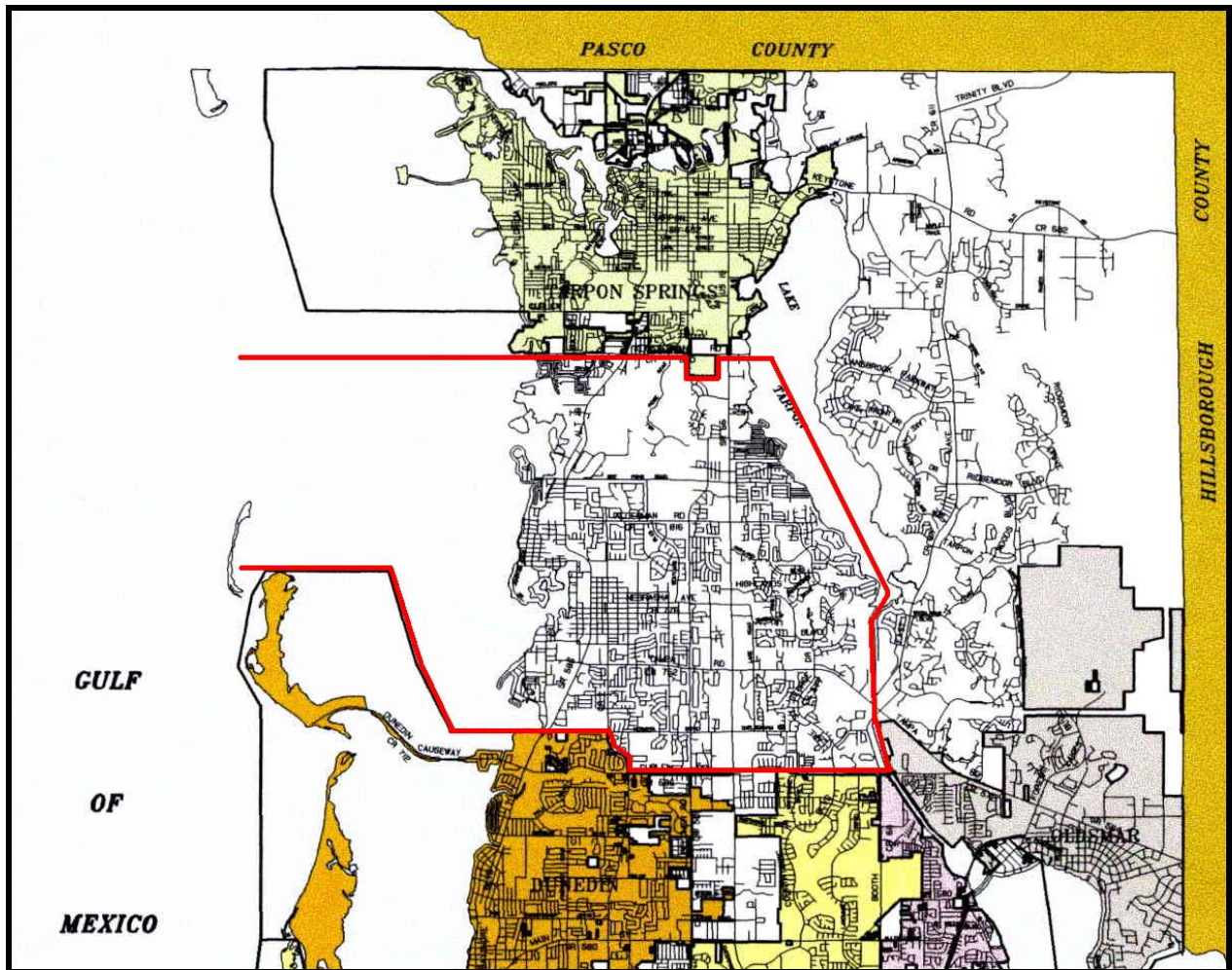


Palm Harbor Incorporation Feasibility Study



Submitted December 3, 2008

Florida Legislature – Clerk of the House

Incorporation Feasibility Study of Palm Harbor, Florida

Under the Direction of the Greater Palm Harbor Community Coalition

Florida law governing the formation and dissolution of municipal governments is found in chapter 165, Florida Statutes, the "Formation of Municipalities Act". The stated purpose of the Act is to provide standards, direction, and procedures for the incorporation, merger and dissolution of municipalities, and to achieve the following goals:

- Orderly patterns of growth and land use;
- Adequate public services;
- Financial integrity in government;
- Equity in fiscal capacity; and
- Fair cost distribution for municipal services.

In 1996, the Legislature amended s. 165.041, F.S. to require that a feasibility study be completed and submitted in conjunction with the incorporation bill. Section 165.041, F.S., was amended in 1999 to require that certain elements must be included in a feasibility study.

DEVELOPMENT OF A POSSIBLE INCORPORATION/REVENUE TIMELINE FOR PALM HARBOR

This study assumes the following incorporation/revenue timeline for Palm Harbor:

November 2008	House and Senate Sponsors for local bill that will be submitted to the Pinellas County Legislative Delegation
December 2008	Feasibility Report on incorporation is completed and submitted to the Clerk of the House. On December 3, 2008 the Charter in the form of a local bill providing for a local referendum presented to the Pinellas County Legislative Delegation for review and discussion.
January 2009	Pinellas County Legislative Delegation meeting, and if passed.
March 2009	Local bill goes to Florida Legislature, and if passed.
Spring and Summer 2009	Community continues public meetings discussing the the pro's and con's of incorporation.
November 2009	Palm Harbor referendum on Tuesday – November 3, 2009 and if passed
March 2010	Council elections held. Town becomes a legal entity
April 2010	Town begins receiving Penny for Pinellas Revenue and State Revenue Sharing Programs
October 2010	Town is entitled to receive Local Option Gas Tax revenues beginning October 1, 2010



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I. EXECUTIVE SUMMARY AND OVERVIEW

A Charter has been developed under the requirements of Chapter 165, Florida Statutes with a Council/Manager form of government. Based on the results of this study, the incorporation of Palm Harbor is feasible and the adoption of the Charter by the State Legislature is recommended.

The Incorporation Feasibility Study provides a compilation of information that should support the conclusion that the proposed municipality would be a viable community. Verifiable information regarding the feasibility of incorporation should be provided to the citizens and businesses. The specific nuances of the territory have been considered, and the proposed new municipality would conform to all state and federal election laws. A referendum should be held.

To understand the unincorporated areas of Pinellas you should become familiar with and understand the Unincorporated – Municipal Services Taxing Unit (U-MSTU) Budget, the U-MSTU ad valorem millage rate and any additional ad valorem taxing districts that include a specific unincorporated area. In addition to the U-MSTU property tax imposed on all unincorporated area property owners the proposed incorporation area includes the Palm Harbor Fire District and the Palm Harbor Community Services District. The aggregate value of the millage rates for these taxing districts and the U-MSTU ad valorem millage rate would be used to compare the equivalent ad valorem millage rates charged by municipalities.

The Major Findings represents the key points from the detailed report. They attempt to take the detailed information and summarize the important findings regarding the financial feasibility and benefits of incorporation for Palm Harbor. Using these findings, residents and business owners can examine their options and decide if incorporation is desirable based on the financial information provided in this report.

1. No New Taxes Required: No new taxes would be required if Palm Harbor became a town. The municipality could remain a resident and business friendly community by continuing to not charge a public/utility services tax or franchise fees. After the Town of Palm Harbor established a sufficient fund reserve it may be able to reduce the tax burden imposed on property owners via a reduction in the ad valorem millage rate. The town's ad valorem millage rate would initially be the same as the current Unincorporated-MSTU rate of 2.0857 mills generating roughly \$8,939,095.

2. Penny for Pinellas: Penny for Pinellas revenues are proceeds of the additional one cent Local Government Infrastructure Surtax on Sales pursuant to Section 212.055(2), Florida Statutes. Palm Harbor would receive an equitable distribution of this revenue source based on population if it incorporated. Estimated yearly revenues would be 5 million dollars for the proposed incorporation area.

3. Local Government 1/2-Cent Sales Tax Program: Created in 1982, the program generates the largest amount of revenue for local governments among the state-shared revenue sources currently authorized by the Legislature. The programs "primary" purpose is to provide relief from ad valorem taxes in addition to providing counties and municipalities with revenues for local programs. If the study area incorporated the additional funding generated from this source would be about 2.8 million dollars.

4. Additional Revenues for Municipalities: There are certain revenue sources authorized by the Legislature that are paid directly to municipalities. Some of those revenue sources like the Municipal Revenue Sharing Program would be a new source of funding that is available to municipalities. Florida's Municipal Revenue Sharing Program would generate about 1.3 million dollars for the study area if the citizens chose to incorporate. There are other revenue sources available to municipalities such as the local option gas tax which is already being imposed, that help generate funds for the county and municipalities.

5. Law Enforcement Services: The Pinellas County Sheriff's Office would continue to supply road patrol and law enforcement services. These services would be provided by contract with the Pinellas County Sheriff's Office, or contracted with other law enforcement agencies on a contractual basis with the new municipality.

6. Palm Harbor Special Taxing Districts: Current special taxing districts in Palm Harbor would remain even if Palm Harbor becomes a town. The Palm Harbor Fire and Rescue District currently levies a 1.8263 millage rate that will generate approximately \$7,827,334 in revenue. The Palm Harbor Community Services District currently levies a 0.4378 millage rate that will generate approximately \$1,876,366 in revenue.

7. Unincorporated Pinellas County: Unlike the neighboring counties of Hillsborough and Pasco who allocate 100% of the population based revenues they receive on behalf of their unincorporated population, Pinellas only allocates a small fraction of the amount it receives. The accumulated effect of having such a large amount of funds diverted from the Unincorporated Area Budget is having a detrimental impact on basic public safety and quality of life in the unincorporated area. Pinellas has been able to build a huge countywide reserve fund literally on the backs of the citizens who live in the unincorporated area of the county.

8. Effects of Incorporation: The residents if they incorporated would have greater control over service delivery. Changes in the Land Use and Management could be made that would protect and preserve the unique communities of the proposed incorporation area. The feeling of taxation without representation would be eliminated and greater fiscal control of the tax burden would be accomplished. A local government elected by and responsible to the people would provide proportionate representation.



II. HISTORY, BACKGROUND AND SCOPE

Ozona and Palm Harbor have interesting histories. Both Ozona and Palm Harbor were originally settled by J.C. Craver. A post office commission under the name of Bay St. Joseph was granted in 1878, this being the earliest written record of either community. The name *Bay St. Joseph* was used only a short time before *Yellow Bluff* replaced it. But that name proved relatively short-lived, as a few years later its negative connotation with the yellow fever epidemic gave way to its present name *Ozona*.

What started as the Bay St. Joseph Post Office in 1878 became Sutherland in 1888. The newly-platted Map of Sutherland in 1885 had boulevards named after states. The Sutherland name was changed to Palm Harbor in 1925 during the land boom of the 1920's as investors sought to develop the area using the original Sutherland plan. Unfortunately, the end of the land boom, the depression, and World War II ended that effort. Even the citrus industry was destroyed in 1930 by an epidemic of the Mediterranean fruit fly. After World War II, citrus again became Palm Harbor's chief crop and trucking fruit to all parts of the country became an important local business.

The relocation of U.S. 19 a few miles to the east and its expansion to a major north-south facility, as well as the eventual urbanization of the entire Palm Harbor area, which began in the 1970's, have forever altered the landscape and shifted the focus of commercial activity to the east along U.S. Highway 19. This explosive growth, however, occurred in the undeveloped areas of Palm Harbor, bypassing for the most part the area of original settlement, i.e. Old Palm Harbor including its historic downtown area centered on Florida Avenue and what is now Alternate U.S. Highway 19.

BACKGROUND

In 1994 at the request of concerned citizens wanting to preserve the few historic buildings left in downtown Old Palm Harbor, the Pinellas County Board of County Commissioners created a Historic Preservation Overlay District designating it the Historic Downtown Palm Harbor District. The citizens also asked for Penny funds to be allocated for the Downtown infrastructure redevelopment that was completed many years later in 2005.

Since 1999, Old Palm Harbor Main Street, Inc. has been hosting several street festivals each year in the "heart" of Palm Harbor (historically, the town center of the original platted community of Sutherland). Community events like the Holiday Parade conclude on Florida Avenue, the main street of Downtown Palm Harbor. These events spur economic development and add to the quality of life for residents by providing local entertainment and a sense of identity.

Study Background: On August 30, 2007, the Greater Palm Harbor Community Coalition responding to requests by Palm Harbor community groups and residents held a Town Hall Meeting to discuss issues concerning the community.

After the Town Hall Meeting, discussions continued to focus on needed community improvements, the future of Palm Harbor as a distinct community, the need for protecting tax revenues generated by the Palm Harbor community. Later after further discussions a study was initiated that would help determine the feasibility of incorporation and future of unincorporated Palm Harbor.

The Palm Harbor Community Coalition, in October 2007, directed their first study that would help determine the feasibility of incorporation of the community of Palm Harbor. The Palm Harbor Community Coalition undertook the submission of a local bill and the statutory required Incorporation Feasibility Study as one way to determine if some of these objectives might be accomplished by becoming a separate municipality, or to "incorporate".

Several underlying reasons are suggested for the recent increase in municipal incorporation activity: According to communities proposing municipal incorporation, these include dissatisfaction with service delivery by the county, land use and growth management concerns, the desire to have more fiscal control, a sense that representation is disproportionate to population, and political or social agendas. Incorporation can also be used as a means to stave off annexation by nearby municipalities.

INCORPORATION REPORTS

Palm Harbor Chamber of Commerce Report in 1986: The Chamber did an informal report? A copy of which has not yet been obtained for review.

Old Palm Harbor Community Association Study in 2002: The residents of Palm Harbor were looking for help in preserving the integrity and heritage of their community, protecting tax revenues generated by the local area and an elected government responsible to the local community.

Greater Palm Harbor Community Coalition Study in 2007: The 2007 incorporation Feasibility Study was designed to provide an estimate, or idea, of the range of costs for providing essential government services and programs if Palm Harbor were to incorporate as a new municipal government.

Palm Harbor Community Coalition Study in 2008: The 2008 incorporation Feasibility Study was also designed to provide an estimate, or idea, of the range of costs for providing essential government services and programs if Palm Harbor were to incorporate as a new municipal government. The main difference from the 2007 study is that the 2008 study excludes the unincorporated area of North Pinellas that is East of Lake Tarpon. Crystal Beach and Ozona communities are included because they are part of the Palm Harbor Special Fire Control and Rescue District (Independent Special District), the Palm Harbor Community Services District (a Municipal Services Taxing Unit created by referendum pursuant to a special act of the legislature in 1985) and the Palm Harbor Census Designated Place (CDP).

INCORPORATION FEASIBILITY STUDY SCOPE

The study area is the unincorporated territory found West of Lake Tarpon in North Pinellas County which is located outside the planning areas of Clearwater, Dunedin, Oldsmar and Tarpon Springs. It is known as the Palm Harbor Fire District, the Palm Harbor Community Services District and the Palm Harbor Census Designated Place (CDP).

The form of government and corresponding charter is to be a council-manager type similar to the neighboring municipalities of Dunedin and Tarpon Springs. The size of the Town Council including the Mayor should be 5 members.

The town charter should provide for the continuation of the Palm Harbor Fire Department, continuation of the Palm Harbor Community Services Taxing MSTU, and continuation of law enforcement services to be provided by contract with the Pinellas County Sheriff's Office or contracted with other law enforcement agencies.

Comparison of revenue and expenses shall include the Pinellas County municipalities of Dunedin, Largo and Oldsmar and Tarpon Springs.

The estimate of revenues and expenses shall be developed using a fiscally conservative approach. The estimate for the town's first year level of services should be based on a minimum of the current level of services being supplied in the study area for Fiscal Year 2009.

The Palm Harbor Incorporation Feasibility Study must be submitted to the Florida Legislature no later than 90 days prior to the first day of the regular legislative session.

III. STUDY AREA

The general location of territory subject to boundary change and a map of the area which identifies the proposed change.

The study area is located in the northern portion of Pinellas County. The Palm Harbor Census Designated Place (CDP) represents a large unincorporated area located between the municipalities of Tarpon Springs to the North, with Dunedin, Clearwater and Oldsmar to the South. The area is referred to as the Palm Harbor Fire District, the Palm Harbor Community Services District and the Palm Harbor CDP

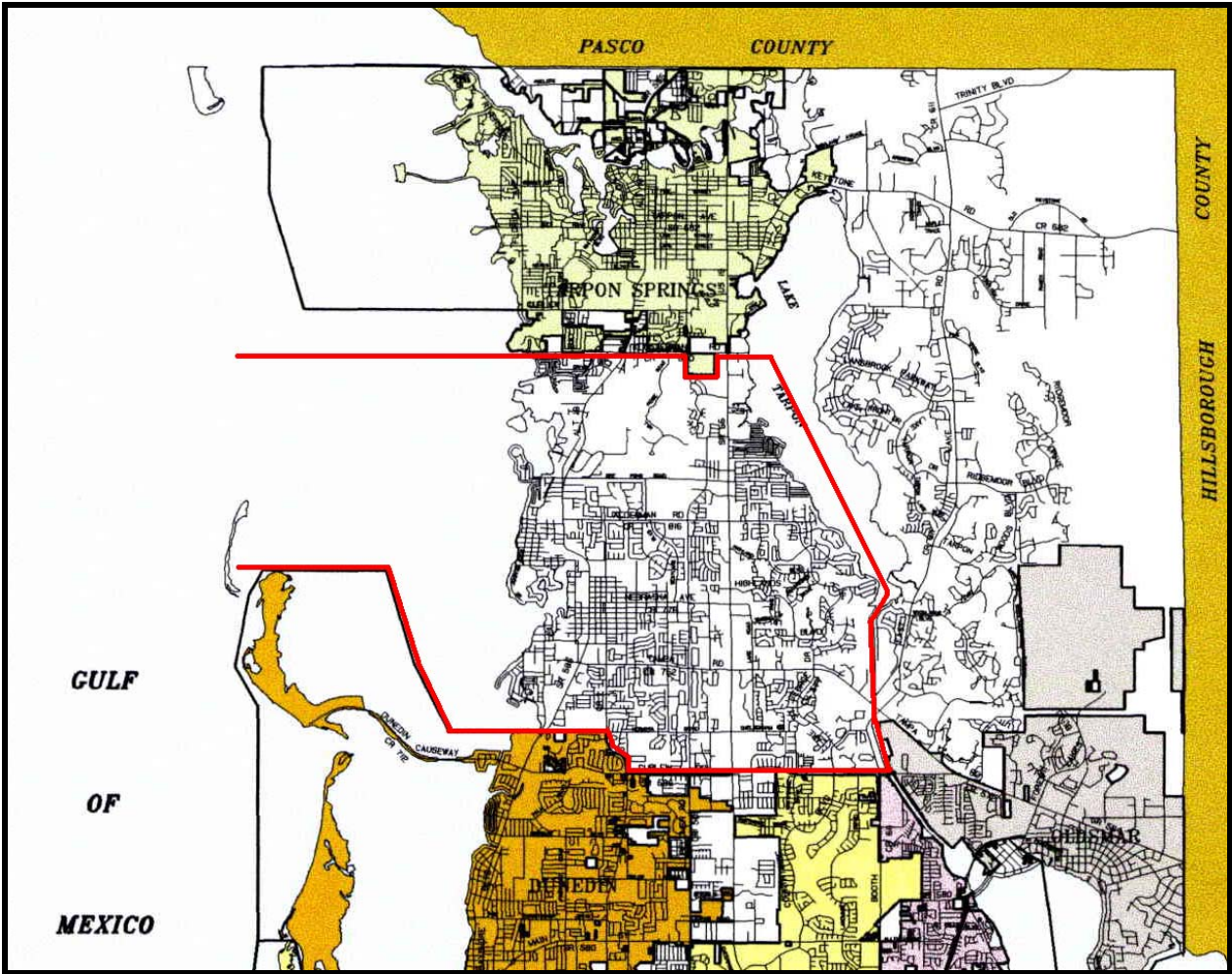


Figure 3.1 Map of Study Area –
Unincorporated North Pinellas County located West of Lake Tarpon
not in a Municipal Services Planning Area.

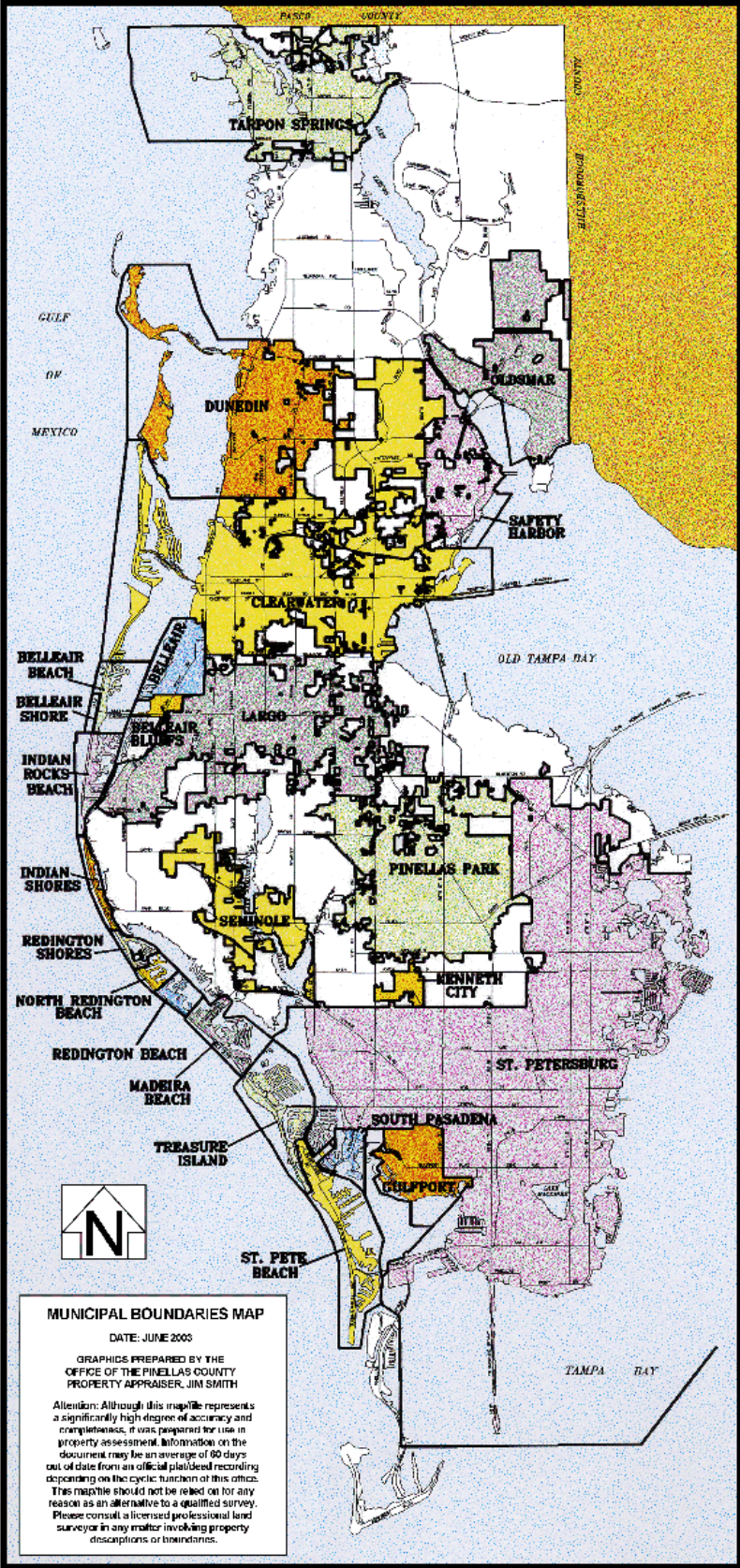


Figure 3.2 Pinellas Municipal Boundaries Map

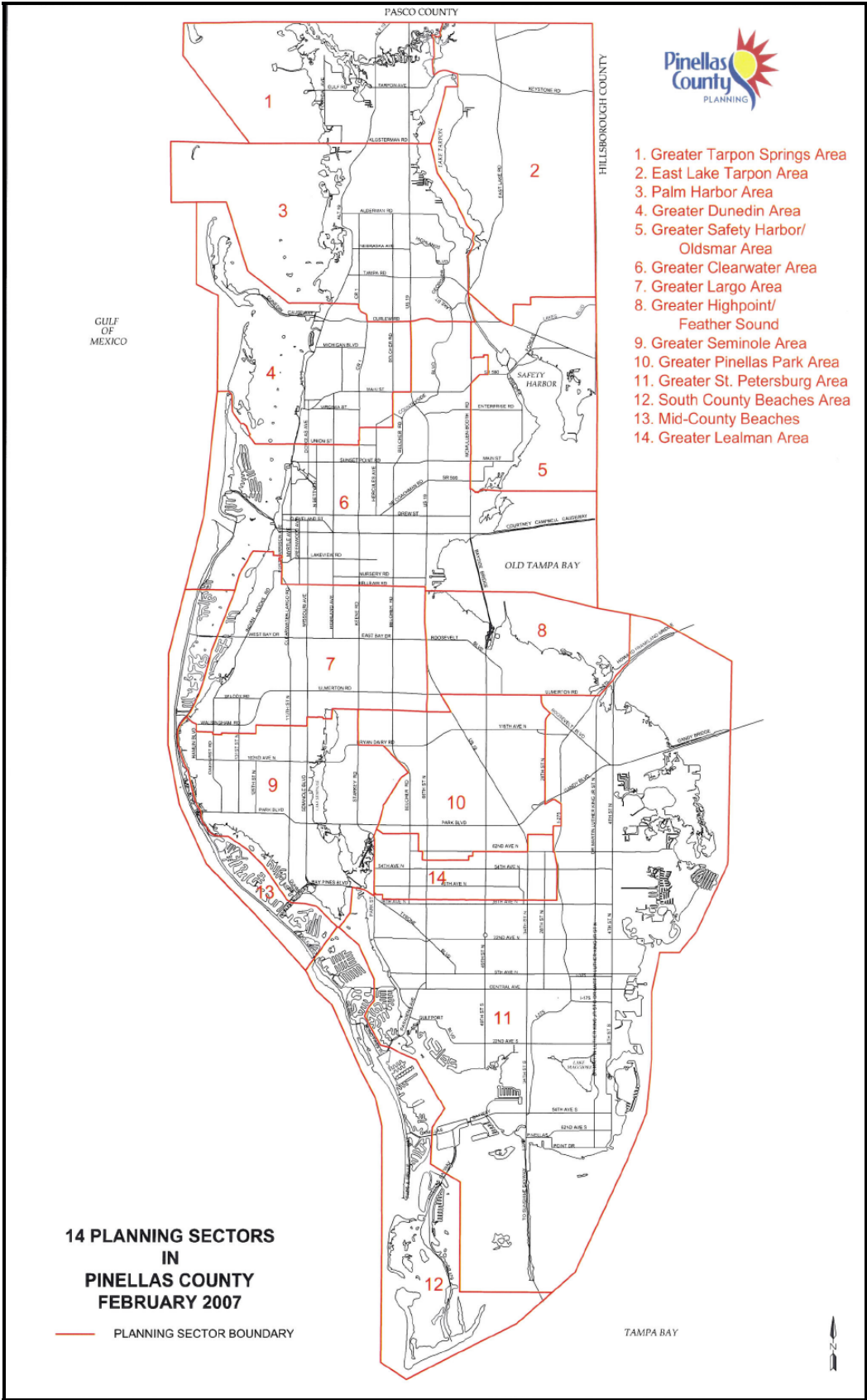


Figure 3.3 – Map of Pinellas County's 14 Planning Sectors.

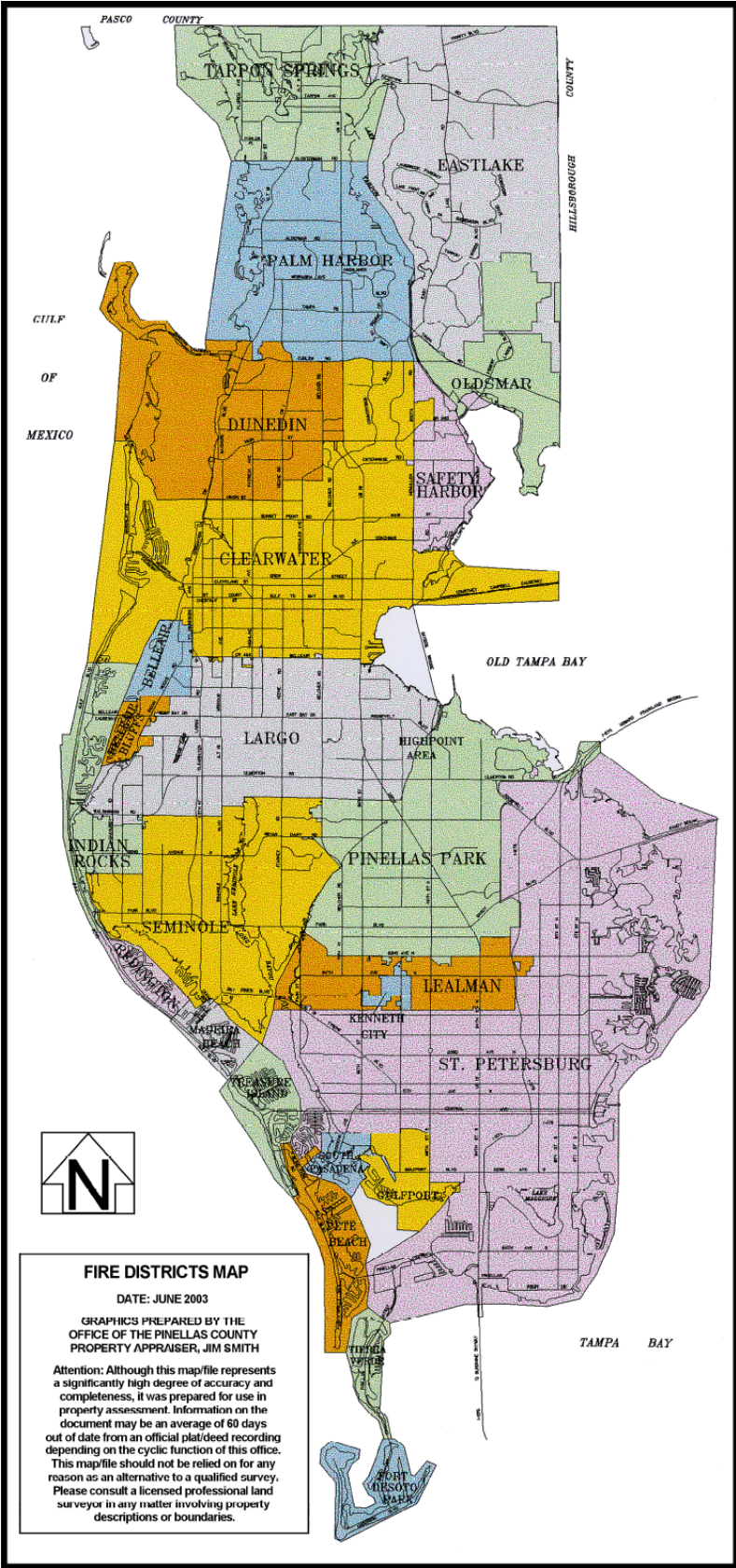


Figure 3.4 Fire Districts Map of Pinellas County.

IV. REVIEW OF STATUTORY REQUIREMENTS FOR INCORPORATION AND COMPLIANCE

In 1999, the Legislature revised s.165.041, F.S., by adding new, detailed requirements for the preparation of the required feasibility study for any area requesting incorporation. Specifically, the study must include:

1. The general location of territory subject to a boundary change and a map of the area that identifies the proposed change. (see chapter III)
2. The major reasons for proposing the boundary change. (see chapter II)
3. The following characteristics of the area:
 - a list of the current land use designations applied to the subject area in the county comprehensive plan;
 - a list of the current county zoning designations applied to the subject area;
 - a general statement of present land use characteristics of the area;
 - a description of development being proposed for the territory, if any, and a statement of when actual development is expected to begin, if known.
4. A list of all public agencies, such as local governments, school districts and special districts, whose current boundaries fall within the boundary of the territory proposed for the change or reorganization.
5. A list of current services being provided within the proposed incorporation area, including, but not limited to, water, sewer, solid waste, transportation, public works, law enforcement, fire and rescue, zoning, street lighting, parks and recreation, and library and cultural facilities, and the estimated costs for each service. (see chapter V)
6. A list of proposed services to be provided within the proposed incorporation area, and the estimated cost of such services. (see chapter VI)
7. The names and addresses of three officers or persons submitting the proposal.
8. Evidence of fiscal capacity and an organizational plan that, at a minimum, includes:
 - existing tax bases, including ad valorem taxable value, utility taxes, sales and use taxes, franchise taxes, license and permit fees, charges for services, fines and forfeitures, and other revenue sources, as appropriate; and
 - a five-year operational plan that, at a minimum, includes proposed staffing, building acquisition and construction, debt issuance and budgets. (see chapter VIII and chapter VII)
9. Data and analysis to support the conclusion that incorporation is necessary and financially feasible, including population projections and population density calculations and an explanation concerning methodologies used for such analysis. (see chapter IX and chapter VII)
10. Evaluation of the alternatives available to the area to address its policy concerns.
11. Evidence that the proposed municipality meets the standards for incorporation of s.165.061, F.S.

3. The following characteristics of the area:

- A list of the current land use designations applied to the subject area in the county comprehensive plan;

Existing Land Use Acreage in Study Area by Planning Sector - February 2007				
Palm Harbor - Sector 3				
ELU Category	Dwelling Units	Muni Acreage	Uninc. Acreage	Sector Total
Single Family	16,059		4,203.81	4,203.81
Mobile Homes	2,629		281.27	281.27
Duplex/Triplex	320		35.06	35.06
Multi Family	11,674		980.26	980.26
Commercial			549.71	549.71
Industrial			71.91	71.91
Public/Semi-Public		46.77	658.22	704.99
Agricultural			4.16	4.16
Rec/Open Space			1,307.74	1,307.74
Vacant			446.58	446.58
Miscellaneous		2.37	519.50	521.87
Conservation/Preservation			856.87	856.87
Marina			21.40	21.40
TOTALS	30,682	49.14	9,936.49	9,985.63

Table 4.1 (Existing Land Use Acreage provided by Pinellas County Planning Dept.)



Planning Area	2008	2008	Dwelling Units	Muni Acreage	Uninc. Acreage	Sector Total
	Population	Density				
Palm Harbor	61,838	6.22	30,682	49.14	9,936.49	9,985.63
Net acres does not include public rights-of-way and bodies of water.						

Table 4.2 (Population estimate provided by Pinellas County Planning Dept.)

- **A list of the current county zoning designations applied to the subject area;**

ZONING DISTRICTS	Palm Harbor
A-E, Agricultural Estate Residential District, (2 acre minimum)	X
E-1, Estate Residential District, (3/4 acre minimum)	X
R-R, Rural Residential District (16,000 sq.ft. minimum)	X
R-1, Single Family Residential District (9,500 sq. ft. minimum)	X
R-2, Single Family Residential District (7,500 sq.ft. minimum)	X
R-3, Single Family Residential district (6,000 sq.ft. minimum)	X
R-4, One, Two & Three Family Residential District	X
R-6, Residential, Mobile Home Parks and Subdivisions District	X
RM, Residential, Multiple Family District	X
RPD, Residential Planned Development District	X
PRR, Planned Residential Resort District	
P-1, General Professional Offices District	X
P-1A, Limited Office District	X
C-1, Neighborhood Commercial District	X
C-2, General Retail Commercial and Limited Services District	X
C-3, Commercial, Wholesale, Warehousing & Industrial Support District	X
CR, Commercial Recreation District	X
CP, Commercial Parkway District	X
IPD, Industrial Planned Development District	
M-1, Light Manufacturing and Industry District	X
M-2, Heavy Manufacturing & Industry District	X
AL, Aquatic Lands District	X
P/C, Preservation Conservation District	
PSP, Public/Semi-Public District	
WPD, Wellhead Protection Overlay District	
HPD, Historical Preservation Overlay District	X
IL, Institutional Limited District	X
APO, Archaeological Preservation Overlay District	
P-RM Preservation Resource-Management District	X
OPH-D, Old Palm Harbor Downtown District	X

Table 4.3 (Current Zoning Designations in Study Area)

To help preserve the Alderman Residential Rural Community's rural character, a residential density of no greater than 0.5 units per acre shall be the preferred land use on the Pinellas County Future Land Use Map; therefore, increases in density will be discouraged within the Alderman Community Overlay.¹

The Old Palm Harbor-Downtown (OPH-D) District provides a set of regulations that recognize, maintain and encourage the special character, uses and history of Downtown Old Palm Harbor and its historic district. The district provides for a mixture of retail, lodging, residential, office and service uses.

¹ Pinellas County Ordinance 06-89 Amending the FUTURE LAND USE MAP SERIES to identify a COMMUNITY OVERLAY FOR THE ALDERMAN RESIDENTIAL RURAL COMMUNITY.

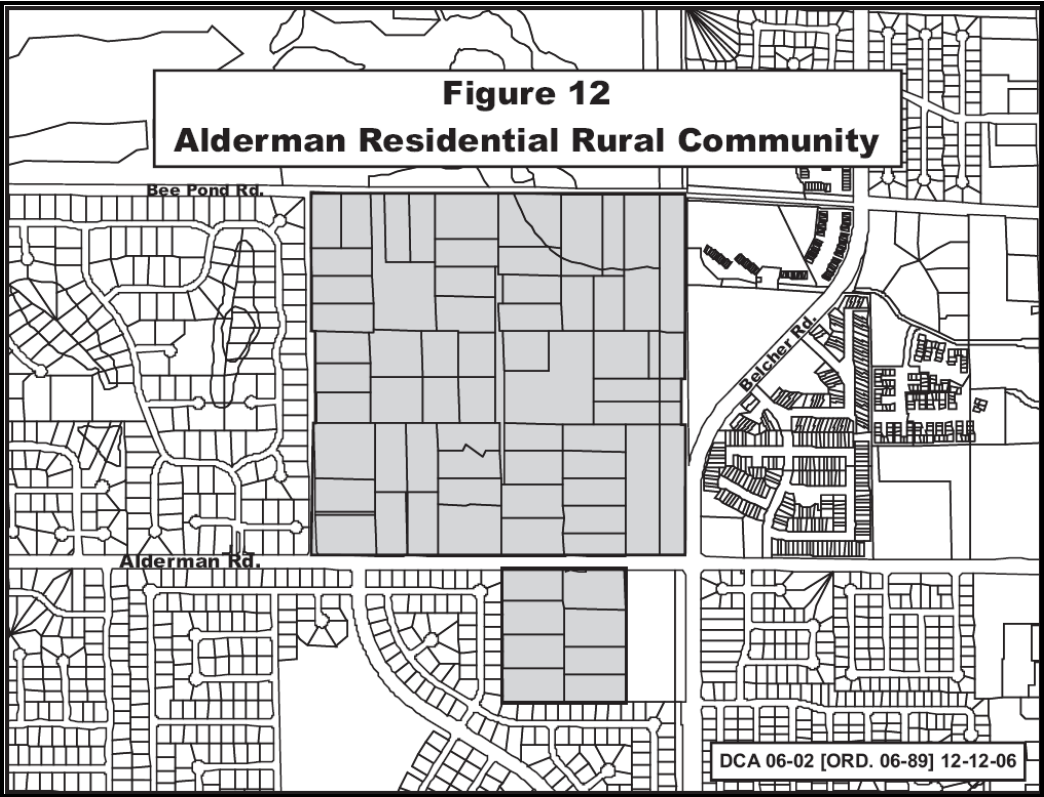


Figure 4.4 Alderman Residential Rural Community Overlay Map

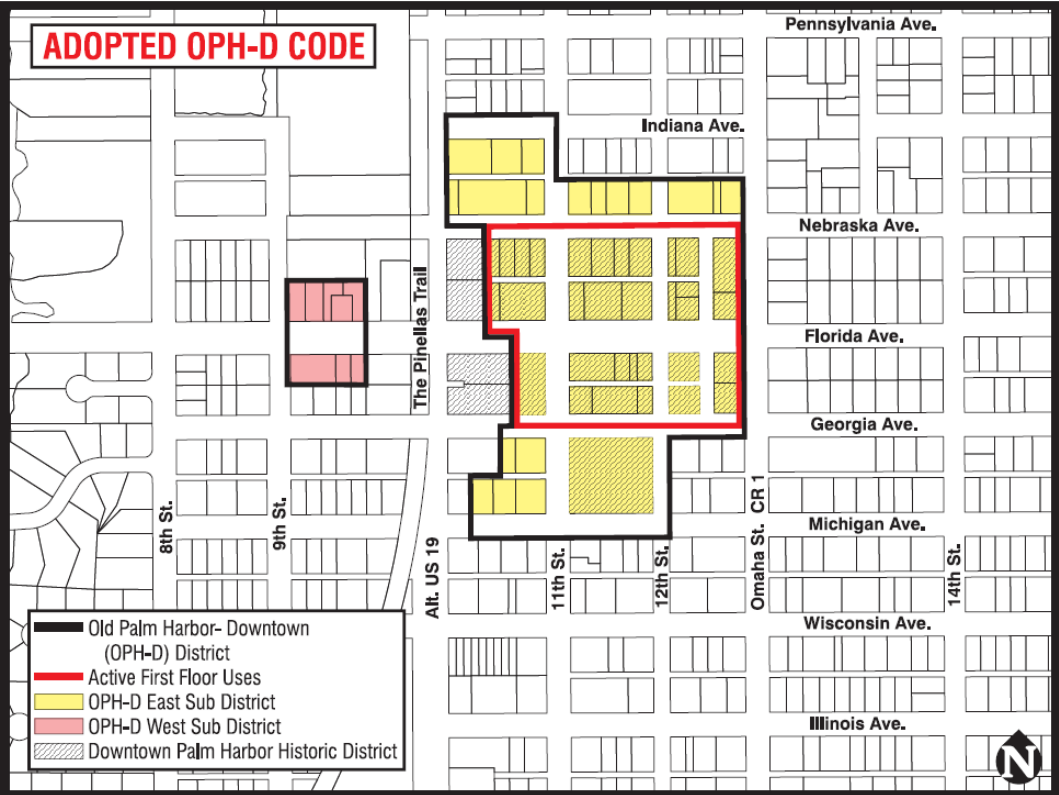


Figure 4.5 Old Palm Haror – Downtown District Map

- **A general statement of present land use characteristics of the area;**

The earliest development in this area Ozona, Crystal Beach and Old Palm Harbor occurred near the Gulf of Mexico close to the waterfront. The present land use in this area varies from Crystal Beach with a strictly residential land use to Ozona which is mostly residential but has some limited Commercial Neighborhood and Industrial land usage. The Palm Harbor area has a historic core, but a majority of development in this area occurred starting in the early 1970's and consists of numerous sub-divisions and Residential Planned Developments. This area also includes the Innisbrook Resort and Golf Club which is one of the premier golf destinations in the United States. There is a large Commercial Parkway area along U.S. Highway 19 and some additional commercial along Alternate U.S. Highway 19 and on parts of Tampa Road. This area also has some limited Industrial and Manufacturing with about 10% of the area land use being Conservation/Preservation.

- **A description of development being proposed for the territory, if any, and a statement of when actual development is expected to begin, if known;**

There are no major developments currently being proposed for the area. Pinellas is the most densely populated county in Florida. Redevelopment, not growth management would be issues facing the proposed incorporation area.

4. A list of all public agencies, such as local government, school districts, and special districts, whose current boundary falls within the boundary of the territory proposed for the change or reorganization.

Pinellas County Taxing Authorities

County Aggregate - (This comprises three funds: General, Health Dept., and E.M.S.) The General Fund operates all the County Services such as: County correctional system; 911 Emergency Communications System; Parks and a museum; Air and water quality programs; Dog and cat licensing, immunization and adoption programs; Enforcement of local environmental ordinances protecting wildlife, trees and grounds; Mosquito control; Comprehensive planning; Economic and medical assistance to persons in need of basic necessities. The County Aggregate also includes funding for the Sheriff, Clerk of the Circuit Court, Supervisor of Elections and Property Appraiser. The Health Department operates the various County health programs such as screening, monitoring, and immunizing for certain communicable diseases like tuberculosis, measles, flu, sexually transmitted diseases, etc.; and it also administers school health program, family planning, and prenatal care. The E.M.S. Program provides the County's Emergency Medical Services (including paramedics).

Pinellas Planning Council - provides countywide planning necessary for orderly growth, development and environmental protection of the county as a whole; coordinates all countywide planning and development with Tampa Bay Regional Planning Council and the Florida Department of Community Affairs.

School Board - operates and maintains Pinellas County's public school system, including academic instruction, administration, and support services.

Library Services - allows citizens the convenience of one library card for thirteen member libraries and provides broad-based interlibrary loan and information network.

Southwest Florida Water Management District - is one of five regional districts charged by the state to preserve and protect Florida's water resources. Its mission is flood control, water supply, and water quality. SWFWMD covers all or part of 16 counties.

Pinellas-Anclote River Basin Board - is one of eight watershed basins within the Southwest Florida Water Management District. This basin board is responsible for identifying the water-related concerns and problems within the basin, for adopting budgets to support those concerns, and fund resolutions to the problems. Projects funded include reclaimed water, conservation, flood plain analysis, storm water management, and water quality.

Juvenile Welfare Board - the first independent, special taxing district dedicated solely to children's services created by voters in 1946. JWB plans, coordinates, advocates, funds and evaluates programs for children and families. The Board contracts for services with public and not-for-profit agencies and programs countywide. JWB focuses on positive development for children and families and the reduction of risk in the areas of substance abuse, violence and harmful sexual behavior. The focus of services and activities is asset and community based, and emphasizes ages 0-6 and 10-14 using support and youth development principles.

Transit Authority - administers the countywide transit system, including more than 43 bus routes and Demand Response service for 21 municipalities and the unincorporated areas. It advocates mass transportation.

Unincorporated Palm Harbor Taxing Districts:

Municipal Services Taxing Units (MSTU) - provide various services to residents in the unincorporated areas of the county, such as: law enforcement (Sheriff's Department); issuing construction permits, enforcing local building codes and the State energy code and providing on-site inspection during all phases of construction; reviewing applications for land-use plan changes, site plans and rezoning.

Fire Districts (15 Districts in the County) - provide fire protection for residents in the unincorporated areas. (Palm Harbor Fire Control and Rescue District)

Palm Harbor Community Services District - provides funding for operation and maintenance of a public library facility, recreational facilities/programs, and related land acquisitions.

The following table (Table 4.6) provides the ad valorem (property tax) millage rates for Pinellas County Taxing Authorities and Palm Harbor specific taxing districts each year for the period from 2000 to 2008.

Ad Valorem Millage Rates - (Dollars per Thousand) Levied For									
Taxing Authority and Districts	2008 Taxes	2007 Taxes	2006 Taxes	2005 Taxes	2004 Taxes	2003 Taxes	2002 Taxes	2001 Taxes	2000 Taxes
Pinellas County BCC - General Fund (Countywide)	4.8108	4.8108	5.3400	5.9920	5.9920	5.9920	5.9920	5.9920	5.8540
Emergency Medical Services	0.5832	0.5832	0.6300	0.6600	0.6600	0.6600	0.6600	0.6600	0.7470
Health Department	0.0622	0.0622	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0690
Mosquito Control	-	-	0.0600	0.0790	0.0790	0.0790	0.0790	0.0790	0.0810
Pinellas County School Board (State Law)	5.1720	4.7300	5.0460	5.1910	5.5040	5.6140	5.8080	5.8390	8.4330
Pinellas County School Board (Local Bd.)	2.8890	3.0010	3.1640	3.1990	2.6180	2.6290	2.6410	2.6480	
Juvenile Welfare Board	0.7915	0.7384	0.7963	0.8117	0.8117	0.8117	0.8117	0.8117	0.8117
Transit District (Suncoast Transit Authority)	0.5601	0.5601	0.6074	0.6377	0.6377	0.6319	0.6319	0.6501	0.6501
SW Florida Water Management District	0.3866	0.3866	0.4220	0.4220	0.4220	0.4220	0.4220	0.4220	0.4220
Pinellas Anclote River Basin	0.3600	0.3701	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000
Pinellas County Planning Council	0.0170	0.0170	0.0195	0.0218	0.0220	0.0225	0.0225	0.0225	0.0225
Total Less Unique Taxing Districts & U-MSTU	15.6324	15.2594	16.5552	17.4842	17.2164	17.3321	17.5381	17.5943	17.4903
Palm Harbor CDP									
Pinellas County BCC - Unincorporated - MSTU	2.0857	2.0857	2.3560	2.3560	2.3560	2.3560	2.3560	1.8560	1.6060
Palm Harbor Special Fire Control and Rescue District	1.8263	1.8263	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	1.9000
Palm Harbor Community Services District	0.4378	0.4378	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
Palm Harbor CDP Total	4.3498	4.3498	4.8560	4.8560	4.8560	4.8560	4.8560	4.3560	4.0060
TOTAL AGGREGATE	19.9822	19.6092	21.4112	22.3402	22.0724	22.1881	22.3941	21.9503	21.4963

Table 4.7 (Taxing Authority and Millage Rates provided by Pinellas County Property Appraisers Office)

7. The names and addresses of three officers or persons submitting the proposal.

Palm Harbor Coalition Corporate Office - 1219 Florida Ave, Palm Harbor, FL 34683

James Kleyman, President – 1473 Indian trails S, Palm Harbor FL 34683

Ric Clark, Vice-President – 2611 6th Ct, Palm Harbor, FL 34684

Lesley Klein, Secretary – 1219 Florida Avenue, Palm Harbor, FL 34683

10. Evaluation of the alternatives available to the area to address its policy concerns.

- Pinellas could practice full revenue allocation (like Hillsborough and Pasco does) and allocate all of the population based revenues it receives on behalf of the unincorporated population to the unincorporated area budget. However, Pinellas has refused to consider this alternative since imposing full cost allocation and increasing taxes on the unincorporated area of the county in 2003.
- Pinellas could create local zoning boards consisting of local unincorporated community residents elected by area voters similar to Miami-Dade county. This would address some community concerns, however the county does not seem to be interested in relinquishing any of its authority to local communities.

- Being annexed by an existing city is not a viable alternative because the population of Palm Harbor is substantially greater than neighboring municipalities. Upon being annexed the neighboring municipalities would impose both Utility Service Taxes and Franchise Fees.
- Special legislation was enacted in 1985 that was intended to protect the unincorporated Palm Harbor community from annexation. However, the county recently approved Tarpon Spring's annexation of 35 acres of Palm Harbor territory without allowing for any public participation on the agenda item.

11. Evidence that the proposed municipality meets the requirements for incorporation pursuant to s. 165.061 Florida Statutes.

The area to be incorporated must be compact, contiguous, and amenable to separate municipal government.

The Palm Harbor area is compact, contiguous, and is amenable to a separate municipal government as is evident by its long history as a community and of the citizens taking necessary actions to address their needs. The Palm Harbor Special Fire and Rescue District traces its history to volunteers in the early 1950's and the Palm Harbor Community Services District was established by referendum in 1985. Palm Harbor, originally called Sutherland in 1885 was the first platted community in Florida.

The area proposed to be incorporated must have a total population, as determined in the latest official state census, special census, or estimate of population, of at least 1,500 persons in counties with a population of less than 75,000, and of at least 5,000 population in counties with a population of more than 75,000.

Palm Harbor is located in a county that has an estimated population of over 75,000. The current estimated population for the proposed incorporation area is 61,838.

The area must have an average population density of at least 1.5 persons per acre or have extraordinary conditions requiring the establishment of a municipal corporation with less existing density.

Based on the estimated 2008 Palm Harbor CDP population of 61,838 and the 2000 census land acreage of 11,456 the population density calculation comes to 5.40 persons per acre. Based on estimated net acreage of 9,936 the population density calculation comes to 6.2 persons per acre. (Net acres does not include public rights-of-way and bodies of water)

Any part of the area proposed for incorporation must have a minimum distance of at least 2 miles from the boundaries of an existing municipality within the county. Alternately, an extraordinary natural boundary that requires separate municipal government must be present.

Palm Harbor meets the alternate provision of this statutory requirement. The boundaries of the entire study area consists of extraordinary natural boundaries. The service planning lines of the neighboring municipalities of Clearwater, Dunedin, Oldsmar and Tarpon Springs all provide extraordinary natural boundaries that require separate municipal government. Extraordinary natural boundaries also include the Gulf of Mexico, Southerland Bayou, Lake Tarpon and its outflow canal, Curlew and Klosterman Roads. Pinellas County is the most densely populated county in Florida. The first part of this statutory requirement would be difficult to meet for the formation of any new municipality in Pinellas, the most densely populated county in Florida.

A proposed municipal charter that clearly prescribes and defines the form of government and its functions and does not prohibit or restrict the levy of authorized tax authorized by the Constitution or general law.

The proposed municipal charter clearly describes and defines the form of government and its functions. The proposed charter does not restrict the levy of authorized tax by the Constitution or general law. **(See accompanying local bill)**

V. CURRENT SERVICES

In Pinellas County, as is the case in urban counties throughout Florida, urban services are provided through a variety of service providers. These providers include county government, municipalities, and special districts.

Services are provided to the study area by six entities: the Palm Harbor Fire Rescue, Palm Harbor Community Services Agency, Pinellas County Utilities, Pinellas County Sheriffs Office and Pinellas County BOCC as default local government. An assessment of these services is necessary in order to develop both levels and costs of services for the town of Palm Harbor.

PUBLIC SAFETY SERVICES

Law Enforcement: The members of the Pinellas County Sheriff's Office take great pride in providing dedicated and professional service to all in Pinellas County - whether it is in law enforcement, corrections, court security or in a support staff role.

Patrol Services includes Patrol, Community Policing, Special Operations, Canine, Specialized Traffic Units both Traffic and DUI, School Crossing guards, and Crime Prevention. *Investigation Services* includes Economic Crimes, Criminal Intelligence, Youth Services, School Resource Officers, Narcotics Investigations, Vice, Burglary & Pawn, Arson & Auto Theft and Victim Advocates. *Support Services* includes Forensic Science, AFIS, Crime Analysis, GIS, and Property & Evidence

Emergency Medical Services: The Pinellas County Emergency Medical Services Authority was created in 1980 by an Act of the Florida Legislature. The Act designates the County Commission as the Pinellas County Emergency Medical Services Authority (EMS). Monies collected for services rendered and application fees for the First Care ambulance membership plan fund the countywide paramedic ambulance service in Pinellas County, which is provided by a single contracted ambulance service (Sunstar).

The local fire departments provide first responder as well as paramedic Advanced Life Support (ALS) services that are funded by ad valorem taxes. In an emergency call, both the local fire department and Sunstar ambulance responds. This dual response concept ensures that medical assistance is onsite within 7.5 minutes 90% of the time. The Pinellas County EMS system has been recognized nationwide as a model system and levies a .5832 millage rate countywide.

Fire Protection: Palm Harbor Fire and Rescue provides fire, rescue and emergency medical services (EMS) to the Palm Harbor area. In addition, the Fire District offers child safety and fire detector programs, fire prevention evaluations in homes and businesses, fire investigation, plan review, hazard material response and public education to area residents. As a special district defined by Florida Statutes, Palm Harbor Fire Rescue has a Board of five Fire Commissioners. Commissioners must live within the boundaries of the Fire District who are elected to four year terms. The Board has the responsibility for approving department policy, the adoption of the annual budget and millage rate, and oversight of all department resources.

The 2008 millage rate is 1.8263 which will generate approximately \$7,827,334. The Board of Fire Commissioners has been very active in finding ways to give the taxpayers the best value for their tax dollars. The District operates as an independent special district supported by tax revenue pursuant to Chapter 189 and 191, Florida Statutes. In July of 1956, the "Ozona, Palm Harbor, Crystal Beach Volunteer Fire Department" (OPC) was organized to provide fire protection to the residents of those communities.

The Fire District was chartered by the State of Florida in the early 1960's. When first organized, the department operated with all volunteers who also built the fire station. That building served as the main station until the construction of Station 65 in 1988. The name shortened in 1979. As of July, 2000, the Department's legal name became Palm Harbor Special Fire Control and Rescue District. For daily operations, the name used is Palm Harbor Fire Rescue. In 1996 the voters approved a .50 millage cap increase allowing the District to go up to 2.0 mils if necessary.

UTILITY SERVICES

Enterprise Activities (Water, Sewer, Solid Waste) – Enterprise activities are self-supporting entities, which are wholly funded by the revenues they generate from various user charges. Enterprise activities do not rely upon ad valorem funding to meet their needs, rather adjustments are made to their user fees.

Potable Water, Wastewater Collection and Treatment: The study area receives potable water, wastewater collection and treatment from Pinellas County Utilities. In Pinellas County, the primary provider of potable supply is the Tampa Bay Water Authority, a Special District. The two largest water suppliers in the County are Pinellas County Utilities and the City of St. Petersburg, who are both member governments of the Tampa Bay Water Authority and receive all of their water for wholesale and retail distribution from Tampa Bay Water. In addition to Tampa Bay Water, and the County and City of St. Petersburg water systems, the cities of Clearwater, Tarpon Springs, Dunedin and Belleair all own and operate their own municipal wells and water systems.

The study area currently has reclaimed water available to some of its residents. The potable water, wastewater collection and treatment provider would not change upon incorporation.

Solid Waste Disposal: Pinellas County operates under the 1975 Solid Waste Disposal and Resource Recovery Act, which were codified as Chapter 106 (Solid Waste) of the Pinellas County Code in 1988. The Act provides the authority and responsibility for countywide disposal of solid waste to Pinellas County. The Pinellas County Utilities Division of Solid Waste Operations is responsible for disposing of this waste in the most environmentally safe manner.

CULTURAL, LEISURE, PARKS AND RECREATION SERVICES

Municipalities have traditionally provided for libraries, parks and the active recreation needs of their community. The study area has also maintained libraries and active recreational facilities for their communities.

Cultural Facilities: The county owned North Pinellas County Historical Museum is located at 2043 Curlew Road in Palm Harbor. It is staffed by volunteers and receives no county funding. Harbor Hall and the historic building known as the White Chapel are county-owned but are run and maintained by Old Palm Harbor Main Street, Inc., a 501c3 non-profit corporation, which is also responsible for the "maintenance" of the upgrades on Florida Avenue which were paid for with Penny funds. OPHMS is totally self-funded receiving no government funding.

Library Facilities: The Palm Harbor Library is part of the Palm Harbor Community Services Agency and is mainly funded by a special taxing district that charges a separate millage rate to Palm Harbor property owners, half of which goes to fund the Palm Harbor Library.

Palm Harbor Library and Recreation: The Palm Harbor Community Services Agency, Inc. (PHCSA) was created in 1985 per Pinellas County Ordinance 85-28 to provide library and recreation services to the residents of the Palm Harbor Community Services District, a municipal services taxing unit. PHCSA is a Florida not-for-profit corporation with a seven member board of directors (two representatives each from the Palm Harbor Friends of the Library, the Recreation League, the Greater Palm harbor Area Chamber of Commerce and one county-at-large position. This Board of Directors oversees operations, programs, and facility maintenance of the Palm Harbor Library and Palm Harbor Recreation Department.

The Palm Harbor Community Services District created in 1985 by referendum pursuant to a special act of the legislature (Chapter 85-489 Laws of Florida) has a 0.5000 millage cap and levies a millage rate of 0.4378 which will generate approximately \$1,876,366.

Palm Harbor Library - The Palm Harbor Library first opened its doors to the citizens of Palm Harbor, Ozona and Crystal Beach on April 1, 1978. The Palm Harbor Library in Pinellas County, Florida is unique in the state of Florida in that it is the first and only library to be funded by a Municipal Service Taxing Unit (MSTU). The Pinellas Public Library Cooperative is the only other library entity in the state that is also funded by a MSTU.

The Palm Harbor Library is also unique in that it has the largest number of volunteers in the state. Volunteer workers are the backbone of the library and continue the tradition of community involvement and dedication that were essential in the development of the library.

Palm Harbor Parks and Recreation - Active recreation opportunities and playgrounds in the Palm Harbor Community Services District are funded by a special millage rate of which the Parks and Recreation Department receives half.

Palm Harbor Indoor Activities - The Palm Harbor Senior Activity Center was established to promote and provide, in a comfortable and friendly setting, social, educational, economic, and recreation programs that encourage a real sense of belonging to the community. In October 2004, the Senior Activity Center became a partner with Palm Harbor Parks and Recreation Department. It provides indoor and outdoor activities for children of all ages from 2-100. The building is currently owned by the county. It receives no county funding.

List of youth activities available from Palm Harbor Parks And Recreation: Winter Camps And Clinics, LaCross Camp, Baseball, Cheerleading Classes, Drawing Classes, Family Movie Night, Flag Football, Gymnastics Classes, Karate - Tae Kwon Do Karate - Muay Thai, Kayaking, Mad Science Camp, Roller Hockey, Softball, Table Tennis, Tennis, Volleyball and Woodworking

List of adult and seniors activities available from Palm Harbor Parks and Recreation: Cards, Ceramics, Computers, Dance, Exercise Classes, Family Movie Night, Guitar Lessons, Hobbies, Intro to Pop Music, Languages, Maui Tai, Karate, Roller Hockey, Softball, Table Tennis, Taoist, Tai Chi, Tennis, Volleyball and Woodworking.

Palm Harbor Libraries

Palm Harbor Library

2330 Nebraska Ave - Palm Harbor, FL 34683

Mon-Thurs 9am - 8pm Fri-Sat 9am-5pm

(727) 784-3332 or email the Director - coppolg@tblc.org

www.palmharborlibrary.org

East Lake Community Library

4125 East Lake Road - Palm Harbor FL 34685

Mon-Wed 10am - 8pm Thurs-Fri 10am-6pm

Sat 10am - 4pm

(727) 773-2665

www.eastlakelibrary.org

Palm Harbor Parks and Recreation Department

Palm Field

Located at the Corner of Nebraska Avenue and Riviere Rd.

(Across the street from the Palm Harbor Library)

Hours of Operation: Mon-Sat: 8am-10pm Sun: 1pm-dusk No lights on Sundays.

Pop Stansell Park

Located at 797 Florida Avenue (Corner of Florida Avenue and 8th Street, by the Gulf)

Hours of Operation: Mon-Sat: 9am-dusk Sun: 9am-dusk

Putnam Park

Located at 799 Riviere Rd. (Between Nebraska Ave and Tampa Rd)

Hours of Operation: Mon-Sat: 8am-10pm Sun: 8am-8pm(no lights)

Sunderman Complex

Located at 1631 9th Street (along 8th St, by Pop Stansell Park)

Hours of Operation: Mon-Sat: 9am-10pm Sun: 1pm-6pm(no lights)

The Community Activity Center

Located at 1500 16th St. in Palm Harbor (next to PHUHS and the YMCA)

Office Hours are: Mon-Fri: 9am-5pm

Phone: (727) 771-6000

Fax: (727)785-6877

Email: info@phrec.org

The Center is open at other various times due to programs & events. If you need after-hours service, please call ahead for special arrangements. Thank you!

Community Parks - There are a couple community parks located in the study area. The community park, M.S. "Pop" Stansell Park, is five wooded acres on the Gulf of Mexico complete with covered picnic pavilions, play ground, sand boat ramp and wooden fishing pier. Crystal Beach offers a community pier and park with stunning gulf view sunsets.

Live Oak Park*
600 Crystal Beach Avenue, Crystal Beach

Pop Stansell Park
757 Florida Avenue, Palm Harbor

** Indicates no restroom facilities*

County Parks and Preserves located in or adjacent to the study area

John Chestnut, Sr. Park
2200 East Lake Road
Palm Harbor (727) 669-1951

Brooker Creek Preserve
1001 Lora Lane
Tarpon Springs (727) 943-4000

Wall Springs Park
3725 De Soto Boulevard
Palm Harbor (727) 943-4653

Sutherland Bayou Boat Ramp
2119 US Alt. 19 North
Palm Harbor, Florida 34687
Phone: 727-943-4653 (Wall Springs Park)

A.L. Anderson Park
39699 U.S. 19 North
Tarpon Springs (727) 943-4085

County Environmental Management Areas and Preserves

Ozona - The smallest management area at 8 acres in size, Ozona protects coastal forest and estuary habitat and preserves a region of cultural and historical importance to the local citizens.

Cow Branch South Bay - Located at the southwestern end of Lake Tarpon, this 95-acre management area consists mostly of cypress swamp habitat and some upland hardwood forest. The northern portion of Cow Branch Creek flowing between Lake Tarpon and Lake St. George is included also. Cow Branch preserves one of the County's best examples of mature swamp forest and protects important wetland resources.

Lake Tarpon North East - One of the Division's smallest management areas, this 42-acre forested wetland area at the northeastern end of Lake Tarpon protects sensitive mature freshwater swamp habitats and some large specimen trees.

Brooker Creek Preserve - During the 1980's, Pinellas County began a vigorous land acquisition campaign in the northeast sector of the County. Joining with the Southwest Florida Water Management District and the State of Florida, Pinellas County set out to save the last remaining wilderness in Pinellas County.

County Parks and Recreation: Historically the County has focused on providing passive regional parks and preserve lands for the County's residents and visitors. County parks in the study area include the Pinellas Trail, Wall Springs to the west of Lake Tarpon and John Chesnut Sr. Park to the East. Located nearby in Tarpon Springs is A L Anderson Park a county park on the shores of Lake Tarpon.

The Fred E. Marquis Pinellas Trail is a linear park and recreation trail currently extending from St. Petersburg to Tarpon Springs. The Trail, created along an abandoned railroad corridor, provides a unique, protected green space for walking, jogging, skating, and biking. The County's Parks & Recreation Department is responsible for the Trail's maintenance and operating costs.

Wall Springs Park's 195 acres include a historic spring once used as a spa and bathing area from the turn of the 20th century until the mid-1960s. The park includes boardwalks, nature trails, playground, a 35-foot observation tower, bike racks, drinking fountains, restrooms, parking lot.

John Chesnut Sr. Park was picture built in cooperation with the U.S. Army Corps of Engineers. It covers approximately 255 acres and is conveniently located near communities of Palm Harbor and Tarpon Springs, serving north Pinellas County. Additionally, residents of Pasco and Hillsborough counties utilize this park. It is situated immediately adjacent Lake Tarpon.

A. L. Anderson Park - The first land was acquired in 1964, subsequent acquisitions to the north and south along Lake Tarpon have enlarged the park to 129 acres. This park serves the north county area and offers individual and group picnicking facilities, play equipment, and a boat launching facility. The park is characterized by hilly terrain, wooded areas, and beautiful vistas overlooking Salmon Bay and Lake Tarpon.

Sutherland Bayou Boat Ramp – This 5-acre boating facility offers direct access to St. Joseph Sound and the Gulf of Mexico. Acquired by Pinellas County in September, 2006; this facility is open 24 hours a day and features a single boat launching ramp, 50 vehicle and trailer parking spaces, 20 vehicle parking spaces, a designated boat and motor rinse area, and restroom facilities.

Effects of incorporation on mail delivery: There would be no effect on either the Ozona or Crystal Beach U.S. Post Offices. Both Crystal Beach and Ozona have a U.S. Post Office with a post office box mail system. They are both non delivery offices. The zip code for Crystal Beach is 34681 and the zip code for Ozona is 34660. The Crystal Beach community does not provide mail delivery services. The Ozona community does have some mail delivery addresses provided by the Palm Harbor U.S. Post Office and those mail deliveries would continue to have Palm Harbor in the mail delivery address. The unincorporated East Lake Tarpon area which is not a part of this study includes residential and commercial properties with Palm Harbor in their mail delivery address.

Effects of incorporation on existing service delivery: The delivery providers of the previously described current services being provided within the proposed incorporation area would not change. Law enforcement services would still be provided by the Pinellas County Sheriff's Office but would be provided via a contract for services with the new municipality.

The Palm Harbor Community Services Agency would continue to provide library and recreational services along with the associated facilities and amenities. Additional funds would be provided for library and recreational infrastructure via Penny for Pinellas revenues, along with the possibility of additional funding being provided on a yearly basis from the Town's General Fund.

The following current services being provided within the proposed incorporation area would become the responsibility of the Town of Palm Harbor. Some of these services could be provided in-house or be contracted out to a third party.

For example, the Building Permit and Review procedures are a self-supporting process funded by the revenues generated from various permitting fees. The permitting and review responsibilities could be contracted out to the county, a neighboring municipality or to a private management company.

Town of Palm Harbor

Various Administrative and Municipal Functions: Currently, administrative, planning and regulatory functions for the Palm Harbor area are handled by various County departments (e.g., comprehensive planning, growth management, budgeting and accounting, *etc.*).

Should Palm Harbor incorporate, these responsibilities will fall to the municipal government. For example, within three years following a decision on its form of government, the new municipality must develop and adopt a comprehensive plan in compliance with Florida's Growth Management laws and rules. Pinellas County is the only county in Florida that is literally completely built-out. Redevelopment not Growth Management are the requirements for the future.

Code Enforcement: Code Enforcement is provided by the Pinellas County Department of Environmental Management. The majority of code enforcement responsibility in Palm Harbor is assigned to one Pinellas County code officer. The County's Code Enforcement officer does, however, rely upon assistance from the Sheriffs' Office and the community police officers assigned to the Palm Harbor area.

Solid Waste Collection: The 1975 Solid Waste Disposal and Resource Recovery Act does not address collection of solid waste, but rather addresses the disposal end of the equation. All of the incorporated Municipalities in Pinellas County provide solid waste collection either directly or through contracted services. Some Municipalities also provide service to unincorporated areas located within or immediately adjacent to their jurisdictional boundaries.

Neither residential nor commercial solid waste collection in the unincorporated areas is provided by Pinellas County. Unincorporated residents and businesses must individually contract with a private hauler for solid waste collection, as the County does not provide solid waste collection services. Should Palm Harbor incorporate, it would be up to the municipal government to determine how to handle solid waste collection.

DEVELOPMENTAL SERVICES

Building Inspection: Building inspection is provided by the Pinellas County Building Department. The primary objective of the Pinellas County Building Department is to protect the public's life, health, safety and welfare as it relates to standard construction practices. The Pinellas County Building Department is presently issuing building permits and enforcing the land development regulations for a few of the barrier island beach communities via inter-local agreements.

The Town of Palm Harbor would probably consider contracting with the Pinellas County Building Department to issue all building permits as required by the town's ordinances. This would also include subsequent inspections and the enforcement of the land development regulations. The county is already providing these services to several Pinellas municipalities.

Developmental Review Services: The DRS Department is the initial review agency for all land development activity in the unincorporated area of Pinellas County. The Department is responsible for insuring compliance with all land development regulations including zoning, drainage, environmental standards, concurrency, infrastructure requirements, and similar growth management standards.

Instead of customers for these services traveling to several different departments and having to "tell their story several times," they are now able to go to one location and get the information they need from this one location. Although other departments are still involved in land development regulation activities (Planning, Utilities Public Works, and Environmental Management), the central responsibility for these activities resides in DRS and the coordination of these activities through a single department is quicker and more efficient due to the staff working as a team under a single management structure. DRS is a quality improvement achievement brought about through coordination between County staff and the customers of DRS.

PUBLIC WORKS SERVICES

Drainage and Stormwater Management: Pinellas County and the Municipalities coordinate routinely on flood control and watershed-related projects through informal processes and formal interlocal agreements. Many local governments have, and are implementing, stormwater master plans. In the process, coordination with other jurisdictions is routine in the case where a basin is in more than one jurisdiction or conditions upstream affect conditions downstream.

There are several localized flooding issues, as well as a need for regional retention to address not only flood control, but water quality treatment requirements as well. Should Palm Harbor choose to incorporate, County responsibility for the existing major drainage features would probably not change; however, local drainage, including street drainage, would be a municipal responsibility for Palm Harbor.

Transportation: An essential component of the County's transportation system is the support it provides to improving the quality of life for residents and visitors. For example, urban roadway design features, landscaping, and the construction of trails and sidewalks must be incorporated into improvements to the transportation system in order to reinforce Pinellas County's reputation as a quality urban environment for residents and businesses. Continued cooperation between the municipalities, the County, and the State will be critical to ensuring that adequate funding is earmarked for the needed improvements, and that the improvements achieve the community's quality of life objectives.

Streets and Roads: With the exception of U.S. Highway 19 (State Road 55) , Alt. US Highway 19 (SR 595) and Curlew Road (SR 586), Pinellas County Public Works is currently responsible for designing, building and maintaining Palm Harbor's streets and roads. If Palm Harbor incorporates, local streets would become a municipal responsibility. There are several major roads that would remain the responsibility of the county; however, all of the local streets that are not considered private or subdivision roads would fall under Palm Harbor's jurisdiction.

Street Lighting - Street Lighting in the study area is limited to special Street Lighting Districts that have been set up by either Home Owners Associations or by petition that requires approval of 51 % of the affected property owners. Municipal incorporation would have no effect on current Street Lighting Districts.

Schedule of Street Light Assessment Districts - August 12, 2005

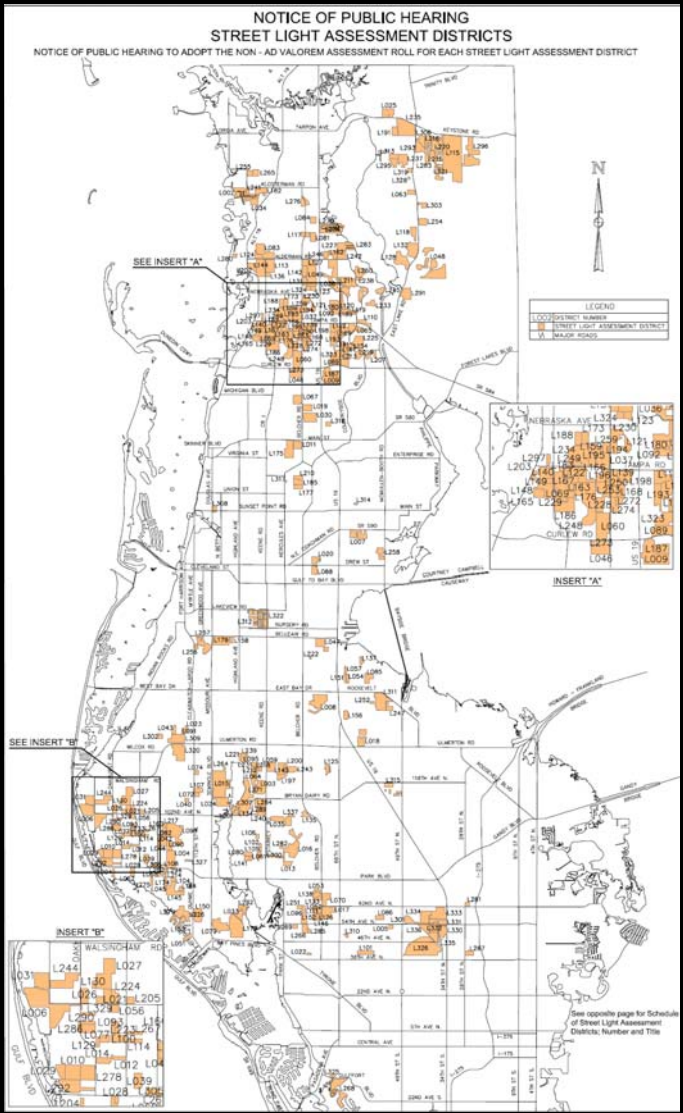


Figure 5.1 – See Miscellaneous Information

Economic Development - In lieu of a Palm Harbor municipality, the role of economic development has been filled by organizations like Old Palm Harbor Main Street and the Greater Palm Harbor Chamber of Commerce.

Unincorporated - Municipal Services Taxing Unit (U-MSTU) Budget

An estimated 276,363 people reside in unincorporated Pinellas County, which represents the 36 percent of the county not located within one of the 24 municipalities. The unincorporated areas include communities from the Pasco county line to Tierra Verde. The Pinellas County Board of County Commissioners serves as the default local government for the unincorporated area. A portion of the county budget, the Unincorporated - Municipal Services Taxing Unit (U-MSTU) Budget is paid by residents of the unincorporated area and is devoted to providing municipal services over and above the services provided to the county as a whole.

The following table (table 5.1) provides the associated full cost allocations for the municipal services being funded by the U-MSTU Budget and a per capita evaluation is made for the study area.

Pinellas County Florida - Unincorporated Area FY09 Budget			
UNINCORPORATED - MUNICIPAL SERVICES TAXING UNIT (U-MSTU) BUDGET			
		276,363	22.38%
2008 Est. Population for Unincorporated County & Palm Harbor		Per Capita	61,838
	FY09 Budget		Palm Harbor
<u>EXPENDITURES & RESERVES</u>			
Sheriff	\$ 37,473,110	\$ 135.59	\$ 8,384,850
Full Cost Allocation	\$ 6,119,760	\$ 22.14	\$ 1,369,336
Building Inspection	\$ 3,793,820	\$ 13.73	\$ 848,892
Public Works Permitted Facilities (Stormwater/Drainage)	\$ 3,650,230	\$ 13.21	\$ 816,762
Development Review Services	\$ 2,644,920	\$ 9.57	\$ 591,818
Prior Years' Recreation Grants outstanding		\$ -	\$ -
MSTU Road Paving / Sidewalks / ADA	\$ 2,250,000	\$ 8.14	\$ 503,452
Environmental Management (incl Lot Clearing)	\$ 2,165,860	\$ 7.84	\$ 484,625
Tax Collector Fees	\$ 784,500	\$ 2.84	\$ 175,537
County Connection Centers	\$ 658,810	\$ 2.38	\$ 147,413
Property Appraiser Fees	\$ 384,310	\$ 1.39	\$ 85,992
East Lake Library Operating Grant	\$ 284,850	\$ 1.03	\$ 63,737
Economic Incentive Grants	\$ 50,200	\$ 0.18	\$ 11,233
Zoning (in Planning Dept. formerly in DRS)	\$ 284,450	\$ 1.03	\$ 63,648
Subtotal - Expenditures	\$ 60,544,820	\$ 219.08	\$ 13,547,293
Reserve for Contingencies	\$ 3,847,220	\$ 13.92	\$ 854,506
Reserve - Fund Balance	\$ 12,552,270	\$ 45.42	\$ 2,787,985
TOTAL EXPENDITURES & RESERVES	\$ 76,944,310	\$ 278.42	\$ 17,189,785

Table 5.1 – Unincorporated - MSTU Budget FY09 Expenditures and Reserves per capita for Study Area

Pinellas County Florida									
UNINCORPORATED - MUNICIPAL SERVICES TAXING UNIT (U-MSTU) BUDGET									
U-MSTU Ad Valorem Tax Rate:	2.0857	2.0857	2.3560	2.3560	2.3560	2.3560	2.3560	2.3560	1.8560
	FY09 Budget	FY08 Budget	FY07 Budget	FY06 Budget	FY05 Budget	FY04 Budget	FY03 Budget	FY02 Budget	
REVENUES									
Ad Valorem Taxes	36,515,900	40,750,020	43,535,660	37,597,320	34,016,890	31,472,640	29,486,350	22,102,860	1,856,000
Communications Services Tax	12,856,290	12,838,480	13,200,500	12,384,960	10,971,770	10,432,890	5,914,820	2,448,990	
Building Permits	3,586,190	4,612,420	4,379,300	3,987,910	3,506,790	3,040,180	3,638,500	3,118,850	
Local Gov't 1/2% Sales Tax	3,000,000	3,000,000	5,000,000	4,900,000	4,750,000	4,970,080	8,291,900	4,705,000	
Zoning Fees	496,110	702,360	752,840	664,900	576,320	361,000	503,500	412,100	
Interest and Miscellaneous	1,149,390	701,200	491,820	249,800	235,420	272,000	314,980	622,550	
Tree Removal Permits	326,410	413,860	409,830	385,530	390,170	299,250	199,500	164,160	
Franchise Fee - PEG	404,930	332,500	350,000	352,740	371,300	397,740	401,850	432,210	
Tax Collector Excess Fees	252,400	252,650	189,820	82,150	201,590	138,510	84,780	123,780	
Sheriff Excess Fees	178,290	237,500	215,800			283,320		115,920	
Franchise Fee - I-Net	152,760	123,950	125,000	125,980	132,610	142,050	143,520	154,360	
Delinquent Taxes & Tax Redemptions	118,240	118,240	104,800	97,050	97,050	71,570	93,230	87,310	
Mobile Home Licenses	113,000	117,040	131,570	205,690	205,690		218,500	261,250	
Sheriff Civil Income	101,380	84,000	114,380	92,630	88,850	113,490	108,810		
Reimbursement of Impact Fee Admin.	66,870	60,000	63,150	60,940	66,630	79,760	83,950	76,000	
Lot Clearing	38,000	7,420	29,000	44,180	52,250	52,250	52,250	47,500	
Property Appraiser Excess Fees	8,050	3,810	4,940	4,910	4,990	5,120	4,260	6,660	
Traffic Court				0		1,741,200	2,049,300	1,263,270	
Transfer from Fire Districts								69,200	
Subtotal - Revenues	59,364,210	64,355,450	69,098,410	61,236,690	55,668,320	53,873,050	51,590,000	36,211,970	
Beginning Fund Balance	17,580,100	18,346,670	18,397,000	15,695,020	16,011,040	8,988,910	4,882,850	3,558,510	
TOTAL RESOURCES	76,944,310	82,702,120	87,495,410	76,931,710	71,679,360	62,861,960	56,472,850	39,770,480	
EXPENDITURES & RESERVES									
Sheriff	37,473,110	39,966,850	40,330,190	36,636,150	35,452,420	32,592,690	31,451,180	30,997,490	
Full Cost Allocation	6,119,760	5,706,650	5,785,990	4,760,130	3,869,960	4,194,260	3,788,920		
Building Inspection	3,793,820	4,174,160	4,612,630	3,927,040	3,794,000	3,545,350	3,411,080	3,363,140	
Public Works Permitted Facilities (Stormwater/Drainage)	3,650,230	3,424,810	3,801,590	3,712,430	3,639,130	3,743,380	3,897,260		
Development Review Services	2,644,920	2,951,890	2,983,590	2,696,560	2,578,120	2,417,760	2,364,200	1,939,880	
Prior Years' Recreation Grants outstanding		2,760,000							
MSTU Road Paving / Sidewalks / ADA	2,250,000	2,250,000	3,000,000	1,500,000	1,200,000				
Environmental Management (incl Lot Clearing)	2,165,860	2,156,210	2,666,650	2,319,330	2,135,420	2,218,960	1,453,190	1,551,040	
Tax Collector Fees	784,500	848,180	890,220	781,030	694,120	617,900	493,340	396,580	
County Connection Centers	658,810	764,780	768,320	719,770	557,500				
Property Appraiser Fees	384,310	425,020	449,290	423,620	396,240				
East Lake Library Operating Grant	284,850	316,500	316,500	200,000	200,000	200,000	200,000	200,000	
Economic Incentive Grants	50,200	63,800	63,800						
Zoning (in Planning Dept. formerly in DRS)	284,450								
Recreation Initiatives		2,243,470		2,219,160	2,000,000				
Other Transfers to Capital Projects Fund		750,000							
Fire Hydrant Systems		500,000							
Communications: Public Access		351,100		258,400	324,400	223,760	216,740	265,750	
MSTU New Service Initiatives		350,000		3,000,000	3,366,810	7,323,320	4,133,340		
Neighborhood Grants		250,000		250,000	250,000				
Traffic Court						581,920	577,190	591,220	
Subtotal - Expenditures	60,544,820	65,808,850	70,113,340	63,403,620	60,458,120	58,046,410	52,286,720	39,570,480	
Reserve for Contingencies	3,847,220	2,481,064	2,685,720	2,048,150	2,007,020	1,320,100	1,581,240	200,000	
Reserve - Fund Balance	12,552,270	14,412,206	14,696,350	11,479,940	9,214,220	3,495,450	2,604,890		
TOTAL EXPENDITURES & RESERVES	76,944,310	82,702,120	87,495,410	76,931,710	71,679,360	62,861,960	56,472,850	39,770,480	

Table 5.2 – Fiscal Years 2009 to 2002 Unincorporated - MSTU Budgets

Law enforcement service is the largest expenditure in the Unincorporated-MSTU Budget. It would also be the largest expenditure facing the Town of Palm Harbor after incorporation.

The per capita Unincorporated - MSTU cost for Law Enforcement Services is $\$135.59 + \$7.94 = \$143.53$ or $\$39,666,920$ based on an estimated 2008 population for the unincorporated area of 276,363.

UNINCORPORATED - MSTU LAW ENFORCEMENT EXPENDITURES	Est. 2008 Pop: U-MSTU FY09 Budget	276,363 U-MSTU Per Capita	61,838 Palm Harbor
Sheriff	37,473,110	135.59	8,384,850
Full Cost Allocation - Sheriff	2,193,810	7.94	490,879
	\$ 39,666,920	\$ 143.53	\$ 8,875,729

Table 5.3 – Unincorporated-MSTU – Total Law Enforcement Service Expenditures and per capita cost.

**Estimated Cost provided by PCSO
for Palm Harbor Law Enforcement Services**

The per capita cost of the estimate for contracted law enforcement services provided by the Pinellas County Sheriffs Office is $\$147.42$, which translates to a per capita increase of $\$3.89$ or $\$240,550$ increase for the study area.

Estimated 2008 Population:		61,838
LAW ENFORCEMENT EXPENDITURES	FY09 Estimate	Palm Harbor
Sheriff	\$ 9,115,860	\$ 147.42

Table 5.4 – Study Area Estimate for Law Enforcement Service Expenditures and per capita cost.

Note: The estimated cost figures are preliminary only, for discussion purposes. More precise numbers can be provided when the exact area subject to incorporation and desired service level have been more clearly defined.

VI. EXPENSE PROJECTIONS AND METHODS

Per capita is a Latin phrase meaning for each head. It is usually used in the field of statistics to indicate the average per person for any given concern.

Expenses for the Town of Palm Harbor were computed only for the General, Special and Capital Fund budget. As with the revenue budgets, Enterprise funds were not included. Expense projections from the current base year and the town's first year budget with per capita values are shown below (Table 6.1).

PALM HARBOR TOWN BUDGET			
Estimated Population:	61,838	62,000	62,000
GENERAL & SPECIAL FUND	FY2008-2009	FY2009-2010	FY2009-2010
EXPENDITURES & RESERVES	Base	Budget	Per Capita
<u>General Fund Expenditures</u>			
Sheriff	\$ 9,115,860	\$ 9,389,336	\$ 151.44
Building Inspection	\$ 848,892	\$ 848,892	\$ 13.69
Development Review Services	\$ 591,818	\$ 591,818	\$ 9.55
Environmental Management	\$ 384,625	\$ 403,856	\$ 6.51
Legislative	\$ 254,000	\$ 266,700	\$ 4.30
Executive	\$ 465,000	\$ 488,250	\$ 7.88
Financial Administrative	\$ 890,000	\$ 934,500	\$ 15.07
Public Works Permitted Facilities	\$ 816,762	\$ 857,600	\$ 13.83
Community Services District (CSD)	\$ 400,000	\$ 420,000	\$ 6.77
Community & Economic Development	\$ 206,000	\$ 216,300	\$ 3.49
Debt Service	\$ -	\$ 1,100,000	\$ 17.74
Neighborhood Grants	\$ 200,000	\$ 210,000	\$ 3.39
Property Appraiser Fees	\$ 85,992	\$ 90,292	\$ 1.46
Tax Collector Fees	\$ 175,537	\$ 184,314	\$ 2.97
Miscellaneous Expenses	\$ 251,500	\$ 264,075	\$ 4.26
<u>Special Fund Expenditures</u>			\$ -
Road Paving/Sidewalks/ADA	\$ 1,726,904	\$ 1,726,904	\$ 27.85
CSD - Penny Initiatives	\$ 1,000,000	\$ 1,000,000	\$ 16.13
Promised Penny Library	\$ 506,484	\$ 506,484	\$ 8.17
Promised Penny Recreation	\$ 506,484	\$ 506,484	\$ 8.17
Promised Penny Fire Department	\$ 506,484	\$ 506,484	\$ 8.17
Miscellaneous Penny Projects	\$ 266,209	\$ 266,209	\$ 4.29
Penny Reserve Fund	\$ 1,012,967	\$ 1,012,967	\$ 16.34
Subtotal - Expenditures	\$ 20,211,517	\$ 21,791,464	\$ 351.48
Penny Fund Reserves			\$ -
General Reserve - Fund Balance	\$ 3,035,307	\$ 2,455,361	\$ 39.60
TOTAL EXPENDITURES & RESERVES	\$ 23,246,824	\$ 24,246,824	\$ 391.08

Table 6.1 Current Estimated Base with First Year Town Budget (FY2009-2010) and Per Capita Profile.

Contract city is a term that describes a city which contracts with another government, not for profit organization, or a private company to deliver most local governmental services. A traditional full service city, where services are delivered directly by city employees, is the opposite of a contract city.

Municipalities (cities, towns and villages) may contract for services in several ways. They enter into contracts to provide services common to most local governments such as road maintenance and maintenance of facilities. They grant franchises to private companies to provide public services such as electricity or cable television. Municipalities contract with professionals, as individuals or firms, for legal counsel, planning, and engineering services. A contract city goes beyond the ordinary to contract even for basic services such as police, fire, parks, and management.

The proposed municipal model to be used for Palm Harbor is similar to the one utilized by the city of Weston. In Florida, older cities have followed more traditional models of service delivery. However, as new cities emerged in the 1990's, residents sought both local control and efficiency. The City of DeBary in Volusia County was the first to incorporate as a contract city in 1993.

In 1995, the newly incorporated City of Fort Myers Beach described its own version of the contract city as *government lite*. The new local government, hoping to avoid growing a traditional government bureaucracy, sought public and private groups to help meet service demands.

The incorporation of the City of Weston in Broward County followed in 1996. Although Weston has grown to 62,000 residents, it still has only three employees. It provides services through in house employees provided by contractors, contracts with private companies, and contracts with other governments. Two other new cities in Broward County, the Town of Southwest Ranches and the City of West Park have also embraced the concept of the contract city. In 2007, the new Town of Loxahatchee Groves in Palm Beach County added its name to the list of contract cities.

It is rare to find a municipality that does not contract for some service. Even formerly traditional cities have moved beyond commonly contracted services and have engaged private firms to act as finance directors, city clerks, and even city managers. As this trend continues, we will see a combination of full time city employees delivering some municipal services while other services are contracted.

In addition to contracting for certain services, the Palm Harbor Fire District and the Palm Harbor Community Services District would continue to provide services in the proposed municipal incorporation area. The efficiencies of Special Districts has been attributed to their specific focus on their limited responsibilities. These districts have a dedicated funding source and the ad valorem millage rate is capped at a referendum approved level.

The following cost estimates show costs for law enforcement services for the study area. We have included Palm Harbor, Ozona and Crystal Beach separately as well for information purposes. (Pinellas County Sheriff Office – PCSO)

As the note at the bottom of each individual page of the spreadsheet indicates, these numbers are estimates only. If and when an actual contract were negotiated, a number of factors would be more closely examined and would impact the numbers. For example, while we have tried to take at least a cursory look at demographics, size of geographic area, crime statistics, number of traffic crashes, and so forth, we would be doing so on a much more detailed level. Then, in conjunction with the governing body of the new municipality, just as we do with other municipalities, we would negotiate the details of a contract. This would involve determining the desired level of service, staffing levels, any special services needed or desired, and so forth.

All of the above means the numbers are subject to change. We are taking a somewhat conservative approach at the moment and providing you with numbers which we believe most closely reflect what current levels of service cost.

Proposed Incorporation Area Contract Law Enforcement	
Patrol Services	\$ 5,162,821
includes Patrol, Community Policing, Special Operations, Canine, Specialized traffic Units both Traffic and DUI, School Crossing guards, and Crime Prevention.	
Investigations	\$ 2,352,821
includes Economic Crimes, Criminal Intelligence, Youth Services, School Resource Officers, Narcotics Investigations, Vice, Burglary & Pawn, Arson & Auto Theft and Victim Advocates	
Support Services	\$ 1,600,218
includes Forensic Science, AFIS, Crime Analysis, GIS, and Property & Evidence	
	<u><u>\$ 9,115,860</u></u>
* Includes Palm Harbor, Ozona and Crystal Beach	
Note: These cost figures are preliminary only, for discussion purposes. More precise numbers can be provided when the exact area subject to incorporation and desired service level have been more clearly defined.	

Table 6.2 – Total Law Enforcement Service Estimate for Study Area.

Palm Harbor Only Contract Law Enforcement	
Patrol Services	\$ 4,773,839
includes Patrol, Community Policing, Special Operations, Canine, Specialized traffic Units both Traffic and DUI, School Crossing guards, and Crime Prevention.	
Investigations	\$ 2,048,986
includes Economic Crimes, Criminal Intelligence, Youth Services, School Resource Officers, Narcotics Investigations, Vice, Burglary & Pawn, Arson & Auto Theft and Victim Advocates	
Support Services	\$ 1,443,745
includes Forensic Science, AFIS, Crime Analysis, GIS, and Property & Evidence	
	<u><u>\$ 8,266,570</u></u>
* Does not include Ozona or Crystal Beach	
Note: These cost figures are preliminary only, for discussion purposes. More precise numbers can be provided when the exact area subject to incorporation and desired service level have been more clearly defined.	

Table 6.3 – Total Law Enforcement Service Estimate for Palm Harbor Area.

Ozona Contract Law Enforcement	
Patrol Services	\$ 196,922
includes Patrol, Community Policing, Special Operations, Canine, Specialized traffic Units both Traffic and DUI, School Crossing guards, and Crime Prevention.	
Investigations	\$ 153,816
includes Economic Crimes, Criminal Intelligence, Youth Services, School Resource Officers, Narcotics Investigations, Vice, Burglary & Pawn, Arson & Auto Theft and Victim Advocates	
Support Services	\$ 79,214
includes Forensic Science, AFIS, Crime Analysis, GIS, and Property & Evidence	
	<u>\$ 429,953</u>
<p>Note: These cost figures are preliminary only, for discussion purposes. More precise numbers can be provided when the exact area subject to incorporation and desired service level have been more clearly defined.</p>	

Table 6.4 – Total Law Enforcement Service Estimate for Ozona Area.

Crystal Beach Contract Law Enforcement	
Patrol Services	\$ 192,060
includes Patrol, Community Policing, Special Operations, Canine, Specialized traffic Units both Traffic and DUI, School Crossing guards, and Crime Prevention.	
Investigations	\$ 150,018
includes Economic Crimes, Criminal Intelligence, Youth Services, School Resource Officers, Narcotics Investigations, Vice, Burglary & Pawn, Arson & Auto Theft and Victim Advocates	
Support Services	\$ 77,258
includes Forensic Science, AFIS, Crime Analysis, GIS, and Property & Evidence	
	<u>\$ 419,337</u>
<p>Note: These cost figures are preliminary only, for discussion purposes. More precise numbers can be provided when the exact area subject to incorporation and desired service level have been more clearly defined.</p>	

Table 6.5 – Total Law Enforcement Service Estimate for Crystal Beach Area.

OTHER MUNICIPALITIES – COMPARISON & ANALYSIS

Four Pinellas cities were chosen for comparison with the study area. Three of the four are neighboring municipalities with 2006 official population estimates that range from a low of 13,856 to a high of 75,969. A detailed analysis of each city's FY 2005-2006 General Fund Expenses and a comparative analysis of all four was performed (see Table 9-7). Information gained from the comparison of these cities was valuable in the computation of anticipated expenses for the town of Palm Harbor.

The General Fund Expense budgets for the four cities are attached as Tables 9-9, 9-10, 9-11 and 9-12. The four cities chosen were, in alphabetical order.

- Dunedin – Est. 2006 population 37,574
- Largo – Est. 2006 population 75,969
- Oldsmar – Est. 2006 population 13,856
- Tarpon Springs – Est. 2006 population 24,161

Four Florida cities were chosen for comparison with the Palm Harbor CDP. Each of the four are comparable to Palm Harbor CDP in population. A detailed analysis of each city's FY 2005-2006 General Fund Expenses and a comparative analysis of all four was performed (see Table 9-8). Information gained from the comparison of these cities was valuable in the computation of anticipated expenses for a town of similar size.

The General Fund Expense budget analysis of the five cities and the comparison study is attached as Tables 9-13, 9-14, 9-15 and 9-16. The five cities chosen were, in alphabetical order.

- Kissimmee – Est. 2005 population 60,204
- Lauderhill – Est. 2005 population 63,134
- Palm Coast – Est. 2005 population 67,832
- Weston – Est. 2005 population 61,629

PALM HARBOR – ESTIMATED MUNICIPAL EXPENDITURES

Palm Harbor - Estimated Municipal Expenditures					
Local Fiscal Year Ended September 30, 2010					
Expenditure Category	Governmental	Enterprise	Total	% of Total	Per Capita
Total General Gov'tal Services	\$ 4,497,947	\$ -	\$ 4,497,947	14.1	\$ 72.55
Legislative	266,700	-	266,700	0.8	4.30
Executive	593,250	-	593,250	1.9	9.57
Financial and Administrative	1,044,750	-	1,044,750	3.3	16.85
Legal	210,000	-	210,000	0.7	3.39
Comprehensive Planning	1,440,710	-	1,440,710	4.5	23.24
Other General Govt. Services	942,537	-	942,537	3.0	15.20
Total Public Safety	17,723,153	-	17,723,153	55.5	285.86
Law Enforcement	9,389,336	-	9,389,336	29.4	151.44
Fire Control*	8,333,818	-	8,333,818	26.1	134.42
Total Physical Environment	1,870,567	-	1,870,567	5.9	30.17
Flood Control	857,600	-	857,600	2.7	13.83
Other Physical Environment	1,012,967	-	1,012,967	3.2	16.34
Total Transportation	1,726,904	-	1,726,904	5.4	27.85
Road and Street Facilities	1,726,904	-	1,726,904	5.4	27.85
Total Economic Environment	1,692,509	-	1,692,509	5.3	27.30
Employment Opportunity/Develop.	-	-	-	-	-
Downtown/Indust. Develop./Improve.	1,266,209	-	1,266,209	4.0	20.42
Housing/Urban Development	-	-	-	-	-
Other Economic Environment	426,300	-	426,300	1.3	6.88
Total Human Services	-	-	-	-	-
Total Culture and Recreation	3,309,333	-	3,309,333	10.4	53.38
Libraries	716,484	-	716,484	2.2	11.56
Parks and Recreation	716,484	-	716,484	2.2	11.56
Other Recreation(PHCSA)*	1,876,366	-	1,876,366	5.9	30.26
Debt Service	1,100,000	-	1,100,000	3.4	17.74
Total Expenditures	\$ 31,920,414	\$ -	\$ 31,920,414	100.0	\$ 514.85
Note: The per capita calculation was made using the municipality's official 2006 population estimate				62,000	
Data Sources:					
1) Fiscal data: Florida Department of Financial Services.					
2) Population data: "Florida Estimates of Population 2006" Bureau of Economic and Business Research, Univ. of FL (2007).					
*Includes PH Fire District and PH Community Services District					
All Other Expenditures	\$ 2,030,111	\$ -	\$ 2,030,111	6.4	\$ 32.74

Table 6.6 Palm Harbor Estimated Municipal Expenditures FY09-10

FOUR PINELLAS COUNTY MUNICIPALITIES – REPORTED EXPENDITURES

Reported Municipal Expenditures						
Local Fiscal Year Ended September 30, 2006						
Municipality's official 2006 population estimate:	37,574	75,969	13,856	24,161	37,890	
	Dunedin	Largo	Oldsmar	Tarpon Springs	Average	Average
Expenditure Category	Governmental	Governmental	Governmental	Governmental	Governmental	Per Capita
Total General Gov'tal Services	\$ 5,463,150	\$ 12,098,066	\$ 2,466,748	\$ 2,884,007	\$ 5,727,993	\$ 151.17
Legislative	381,802	249,581	93,167	121,245	\$ 211,449	\$ 5.58
Executive	221,214	657,109	655,163	562,299	\$ 523,946	\$ 13.83
Financial and Administrative	3,264,914	3,077,942	687,038	1,012,306	\$ 2,010,550	\$ 53.06
Legal	165,976	397,465	106,583	213,143	\$ 220,792	\$ 5.83
Comprehensive Planning	1,395,226	1,957,970	535,784	295,365	\$ 1,046,086	\$ 27.61
Other General Govt. Services	34,018	5,757,999	389,013	679,649	\$ 1,715,170	\$ 45.27
Total Public Safety	10,511,357	32,134,119	3,896,492	9,946,202	\$ 14,122,043	\$ 372.71
Law Enforcement	4,624,984	18,331,145	1,106,554	5,739,412	\$ 7,450,524	\$ 196.64
Fire Control	5,886,373	12,713,481	2,330,337	2,715,146	\$ 5,911,334	\$ 156.01
Protective Inspections	-	1,089,493	459,601	456,778	\$ 501,468	\$ 13.23
Ambulance and Rescue	-	-	-	933,099	\$ 233,275	\$ 6.16
Other Public Safety	-	-	-	101,767	\$ 25,442	\$ 0.67
Total Physical Environment	-	6,804,732	1,537,196	1,331,594	\$ 2,418,381	\$ 63.83
Garbage/Solid Waste	-	-	1,537,196	-	\$ 384,299	\$ 10.14
Flood Control	-	6,050,633	-	-	\$ 1,512,658	\$ 39.92
Other Physical Environment	-	754,099	-	1,331,594	\$ 521,423	\$ 13.76
Total Transportation	2,188,656	2,865,748	2,024,569	1,688,847	\$ 2,191,955	\$ 57.85
Road and Street Facilities	2,188,656	2,865,748	2,024,569	1,621,257	\$ 2,175,058	\$ 57.40
Water Transportation	-	-	-	21,690	\$ 5,423	\$ 0.14
Transit Systems	-	-	-	45,900	\$ 11,475	\$ 0.30
Total Economic Environment	4,083,488	1,675,689	313,131	166,008	\$ 1,559,579	\$ 41.16
Downtown/Indust. Develop./Improve.	-	-	313,131	20,000	\$ 83,283	\$ 2.20
Housing/Urban Development	-	1,135,661	-	48,000	\$ 295,915	\$ 7.81
Other Economic Environment	4,083,488	540,028	-	98,008	\$ 1,180,381	\$ 31.15
Total Culture and Recreation	16,090,187	12,638,953	3,750,892	3,424,067	\$ 8,976,025	\$ 236.90
Libraries	2,104,357	3,655,027	877,896	1,190,828	\$ 1,957,027	\$ 51.65
Parks and Recreation	13,851,688	7,929,620	2,850,777	1,465,639	\$ 6,524,431	\$ 172.19
Other Recreation	134,142	1,054,306	22,219	767,600	\$ 494,567	\$ 13.05
Debt Service	3,190,585	4,889,515	557,116	812,102	\$ 2,362,330	\$ 62.35
Total Expenditures	\$ 41,527,423	\$ 73,106,822	\$ 14,546,144	\$ 20,252,827	\$ 37,358,304	\$ 985.97
Note: The per capita calculation was made using the municipality's official 2006 population estimate:						
Data Sources:						
1) Fiscal data: Florida Department of Financial Services.						
2) Population data: "Florida Estimates of Population 2006" Bureau of Economic and Business Research, Univ. of FL (2007).						
All Other Expenditures	\$ 23,364,260	\$ 19,204,157	\$ 4,621,139	\$ 4,402,177	\$ 12,897,933	\$ 340.40

Table 6.7 Comparison study of three neighboring cities and one with the next larger size population

FOUR FLORIDA MUNICIPALITIES – REPORTED EXPENDITURES

Reported Municipal Expenditures						
Local Fiscal Year Ended September 30, 2006						
Municipality's official 2006 population estimate:	60,204	67,832	63,134	61,629	63,200	
	Kissimmee	Palm Coast	Lauderhill	Weston	Average	Average
Expenditure Category	Governmental	Governmental	Governmental	Governmental	Governmental	Per Capita
Total General Gov'tal Services	\$ 15,374,000	\$ 8,067,934	\$ 8,102,822	\$ 6,353,005	\$ 9,474,440	\$ 149.91
Legislative	398,000	60,183	509,278	98,696	\$ 266,539	\$ 4.22
Executive	4,659,000	1,009,776	815,187	1,736,617	\$ 2,055,145	\$ 32.52
Financial and Administrative	1,619,000	3,567,223	1,619,293	2,116,058	\$ 2,230,394	\$ 35.29
Legal	486,000	632,098	576,211	770,084	\$ 616,098	\$ 9.75
Comprehensive Planning	7,171,000	1,048,707	572,221	1,631,550	\$ 2,605,870	\$ 41.23
Other General Govt. Services	1,041,000	1,749,947	4,010,632	-	\$ 1,700,395	\$ 26.90
Total Public Safety	27,306,000	10,116,078	24,244,880	18,852,498	\$ 20,129,864	\$ 318.51
Law Enforcement	16,666,000	1,792,773	12,686,140	6,511,635	\$ 9,414,137	\$ 148.96
Fire Control	10,640,000	4,587,051	6,299,453	6,368,446	\$ 6,973,738	\$ 110.34
Protective Inspections	-	3,736,254	732,004	2,284,679	\$ 1,688,234	\$ 26.71
Ambulance and Rescue	-	-	4,527,283	-	\$ 1,131,821	\$ 17.91
Other Public Safety	-	-	-	3,687,738	\$ 921,935	\$ 14.59
Total Physical Environment	12,000	403,815	6,570,880	22,957,848	\$ 7,486,136	\$ 118.45
Garbage/Solid Waste	12,000	-	-	3,053,500	\$ 766,375	\$ 12.13
Other Physical Environment	-	403,815	6,570,880	19,904,348	\$ 6,719,761	\$ 106.33
Total Transportation	12,966,000	13,163,681	10,668,454	3,835,649	\$ 10,158,446	\$ 160.73
Road and Street Facilities	11,956,000	13,163,681	9,345,822	3,835,649	\$ 9,575,288	\$ 151.51
Airports	1,010,000	-	-	-	\$ 252,500	\$ 4.00
Parking and Other Transportation	-	-	1,322,632	-	\$ 330,658	\$ 5.23
Total Economic Environment	-	1,279,008	1,717,725	-	\$ 749,183	\$ 11.85
Housing/Urban Development	-	-	696,705	-	\$ 174,176	\$ 2.76
Other Economic Environment	-	1,279,008	1,021,020	-	\$ 575,007	\$ 9.10
Total Culture and Recreation	7,182,000	4,922,934	5,969,841	6,326,439	\$ 6,100,304	\$ 96.52
Libraries	-	-	124,945	-	\$ 31,236	\$ 0.49
Parks and Recreation	7,182,000	4,922,934	4,224,823	6,326,439	\$ 5,664,049	\$ 89.62
Other Recreation	-	-	1,620,073	-	\$ 405,018	\$ 6.41
Debt Service	3,076,000	64,792	4,312,400	2,740,887	\$ 2,548,520	\$ 40.32
Total Expenditures	\$ 65,916,000	\$ 38,018,242	\$ 61,587,002	\$ 61,066,326	\$ 56,646,893	\$ 896.31
All Other Expenditures	\$ 10,258,000	\$ 6,266,734	\$ 11,999,966	\$ 9,067,326	\$ 9,398,007	\$ 148.70

Data Sources:

1) Fiscal data: Florida Department of Financial Services.

2) Population data: "Florida Estimates of Population 2006"
Bureau of Economic and Business Research, Univ. of FL (2007).

Table 6.8 Comparison study of 4 Florida Municipalities with a population similar to Palm Harbor CDP

VII. FIVE-YEAR OPERATIONAL PLAN

A city or town is the form of government closest to the people and is the only form of government in Florida actually created by the people. If the voters decide to incorporate, they would create a local government that is elected by and closer to the people.

The Palm Harbor Fire & Rescue would continue to operate. The district with an elected commission provides a dedicated funding source and the millage rate can't be increased above a set millage level without voter approval. The Palm Harbor Fire District traces its beginning back to July of 1956, when the "Ozona, Palm Harbor, Crystal Beach Volunteer Fire Department" (OPC) was organized to provide fire protection to the residents of those communities.

Another service with a dedicated funding source is the Palm Harbor Community Services District which provides library, recreation and park operations. Like the fire district the millage cap can not be increased without a vote by the local community. The town will basically outsource the library and recreation operations to a volunteer organization existing since 1985, the Palm Harbor Community Services Agency. The savings that the town would accrue by having a volunteer-based organization oversee library, recreation and park operations will allow the town to supply additional and needed funding for these programs.

The Town of Palm Harbor's property tax rate would replace and be the same as the county's Unincorporated-Municipal Services Taking Unit(U-MSTU) which is currently 2.0857 mills.

The largest expense would be Law Enforcement Services which would be contracted out to the Pinellas County Sheriff's Office(PCSO). The PCSO already provides Law Enforcement Services to almost half of Pinellas county's municipalities.

Another large expenditure would be the Building Inspection and Permitting Department. The county currently provides these services to several of the beach communities/municipalities. This department would be operated as a service for fee program.

During early 2008 the Transition Services & Issues Committee approached the county regarding building and property acquisition. The town after incorporation would like to acquire those facilities and properties that were paid for with Penny tax revenues. The county as default government holds title to numerous facilities and property in the proposed incorporation area. Although the county retains ownership they do not contribute any operating or maintenance funding. These facilities include the Palm Harbor Community Center, Palm Harbor White Chapel (historic building) and Harbor Hall. The Palm Harbor Community Center or Harbor Hall could be used for town council meetings regardless of eventual ownership.

If the town is unable to utilize an existing community facility to house the town government it would probably purchase an existing house or building in the Downtown Historic District.

The town plans to honor all existing solid-waste contracts within the boundaries of Palm Harbor in effect prior to the referendum on incorporation shall be honored for a period of five years or the remainder of the contract term, whichever is less, in accordance with s. 165.061(1)(f), F.S.

Pinellas is the most densely populated county in Florida. Palm Harbor, originally called Sutherland in 1888 was the first platted community in Florida. Ozone, Crystal Beach and Palm Harbor have a long history of working together for the betterment of our communities. During this time of tighter resources incorporation would allow Palm Harbor to take greater fiscal control of our tax burden. The additional revenues would have a beneficial impact on basic public safety and quality of life.

PALM HARBOR TOWN BUDGET						
Estimated Population:	61,838	62,000	62,000	62,000	62,000	62,000
GENERAL & SPECIAL FUND EXPENDITURES & RESERVES	FY2008-2009 Base	FY2009-2010 Budget	FY2010-2011 Budget	FY2011-2012 Budget	FY2012-2013 Budget	FY2013-2014 Budget
REVENUE CATEGORY						
Ad Valorem Taxes	\$ 8,939,095	\$ 8,939,095	\$ 8,939,095	\$ 9,207,268	\$ 9,483,486	\$ 9,767,990
Local Gov't 1/2c Sales Tax	\$ 2,854,696	\$ 2,854,696	\$ 2,854,696	\$ 2,940,337	\$ 3,028,547	\$ 3,119,403
Communications Services Tax	\$ 3,024,583	\$ 3,024,583	\$ 3,024,583	\$ 3,024,583	\$ 3,024,583	\$ 3,024,583
Municipal Revenue Sharing	\$ 1,300,321	\$ 1,300,321	\$ 1,300,321	\$ 1,339,331	\$ 1,379,511	\$ 1,420,896
Building Permits	\$ 802,433	\$ 802,433	\$ 802,433	\$ 802,433	\$ 802,433	\$ 802,433
Zoning Fees	\$ 111,008	\$ 111,008	\$ 111,008	\$ 111,008	\$ 111,008	\$ 111,008
Tree Removal Permits	\$ 73,036	\$ 73,036	\$ 73,036	\$ 73,036	\$ 73,036	\$ 73,036
Alcoholic Beverage License Tax	\$ 53,164	\$ 53,164	\$ 53,164	\$ 53,164	\$ 53,164	\$ 53,164
Mobile Home Licenses	\$ 25,284	\$ 25,284	\$ 25,284	\$ 25,284	\$ 25,284	\$ 25,284
Franchise Fees	\$ 74,075	\$ 74,075	\$ 74,075	\$ 74,075	\$ 74,075	\$ 74,075
Sheriff Excess Fees	\$ 39,894	\$ 39,894	\$ 39,894	\$ 39,894	\$ 39,894	\$ 39,894
Sheriff Civil Income	\$ 22,684	\$ 22,684	\$ 22,684	\$ 22,684	\$ 22,684	\$ 22,684
Tax Collector Excess Fees	\$ 56,476	\$ 56,476	\$ 56,476	\$ 56,476	\$ 56,476	\$ 56,476
Delinquent Taxes & Tax Redemptions	\$ 35,472	\$ 35,472	\$ 35,472	\$ 35,472	\$ 35,472	\$ 35,472
Lot Clearing	\$ 8,503	\$ 8,503	\$ 8,503	\$ 8,503	\$ 8,503	\$ 8,503
Property Appraiser Excess Fees	\$ 1,801	\$ 1,801	\$ 1,801	\$ 1,801	\$ 1,801	\$ 1,801
One Time Loan		\$ 1,000,000				
Interest and Miscellaneous	\$ 257,183	\$ 257,183	\$ 257,183	\$ 257,183	\$ 257,183	\$ 257,183
Special Fund Revenues						
Penny for Pinellas Tax	\$ 5,064,836	\$ 5,064,836	\$ 5,064,836	\$ 5,216,781	\$ 5,373,285	\$ 5,534,483
Local Option Gas Tax	\$ 460,695	\$ 460,695	\$ 460,695	\$ 460,695	\$ 460,695	\$ 460,695
Subtotal - Revenues	\$ 23,205,239	\$ 24,205,239	\$ 23,205,239	\$ 23,750,008	\$ 24,311,119	\$ 24,889,064
Beginning Fund Balance			\$ 1,988,526	\$ 3,557,314	\$ 4,906,801	\$ 6,023,966
TOTAL RESOURCES	\$ 23,205,239	\$ 24,205,239	\$ 25,193,765	\$ 27,307,322	\$ 29,217,920	\$ 30,913,029
For FY09-10 & FY10-11 Ad Valorem and Sales Tax Revenues are estimated not to increase from previous fiscal year For First through Fifth Full Fiscal Years - Ad Valorem and Sales Tax Revenues are estimated to increase 3% yearly Other Revenues are estimated at 0% increase yearly * Initial Operating Loan if per capita Reserves from U-MSTU is unavailable at time of incorporation						
GENERAL & SPECIAL FUND EXPENDITURES & RESERVES						
General Fund Expenditures						
Sheriff	\$ 9,115,860	\$ 9,389,336	\$ 9,671,016	\$ 9,961,146	\$ 10,259,981	\$ 10,567,780
Building Inspection	\$ 848,892	\$ 848,892	\$ 848,892	\$ 891,337	\$ 935,903	\$ 982,699
Development Review Services	\$ 591,818	\$ 591,818	\$ 591,818	\$ 621,409	\$ 652,479	\$ 685,103
Environmental Management	\$ 384,625	\$ 403,856	\$ 424,049	\$ 445,252	\$ 467,514	\$ 490,890
Legislative	\$ 254,000	\$ 266,700	\$ 280,035	\$ 294,037	\$ 308,739	\$ 324,176
Executive	\$ 565,000	\$ 593,250	\$ 622,913	\$ 654,058	\$ 686,761	\$ 721,099
Financial Administrative	\$ 995,000	\$ 1,044,750	\$ 1,096,988	\$ 1,151,837	\$ 1,209,429	\$ 1,269,900
Legal	\$ 200,000	\$ 210,000	\$ 220,500	\$ 231,525	\$ 243,101	\$ 255,256
Public Works Permitted Facilities	\$ 816,762	\$ 857,600	\$ 900,480	\$ 945,504	\$ 992,779	\$ 1,042,418
Community Services District (CSD)	\$ 400,000	\$ 420,000	\$ 441,000	\$ 463,050	\$ 486,203	\$ 510,513
Community & Economic Development	\$ 206,000	\$ 216,300	\$ 227,115	\$ 238,471	\$ 250,394	\$ 262,914
Debt Service	\$ -	\$ 1,100,000	\$ -	\$ -	\$ -	\$ -
Neighborhood Grants	\$ 200,000	\$ 210,000	\$ 220,500	\$ 231,525	\$ 243,101	\$ 255,256
Property Appraiser Fees	\$ 85,992	\$ 90,292	\$ 94,806	\$ 99,546	\$ 104,524	\$ 109,750
Tax Collector Fees	\$ 175,537	\$ 184,314	\$ 193,530	\$ 203,206	\$ 213,366	\$ 224,035
Miscellaneous Expenses	\$ 251,500	\$ 264,075	\$ 277,279	\$ 291,143	\$ 305,700	\$ 320,985
Special Fund Expenditures						
Road Paving/Sidewalks/ADA	\$ 1,726,904	\$ 1,726,904	\$ 1,726,904	\$ 1,764,890	\$ 1,804,016	\$ 1,844,316
CSD - Penny Initiatives	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Promised Penny Library	\$ 506,484	\$ 506,484	\$ 506,484	\$ 521,678	\$ 537,328	\$ 553,448
Promised Penny Recreation	\$ 506,484	\$ 506,484	\$ 506,484	\$ 521,678	\$ 537,328	\$ 553,448
Promised Penny Fire Department	\$ 506,484	\$ 506,484	\$ 506,484	\$ 521,678	\$ 537,328	\$ 553,448
Miscellaneous Penny Projects	\$ 266,209	\$ 266,209	\$ 266,209	\$ 304,195	\$ 343,321	\$ 383,621
Penny Reserve Fund	\$ 1,012,967	\$ 1,012,967	\$ 1,012,967	\$ 1,043,356	\$ 1,074,657	\$ 1,106,897
Subtotal - Expenditures	\$ 20,616,517	\$ 22,216,714	\$ 21,636,451	\$ 22,400,521	\$ 23,193,954	\$ 24,017,952
Penny Fund Reserves			\$ 1,012,967	\$ 2,025,934	\$ 3,069,291	\$ 4,143,948
General Reserve - Fund Balance	\$ 2,588,722	\$ 1,988,526	\$ 2,544,347	\$ 2,880,866	\$ 2,954,675	\$ 2,751,130
TOTAL EXPENDITURES & RESERVES	\$ 23,205,239	\$ 24,205,239	\$ 25,193,765	\$ 27,307,322	\$ 29,217,920	\$ 30,913,029

Table 7.1 provides a five year operational budget for the Palm Harbor CDP area.

BASIC ASSUMPTIONS AND METHODS

Certain assumptions have been made and should be considered when reviewing the expense and revenue projections contained within this report.

1. Revenue and Expense Assumptions: All the numbers for revenues and expenses are, of necessity, projections into the future: they are estimates. Therefore, early in the process, the decision was made to estimate revenues conservatively and expenses liberally; or, put another way, **the study estimates revenues low and expenses high**. This was done to ensure that the feasibility could be determined based on "worst case" numbers.

2. Base Year: All population, revenue and expense projections were figured based on the current FY 2008-2009 numbers. Total taxable values were figured based on historic data and the currently available 2008 data (not certified).

3. Inflation: The decision was made to adjust projected expense numbers for an inflation rate of three percent (3%) per year unless otherwise noted. The exact inflationary factor can not be predicted for the five years of the projected revenues and expenses.

4. General Fund and Special Revenues: For purposes of estimating, town General Fund expenses and revenues will be addressed. Such revenues are those obtained from ad valorem taxes, state/county shared revenues, and miscellaneous fees which are collected for General Fund revenue such as building permits and charges for services, etc. General Fund expenses are those of general governmental operation including administrative services, public works, development services, parks and recreation, and police services.

5. First Year's Service Provision: If the Referendum in November 2009 passes. Palm Harbor will become operational as a town on March 25, 2010. This is one half in to fiscal year 2010-2011. Ad valorem taxes will have been collected for the Municipal Services Taxing Unit District and the first half of expenditures will be completed under the approved budgets of such entity. In addition, Palm Harbor will have no mechanism for collecting any taxes until October of 2010.

Finally, it is important that the provision of services to the citizens of Palm Harbor not be interrupted. For all of these reasons, the assumption was made that those services provided for in the FY2009-2010 budget would continue to be provided under consideration with Pinellas County.

This will assure continuity of services, and will allow the new Town Council time to develop those service providers it deems necessary in order to provide services during the first full year of operation. During years two through five, with the exception of town manager and town attorney, which are a charter officers (except the office of town attorney may be contracted to an attorney or law firm), the Palm Harbor Town Council will decide which services to contract for and which to provide in-house.

6. Level of Service: For purposes of this study, the decision was to assume a minimum level of service for Palm Harbor through year one as it currently receives. Previous service levels from the Unincorporated – MSTU Budget have also been considered. During FY2007-2008 Pinellas county directed its departments to look at those services that were not essential to the county when making budget cuts as a result of the state mandated roll-back for property taxes. This resulted in the elimination of many municipal type services the county had attempted to provide to the unincorporated areas (Recreation Initiatives, Neighborhood Grants, Cable Public Access) and severe reductions in others areas like MSTU Road Paving/Sidewalks/ADA.

REVENUE PROJECTION METHODS

A. Total Taxable Value

For purposes of this study, total taxable value is estimated based on Pinellas County Property Appraiser data from years 2000 through 2008. From this data, the annual percentage increase each year from 2000 to 2008 was developed.

PALM HARBOR FIRE - TOTAL TAXABLE VALUE										
	2008	2007	2006	2005	2004	2003	2002	2001	2000	2000
TOTAL TAXABLE VALUE:	4,285,897,010	4,588,549,383	4,277,010,572	3,613,466,700	3,211,677,000	2,936,400,200	2,703,898,060	2,524,837,470	2,348,464,080	
Percent Change from Previous Year	-6.60%	7.28%	18.36%	12.51%	9.37%	8.60%	7.09%	7.51%		
Palm Harbor Fire Taxes Levied	\$ 7,827,334	\$ 8,690,808	\$ 8,886,113	\$ 7,572,386	\$ 6,722,400	\$ 6,160,024	5,732,252	5,266,572	4,768,684	
P.H. Community Svc's Taxes Levied	\$ 1,876,366	\$ 2,083,357	\$ 2,221,528	\$ 1,893,096	\$ 1,680,600	\$ 1,540,006	\$ 1,433,063	\$ 1,316,643	\$ 1,254,917	
County Municipal Services Taxing Unit	\$ 8,939,095	\$ 9,925,214	\$ 10,467,842	\$ 8,920,271	\$ 7,918,987	\$ 7,256,508	\$ 6,752,593	\$ 4,887,379	\$ 4,030,793	
	\$ 18,642,795	\$ 20,699,379	\$ 21,575,483	\$ 18,385,753	\$ 16,321,986	\$ 14,956,539	\$ 13,917,908	\$ 11,470,595	\$ 10,054,394	
Palm Harbor Fire Millage Levied	1.8263	1.8263	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	1.9000	
P.H. Community Svc's Millage Levied	0.4378	0.4378	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	
County MSTU Millage Levied	2.0857	2.0857	2.3560	2.3560	2.3560	2.3560	2.3560	1.8560	1.6060	
Palm Harbor - West Lake TOTAL	4.3498	4.3498	4.8560	4.8560	4.8560	4.8560	4.8560	4.3560	4.0060	

Table 7.2 Total Palm Harbor Fire Taxable Values

TTV increases ranged from -6.60% to +18.36% for the Palm Harbor Fire District. The average TTV % yearly growth 2000-2008 for the study area is 8.02%.

B. Ad Valorem Projection Methods

Several methods were used in conservatively estimating the revenues expected to accrue to the Town of Palm Harbor. No figures were rounded.

1. Year One, FY 2009-2010

Ad valorem taxes were conservatively estimated, based on the past history as shown in Table 7.2 and 8.5 of Total taxable Values for the Palm Harbor Fire District. To be conservative the estimated TTV increase used for fiscal years 2010 and 2011 is zero.

The ad valorem tax rates for year one, FY 09-10, will be established for the Unincorporated – Municipal Services Taxing Unit by the County Commission during budget hearings for that fiscal year. However, for purposes of this study, the millage rate recently established for FY 08-09 was used for year-one revenue estimates since it has been approved. That millage rate is 2.0857.

2. Years Two through Five

For years two through five, it was not necessary, for the purposes of this study, to raise the ad valorem tax rate. That rate stays the same through year five. It should be noted that when the town ad valorem tax rate is added to the Fire District and Community Services District or County Library millage rates this is approximately what local full service cities are using today, so it does not appear to be out of line. It is acknowledged that the final ad valorem tax rate could be less and would be established by the new town Council for years two through five.

Estimated TTV increase used for fiscal years 2012, 2013 and 2015 were arrived at by multiplying the previous year TTV by 3% and adding that amount to the previous year total.

B. Projection Methods -- Other Revenues

Population-driven revenues were figured on a per-capita rate obtained from year-one revenue, multiplied by the population for the relevant year. State revenue share was projected based on information from the Department of Revenue for the current fiscal year. Conservatively using the DOR information as the base year the first two fiscal year revenue estimated increase was zero. Each successive years were estimated as follows: 1% per year growth for Municipal Revenue Share; 3% per year growth for the Half-Cent Sales Tax Revenue. The Communications Services Tax, Local Option Gas Tax and the Alcoholic Beverage License Tax were projected flat.

VIII. REVENUE PROJECTIONS AND METHODS

Ad Valorem Taxes: The Fiscal Year 2010-2011 millage rate for the Town of Palm Harbor property taxes, or ad valorem taxes would be 2.0857. The millage rate is the rate per each \$1,000 of taxable value of your real property (the assessed value less any exemptions).

The largest revenue source for both the Unincorporated – MSTU Budget and for Palm Harbor would be Ad Valorem Taxes.

Pinellas County Florida - Unincorporated Area FY09 Budget				
UNINCORPORATED - MUNICIPAL SERVICES TAXING UNIT (U-MSTU) BUDGET				
				22.38%
2008 Est. Population for Unincorporated County & Palm Harbor		276,363		61,838
	FY09 Budget	Per Capita		Palm Harbor
<u>REVENUES</u>				
Ad Valorem Taxes	\$ 36,515,900	\$ 132.13		8,170,668
Communications Services Tax	\$ 12,856,290	\$ 46.52		2,876,678
Building Permits	\$ 3,586,190	\$ 12.98		802,433
Local Gov't 1/2¢ Sales Tax	\$ 3,000,000	\$ 10.86		671,269
Zoning Fees	\$ 496,110	\$ 1.80		111,008
Interest and Miscellaneous	\$ 1,149,390	\$ 4.16		257,183
Tree Removal Permits	\$ 326,410	\$ 1.18		73,036
Franchise Fee - PEG	\$ 404,930	\$ 1.47		90,606
Tax Collector Excess Fees	\$ 252,400	\$ 0.91		56,476
Sheriff Excess Fees	\$ 178,290	\$ 0.65		39,894
Franchise Fee - I-Net	\$ 152,760	\$ 0.55		34,181
Delinquent Taxes & Tax Redemptions	\$ 118,240	\$ 0.43		26,457
Mobile Home Licenses	\$ 113,000	\$ 0.41		25,284
Sheriff Civil Income	\$ 101,380	\$ 0.37		22,684
Reimbursement of Impact Fee Admin.	\$ 66,870	\$ 0.24		14,963
Lot Clearing	\$ 38,000	\$ 0.14		8,503
Property Appraiser Excess Fees	\$ 8,050	\$ 0.03		1,801
Subtotal - Revenues	\$ 59,364,210	\$ 214.81		13,283,124
Beginning Fund Balance	\$ 17,580,100	\$ 63.61	\$	3,933,661
TOTAL RESOURCES	\$ 76,944,310	\$ 278.42		17,216,785

Table 8.1 Unincorporated – MSTU FY 2009 Budget - Revenues and Beginning Fund per capita.

Ad Valorem Taxes (Property Taxes): The Unincorporated – MSTU Budget per capita dollars from this source is **\$8,170,668** for the study area.

Generally, these ad valorem taxes cover the current operating (or general fund) expenses which are not covered by the Town’s other revenue sources. Other revenue sources for the Town of Palm Harbor would include the Half Cent Sales Tax, the Penny for Pinellas and other Shared Revenue from the State and County, Local Option Gas Tax and investment earnings. Palm Harbor would not charge a Utility Services Tax on electric, water, natural gas and oil. Residents and businesses of Palm Harbor would continue to be charged a communications services tax on certain telecommunications, cable, direct-to-home satellite and related services.

PALM HARBOR TOWN BUDGET			
Estimated Population:	61,838	62,000	62,000
GENERAL & SPECIAL FUND	FY2008-2009	FY2009-2010	FY2009-2010
EXPENDITURES & RESERVES	Base	Budget	Per Capita
REVENUE CATEGORY			
Ad Valorem Taxes	\$ 8,939,095	\$ 8,939,095	\$ 144.18
Local Gov't 1/2¢ Sales Tax	\$ 2,854,696	\$ 2,854,696	\$ 46.04
Communications Services Tax	\$ 3,024,583	\$ 3,024,583	\$ 48.78
Municipal Revenue Sharing	\$ 1,300,321	\$ 1,300,321	\$ 20.97
Building Permits	\$ 802,433	\$ 802,433	\$ 12.94
Zoning Fees	\$ 111,008	\$ 111,008	\$ 1.79
Tree Removal Permits	\$ 73,036	\$ 73,036	\$ 1.18
Alcoholic Beverage License Tax	\$ 53,164	\$ 53,164	\$ 0.86
Mobile Home Licenses	\$ 25,284	\$ 25,284	\$ 0.41
Franchise Fees	\$ 74,075	\$ 74,075	\$ 1.19
Sheriff Excess Fees	\$ 39,894	\$ 39,894	\$ 0.64
Sheriff Civil Income	\$ 22,684	\$ 22,684	\$ 0.37
Tax Collector Excess Fees	\$ 56,476	\$ 56,476	\$ 0.91
Delinquent Taxes & Tax Redemptions	\$ 35,472	\$ 35,472	\$ 0.57
Lot Clearing	\$ 8,503	\$ 8,503	\$ 0.14
Property Appraiser Excess Fees	\$ 1,801	\$ 1,801	\$ 0.03
One Time Loan		\$ 1,000,000	\$ 16.13
Interest and Miscellaneous	\$ 257,183	\$ 257,183	\$ 4.15
Special Fund Revenues			\$ -
Penny for Pinellas Tax	\$ 5,064,836	\$ 5,064,836	\$ 81.69
Local Option Gas Tax	\$ 460,695	\$ 460,695	\$ 7.43
Subtotal - Revenues	\$ 23,205,239	\$ 24,205,239	\$ 390.41
Beginning Fund Balance			\$ -
TOTAL RESOURCES	\$ 23,205,239	\$ 24,205,239	\$ 390.41

Table 8.2 Estimated FY2009-2010 Budget – Town of Palm Harbor - Revenues and per capita profile.

The initial town levied property taxes (ad valorem) would be the same rate that is being imposed upon the Unincorporated - Municipal Service Taxing Unit. The current millage rate of 2.0857 would generate approximately **\$8,939,095** for the study area for the fiscal year 2008-2009.

PALM HARBOR TOTAL TAXABLE VALUE	
	2008
TOTAL TAXABLE VALUE:	4,285,897,010
Percent Change from Previous Year	-6.60%
Palm Harbor Fire Taxes Levied	\$ 7,827,334
P.H. Community Svc's Taxes Levied	\$ 1,876,366
County Municipal Services Taxing Unit	\$ 8,939,095
	\$ 18,642,795
Palm Harbor Fire Millage Levied	1.8263
P.H. Community Svc's Millage Levied	0.4378
County MSTU Millage Levied	2.0857
Palm Harbor - Municipal Type Services	4.3498

Table 8.3 Palm Harbor 2008 – TTV, Taxes Levied and Millage Rates.

The combined Palm Harbor ad valorem millage rate for providing municipal type services would be a total of 4.3498 mills. This amount is higher than all the neighboring municipalities except for Tarpon Springs which raised it millage rate from 4.3089 to 4.5738. The following table (table 8.4) provides a millage rate comparison for 2008 to 2002 tax period years.

	2008	2007	2006	2005	2004	2003	2002
Dunedin Millage Rate	3.5597	3.5597	4.0934	4.4253	4.4253	4.4253	4.1166
Largo Millage Rate	3.8448	3.6514	4.2758	4.2758	4.7500	3.7500	3.4000
Oldsmar Millage Rate	4.0500	4.0722	4.6000	4.6500	4.6500	4.6500	4.6500
Palm Harbor (Combined Millage Rate)	4.3498	4.3498	4.8560	4.8560	4.8560	4.8560	4.8560
Tarpon Springs Millage Rate	4.5738	4.3089	4.7957	4.9420	4.9454	4.9454	4.9454

Table 8.4 Palm Harbor – Combined millage rate comparison to four municipalities.

PALM HARBOR						
PALM HARBOR FIRE - LAND USE RECAPS						
TOTAL TAXABLE VALUE						
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Percent Change from Previous Year	-6.60%	7.28%	18.36%	12.51%	9.37%	8.60%
TOTAL TAXABLE VALUE:	4,285,897,010	4,588,549,383	4,277,010,572	3,613,466,700	3,211,677,000	2,936,400,200
		(0.09935)	0.17349	0.12644	0.09129	0.07463
	4285897.01	4758696.687	4443056.715	3786192.97	3361199.81	3080012.09
Palm Harbor Fire Taxes Levied	\$ 7,827,334	\$ 8,690,808	\$ 8,886,113	\$ 7,572,386	\$ 6,722,400	\$ 6,160,024
P.H. Community Svc's Taxes Levied	\$ 1,876,366	\$ 2,083,357	\$ 2,221,528	\$ 1,893,096	\$ 1,680,600	\$ 1,540,006
County Municipal Services Taxing Unit	\$ 8,939,095	\$ 9,925,214	\$ 10,467,842	\$ 8,920,271	\$ 7,918,987	\$ 7,256,508
	\$ 18,642,795	\$ 20,699,379	\$ 21,575,483	\$ 18,385,753	\$ 16,321,986	\$ 14,956,539
		1.8263	2.0000	2.0000	2.0000	2.0000
Palm Harbor Fire Millage Levied	1.8263	1.8263	2.0000	2.0000	2.0000	2.0000
P.H. Community Svc's Millage Levied	0.4378	0.4378	0.5000	0.5000	0.5000	0.5000
County MSTU Millage Levied	2.0857	2.0857	2.3560	2.3560	2.3560	2.3560
Palm Harbor - Municipal Type Services	4.3498	4.3498	4.8560	4.8560	4.8560	4.8560
Dunedin Millage Rate	3.5597	3.5597	4.0934	4.4253	4.4253	4.4253
Largo Millage Rate	3.8448	3.6514	4.2758	4.2758	4.7500	3.7500
Oldsmar Millage Rate	4.0500	4.0722	4.6000	4.6500	4.6500	4.6500
Palm Harbor (Combined Millage Rate)	4.3498	4.3498	4.8560	4.8560	4.8560	4.8560
Tarpon Springs Millage Rate	4.5738	4.3089	4.7957	4.9420	4.9454	4.9454
						0.08842
						2866126.08
						5,732,252
						1,433,063
						6,752,593
						13,917,908

Table 8.5 Palm Harbor – TTV, Taxes Levied, Millage Rates for tax years 2002 to 2008.

2007 Florida Municipal Ad Valorem Tax Profile									
Municipality	County	2007 Population Estimates	Municipal Assessed and Taxable Values				Municipal Government Levies		
			Assessed Value	Per Capita Assessed Value	Taxable Value	Per Capita Taxable Value	Operating Millage	Total Taxes Levied	Per Capita Total Taxes Levied
Belleair	Pinellas	4,158	1,235,731,800	297,194	839,447,822	201,887	4.2118	3,535,586	850
Belleair Beach	Pinellas	1,617	765,768,840	473,568	530,430,241	328,034	1.9800	1,050,252	650
Belleair Bluffs	Pinellas	2,181	353,738,100	162,191	245,473,300	112,551	3.9997	981,820	450
Belleair Shore	Pinellas	74	179,431,990	2,424,757	121,070,526	1,636,088	0.5256	63,635	860
Clearwater	Pinellas	110,469	16,147,184,739	146,169	11,148,755,499	100,922	4.6777	52,150,534	472
Dunedin	Pinellas	37,662	4,211,355,400	111,820	2,553,134,902	67,791	3.5597	9,088,394	241
Gulfport	Pinellas	12,814	1,580,102,220	123,311	1,005,346,275	78,457	3.3487	3,366,603	263
Indian Rocks Beach	Pinellas	5,300	1,543,624,880	291,250	1,185,912,828	223,757	1.4695	1,742,699	329
Indian Shores	Pinellas	1,804	1,191,725,805	660,602	1,040,179,094	576,596	1.6000	1,664,287	923
Kenneth City	Pinellas	4,567	302,954,570	66,336	180,902,959	39,611	3.4448	623,175	136
Largo	Pinellas	75,924	6,698,596,298	88,228	4,722,352,663	62,198	3.6514	17,243,199	227
Madeira Beach	Pinellas	4,525	1,645,133,990	363,566	1,291,012,843	285,307	1.7954	2,317,884	512
North Redington Beach	Pinellas	1,504	642,915,160	427,470	526,657,478	350,171	0.7511	395,572	263
Oldsmar	Pinellas	13,959	1,841,747,420	131,940	1,367,989,239	98,001	4.0722	5,570,726	399
Pinellas Park	Pinellas	49,320	5,240,702,731	106,259	3,711,722,563	75,258	4.5478	16,880,172	342
Redington Beach	Pinellas	1,597	575,689,840	360,482	419,484,055	262,670	1.9410	814,219	510
Redington Shores	Pinellas	2,440	849,782,790	348,272	658,239,330	269,770	1.5229	1,002,433	411
Safety Harbor	Pinellas	17,844	2,214,322,216	124,093	1,329,839,984	74,526	2.5140	3,343,218	187
Saint Petersburg	Pinellas	253,369	28,342,735,052	111,863	17,718,466,042	69,931	5.9125	104,760,430	413
Saint Petersburg Beach	Pinellas	10,086	3,774,779,680	374,259	2,824,677,447	280,059	2.3764	6,712,563	666
Seminole	Pinellas	18,739	2,141,611,450	114,286	1,434,928,438	76,574	2.4793	3,557,618	190
South Pasadena	Pinellas	5,658	888,965,150	157,116	639,378,462	113,004	1.2749	815,144	144
Tarpon Springs	Pinellas	24,628	2,968,013,180	120,514	1,938,896,972	78,727	4.3089	8,354,513	339
Treasure Island	Pinellas	7,597	2,482,013,100	326,710	1,856,323,265	244,350	2.3878	4,432,529	583

Table 8.6 Pinellas 2007 Municipal Ad Valorem Tax Profile.

Communications Service Tax: Several different state and local taxes have been repealed and consolidated into a single tax that is comprised of two parts: the Florida Communications Services Tax and the Local Communication Services Tax. The cable franchise fee, municipal service tax on telecommunications, and permit fees on rights-of-way are the taxes that were repealed. The local communication services tax rate for Palm Harbor would be the same 5.22% as is imposed on unincorporated Pinellas County, which includes an additional 0.12% tax rate increase in lieu of payment of permit fees.

The Fiscal Year 2009 Unincorporated Area Budget (U-MSTU) per capita revenue from this source is \$2,876,678 for the incorporation area representing a minimal increase from the previous year.

Pinellas County Florida - Unincorporated Area FY09 Budget UNINCORPORATED - MUNICIPAL SERVICES TAXING UNIT (U-MSTU) BUDGET			
2008 Est. Population for Unincorporated County & Palm Harbor		276,363	22.38% 61,838
REVENUES		FY09 Budget	Per Capita
Communications Services Tax		\$ 12,856,290	\$ 46.52
			Palm Harbor
			\$ 2,876,678

Table 8.7 U-MSTU Communication Services Tax Per Capita and Revenues.

The Fiscal Year 2009-2010 estimated revenues from this source for the study area is \$3,024,583.

Forecast of Taxable Communication Services and Revenues					
Local Fiscal Year Ending September 30, 2009					
Local Government	Estimated CST Base	Current Tax Rate	Revenue Estimate	2008 Adjusted Pop. Estimate	Per Capita Consumption
Palm Harbor CDP	57,942,206	5.22%	3,024,583.15	61,838	\$ 937
Used the Per Capita Consumption (PCC) of Largo for Palm Harbor CDP					

Table 8.8 FY08-09 Communication Services Tax Estimated Revenues.

Forecast of Taxable Communication Services and Revenues					
Local Fiscal Year Ending September 30, 2009					
Local Government	Estimated CST Base	Current Tax Rate	Revenue Estimate	2007 Adjusted Pop. Estimate	Per Capita Consumption
PINELLAS BOCC	\$ 233,808,479	5.22%	\$ 12,204,803	275,519	\$ 849
Belleair	\$ 4,051,761	5.22%	\$ 211,502	4,158	\$ 974
Belleair Beach	\$ 1,585,563	6.00%	\$ 95,134	1,617	\$ 981
Belleair Bluffs	\$ 2,194,408	5.22%	\$ 114,548	2,181	\$ 1,006
Belleair Shore	\$ 118,047	2.40%	\$ 2,833	74	\$ 1,595
Clearwater	\$ 130,013,352	5.12%	\$ 6,656,684	110,514	\$ 1,176
Dunedin	\$ 30,754,343	5.32%	\$ 1,636,131	37,658	\$ 817
Gulfport	\$ 9,022,569	6.12%	\$ 552,181	12,814	\$ 704
Indian Rocks Beach	\$ 4,831,104	2.30%	\$ 111,115	5,300	\$ 912
Indian Shores	\$ 2,435,489	5.22%	\$ 127,133	1,804	\$ 1,350
Kenneth City	\$ 3,000,219	5.10%	\$ 153,011	4,567	\$ 657
Largo	\$ 71,255,286	5.62%	\$ 4,004,547	76,052	\$ 937
Madeira Beach	\$ 4,677,903	5.72%	\$ 267,576	4,525	\$ 1,034
North Redington Beach	\$ 1,467,042	5.12%	\$ 75,113	1,504	\$ 975
Oldsmar	\$ 23,033,988	5.82%	\$ 1,340,578	13,959	\$ 1,650
Pinellas Park	\$ 46,183,929	5.40%	\$ 2,493,932	49,377	\$ 935
Redington Beach	\$ 1,419,067	5.40%	\$ 76,630	1,597	\$ 889
Redington Shores	\$ 2,036,390	5.22%	\$ 106,300	2,440	\$ 835
Safety Harbor	\$ 16,299,427	6.52%	\$ 1,062,723	17,848	\$ 913
Saint Petersburg	\$ 252,204,163	5.62%	\$ 14,173,874	252,999	\$ 997
Saint Petersburg Beach	\$ 11,390,625	5.70%	\$ 649,266	10,086	\$ 1,129
Seminole	\$ 15,407,331	5.22%	\$ 804,263	18,739	\$ 822
South Pasadena	\$ 3,958,114	5.72%	\$ 226,404	5,658	\$ 700
Tarpon Springs	\$ 21,144,380	5.72%	\$ 1,209,459	24,628	\$ 859
Treasure Island	\$ 7,413,398	2.32%	\$ 171,991	7,597	\$ 976
Notes:					
1) The notation *** indicates that the figures differ in total due to rate changes, i.e., Gainesville (Alachua Co.). i.e., Grant-Valkaria (Brevard County), Holmes County BOCC, and Hialeah (Miami-Dade County).					
2) These forecasted figures are based on the adjusted 2007 population estimates that were used for the FY 2008-09 revenue sharing calculations. The adjusted population estimates reflect those certified to the Florida Department of Revenue by the Executive Office of the Governor in June 2008.					

Table 8.9 Pinellas Communication Services Tax Rates and Estimated Revenues.

Public Service Tax: Palm Harbor as a municipality would be authorized but not required to levy taxes/fees on public services. Because this tax does not exist in unincorporated Pinellas County the Palm Harbor incorporation analysis does not include revenues associated with a Public Service Tax; therefore implementation of the tax at a later date could produce two results--additional revenues to either support programs or reduce ad valorem property taxes.

The Public Service Tax, also called the "Utility Tax", is another substantial revenue source. This tax is levied by a municipality on specific utility services collected by the utility provider, even if the provider is the municipality itself. The tax is incorporated into the utility bill and is based on relative consumption. Section 166.231 of the Florida Statutes provides authority to assess a tax based on the purchase of electricity, telephone and telegraph, water and heating fuels (natural gas, propane, fuel oil and kerosene) at a rate not to exceed 10 percent.

[No Public Service Tax or Franchise Fee is required and is not being proposed]

Reported Municipal Public Service Tax Revenues by Product or Utility Category								
Local Fiscal Year Ended September 30, 2004								
Municipality	County	Electricity	Telecom-munications	Water	Natural Gas	Fuel Oil	Propane	Total Revenues
Belleair	Pinellas	312,579	-	-	-	-	-	312,579
Belleair Beach	Pinellas	140,113	-	39,620	6,110	37	668	186,548
Belleair Bluffs	Pinellas	-	-	-	-	-	-	-
Belleair Shore	Pinellas	-	-	-	-	-	-	-
Clearwater	Pinellas	7,803,858	-	1,837,701	522,497	2,026	70,657	10,236,739
Dunedin	Pinellas	2,308,601	-	-	99,572	816	14,390	2,423,379
Gulfport	Pinellas	671,631	-	181,287	17,653	243	13,605	884,419
Indian Rocks Beach	Pinellas	-	-	-	-	-	-	-
Indian Shores	Pinellas	-	-	-	-	-	-	-
Kenneth City	Pinellas	129,756	-	-	-	-	-	129,756
Largo	Pinellas	4,766,556	-	649,755	161,163	383	62,069	5,639,926
Madeira Beach	Pinellas	439,857	-	70,805	6,201	49	7,736	524,648
North Redington Beach	Pinellas	-	-	-	-	-	-	-
Oldsmar	Pinellas	1,057,392	-	-	36,343	-	21,910	1,115,645
Pinellas Park	Pinellas	3,681,684	2,315,599	728,011	63,137	-	41,394	6,829,825
Redington Beach	Pinellas	77,240	-	-	-	-	1,840	79,080
Redington Shores	Pinellas	-	-	-	-	-	-	-
Safety Harbor	Pinellas	1,056,672	-	-	75,733	-	6,056	1,138,461
Saint Petersburg	Pinellas	16,107,698	-	3,023,728	523,006	7,763	118,366	19,780,561
Saint Petersburg Beach	Pinellas	983,562	-	158,512	38,290	309	-	1,180,673
Seminole	Pinellas	826,812	-	-	18,947	-	-	845,759
South Pasadena	Pinellas	407,764	-	83,253	5,532	79	2,583	499,211
Tarpon Springs	Pinellas	1,506,597	-	297,567	84,615	41	31,684	1,920,504
Treasure Island	Pinellas	372,027	-	64,574	13,833	-	-	450,434

Note: The LCIR makes no representation as to the accuracy of the fiscal data reported by municipal governments

Data Source: Florida Department of Financial Services.

Table 8.10 Public Services Tax Revenues for Pinellas Municipalities FY 2004.

Summary of Total Reported Municipal Franchise Fee Revenues						
Local Fiscal Years Ended September 30, 2000 - 2004						
Municipality	County	2000	2001	2002	2003	2004
Belleair	Pinellas	306,731	346,720	294,592	66,789	234,354
Belleair Beach	Pinellas	599,369	456,268	540,343	653,387	374,614
Belleair Bluffs	Pinellas	163,880	181,479	152,494	152,772	157,278
Belleair Shore	Pinellas	1,913	1,784	-	-	-
Clearwater	Pinellas	7,743,009	8,700,707	7,086,842	7,139,648	7,504,909
Dunedin	Pinellas	2,019,343	2,364,513	1,905,024	2,004,600	2,094,111
Gulfport	Pinellas	610,536	681,541	549,651	551,033	591,477
Indian Rocks Beach	Pinellas	360,858	403,400	311,229	314,081	323,461
Indian Shores	Pinellas	207,353	224,643	177,801	237,311	193,118
Kenneth City	Pinellas	232,188	248,942	253,118	327,421	231,073
Largo	Pinellas	4,177,997	4,840,219	4,037,073	4,091,123	4,385,698
Madeira Beach	Pinellas	393,778	432,469	417,720	379,446	387,323
North Redington Beach	Pinellas	111,565	143,278	191,436	181,274	171,602
Oldsmar	Pinellas	1,015,582	1,111,198	1,196,084	1,268,733	1,662,726
Pinellas Park	Pinellas	2,740,248	3,078,920	2,458,610	2,916,707	3,362,089
Redington Beach	Pinellas	87,657	87,260	99,479	87,664	86,456
Redington Shores	Pinellas	107,890	115,969	106,557	91,920	92,978
Safety Harbor	Pinellas	7,921,501	7,879,586	7,789,287	1,005,617	1,154,863
Saint Petersburg	Pinellas	15,478,116	17,424,895	13,839,255	14,279,145	14,774,824
Saint Petersburg Beach	Pinellas	945,327	1,047,937	864,072	869,008	885,027
Seminole	Pinellas	716,821	1,029,916	916,022	969,650	1,044,441
South Pasadena	Pinellas	386,106	433,474	410,337	386,686	386,913
Tarpon Springs	Pinellas	1,220,640	1,416,958	1,165,305	1,231,561	1,299,617
Treasure Island	Pinellas	614,015	680,710	643,696	533,156	536,886

Note: The LCIR makes no representation as to the accuracy of the fiscal data reported by municipal governments to the Department of Financial Services.
Data Source: Florida Department of Financial Services.

Table 8.11 Public Services Tax Revenues for Pinellas Municipalities FY 2004.

Local Option Gas Tax revenues are levied by authority of the State of Florida and Pinellas County Ordinance. The State of Florida empowers counties to levy up to six cents per gallon of motor fuel sold. Pinellas County currently levies the full six cents per gallon for transportation projects. The Town's revenues would be derived from Pinellas County's distribution of the six-cent local option gas tax to local governments based upon population.

Funds from this source must be used for the purpose of transportation expenditures authorized by Florida Statute 336.025 including: public transportation operations and maintenance; roadway and right of way maintenance and equipment, structures used primarily for the storage and maintenance of equipment, street lighting, traffic signs, engineering signalization and pavement markings; bridge maintenance operations; and debt service and current expenses on capital projects for construction and reconstruction of roads.

The current revision is for a ten year period beginning on September 1, 2007 and ending on December 31, 2017. The revised revenue distribution had increased the overall percentage that the Cities currently receive from 25% to 40% of the total tax collected and lessens the percentage retained by the County from 75% to 60%.

Sales and use taxes are imposed upon the sale or consumption of designated goods or services where such taxes are levied locally. Among the types of sales and use taxes imposed:

Local Option Infrastructure Sales Tax - Pinellas County levies a one-cent sales tax to generate funding for capital improvements. It provides the largest portion of capital improvement funding for the county and its municipalities.

This tax, locally known as the *Penny for Pinellas*, is a one-cent infrastructure sales tax that was approved by Pinellas voters initially in 1989. The tax collected for a ten-year period \$827.9 million, of which \$468.3 million was dedicated to Pinellas County. The remainder was dispersed among the 24 municipalities. In March 1997, the Pinellas electorate voted to extend the *Penny* tax for an additional ten years through the Year 2010. Approximately \$1.37 billion are expected to be collected through out the second *Penny* phase.

A majority of the voters extend *the Penny* an additional 10 years through the Year 2020. As in the past, the *Penny* will fund additional jail improvements, transportation projects, stormwater/drainage improvements, and recreation/open space improvements. Furthermore, the *Penny* will help fund quality of life improvements as identified in updates to local comprehensive plans.

2010 to 2020 PENNIES FOR PALM HARBOR

- The Palm Harbor Community Service District could receive up to 20% and the Palm Harbor Fire District up to 10% of the Penny for Pinellas revenues from 2010 to 2020 for needed projects.

State-Shared Revenues: The State Revenue Sharing Trust Fund is a pool of revenue from intangible taxes that are distributed proportionately with municipalities and counties.

Florida has three main revenue sharing programs through which the state shares its revenues with local governments. The major source of revenue shared with local governments in all of these programs is the state sales tax.

Under the Local Government Half-cent Sales Tax Program, counties and municipalities receive 8.9% (approx.) of sales tax collections and collections of the state portion of the communications services tax remitted by dealers within each county. For fiscal year 06-07 counties are expected to receive \$1.2 billion and municipalities are expected to receive \$600 million. Distributions to each eligible county and municipality are based on the taxes remitted by dealers in each county and then apportioned between the county and the cities within each county based on population.

Under the County Revenue Sharing Program, counties receive 2.9% of cigarette tax collections and 2.044% (approx.) of statewide sales tax collections. For fiscal year 06-07, counties are expected to receive \$411.7 million (97% from sales tax and 3% from cigarette tax). Distributions to each county are based on a formula that considers county population, unincorporated county population and county sales tax collections.

Under the Municipal Revenue Sharing Program, municipalities receive 100% of collections from the 1-cent municipal fuel tax, 12.5% of the alternative fuel user decal fee collections, and 1.3409% (approx.) of statewide sales tax collections. For fiscal year 06-07 municipalities are expected to receive \$361.4 million (sales tax: 72.66%; fuel tax: 7.33%; and decal fee: 0.01%). Distributions to each city are based on a formula that considers population, municipal sales tax collections, and a municipality's relative ability to raise revenues.

Other State-Shared Revenue: In addition to the State Revenue Sharing Trust Fund, Palm Harbor would receive additional state-shared revenues from the following sources.

- Mobile Home License Tax – The State levies annual licenses on mobile homes, based upon the length of the mobile home. Palm Harbor would receive a proportionate share of the revenues based on the number of units.
- Alcoholic Beverage License Tax – The State returns 24% of the taxes imposed and collected on establishments that serve alcoholic beverages in Pinellas County.

Brief Overview: A portion of the annual state license tax levied on manufacturers, distributors, vendors, brokers, sales agents, and importers of alcoholic beverages and collected within a county or municipality in Florida is shared with those local governments. The taxes imposed under ss. 561.14(6), 563.02, 564.02, 565.02(1),(4)-(5), and 565.03, F.S., are subject to having a portion redistributed to eligible counties and municipalities.

Licenses and Permits: These revenues are derived from the issuance of local licenses and permits. Palm Harbor would receive revenue from a variety of licensing and permitting activities. These include building permits and tree removal permits.

Summary of Reported Municipal Business Tax (formerly Occupational License Tax) Revenues Local Fiscal Years Ended September 30, 2000 - 2005							
Municipality	County	2000	2001	2002	2003	2004	2005
Belleair	Pinellas	17,635	14,837	13,716	19,185	14,836	16,893
Belleair Beach	Pinellas	1,400	1,775	5,565	8,395	8,390	8,185
Belleair Bluffs	Pinellas	27,104	27,858	19,512	29,281	28,262	29,418
Belleair Shore	Pinellas	-	-	-	-	-	-
Clearwater	Pinellas	1,857,696	1,804,865	1,755,745	1,930,257	1,916,059	2,018,985
Dunedin	Pinellas	185,499	169,937	169,711	206,522	176,918	172,916
Gulfport	Pinellas	55,962	56,765	56,729	58,809	57,727	56,910
Indian Rocks Beach	Pinellas	34,926	35,224	37,134	40,480	40,427	38,733
Indian Shores	Pinellas	-	-	-	-	-	-
Kenneth City	Pinellas	74,276	78,616	75,204	80,758	86,685	87,428
Largo	Pinellas	636,321	606,510	633,653	628,459	682,845	678,778
Madeira Beach	Pinellas	81,225	77,222	76,276	81,245	77,504	73,741
North Redington Beach	Pinellas	6,158	10,032	7,610	6,734	7,985	8,540
Oldsmar	Pinellas	113,946	127,660	137,631	147,556	165,649	166,049
Pinellas Park	Pinellas	733,816	732,142	751,907	768,842	774,446	755,498
Redington Beach	Pinellas	755	1,360	450	855	1,281	2,241
Redington Shores	Pinellas	15,447	14,882	15,767	15,314	16,062	13,502
Safety Harbor	Pinellas	118,238	117,169	124,900	131,445	148,672	145,978
Saint Petersburg	Pinellas	3,091,380	3,133,724	2,889,085	2,765,429	2,819,275	2,949,359
Saint Petersburg Beach	Pinellas	103,195	102,077	101,039	99,738	103,035	106,437
Seminole	Pinellas	126,942	150,868	161,264	157,195	179,208	173,715
South Pasadena	Pinellas	81,057	76,782	74,898	84,160	85,057	90,933
Tarpon Springs	Pinellas	169,741	191,324	183,937	179,827	200,493	192,414
Treasure Island	Pinellas	46,590	46,011	50,928	51,743	55,151	51,346

Note: The LCIR makes no representation as to the accuracy of the fiscal data reported by municipal governments to the Dept of Financial Svcs.
Data Source: Florida Department of Financial Services.

Charges for Service: This funding source encompasses a myriad of services for which the Town would charge a service fee. These services includes, but is not limited to, recording fees, zoning fees, enterprise fees, traffic fines, transportation impact fees.

Special Assessments – These revenues result from compulsory levies against certain properties to defray part of all of the cost of specific improvements or benefits that presumed to be of general benefit to the public and special benefit to the assessed properties. The Town could uses special assessments to fund drainage and road improvements.

Summary of Total Reported Municipal Impact Fee Revenues								
Local Fiscal Years Ended September 30, 2000 - 2006								
Municipality	County	2000	2001	2002	2003	2004	2005	2006
Belleair	Pinellas	4,127	1,659	1,678	845	-	-	-
Belleair Beach	Pinellas	3,137	9,560	4,080	2,448	998	853	999
Belleair Bluffs	Pinellas	-	-	-	-	-	-	-
Belleair Shore	Pinellas	-	-	-	-	-	-	-
Clearwater	Pinellas	9,493	1,783	34,695	37,413	19,483	37,067	33,640
Dunedin	Pinellas	229,210	543,136	753,392	711,745	1,528,929	2,158,691	1,184,786
Gulfport	Pinellas	41,261	38,970	70,140	47,281	28,040	19,984	40,717
Indian Rocks Beach	Pinellas	38,582	59,384	18,837	34,763	30,091	12,647	18,752
Indian Shores	Pinellas	-	4,460	22,985	7,511	4,997	8,556	-
Kenneth City	Pinellas	-	-	-	-	-	-	-
Largo	Pinellas	194,863	334,399	138,809	197,422	260,459	246,331	561,999
Madeira Beach	Pinellas	8,400	24,177	25,750	-	-	-	-
North Redington Beach	Pinellas	35,234	49,953	63,566	550	-	-	-
Oldsmar	Pinellas	-	971,000	1,541,031	774,073	620,293	528,268	758,601
Pinellas Park	Pinellas	326,646	499,042	347,205	499,453	302,849	445,509	207,327
Redington Beach	Pinellas	-	-	-	-	-	-	-
Redington Shores	Pinellas	-	-	-	-	-	-	-
Safety Harbor	Pinellas	50,367	55,749	22,162	121,851	179,171	78,727	-
Saint Petersburg	Pinellas	1,965,607	1,073,401	2,290,330	1,780,738	2,094,557	1,307,207	1,346,497
Saint Petersburg Beach	Pinellas	214,745	85,063	44,990	117,896	107,867	187,896	52,250
Seminole	Pinellas	38,151	9,590	22,129	94,069	42,205	201,927	124,012
South Pasadena	Pinellas	-	2,283	-	-	-	30,127	4,500
Tarpon Springs	Pinellas	552,331	1,115,650	1,261,485	973,932	1,472,270	1,586,237	825,033
Treasure Island	Pinellas	-	-	-	-	-	-	-

Note: The LCIR makes no representation as to the accuracy of the fiscal data reported by municipal governments to the Department of Financial Services.

Data Source: Florida Department of Financial Services.

County Officers' Commission and Fees – This source including commissions and fees received by the Clerk of the Circuit Court, Property Appraiser, Sheriff, Tax Collector, and the Supervisor of Elections are generated by the collection of State, County, or district levied taxes and fees derived from the sale of licenses and permits.

Fines and Forfeitures – These revenues are proceeds from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations, and for neglect of official duty. Forfeits are revenues derived from confiscation of deposits or bonds held as performance guarantees and process from the sale of contraband property. This category also includes lien payments to the Court and forfeit on bid deposits.

Interest Earnings – Interest earnings revenues include all proceeds from interest earned on investments, contracts, and notes. Some of the investment vehicles include certificates of deposit, cash pools, savings deposits, and United States Treasury bonds.

Other Revenues – Palm Harbor would also rely upon several other sources of revenue to complete its inventory of financial resources. They are sales of surplus property and scrap, rents and royalties, private contributions and miscellaneous revenue. These sources provide both recurring and nonrecurring revenues. The miscellaneous revenue category includes refunds on prior year expenditures, cost allocation reimbursement as well as other reimbursements from other sources.

Grants from Other Local Units: The Town would occasionally receive contributions from other local governmental units and authorities, such as the Southwest Florida Water Management District, for specified purposes.

Intergovernmental Revenues: Intergovernmental revenues are derived from federal, state, and local government sources in the form of grants, shared revenue, and payments in lieu of taxes.

Federal Grants - From time to time, the town could utilize federal funding programs, in the form of grants, for specific activities. These activities vary from emergency shelter care to air quality improvement. Furthermore, some federal grants are used for funding infrastructure construction through programs like the Community Development Block Grant.

Federal Grant Expenditures to Florida Municipal Governments: FFY 2006				
Municipality	County	Grant Expenditures	Population	Per Capita
Clearwater	Pinellas	\$5,159,815	110,602	\$46.65
Largo	Pinellas	\$3,123,734	75,850	\$41.18
Pinellas Park	Pinellas	\$2,994,063	48,835	\$61.31
Saint Petersburg	Pinellas	\$8,152,722	254,225	\$32.07
Treasure Island	Pinellas	\$21,079,826	7,505	\$2,808.77

Data Sources: Catalog of Federal Domestic Assistance (CFDA) & Federal Audit Clearinghouse

State Grants – Palm Harbor could receive supplement funding from various state agencies for funding infrastructure construction, and the acquisition of endangered lands and open space.

IX. BASIC ASSUMPTIONS AND METHODS

Population Estimates and Projections: Population for the first year, FY 2010-2011, is estimated at roughly 62,000 and is projected to remain at this same level. A flat population growth was arrived at by utilizing figures developed by the Planning Department of Pinellas County. The Permanent Population Projections chart figures show a decreasing 5 year growth rate as a percentage of the population. The increase from 2005 to 2010 is 2-3%, 2010 to 2015 under 2%, 2015 to 2020 under 1% and 2020 to 2025 under ½ %.

PINELLAS COUNTY, FL PERMANENT POPULATION PROJECTIONS BY PLANNING SECTOR						
PLANNING SECTORS	YEAR					
	2000	2005	2010	2015	2020	2025
Palm Harbor	59,248	62,162	63,726	64,567	65,014	65,251
Study Area % of County Total:	6.43%	6.58%	6.61%	6.59%	6.56%	6.53%
COUNTYWIDE TOTAL:	921,495	944,773	964,478	979,488	990,703	999,912

Source: 2000 Census
Pinellas County Planning Dept., 08/04, rev. 02/07

Table 9.1: Incorporation Area Estimated Population Growth

There is not much vacant-buildable land remaining in the study area, so additional population growth will be limited. We have chosen to use a more conservative annual population growth rate of zero percent. If the growth rate is higher, more revenues would accrue and expenses should go up at the same rate. Table 9.1 shows estimated study area population figures.

Population Density Calculations: Based on the 2008 estimated population of 61,838 for the study area and the 2000 census total land acreage of 11,456 the population density calculation comes to 5.40 persons per acre. Based on estimated net acreage of 9,936 the population density calculation comes to 6.22 persons per acre.

Planning Area	2008	2008	Dwelling Units	Muni Acreage	Uninc. Acreage	Sector Total
	Population	Density				
Palm Harbor	61,838	6.22	30,682	49.14	9,936.49	9,985.63
Net acres does not include public rights-of-way and bodies of water.						

Table 9.2: Population Density per acre for the incorporation area

X. IMPACT ANALYSIS

Any projections of state shared revenues beyond the current state fiscal year (2007-2008), are based on assumptions or projections independent of the Department of Revenue.

Incorporation of Palm Harbor Revenue Sharing Estimates (Subject to meeting requirements of 218.23, F.S.) State Fiscal Year - 2008-2009 (Annual Estimates)

	4/1/2007 Revenue Sharing Population			Estimated 2008-2009 1/2 Cent Distributions			Estimated 2008-09 Discretionary Surtax 1%		
	Before	After	Diff.	Before	After	Diff.	Before	After	Diff.
	Incorporation*	Incorporation		Incorporation*	Incorporation		Incorporation*	Incorporation	
Pinellas									
County's Share				\$34,267,463	\$32,327,390	(\$1,940,073)	\$60,777,421	\$57,336,470	(\$3,440,950)
Unincorporated	275,519	213,681	-61,838						
Belleair	4,158	4,158	0	197,717	\$192,014	(\$5,702)	350,673	\$340,561	(\$10,112)
Belleair Beach	1,617	1,617	0	76,890	\$74,672	(\$2,217)	136,373	\$132,440	(\$3,933)
Belleair Bluffs	2,181	2,181	0	103,708	\$100,718	(\$2,991)	183,939	\$178,635	(\$5,304)
Belleair Shore	74	74	0	3,518	\$3,417	(\$101)	6,241	\$6,061	(\$180)
Clearwater	110,514	110,514	0	5,255,028	\$5,103,486	(\$151,542)	9,320,418	\$9,051,640	(\$268,778)
Dunedin	37,658	37,658	0	1,790,668	\$1,739,029	(\$51,638)	3,175,962	\$3,084,375	(\$91,587)
Gulfport	12,814	12,814	0	609,316	\$591,744	(\$17,572)	1,080,694	\$1,049,530	(\$31,164)
Indian Rocks Beach	5,300	5,300	0	252,019	\$244,752	(\$7,268)	446,986	\$434,096	(\$12,890)
Indian Shores	1,804	1,804	0	85,782	\$83,308	(\$2,474)	152,144	\$147,756	(\$4,387)
Kenneth City	4,567	4,567	0	217,165	\$210,902	(\$6,263)	385,167	\$374,060	(\$11,107)
Largo	76,052	76,052	0	3,616,333	\$3,512,047	(\$104,286)	6,413,997	\$6,229,032	(\$184,964)
Madeira Beach	4,525	4,525	0	215,167	\$208,962	(\$6,205)	381,625	\$370,619	(\$11,005)
North Redington Beach	1,504	1,504	0	71,517	\$69,454	(\$2,063)	126,843	\$123,185	(\$3,658)
Oldsmar	13,959	13,959	0	663,762	\$644,621	(\$19,141)	1,177,260	\$1,143,311	(\$33,949)
Pinellas Park	49,377	49,377	0	2,347,915	\$2,280,207	(\$67,708)	4,164,307	\$4,044,219	(\$120,089)
Redington Beach	1,597	1,597	0	75,938	\$73,749	(\$2,189)	134,686	\$130,802	(\$3,884)
Redington Shores	2,440	2,440	0	116,024	\$112,678	(\$3,346)	205,783	\$199,848	(\$5,935)
Safety Harbor	17,848	17,848	0	848,687	\$824,212	(\$24,475)	1,505,247	\$1,461,839	(\$43,408)
Saint Petersburg	252,999	252,999	0	12,030,303	\$11,684,333	(\$345,971)	21,337,174	\$20,721,862	(\$615,312)
Saint Petersburg Beach	10,086	10,086	0	479,598	\$465,767	(\$13,831)	850,623	\$826,093	(\$24,529)
Seminole	18,739	18,739	0	891,054	\$865,358	(\$25,696)	1,580,391	\$1,534,816	(\$45,574)
South Pasadena	5,658	5,658	0	269,042	\$261,283	(\$7,759)	477,178	\$463,418	(\$13,760)
Tarpon Springs	24,628	24,628	0	1,171,081	\$1,137,310	(\$33,771)	2,077,052	\$2,017,154	(\$59,898)
Treasure Island	7,597	7,597	0	361,244	\$350,826	(\$10,418)	640,708	\$622,231	(\$18,477)
Palm Harbor	0	61,838	61,838	\$0	\$2,854,696	\$2,854,696	\$0	\$5,064,836	\$5,064,836
Totals	943,215	943,215	0	\$66,016,937	\$66,016,935	\$0	\$117,088,890	\$117,088,889	(\$2)

	Estimated 2008-09 Municipal Revenue Sharing			Estimated 2008-09 County Revenue Sharing			Total of Revenue Sources Estimated 2008-09		
	Before	After	Diff.	Before	After	Diff.	Before	After	Diff.
	Incorporation*	Incorporation		Incorporation*	Incorporation		Incorporation	Incorporation	
Pinellas									
County's Share	n/a	n/a	n/a	\$13,805,192	\$13,113,853	(\$691,339)	\$48,072,655	\$45,441,243	(\$2,631,412)
Unincorporated									
Belleair	\$87,426	\$87,228	(\$198)	n/a	n/a	n/a	\$285,142	\$279,242	(\$5,900)
Belleair Beach	\$42,230	\$42,230	\$0	n/a	n/a	n/a	\$119,119	\$116,902	(\$2,217)
Belleair Bluffs	\$81,096	\$81,096	\$0	n/a	n/a	n/a	\$184,804	\$181,813	(\$2,991)
Belleair Shore	\$1,212	\$1,208	(\$4)				\$4,730	\$4,625	(\$105)
Clearwater	\$2,990,068	\$2,981,105	(\$8,963)				\$8,245,096	\$8,084,591	(\$160,505)
Dunedin	\$1,097,714	\$1,093,834	(\$3,880)				\$2,888,381	\$2,832,863	(\$55,518)
Gulfport	\$356,962	\$356,110	(\$852)				\$966,278	\$947,854	(\$18,424)
Indian Rocks Beach	\$108,894	\$108,452	(\$442)				\$360,914	\$353,204	(\$7,710)
Indian Shores	\$31,571	\$31,477	(\$94)				\$117,353	\$114,785	(\$2,568)
Kenneth City	\$174,716	\$174,716	\$0				\$391,881	\$385,618	(\$6,263)
Largo	\$2,239,780	\$2,230,141	(\$9,639)				\$5,856,112	\$5,742,188	(\$113,925)
Madeira Beach	\$202,924	\$202,924	\$0				\$418,091	\$411,886	(\$6,205)
North Redington Beach	\$26,748	\$26,653	(\$95)				\$98,265	\$96,107	(\$2,158)
Oldsmar	\$309,308	\$307,406	(\$1,902)				\$973,070	\$952,027	(\$21,043)
Pinellas Park	\$1,354,517	\$1,348,897	(\$5,620)				\$3,702,432	\$3,629,104	(\$73,328)
Redington Beach	\$33,352	\$33,352	\$0				\$109,290	\$107,101	(\$2,189)
Redington Shores	\$50,941	\$50,941	\$0				\$166,965	\$163,619	(\$3,346)
Safety Harbor	\$467,702	\$465,789	(\$1,913)				\$1,316,389	\$1,290,001	(\$26,388)
Saint Petersburg	\$7,650,065	\$7,628,525	(\$21,540)				\$19,680,368	\$19,312,857	(\$367,511)
Saint Petersburg Beach	\$264,437	\$264,437	\$0				\$744,034	\$730,203	(\$13,831)
Seminole	\$391,115	\$387,304	(\$3,811)				\$1,282,169	\$1,252,662	(\$29,507)
South Pasadena	\$156,450	\$156,450	\$0				\$425,492	\$417,733	(\$7,759)
Tarpon Springs	\$633,307	\$629,935	(\$3,372)				\$1,804,388	\$1,767,245	(\$37,143)
Treasure Island	\$181,202	\$181,202	\$0				\$542,446	\$532,028	(\$10,418)
Palm Harbor		\$1,362,646	\$1,362,646				\$0	\$4,217,342	\$4,217,342
Totals	\$18,933,735	\$20,234,056	\$1,300,321	\$13,805,192	\$13,113,853	(\$691,339)	\$98,755,864	\$99,364,845	\$608,982

Assumptions provided by Feasibility Study
population = Palm Harbor 61,838
taxable value = 4,285,897,010

* Source: Local Government Information Handbook 2008

XI. CONCLUSIONS AND RECOMMENDATION

Legal : Palm Harbor meets all of the requirements for incorporation prescribed in the statutes of the State of Florida. Palm Harbor has made every effort to be cognizant of the needs of neighboring municipalities.

Financial: In the first fiscal year the Town will either require their per capita proportion of Reserves for Contingencies and Reserve Fund Balance from the Unincorporated – MSTU Budget or will have to take out a short term loan in order to accomplish the business of government.

The Town should be able to operate under a balanced budget without having to raise taxes. In addition, in order to arrive at these figures, revenues were projected very conservatively, and expenses very liberally. Therefore, there is a high degree of confidence in the ability of the Town to operate effectively in all but an unpredictable catastrophic situation.

However, these figures do not represent actual revenues and expenditures. If incorporation takes place, it will be the responsibility of the elected Town Council to develop annual budgets based on conditions at the time.

Recommendation: It is recommended that the citizens of the proposed incorporation area be given the opportunity to decide the future of their community with a referendum on November 3, 2009.

