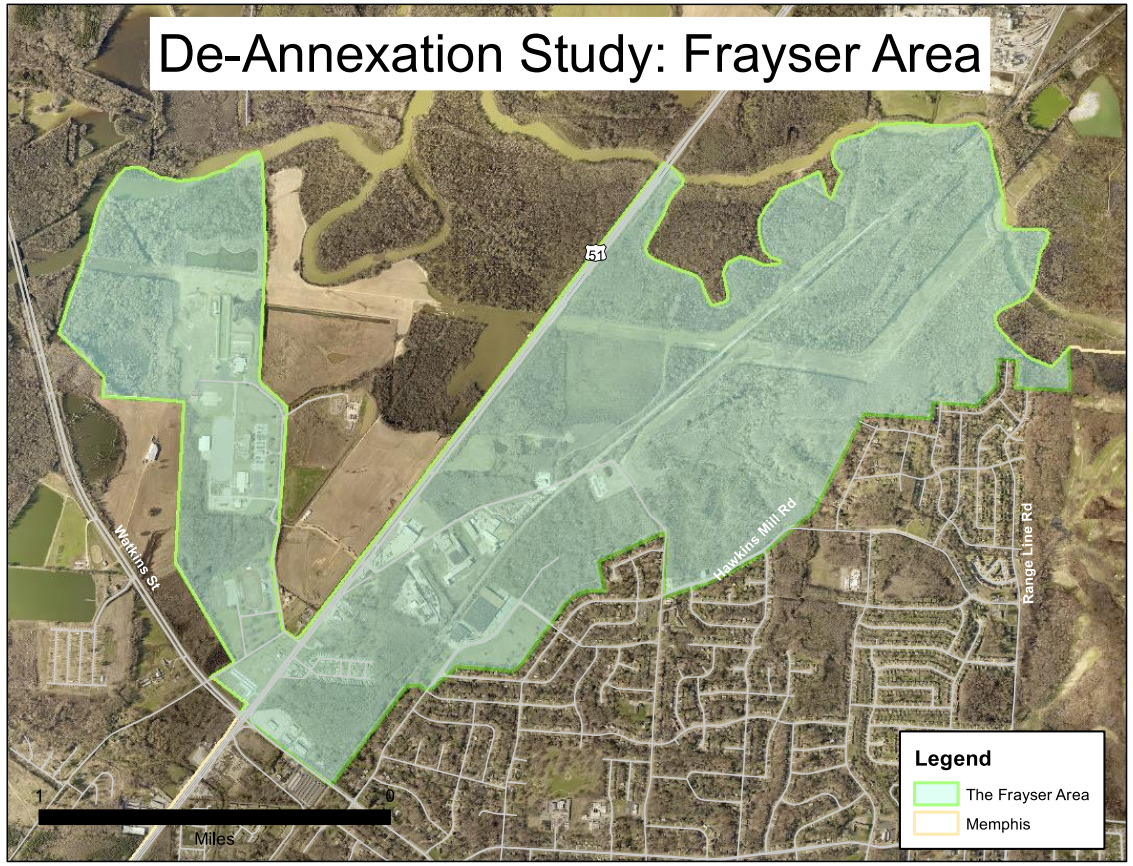
	Foregone Revenues	Cost Savings	Net Fiscal Impact Positive/(Negative)
Area A-1 Bottom Lands	**Total Foregone Revenues**	**Operating and Debt Service Savings**	**Net Fiscal Impact Positive/(Negative)**
FY 2020	$0	$0	**$0**

Summary: The City of Memphis would have no fiscal impact per year.



Area B-1
Frayser

The Frayser West area is centered along U.S. Highway 51 and Old Millington Road, east of Watkins Street in the far northwest corner of Memphis. The area is predominately flood plain of the Loosahatchie River.



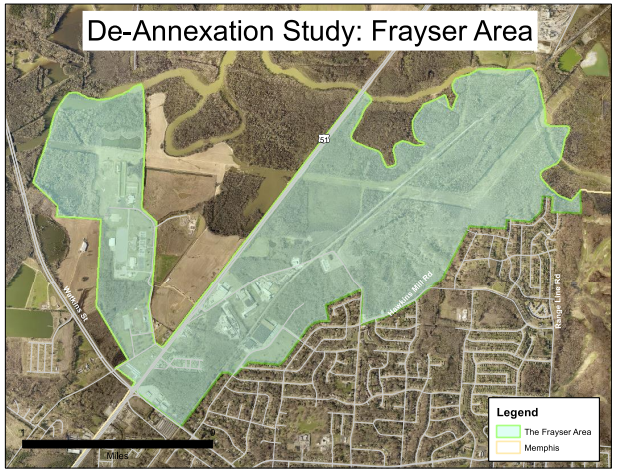
Area B-1 Frayser

Some scattered rural commercial activity exists near the intersection of Old Millington and Watkins. The area also contains Firestone Park, and the Police Training Academy.

The demand for City of Memphis level services is low given the types of uses and density of the area.

- Fire & Police Services:
  - Fire and Police Divisions currently serve this area.
  - This area requires the use of fire and police personnel that decreases the efficiency of service to urban development in other parts of the Frayser area.

- Sewers: Service is available and new developments could connect with the sewers. However, most land is flood plan.

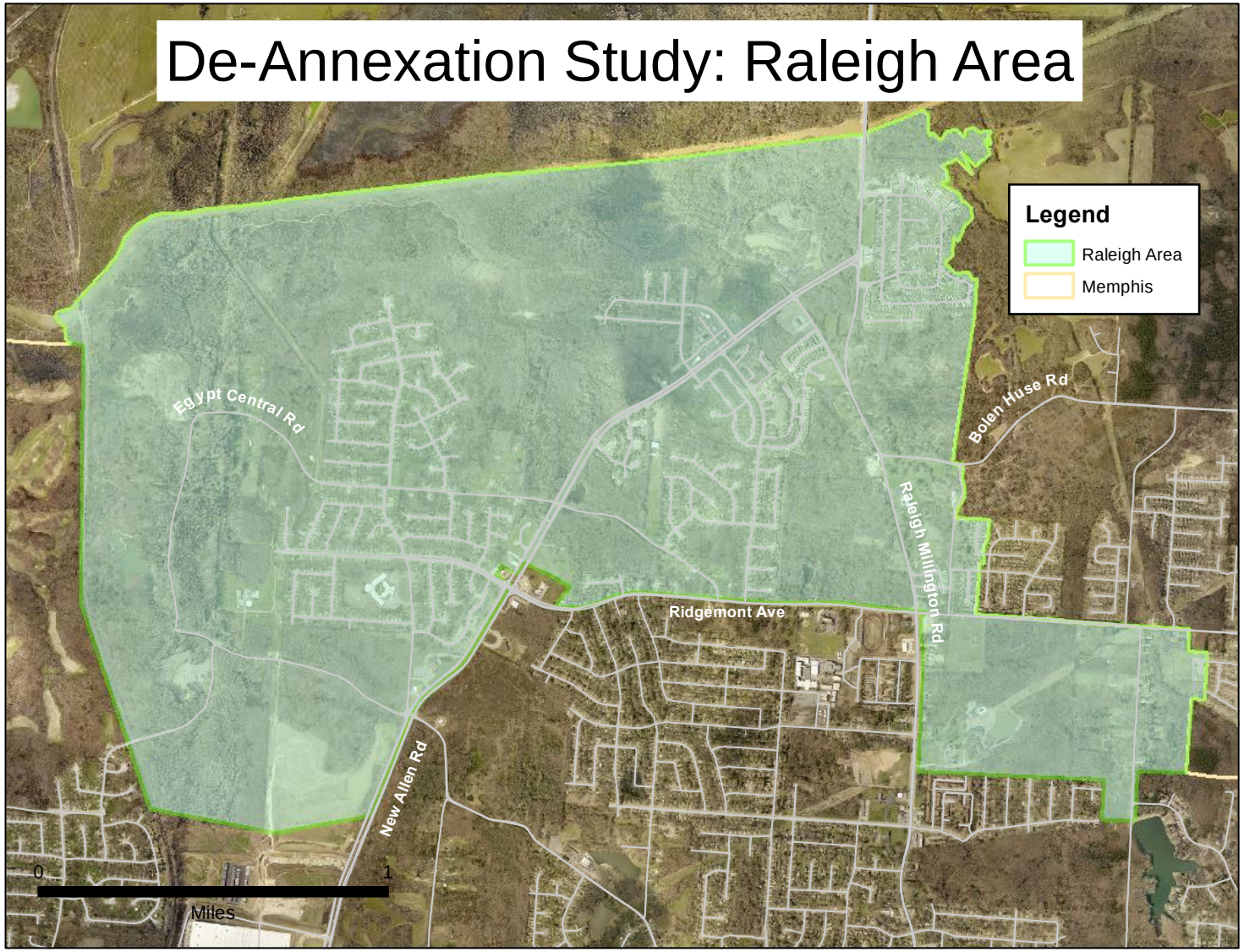


Area B-1 Frayser

Population	Housing	Sq. Miles	Density
3	1	2.2	0.45 P/SM

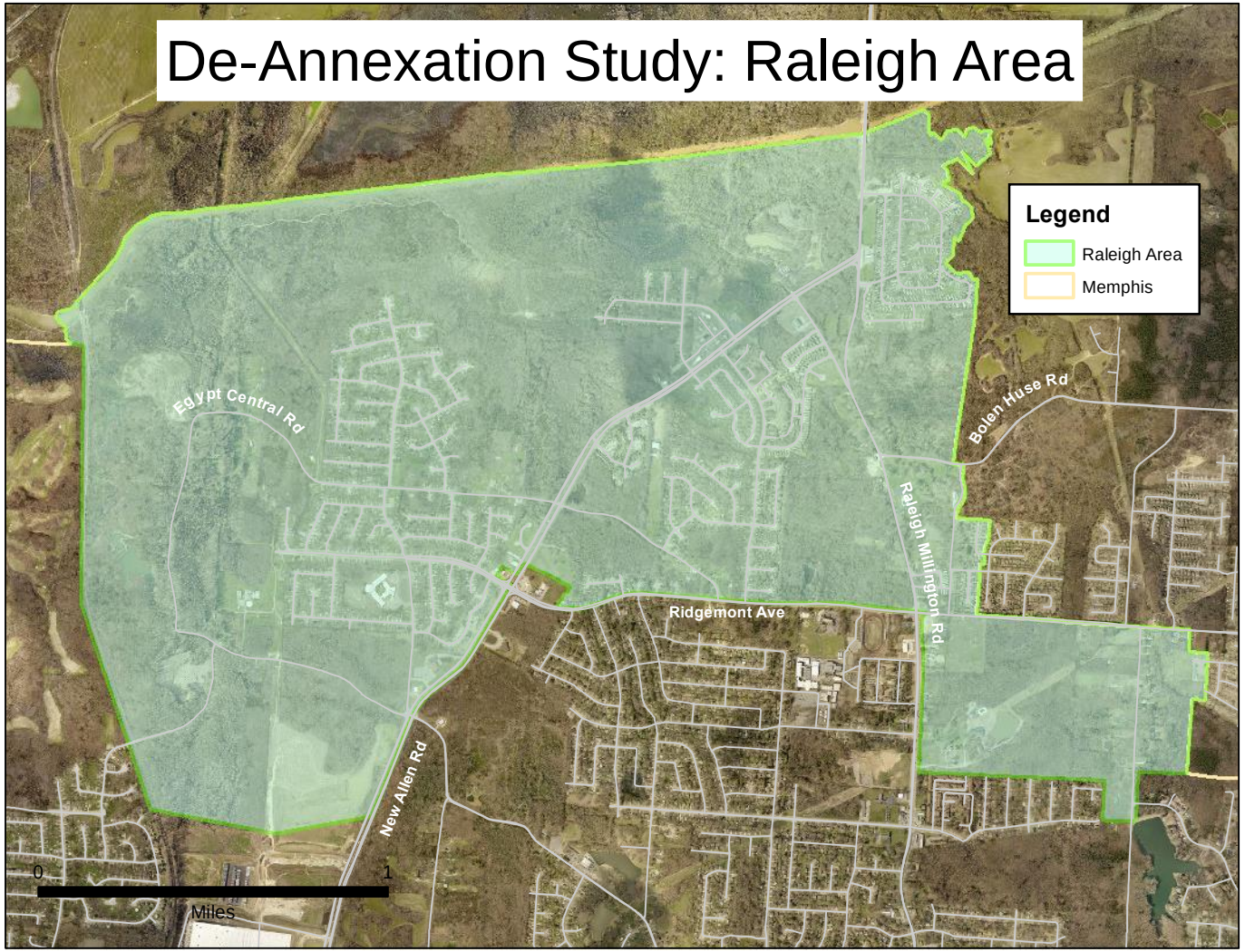
	Foregone Revenues	Cost Savings	Net Fiscal Impact Positive/(Negative)
Area B-1 Frayser	**Total Foregone Revenues**	**Operating and Debt Service Savings**	**Net Fiscal Impact Positive/(Negative)**
FY 2020	$169,152	$144,895	**-$24,257**

Summary: The City of Memphis would forgo about $24,000 per year net revenue. The area included in this study are general rural and not in demand of city services.



Area B-2
Raleigh

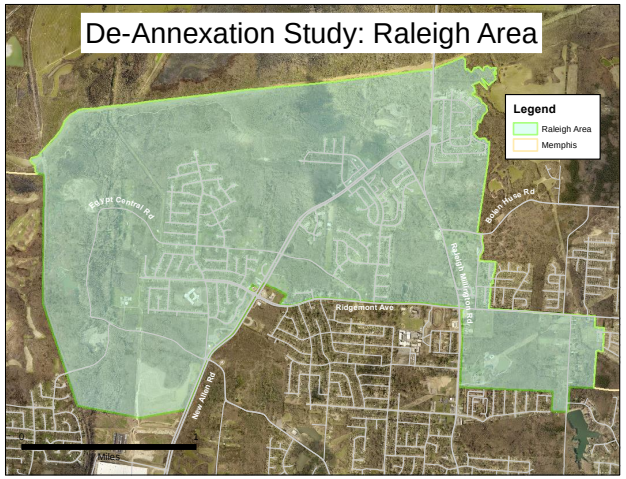
The Raleigh area generally lies east and west of New Allen Road, north Ridgemont Road



Area B-2 Raleigh

Development of this area is primarily with single family homes, with addition development including the Allentown Mobile Home Park apartments and condos. Other residential development included in the study for de-annexation are actually parts of subdivisions that have long been divided by the City-County line.

- Fire & Police Services:
  - Fire and Police Divisions currently serve this area.
  - Due to the vast area of vacant land, there is decreased efficiency of City services in the densely develop areas of Raleigh.
- Sewers: Service is available and new developments could connect with the sewers. However, most undeveloped land is flood plain.



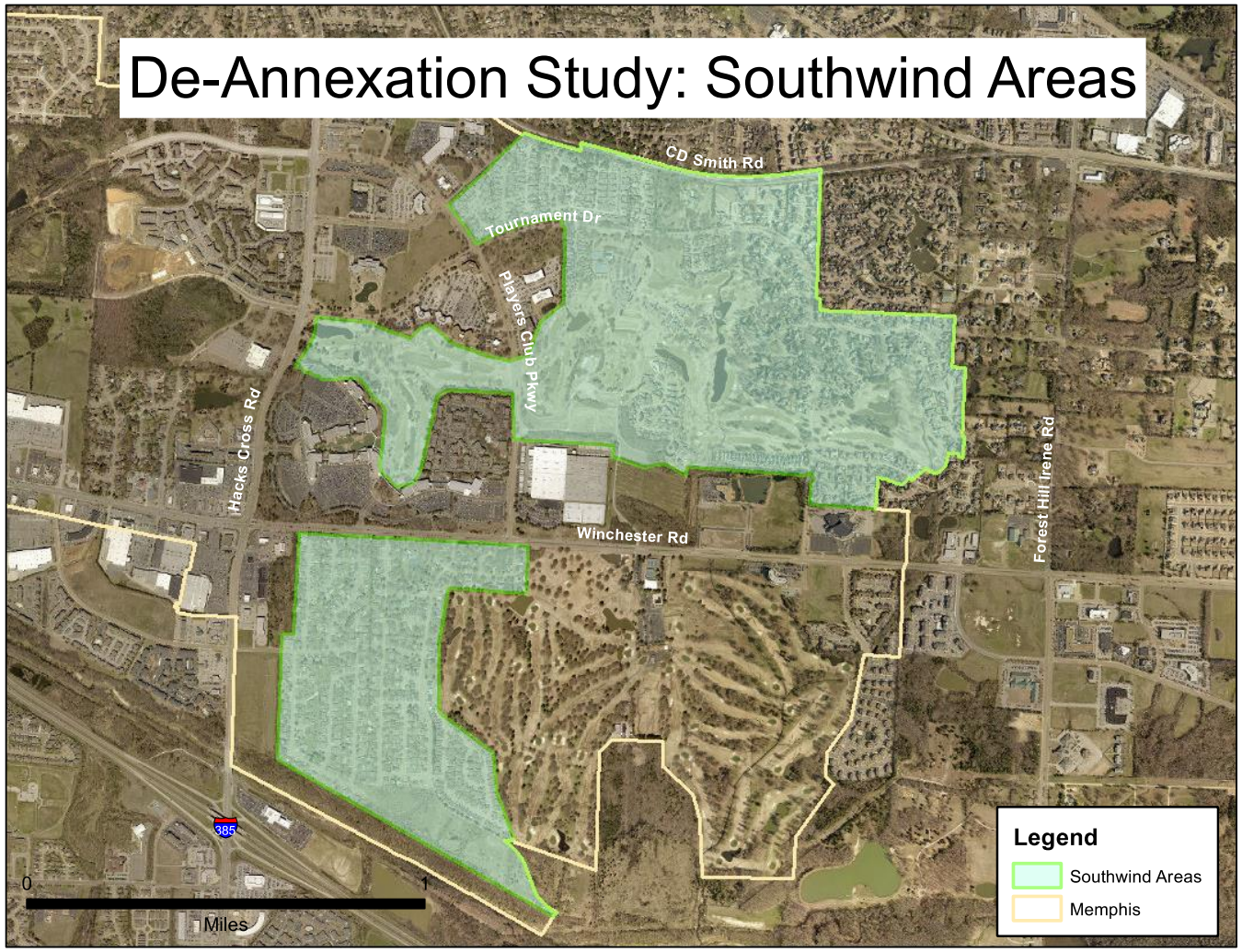
Area B-2 Raleigh

Population	Housing	Sq. Miles	Density
3671	1739	4.0	918 P/SM

	Foregone Revenues	Cost Savings	Net Fiscal Impact Positive/(Negative)
Area B-2 Raleigh	**Total Foregone Revenues**	**Operating and Debt Service Savings**	**Net Fiscal Impact Positive/(Negative)**
FY 2020	$930,715	$265,2342	**-$665,481**

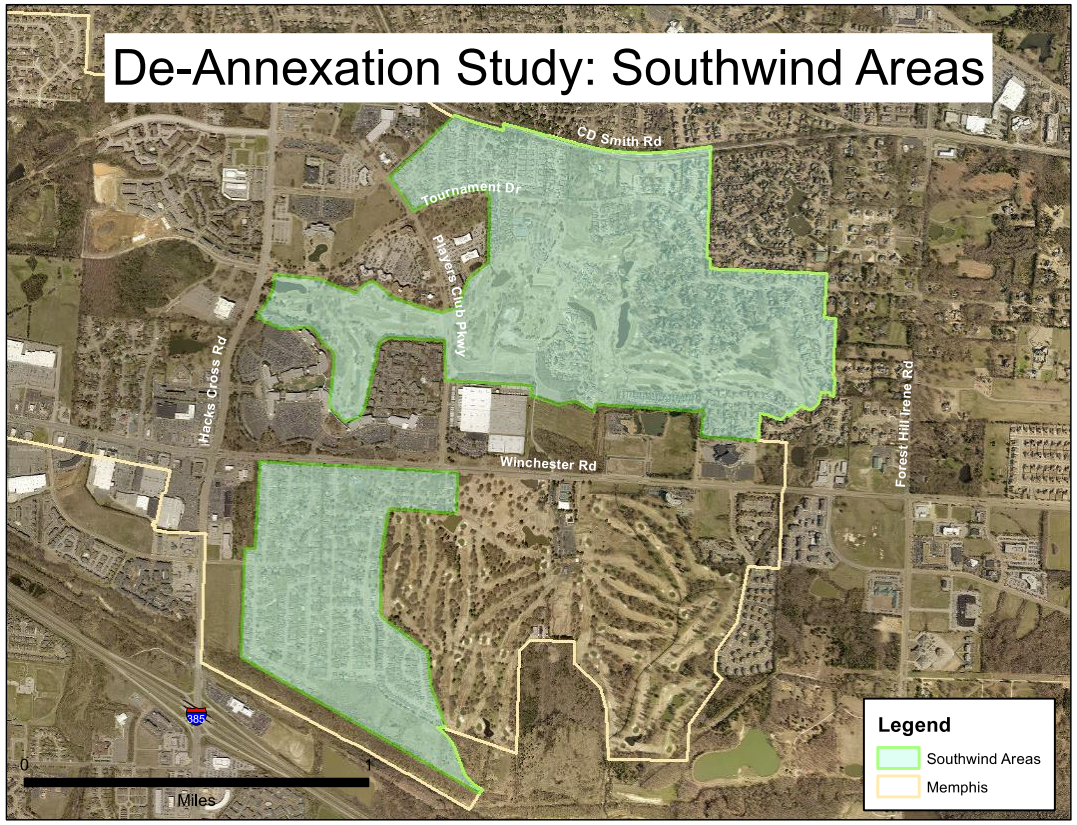
Summary: The City of Memphis would forgo about $665,000 per year net revenue. The area included in this study are general rural and not in demand of city services.

Area C-1
Southwind/Windyke



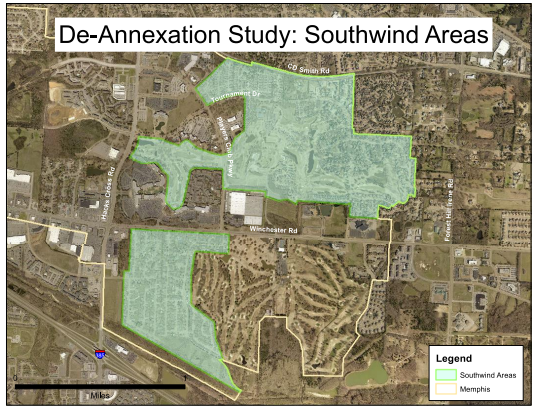
The Southwind/Windyke study area contains most of the residential portion of the Southwind/Windyke Annexation area. Specifically, is contains the residential areas of Southwind, and the residential areas of Windyke. It also includes the Southwind golf course along with the commercial properties along the east side of Hacks Cross Road.

Area C-1
Southwind/Windyke



There are approximately 1,500 persons who reside in the Southwind/Windyke areas. The residential areas contain executive homes surrounding the Southwind Golf Course, along private drives and private security area. The Windyke area are moderate income comes originally developed around the Windyke Country Club. Including the Southwind golf course, reduces the overall density of the area, while the lot sizes and lots per acre are typical of areas in East Memphis and Cordova.

- Fire & Police Services:
  - Fire and Police Divisions currently serve this area.
  - Fire services are provided from the City Station located on Riverdale Road near Shelby Drive. The Southwind area has a predominate amount of service calls for EMS to various locations on the golf course, while Windyke has an average number of calls for fire and EMS for a suburban density subdivision. The area is readily severed by existing city police and fire services.
- Sewers: Over 99% of the parcels have access to sewer.



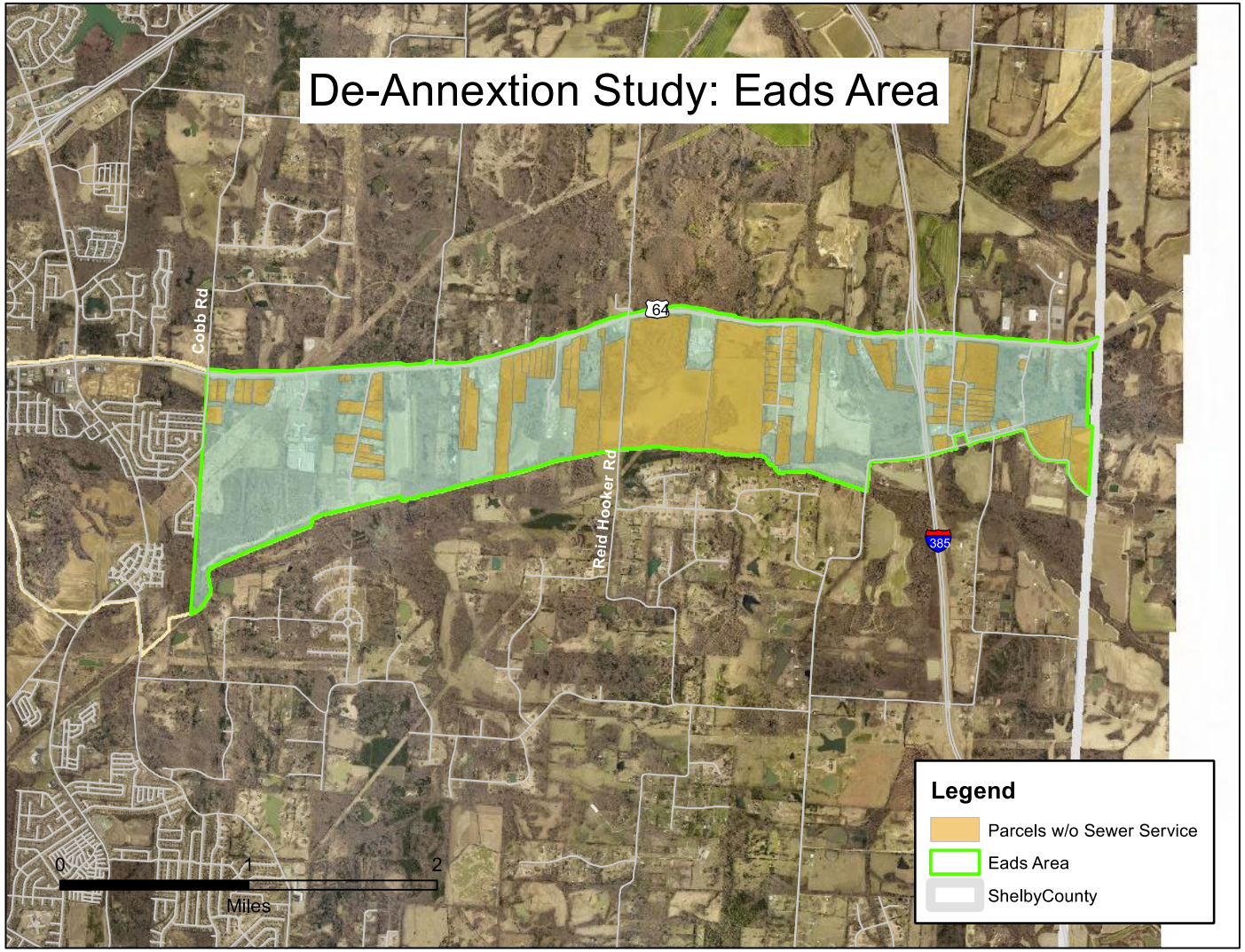
Area C-1
Southwind/Windyke

Population	Housing	Sq. Miles	Density
1499	845	1.1	1406 P/SM

	Foregone Revenues	Cost Savings	Net Fiscal Impact Positive/(Negative)
Area C-1 Southwind/Windyke	Total Foregone Revenues	Operating and Debt Service Savings	Net Fiscal Impact Positive/(Negative)
FY 2020	$3,455,868	$240,882	-$3,214,987

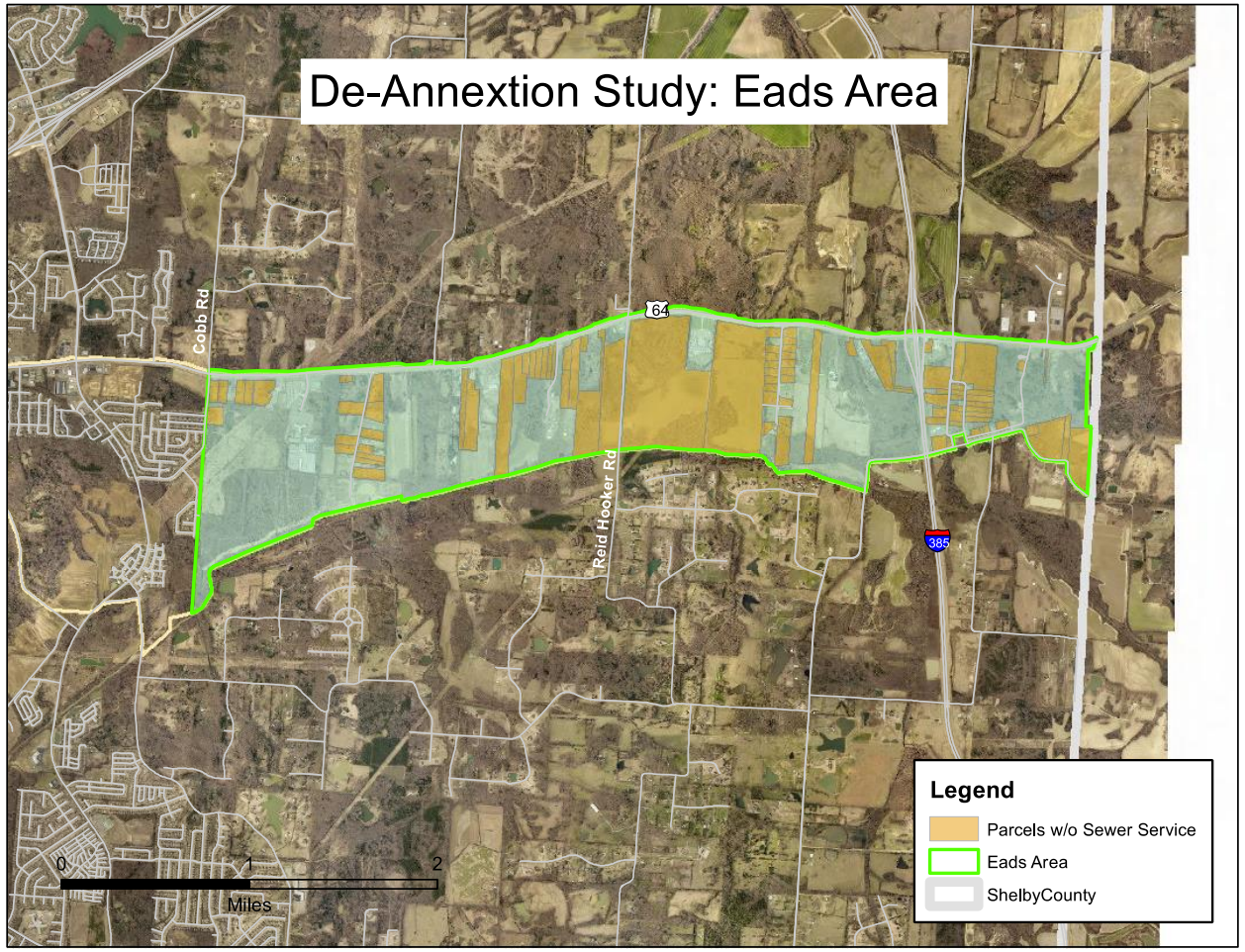
Summary: The City of Memphis would forgo about $3.2 million per year net revenue. The area included in this study are nearly fully developed so additional growth is not expected. At the urban density of the physical development of the area, demand for higher than rural level services is warranted.

Area D-1
Eads



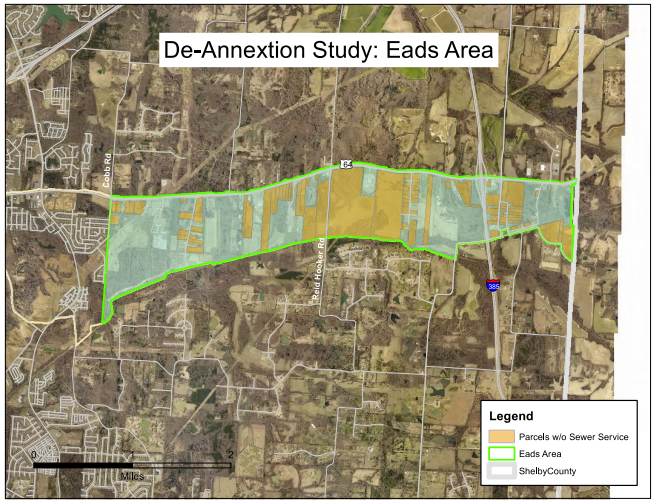
South side of US 64 and north of Grays Creek Between Cobb Road on the west and Shelby County Line

Area D-1
Eads



The Eads area is an original portion of the Countrywoods Eads Annexation area. Since the area was annexed, there has been no demand to extend sewer service further out Grays Creek. The area remains rural in character, with older rural homes and agriculture/rural commercial actives.

- <u>Fire & Police Services</u>:
  - Fire and Police Divisions currently serve this area.
  - Due to the length of the area and limited access to other city areas, servicing D-1 is inefficient, inconsistent and takes longer than denser areas.
- <u>Sewers</u>: Roughly 40% do not have access to sewer (96 Parcels without Sewer)

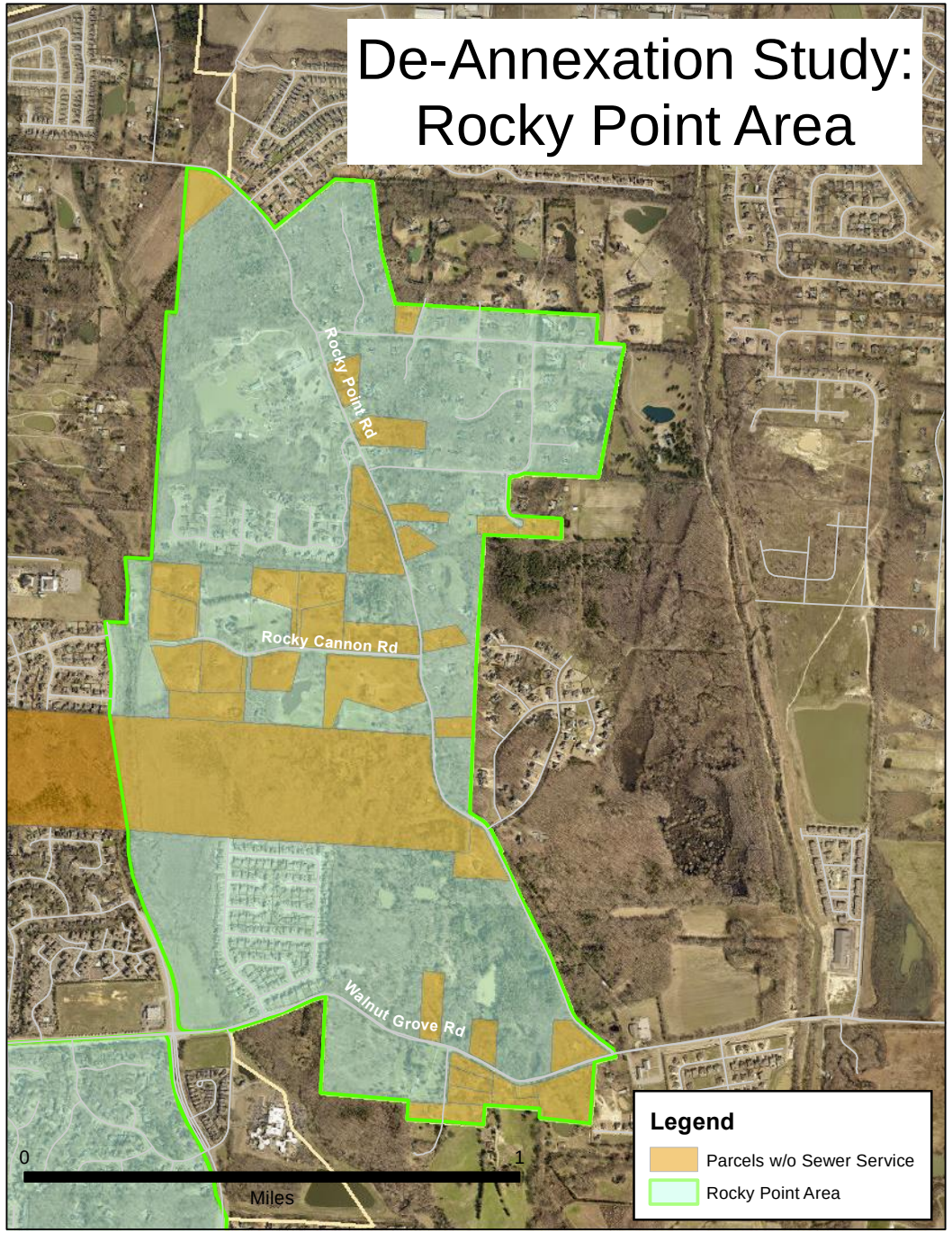


Area D-1 Eads

Population	Housing	Sq. Miles	Density
172	67	3.4	50 P/SM

	Foregone Revenues	Cost Savings	Net Fiscal Impact Positive/(Negative)
Area D-1 Eads	**Total Foregone Revenues**	**Operating and Debt Service Savings**	**Net Fiscal Impact Positive/(Negative)**
FY 2020	$219,808	$362,362	**$142,554**

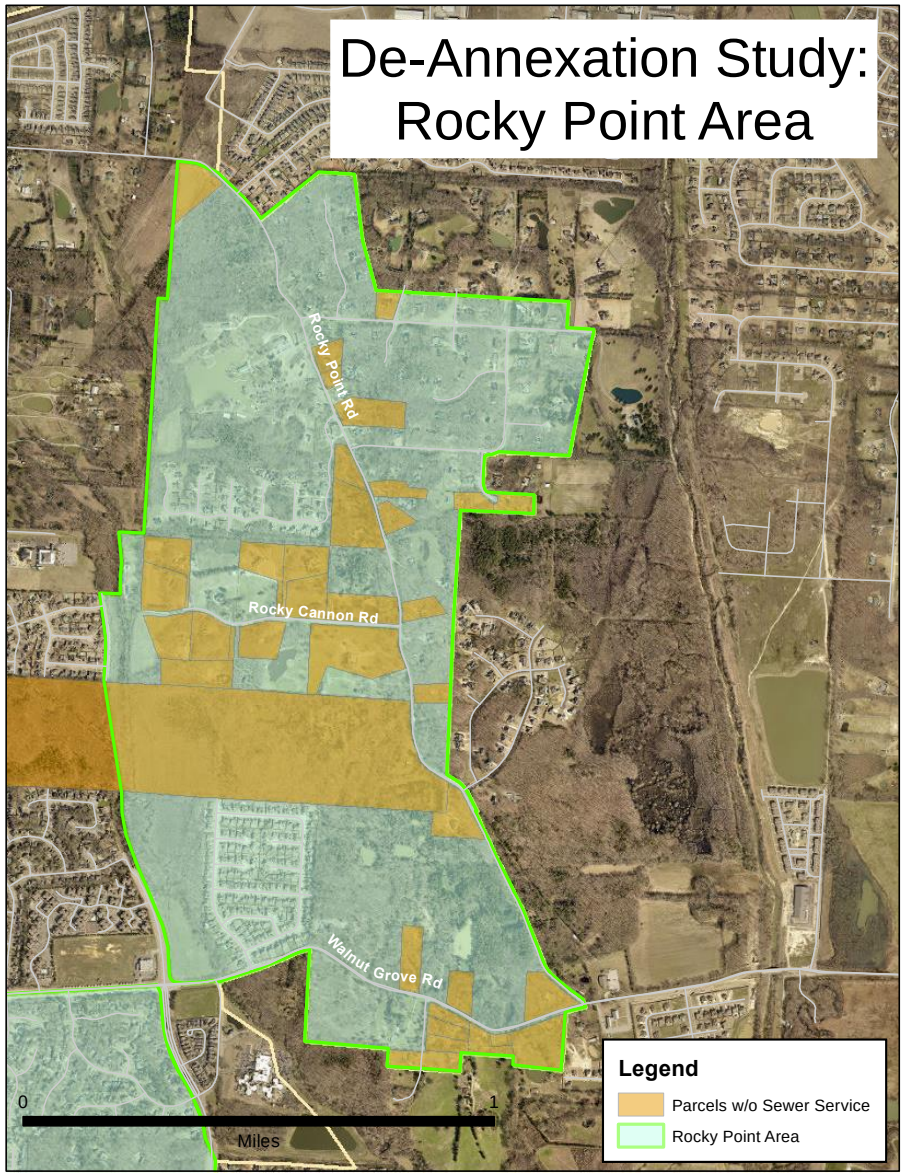
Summary: The City of Memphis would realize $142,554 of savings annually. This area is better served by the county.



Area D-2
Rocky Point Road

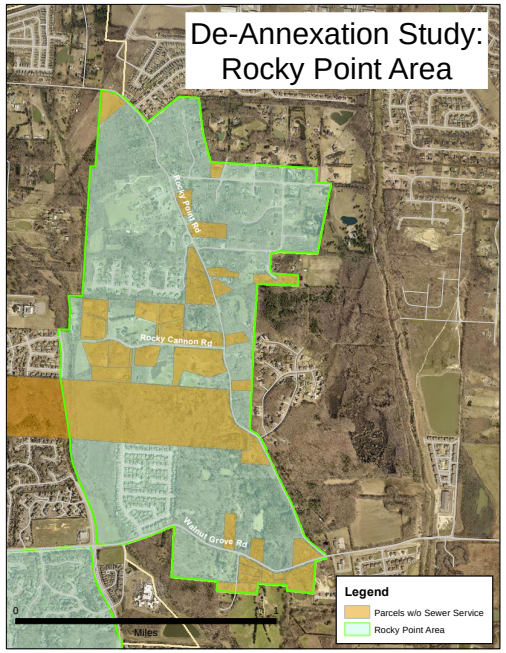
The Rocky Point Road area is generally located north of Walnut Grove Road between the alignment of Forest Hill Road and Rocky Point Road.

Area D-2
Rocky Point Road



The Rocky Point Road area is an original portion of the Cordova Annexation. The area is generally developed with large estate type lots many in excess of 4 acres and several two acre lots subdivisions. There is one urban density subdivision in the southwest portion of the area north of Walnut Grove Road.

- <u>Fire & Police Services</u>:
  - Fire and Police Divisions currently serve this area.
  - The Memphis Fire and Police Divisions have few service calls to D-2
- <u>Sewers</u>: Roughly 10-15% of the parcels do not have access to sewer (36 Parcels without Sewer), but due to the size of the estates most land in this area does not access to sewer



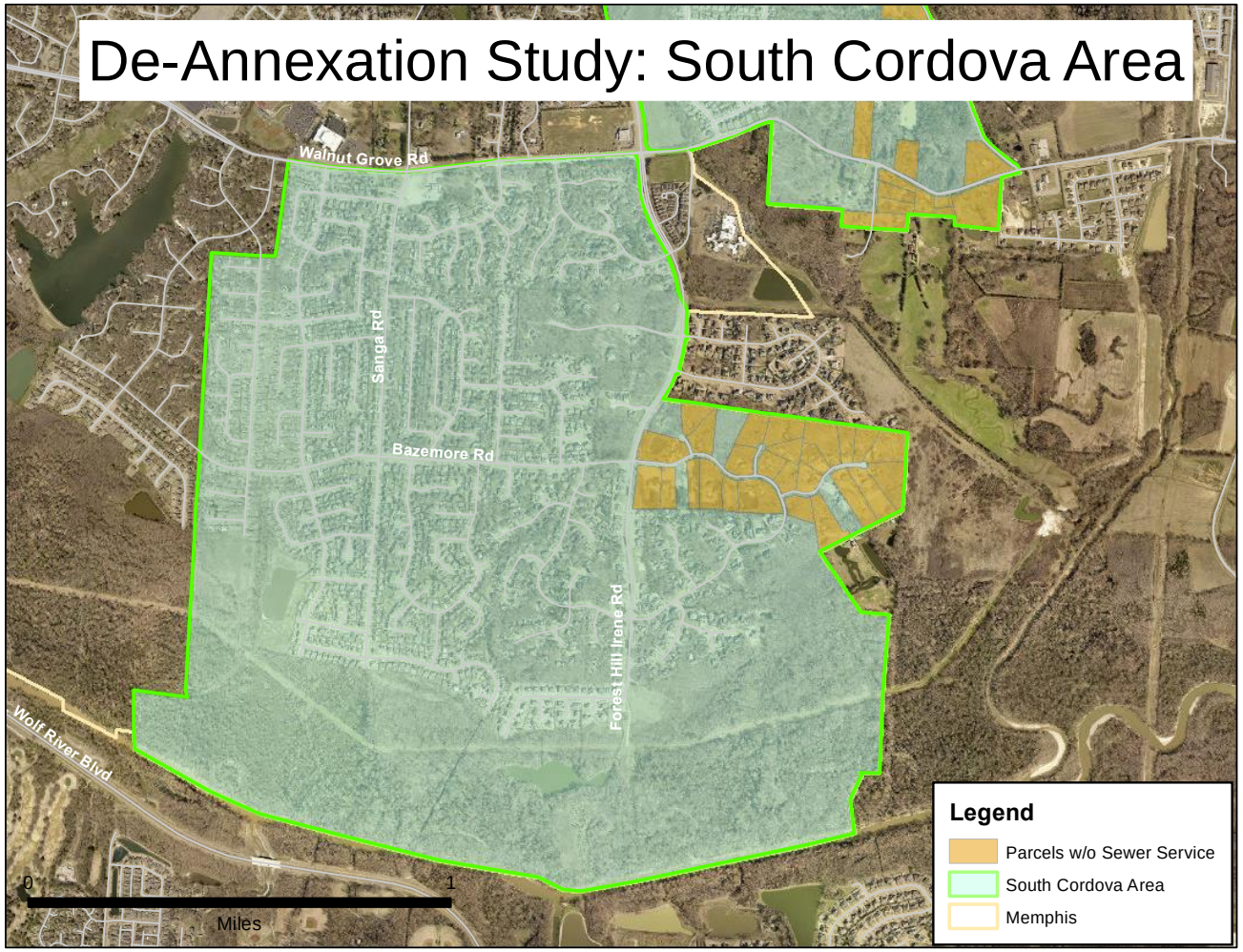
Area D-2
Rocky Point Road

Population	Housing	Sq. Miles	Density
1181	336	1.3	898 P/SM

	Foregone Revenues	Cost Savings	Net Fiscal Impact Positive/(Negative)
Area D-2 Rocky Point	**Total Foregone Revenues**	**Operating and Debt Service Savings**	**Net Fiscal Impact Positive/(Negative)**
FY 2020	$1,457,264	$561,033	**-$896,231**

Summary: The City of Memphis would forgo about $896,000 per year net revenue. While the actual demand for emergency services is low in this area, should sewer service be provided to the area, it does possess a high degree of potential for future development.

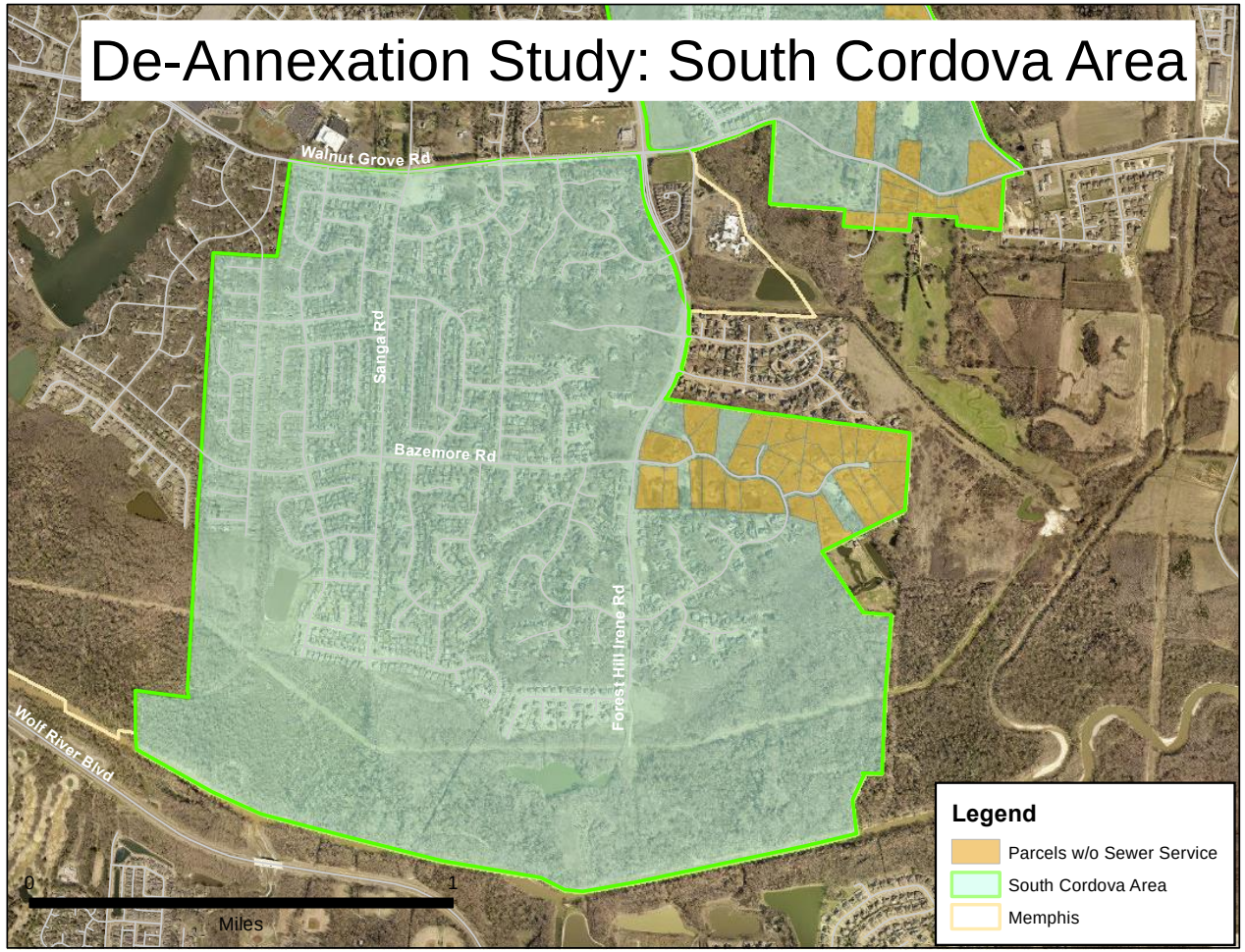
Area D-3
South Cordova



The South Cordova study area is located south of Walnut Grove Road in the vicinity of Sanga Road and Forest Hill Road, extending south to the Wolf River.

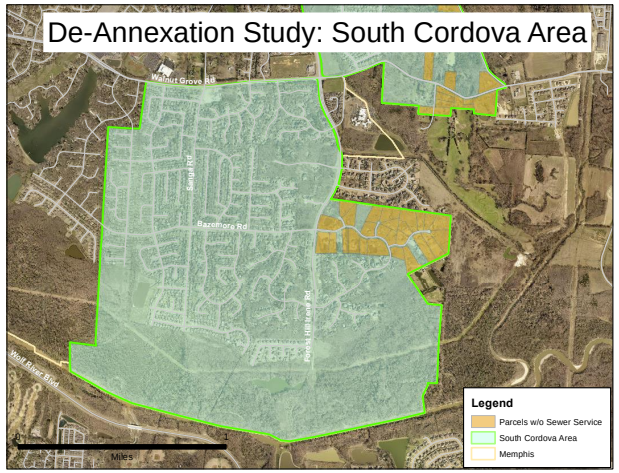
This area also contains a portion of the original Cordova Annexation area of 1984. The subdivision at the southwest corner of Sanga and Walnut Grove had numerous lots spilt by the first annexation. To insure annexation boundaries did not go down the middle of streets within a subdivision, the entire split area was included in this study.

Area D-3
South Cordova



The South Cordova Study area is nearly fully developed with a mixture of middle and upper middle class housing. A substantial portion of the area south of the residential subdivisions is located in the Wolf River Flood Plain and has been frequently flooded in the past few years.

- Fire & Police Services:
  - Fire and Police Divisions currently serve this area.
  - The Memphis Fire and Police Divisions over the past year have reported an average number of service calls to the area consistent with other residential areas of Cordova. The area is readily served by existing city police and fire services.
- Sewers: Over 99% of the parcels have access to sewer. Some flood plain land does not have access.



Area D-3 South Cordova

Population	Housing	Sq. Miles	Density
4146	1806	2.3	1810 P/SM

	Foregone Revenues	Cost Savings	Net Fiscal Impact Positive/(Negative)
Area D-3 South Cordova	**Total Foregone Revenues**	**Operating and Debt Service Savings**	**Net Fiscal Impact Positive/(Negative)**
FY 2020	$3,327,802	$410,446	**-$2,917,356**

Summary: The City of Memphis would forgo about $2.9 million per year net revenue. This area if the flood plain was excluded from the developable area, would be one of the highest density areas in Cordova and other suburban areas of Memphis.

Density / Demographic Summary Per Area

Area		Population	White	Black	% White	% Black	Density	Area (Sq.Mi)	Percent of City	Housing Units
City		646,889	190,185	409,481	29.4%	63.3%	1903	340	100%	
A-1	**Southwest**	0	0	0	0%	0%	0	13.4	3.9%	0
B-1	**Frayser**	3		3	0%	100%	1	2.2	0.6%	1
B-2	**Raleigh**	3,671	246	3374	7%	92%	918	4.0	1.2%	1739
C-1	**Southwind / Windyke**	1,499	578	801	39%	53%	1406	1.1	0.3%	845
D-1	**Eades**	172	88	84	51%	49%	50	3.4	1.0%	61
D-2	**Rocky Point**	1,181	739	361	63%	31%	898	1.3	0.4%	336
D-3	**S Cordova**	4,146	3015	681	73%	16%	1810	2.3	0.7%	1860
	Total	10,672	4,666	5,304	44%	50%	385	27.7	8.1%	4712
	Post Annex	636,217					2037	312.30		

Why Would Memphis De-Annex

1960	2016
Population	Population
505,563	**646,889**
Square Miles	Square Miles
135	340
Density Per Sq. Mi.	Density Per Sq. Mi.
3,371	**1,902**

IF DEANNEX ALL SURVEYED AREAS NEW DENSITY:

2037 Sq. Mi

De-annexation Fiscal Analysis FY 2020

Area		Foregone Revenues					Cost Savings						Net Fiscal Impact Positive/(Negative)
		Property Tax	Sales Tax (State and Local Option)	PILOTs	Other Revenues	Total Foregone Revenues	Police	Fire	Infrastructure Maintenance	Misc Expenses	Total Operating Budget Savings	Total Infrastruture Debt Service Savings	Net Fiscal Impact Positive/(Negative)
A-1	Southwest	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
B-1	Frayser	$142,344	$26,649	$0	$159	$169,152	$22,861	$0	$22,552	$35,883	$81,295	$63,600	-$24,257
B-2	Raleigh	$736,138	$281	$0	$194,296	$930,715	$119,087	$0	$23	$45,124	$164,234	$101,000	-$665,481
C-1	Southwind / Windyke	$2,719,216	$625,730	$0	$110,922	$3,455,868	$31,967	$0	$53,475	$90,690	$176,132	$64,750	-$3,214,987
D-1	Eads	$186,090	$21,113	$0	$12,605	$219,808	$37,266	$0	$60,074	$96,022	$193,362	$169,000	$142,554
D-2	Rocky Point	$789,041	$587,410	$0	$80,812	$1,457,264	$24,223	$0	$23,322	$59,187	$106,733	$454,300	-$896,231
D-3	S Cordova	$3,103,587	$4,478	$0	$219,737	$3,327,802	$79,182	$0	$48,230	$147,334	$274,746	$135,700	-$2,917,356
Total FY 2020		$7,676,416	$1,265,662	$0	$618,532	$9,560,610	$314,588	$0	$207,675	$474,239	$996,502	$988,350	-$7,575,758

Note: These operating costs represent the maximum condition and do not account for offsets from service agreements which may reduce fiscal impact to city.

Conclusion and Wrap up