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A Factual Report on Annexation for the Metropolitan Area of Jacksonville, Florida

Junius Elmore Dovell

Arthur W. Smith

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A FACTUAL REPORT ON
ANNEXATION
FOR THE METROPOLITAN AREA OF
Jacksonville, Florida

PREPARED UNDER THE AUTHORIZATION OF
THE CITY OF JACKSONVILLE

by

J E DOVELL

and

ARTHUR W SMITH

GAINESVILLE FLORIDA

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AUGUST 1962

J

DOVELL AND SMITH CONSULTANTS

GAINSVILLE, FLORIDA

August 24, 1962

Mayor Haydon Burns and
Council President Brad Tredinnick,
Members of the City Council and the
City Commission, City of Jacksonville
Jacksonville, Florida

Gentlemen:

This annexation study has been prepared under your authorization of July, 1962. At that time we proposed to present you with the "facts" concerning annexation from an unbiased viewpoint without recommendations. This report has followed this policy throughout.

We hope that this report will be of aid to you in solving some of your metropolitan problems.

Respectfully submitted,

J. E. Dovell

Arthur W. Smith

JED/phm

ACKNOWLEDGMENTS

The writers would like to take this opportunity to extend their sincere appreciation to the many fine people who made this report possible.

To a great extent this report represents a compilation of the efforts of all City and County officials and employees who have been intimately acquainted with the problems of metropolitan growth. We have personally called upon over one hundred such people and never have we found such willing cooperation.

Because of the spirit of cooperation which we met, we are personally convinced that the major problems of Greater Jacksonville can be solved.

The writers of course accept full responsibility for any and all errors in judgment or facts which appear in this report.

J. E. Dovell

A. W. Smith

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INTRODUCTION

ANNEXATION

POLICIES AND PROBLEMS

The major portion of this report deals with the rather uninteresting questions of estimated revenue, estimated expenditure and population and land use statistics. The orientation of this introduction is towards the more complex and vital issues involved with the change in governmental structure which annexation produces. The complex inter-relationship between people and the concomitant internal and external struggles to assimilate this change represent a fascinating source of inquiry to both the political office holders and the general public alike.

Specifically this introduction will attempt to answer such questions as:

1. What are the real financial costs of annexation?
2. Who is going to pay these costs?
3. Where is the money going to come from?
4. What decisions are going to be needed to acquire rights and property from the County and from private citizens performing governmental type services in the area in question if annexation takes place?
5. Can the city afford to annex new territory without diluting service to the present city population?
6. What will be the effect of annexation on existing political, social and economic groups in the city, the fringe, and the county?

There will be no attempt in this introduction to recommend any specific policy or to conclude that annexation is either good or bad. Rather the effort is being made to acquaint everyone with some of the decisions that will need to be made and to offer alternative solutions to various problems. Mention of an alternative is in no way meant to imply that either the authors of this report or any city official is in favor of or opposed to the specific alternative.

THE REAL COSTS OF ANNEXATION

The estimated annual revenue of \$3,367,816, and the estimated \$3,901,350/ Annual operating expenditure and the estimated \$2,018,350. Initial capital outlay mentioned in this report are based on reasonable expectations of providing adequate city service to the 130,900 persons living in the suburbs. As stated in detail in the report, the 2 1/2 million dollar deficit

... primarily, of the utility contribution of the residents of the fringe area.

Notwithstanding all this, this report is the tremendous budgetary requirements that will be necessary if first class needed improvements (Streets, curbs and gutters, storm sewers, sanitary sewer, sidewalks) were to be installed completely in the zones studied. Preliminary estimates of such costs vary from 30 to 175 million dollars depending upon the extent of installation.

The important question here is whether these costs exist because of annexation. If annexation does not take place, will these costs still exist? The reader, in order to form his own conclusions, should answer the following questions and perhaps an answer to the basic question will appear to him.

1. If the city annexed 41,926 acres of land which contained nothing but trees, rather than 141,000 people, 1,826 businesses, 61 industries, 1 school and 969 miles of streets, would it cost the city \$1 million dollars to maintain it? \$4 million? \$175 million? or would the city perhaps cut down some of those trees, sell them and actually make a profit?

2. If on the other hand, all these people, businesses, schools, industries and streets existed on this land but the City of Jacksonville did not exist at all and the County did not exist at all, would there be a need to appropriate money for government services? Would the amount be \$1 million? \$4 million? \$175 million?

It seems pretty obvious that the costs of providing government services exist because the people exist and, therefore, the real issue is not the costs of providing services at all, but rather which level of government can most adequately and most effectively give these people the service which they need. This issue is at the crux of the matter and many facets of the problem make this issue a complex one, and one that can only be solved by the people involved. In order to acquaint the reader with these real issues, the following list of alternatives and questions are presented:

WHO WILL PAY FOR THE SERVICES ?

WITH ANNEXATION

The suburban areas will be added to the total tax base of the city and both residents of city and suburbs will pay the cost.

Business and industry in the City and the suburbs will pay a major portion of the costs.

Residents of the county, not living in the suburbs will not pay any direct costs, although as now, they will contribute by buying city electricity and by trading in the business in the new city.

WITHOUT ANNEXATION

The entire county population will help pay the costs. City residents pay county taxes, therefore, as long as the county is providing the major portion of the services even residents of Jacksonville Beach will contribute. Farmers who do not live in the suburbs will be contributing.

If special ad hoc districts, such as fire or sewer are created only the persons actually receiving the service will pay for them.

WHO WILL DECIDE THE LEVEL OF SERVICE ?

WITH ANNEXATION

Citizens of the suburbs will join with citizens of the existing city in selecting councilmen who will decide the issue of the level of service for the entire new city. After a relatively short passage of time, due to the mobility of the population, the suburbs as an entity will lose its identity and regroupings of political, social, and economic segments of the population will occur ignoring the original city limits line. (Witness the lack of common undertakings by that portion of Jacksonville added in 1937.)

Controlling the entire development of a city concerns the central city since only through long range planning of the whole community can adequate solutions to metropolitan problems be solved. Drainage

WITHOUT ANNEXATION

The entire county including residents of Jacksonville, Jacksonville Beach, the suburbs, and the farmers jointly elect County Commissioners who will decide the level of service to be provided in this small portion of the county.

In case of special districts the residents of the special districts decide alone what level of service is to be provided by their voting on the original bond issue. However, this decision can not be reversed once it is made and the citizens have little to say about the content of the original act upon which they vote.

These districts do not follow the

problems for example do not follow arbitrary political demarcations, they follow geographic contours.

zones outlined in this report, neither do they always follow particular neighborhoods. Often a fire district will have different boundaries from a sewer district and this results in a lack of homogeneous political groupings. Fire districts which do not also include water districts, makes good protection almost impossible.

WHAT TYPE OF POLITICAL AND ECONOMIC GROUPING WILL TAKE PLACE?

WITH ANNEXATION

The City will need to decide what policy to follow in acquiring property owned by private enterprise. For example, many private companies created to provide refuse collection service have operated at a loss for years because they know the area is growing and expect to make a large profit in the future after the population has reached a particular density. These persons often give a personalized service which governmental employees neglect and, therefore, annexation will be opposed by these groups.

On the other hand many persons have no adequate refuse collections at all and these would look forward to city services because no profit can be made by serving them.

County employees presently holding positions which serve these areas may find themselves without employment, although even after annexation a continuous increase in county service can be expected.

WITHOUT ANNEXATION

Private enterprise attempting to provide government services often find that they can not provide services to large portions of the population at a profit. They must organize to prevent the multiplicity of such organizations that leads to such serious competition and overlapping of routes that no one makes a profit.

Many county officials are disturbed because they can not provide the level of service to this highly populated area because of insufficient manpower. They work overtime to provide services to this area yet many rural areas are paying taxes and yet can not possibly get all the service they want. Oftentimes County Commissioners are faced with the dilemma of too much demand for service and too little money.

Persons living and doing business in these areas with high skill resent the lack of control placed on the "fly by nighter" and are anxious to get city controls for their particular industry.

See page 22 where it is stated that private collectors are making a profit

Persons with limited experience may be unable to pass city occupational competency exams, yet are operating as a business in this area now. These people will be deprived of a portion of their livelihood and will undoubtedly oppose annexation.

HOW CAN THE NEEDED CAPITAL IMPROVEMENTS BE FINANCED?

WITH ANNEXATION

The city, as a corporate body is entitled to float revenue certificates as well as general obligation bonds. Generally such items as utility tax and cigarette tax may be used as pledges for repayment of Revenue Certificates. There is a direct relationship between persons receiving the value of water mains and the utility tax and generally the residents who receive the service pay for it rather than the burden going upon business and farm land.

WITHOUT ANNEXATION

The only method the county can use to go into debt to pay for long term capital improvements is through general revenue bonds. Sewer mains may serve a property which is completely under homestead exemption or is occupied by renters. As a result bond issues fail because property owners who will receive no service refuse to pay for the service to someone else. On the other hand citizens who need these services and are willing to pay for them through utility tax or sewer charges have no method for receiving the service or voting to get it.

WHO WILL PROVIDE THESE SERVICES?

WITH ANNEXATION

City personnel organized by charter under an urban form of government created by the State Legislature with specific chartered powers. The individual human being's actions as a policeman for instance is not at issue, the organization of city police was designed to handle urban police problems. Accused persons are tried by city courts which have as their sole purpose enforcement of City Ordinances.

WITHOUT ANNEXATION

County personnel organized by the State Constitution as an arm of the State. These personnel must execute state warrants and do many functions related to rural and state government. Cases are tried in County Courts which have responsibility for enforcing all state laws as well as county rules and regulations.

In special districts an entirely new organization must be created with responsibility to an independent board or commission. The more districts the more organization and boards will exist.

The above discussion is in no way meant to present a complete story of the problems of annexation. There is enough here, however, to point out just how complex the issues of changing government levels of service and in solving the problems of growth in all metropolitan areas really may be.

One last question needs to be resolved. If the citizens after examination of the issues vote to annex the territory embraced in this report, will the City of Jacksonville have the money to provide the services without seriously affecting their overall financial structure?

The following facts can be used in determining an answer:

1. Estimated revenue from the area is nearly enough to provide annual operating expenditures as estimated in this report. It should be reemphasized at this point that the estimates included in this report are based on 1962 population figures and prices. For the past 2 1/2 years the Jacksonville suburbs have been adding approximately 300 new people per month. If this rate continues, the estimates will need to be revised in 1964.
2. The City of Jacksonville at the present time has a sufficient number of well trained officers in the police and fire departments to handle the top echelon of the new men needed as a result of annexation.
3. The area to be annexed will contribute over \$600,000 in Utility Taxes and nearly \$1 million in Cigarette Taxes annually which can be used to provide capital improvements or used as a pledge to repay revenue bonds.
4. Any program for issuing bonds to finance Capital Improvements in the annexed area, as well as within the present corporate limits, will be dependent upon future planning and the availability of funds for such purpose.

CHAPTER I

CHARACTERISTICS OF THE ZONES PROPOSED FOR ANNEXATION

The zones studied for possible annexation to Jacksonville are those created by the Special Act of 1961 (Chapter 61-2326, Laws of Fla.). A thorough investigation of the areas has been conducted using both field observation and aerial photography. The discussion which follows gives a picture of the socio-economic characteristics of these zones

Why were not the areas of Cedar Hills, Wesconnett and Ortega Terrace included in the annexation plan?

LAND SUPPLY

Each of the four zones was divided into survey sections and the extent and nature of each section's land used was calculated from statistics compiled from the field survey. In each of the areas, certain geographical factors curtail future extension of land use, the St. Johns River being the most obvious example. Table I shows the summary by area of the land supply. The "in use" column signifies that the land is presently being used for residential, commercial, industrial or institutional uses. "Non-usable" includes roads, streets, railroads, swamps, lakes, and rivers. Available land includes the land available for further residential, commercial, industrial or institutional use.

TABLE I

LAND SUPPLY

1962

ZONE	IN USE		NON-USABLE		AVAILABLE		TOTAL	
	Acres	%	Acres	%	Acres	%	Acres	%
1	3,500	45.6	1,100	14.3	3,080	40.1	7,680	100
2	4,500	42.6	2,660	25.2	3,400	32.2	10,560	100
3	4,000	43.1	1,800	19.4	3,480	37.5	9,280	100
4	6,480	45.0	2,880	20.0	5,040	35.0	14,400	100
Total	18,480	44.1	8,440	20.1	15,000	35.8	41,920	

LAND USE

The type of use for each area shows even more thoroughly the extent of urban growth in the Jacksonville area. The information compiled in Table 2 is valuable not only for an analysis of annexation, but also in terms of business potential, potential growth, and business opportunity. It can also play a role in determining the location of future schools. The exact number of residences, schools, business and industry for each zone was compiled from actual counts in the field in 1959 and were updated in 1962 based upon issuance of County building permits.

TABLE 2

LAND USE BY ZONE

1962

ZONE	HOUSES	BUSINESSES	INDUSTRIES	SCHOOLS
1	6,548	573	32	9
2	11,462	409	13	12
3	7,611	263	2	8
4	13,776	581	14	13
Total	39,397	1,826	61	42

POPULATION

The most important measure of the growth of the Jacksonville fringe area is to be found in the extent of population growth. Using data gathered by the U. S. Census Bureau it was possible to assign each Census Enumeration District to the proper zone. The result of this effort is found in Table 3 and represents an accurate count of houses and population in 1960. In order to update these figures each and every building permit issued since the Census was taken in April 1960 was examined and assigned by zone. The results of this were multiplied by the factor of 3.3 to 3.5 depending upon the population per house found in each zone by the Census Bureau. The results are found in Table 3.

TABLE 3

HOUSES AND POPULATION

BY ZONE

1960 - 1962

ZONE	NUMBER OF HOUSES		POPULATION	
	April 1960	August 1962	April 1960	August 1962
1	6,454	6,548	21,925	22,280
2	9,967	11,462	35,355	40,587
3	6,569	7,611	21,569	22,207
4	13,105	13,776	43,612	45,826
Total	36,095	39,397	122,461	130,900

ROADS AND STREETS

The condition, number, and miles of streets and roads is valuable both in determining the extent of growth and the potential cost of the area. Using field observation, aerial photographs, maps, and other information gathered by Mr. D. S. Herbertson, Assistant City Engineer, the total number of miles of streets in each zone was determined and the results are found in Table 4.

TABLE 4
MILES AND STREETS BY ZONE AND CONDITION

ZONE	PAVED	DIRT	TOTAL
1	215.1	10.6	255.7 225.7
2	250.3	67.3	317.6
3	127.1	6.8	133.9
4	275.2	16.6	291.8
Total	867.7	101.3	969.0

The percentage of paved streets in the fringe areas compares favorably with Jacksonville proper, particularly when you realize that nearly all of downtown Jacksonville is paved. However, the streets in subdivisions in the fringe area are not constructed under the supervision of the city and many are without curbs and gutters and adequate storm sewers, and have insufficient paving bases. However, new subdivisions developed in the last few years have been installed under the new County Subdivisions Regulations, and as a result, compare favorably with those in the City.

SUMMARY

In summary, it can be stated categorically that all of the zones studied are urban areas, with urban problems. The 130,900 people who live in these areas either are demanding or will demand the many costly services provided only by urban government. The trend is evident by looking at actual construction today, the areas will continue to grow and demand more and more services. Fire protection, police protection, health, refuse collection, zoning, street maintenance, are only a few of the services these 130,900 people need now.

When people need services they have a tendency, under our democratic system, to get them one way or the other. We confidently predict that these people will begin to demand all of these services in the near future.

CHAPTER II

ESTIMATED REVENUE AS A RESULT OF ANNEXATION

There are four general sources of revenue available to the City of Jacksonville:

- (1) General Property Tax
- (2) Transfer of funds from the Utility Department (Including a 10% utility tax)
- (3) Licenses, permits, fines, and fees, and
- (4) Refunds from the State of cigarette taxes collected in Jacksonville

Each of these sources were studied minutely and separately in each of the outlying zones. The following represents a summary of the findings of this investigation.

AD VALOREM TAXES

There are several aspects of the Ad Valorem Tax structure in the Jacksonville area which are important in understanding the revenue picture. The first of these is the Constitutional prohibition against taxing the first \$5,000.00 of value of property used for personal residence by the owner. This "Homestead Exemption", as it is popularly called, can be taxed for bond retirement purposes provided such a bond issue was authorized by the freeholders in an election held for that purpose before the passage of the Homestead Exemption Amendment. No levy can be placed on homesteads inside the City of Jacksonville since all of the old bonded indebtedness incurred before 1934 has been paid.

The tax levy available for general fund purposes on non-exempt real property inside the city was 17.5 mills in 1962. If an increase or decrease in the total levy is passed in the future, after annexation, this increase or decrease would apply to both the new and the old sections of the city alike.

A second important problem in the determination of potential revenue arises in determining the level of assessment in the county and the city. In order to estimate potential revenue from this source, the county assessments were used. The figures in Table 5 are actual totals of county assessments for each and every piece of property located in the zones as shown on the 1962 Tax Roll.

TABLE 5**ASSESSED VALUATION BY AREA**

ZONE	HOMESTEAD	NON-EXEMPT	TANGIBLE PERSONAL	TOTAL TAXABLE NON-EXEMPT
1	\$ 17,787,260	\$ 15,830,520	\$ 8,898,160	\$ 24,728,680
2	32,987,920	10,311,180	2,171,760	12,482,940
3	34,961,220	19,313,680	4,662,760	23,976,440
4	40,236,020	17,680,000	6,582,560	24,262,560
Total	\$ 125,972,420	\$ 63,135,380	\$ 22,315,240	\$ 84,450,620

A third important problem arises from the fact that the Special Act, previously referred to, specifically requires that no property will go on the tax roll until the calendar year following the year in which the annexation takes place. The estimated revenue from property tax, both real and personal, as shown in Table 6 will not be available to the city until late in 1964.

A fourth important consideration is that the Special Act also provides that the property in the area to be annexed can not be taxed to pay for any bonded indebtedness incurred prior to said annexation.

TABLE 6**ESTIMATED REVENUE FROM CITY PROPERTY TAX****BY TAX**

ZONE	REAL PROPERTY 17.5 mills	PERSONAL PROPERTY 17.5 mills	TOTAL
1	\$ 277,034	\$ 155,717	\$ 432,751
2	180,446	38,006	218,452
3	337,989	81,598	419,587
4	309,400	115,195	424,595
Total	\$ 1,104,869	\$ 390,516	\$ 1,495,385

TRANSFER OF FUNDS FROM UTILITY DEPARTMENT AND THE UTILITY TAX

The 1962 budget estimates show that 63.7% of the total Jacksonville General Fund Operating Budget is received as a transfer from the Electric Utility Fund. This is the most important single factor in the financial picture of annexation. At the present time the city is providing electricity to nearly all of the fringe area studied. Water service is provided to approximately 50% of zone 1, 25% of zone 2, 25% of zone 4, and none of zone 3. The city presently collects a higher rate for service outside the city limits. In addition the minimum fee for use of utilities outside is higher than that inside. As a result the city will actually have less revenue from this source than it has at the present for General Fund Operating purposes.

On the other hand the city will have an increase in revenue from the 10% utility tax. This utility tax applies to all utilities including gas, water, electricity, telephone, etc. Since the people in the suburbs use all these utilities, a large potential source of revenue to the city will result from annexation. Estimates of these amounts, which will be available the first of the year, (1964), are found in Table 10. These estimates represent the total amount of utility tax which will be remaining after the estimated loss of revenue from the reduced rates has been subtracted. These estimates are based on the following factors: Population, Number of Utility Accounts, Telephone Billings, Revenue from this source to the present city, and the relationship of business to population.

In trying to understand the reasons for the cost exceeding revenue of annexation, the fact that the residents outside are already contributing to the municipal government general fund through utility billings is the most important consideration. The city would be in serious financial condition if it had to provide services without the 13.9 million dollars they receive from the Electric Utility Department for General Fund Operating purposes.

LICENSES, PERMITS, FINES AND FEES

OCCUPATIONAL LICENSES

The estimate of potential revenue from this source is based on several factors. First, the number and kind of businesses was calculated from a field survey made by the Municipal Inspector in 1961. This was compared to the type and amount of businesses inside the corporate limits. Based on present revenue from this source inside the city the total figures for each zone was calculated. The figures were updated based on building permits issued since 1961. See Table 7 for the total revenue from this source by area.

TABLE 7

ESTIMATED REVENUE FROM
OCCUPATIONAL LICENSES
BY AREA

ZONE	NUMBER OF BUSINESSES AND INDUSTRIES	ESTIMATED REVENUE
1	605	\$ 45,000
2	422	30,000
3	265	16,000
4	595	42,000
Total	1,887	\$ 133,000

PERMITS

The city presently does not charge for building permits, electrical permits, and plumbing permits for work done outside the city limits.

The city rates in Jacksonville are comparable to those of other cities in the state. The total revenue received from this source in Jacksonville as compared to the budgeted estimates for expenditures necessary to provide these services are illustrated in Table 8.

TABLE 8

COMPARISON OF REVENUE AND
EXPENDITURES FOR
BUILDING INSPECTION

	REVENUE	EXPENDITURE
City	\$ 135,000	\$ 260,200
County	\$ 177,517	\$ 152,763

An analysis of these figures shows that revenue is falling short of the cost of rendering the service. In the event of annexation this should be remedied, since most of the building is taking place outside the city limits.

Total revenue from this source should increase after annexation, as can be seen by comparing

county revenue from this source as estimated in the 1962 Duval County Budget. (See Table 8). There will, of course, be an increased cost because of the need for additional personnel, however, increased cost will be proportionately less than the increased revenue because of the fact that it will be possible to spread the fixed costs over a larger area. The total difference involved between revenue and expenditure, after annexation, is small enough that the financial facts will not be materially affected enough to warrant a more detailed analysis.

CIGARETTE TAXES

The city receives almost 6 1/2% of its total revenue as a transfer of funds from the State in cigarette tax refunds. The revenue relative to population in Jacksonville is \$7.23 per capita. A study of other cities has shown that the per capita figure in well developed suburban areas is the same as in the central city. A \$7.00 per capita revenue was used as a conservative base for estimation. Table 9 shows the estimate by zone.

TABLE 9
ESTIMATED REVENUE FROM
CIGARETTE TAX
BY AREA

ZONE	POPULATION	TAX
1	22,284	\$ 155,983
2	40,587	284,109
3	22,207	155,449
4	45,805	320,635
Total	130,883	\$ 916,181

MISCELLANEOUS

Other miscellaneous fees and fines were estimated on the basis of per capita revenue from present inhabitants. The totals for all of the fees mentioned above are found in Table 10, and a complete picture of the revenue by zone for the entire fringe around Jacksonville is found in Table 11.

TABLE 10

ESTIMATED REVENUE FROM UTILITY TAX AND MISCELLANEOUS CHARGES BY ZONE

ZONE	UTILITY TAX	FINES AND FEES
1	\$ 94,700	\$ 45,459
2	172,500	82,797
3	94,380	45,302
4	194,670	93,442
Total	\$ 556,250	\$ 267,000

TABLE 11

ESTIMATED TOTAL REVENUE ALL SOURCES

ZONE	PROPERTY TAX (17.5 mills)	OCCUPATIONAL LICENSES	CIGARETTE TAX	UTILITY TAX	MISCELLANEOUS	TOTAL
1	\$ 432,751	\$ 45,000	\$ 155,988	\$ 94,700	\$ 45,459	\$ 773,898
2	218,452	30,000	284,109	172,500	82,797	787,858
3	419,587	16,000	155,449	94,380	45,302	730,718
4	424,595	42,000	320,635	194,670	93,442	1,075,342
Total	\$1,495,385	\$ 133,000	\$ 916,181	\$ 556,250	\$ 267,000	\$ 1,367,816

Handwritten: This figure is correct.

CHAPTER III

ESTIMATED EXPENDITURE BY DEPARTMENTS AFTER ANNEXATION

The expenditures represented in the tables included in this chapter are based on departmental estimates of additional cost necessary to provide a city level service to the zones proposed for annexation. These estimates were computed using the latest statistical data as compiled by recent research methodologists. Per capita costs as well as area, need for service, extent of existing service, character of the district in question all were used in making these calculations.

Jacksonville is a growing city. This growth is evidenced inside the city by an ever rising budget, and whether or not annexation takes place, the citizens of Jacksonville can expect an ever increasing governmental expenditure. Every effort was made to eliminate this factor in determining costs.

It should be emphasized at this point if no service is demanded, no cost is involved. The level of cost is based entirely on the level of service. If no service other than what is now provided by the county is provided then the city can expect only the cost proportionate to what the county is presently spending in the area.

It should be concluded that the city employees are any more or less efficient than county employees. The city can not necessarily provide any particular service cheaper than can the county; rather the question revolves around which of the two governmental agencies is best oriented to solve the fringe area problems.

The county historically and currently is a creature of and an agent for the state. It was established, and its main purpose is, to serve rural areas. The entire frame work of county government is based on the premise of a governmental unit to serve the problems of a large geographical area with widely dispersed population.

The city is a corporate body created to provide governmental service to a relatively small, densely populated area with specific problems. If an area becomes densely populated the demand for the level of service goes up. A dirt road serving one farmer has little per mile maintenance cost. Maintaining a dirt street serving 100 people is an expensive proposition.

An adequate level of service expected by people paying city taxes was used in each instance. The only reason for paying city taxes in addition to county taxes is to receive an increased level of service. If the residents are satisfied with their present level of service they will probably not vote to impose additional taxes upon themselves.

Each of the following cost presentations is preceded by a discussion of the present level of service:

FIRE PROTECTION

The City presently has 16 fire stations, 2 marine stations, 1 high pressure pump station, 1 fire department shop, and 1 training school. In addition to city protection the city furnishes fire personnel at the airport station. The buildings and apparatus at the airport are furnished by the U. S. Government.

At the present time there is one volunteer fire department in each of zones 1, 2, and 3 and two in zone 4. In addition, two volunteer departments are immediately outside zone 4.

In 1958, the county purchased 13 pieces of equipment for their volunteer departments and the 1962 Duval County Budget calls for an appropriation of \$320,441.87 for additional equipment and man power in all the Special Service and Improvement Districts.

In 1961, the city answered 3,925 fire calls of which only 22 were outside the city limits. There is no charge for calls outside the city. Fire Chief Frank C. Kelly states that the policy of the city is to answer calls inside the city first, then if equipment is available they will answer calls on the basis of human kindness. There is no legal obligation to provide any service outside.

A policy decision needs to be made as to whether the city will acquire or not acquire existing-county equipment. In an interview with Mayor Haydon Burns, Mayor Burns stated that he would recommend that the county equipment would be left with the county to be used in other areas, but that provisions would be made to absorb all qualified volunteer firemen into the city fire department where ever possible. Special legislation would be introduced to guarantee these volunteers their retirement rights.

The National Board of Fire Underwriters in Special Interest Bulletin #52 gives the following formula for determining fringe area protection: Companies needed equal $3.4 \text{ plus } .07 P$ where P is the population in thousands of the central city and the fringe area. Using this formula Jacksonville would need 26 companies to protect their insurance ratings. The city presently has 17 companies, and as a result a total of 9 engine companies would be needed eventually if all four zones are annexed.

In addition, in order to assure a better rating in the entire new city, it will be necessary to install fire hydrants. Estimated costs of providing fire hydrants are impossible without also including the cost of installing complete water service. These estimates cannot be made until a series of policy decisions have been made. Will the city acquire the private water systems? What method will be used to determine the value of these systems? If the city does not acquire the systems, what policy will be used to require installations of fire hydrants?

In the absence of adequate fire hydrants, Fire Chief Kelly has recommended the purchase of additional pumpers and 1500 gallon tank wagons. The cost of providing the necessary equipment and personnel for four single and two double fire stations is found in Table 12.

If fire hydrants & high pressure water mains are not installed, then fire insurance ratings will remain unchanged and there will be no savings in the 4 zones. If installations are made what will be the cost and how will this cost be met?

Expenditures shown in Table 12 are based upon available fire hydrants and high pressure water mains otherwise the Table has no merit.

TABLE 12

ESTIMATED EXPENDITURE BY FIRE DEPARTMENT

ZONE	ANNUAL COST			CAPITAL OUTLAY		
	PERSONNEL	OPERATING	TOTAL	APPARATUS	LAND AND BUILDINGS	TOTAL
1	\$ 147,500	\$ 5,800	\$ 153,300	\$ 49,600	\$ 80,000	\$ 129,600
2	320,600	12,300	332,900	139,100	190,000	329,100
3	215,100	8,600	223,700	93,000	135,000	228,000
4	215,100	8,600	223,700	93,000	135,000	228,000
Total	\$ 898,300	\$ 35,300	\$ 933,600	\$ 374,700	\$ 540,000	\$ 914,700

The requirements as exemplified in the costs estimates are based on one single fire station in zone 1, one single and one double in zone 2, one single and one half double in zone 3, and one single and one half double fire station in zone 4. If only zone 3 for instance were to come into the city it would require two single stations rather than one single and one half double stations and the cost would have to be revised accordingly. The same would apply to any other combination of zones that come into the city.

POLICE

The County Sheriff is presently providing services to the areas to be annexed to the extent possible within his limited budget. All in all, the County Sheriff in addition to many other responsibilities must serve the entire area of the county not inside the city, with some type of police protection. The County is divided into 23 precincts of which 15 precincts (beats) cover the zones being studied in this report.

The County Sheriff's appropriation for the fiscal year ending September 30, 1962, comes to approximately \$2 million, of which \$851,659.28 was for Sheriff's Department and \$1,172,722.18 for Traffic Officers. There was a total of 150 personnel in the traffic division to serve the entire county outside the incorporated limits of any municipality. Over 96% of the land in Duval County lies outside the City of Jacksonville and in 1960 the population of the unincorporated area exceeded that of Jacksonville. The Sheriff's Department has many functions other than those of police protection. For example, in 1961 the Sheriff's office served 20,400 civil papers, handled 1,325 executions, and state tax warrants. In 1961, the Duval County Patrol answered 68,733 calls plus handling 218,162 auto tag

registrations and investigated 4,299 traffic accidents.

The Sheriff's Department will need more men and equipment if the City does not annex these 130,900 people. Sheriff Dale Carson stated that he believed that the manpower which he presently has will be adequate to serve the remainder of the County if this area is annexed, but if it is not annexed he would need to increase the total number of his personnel. His aim, in order to adequately serve the County would be to employ at least 1.8 police personnel per one thousand population.

The estimates as provided by Police Chief Luther A. Reynolds to provide urban level service to the 130,900 people found in the zones proposed for annexation are found in Table 13.

TABLE 13 *Do crime figures in the 4 zones show the need of expenditures in Table 13?*
ESTIMATED POLICE EXPENDITURE
BY ZONE

ZONE	ANNUAL OPERATION	CAPITAL OUTLAY
1	\$ 230,200	\$ 26,700
2	221,800	24,900
3	219,500	27,300
4	295,600	36,900
Total	\$ 967,100	\$ 115,800

One very important principle needs to be clarified at this point. The salaries included in the estimate of fire, police, and other departments expenditures represents the services of many men. It takes time to recruit this personnel, especially officers with years of experience, as a result the total expenditures estimated can not be expected to be incurred immediately after annexation takes place. The same applies to capital outlay. It is impossible, for instance, to build six fire stations the first week, and of course as a capital improvement, the cost should be spread over the life time of the building. On the other hand, as the suburbs continue to increase in total population, an increase in revenue and expenditure should be expected.

STREET MAINTENANCE

At the present time the county gives a limited maintenance to streets in the fringe area. The county has a total street maintenance budget from which each County Commissioner draws one-fifth for road and bridge maintenance for his section of the county. The commissioner spends this money on bridges, culverts, drainage ditches and canals, road grading, and general highway maintenance.

The capital outlay requirements for resurfacing and rehabilitation of streets in the county which are secondary roads is paid for from the county portion of the 5th, 6th and 7th cent gasoline tax.

At the present time the county is not spending gasoline tax money in the city except on state roads. This is in spite of the fact that most gasoline is actually purchased inside the Metropolitan Jacksonville area. This policy would have a very adverse effect on the fringe area development in the event of annexation. In other words, unless there is a change in policy the county would not need to spend money in the fringe area for capital improvements and the city would need to find other sources

From where? of revenue to overcome this deficiency. The General Statutes of the State of Florida require most counties to reimburse the cities one half of the tax money collected in said cities to be used for road and bridge purposes by the city. This General Statute does not apply in Duval and a few other counties. The net result is that under present policy the City of Jacksonville and the fringe area will be financially penalized in the event of annexation. One remedy is for the State Legislature to change the policy and require the county to contribute to road maintenance inside the city limits. *(ad valorem)* *it does for ad valorem taxes but not for gas tax.*

How much? The county presently has subdivision controls and with the added restrictions placed on subdividers by F. H. A. most of the new subdivisions are being developed with paved streets. As a matter of fact a larger proportion of the streets in the fringe area are paved than in the city proper. It should be noted, however, that the failure to maintain these streets will lead eventually to their deterioration. The quicker that the level of maintenance is raised to city standards, the less the street maintenance will cost. *← Explain the difference.*

Street maintenance costs in cities the size of Jacksonville averages approximately \$500.00 a mile per year for paved streets and \$2,000.00 per mile for dirt streets, thus paving eventually pays for itself. The cost of annual maintenance on a minimum basis to prevent further deterioration is estimated by area in Table 14. These estimates include the cost of street cleaning.

TABLE 14
STREET MAINTENANCE COST BY ZONE

ZONE	PAVED STREETS	DIRT STREETS	TOTAL
1	107,550	21,200	128,750
2	125,150	134,600	259,750
3	63,550	13,600	77,150
4	137,600	33,200	170,800
Total	433,850	202,600	636,450

SANITARY SEWER COSTS

In September 1955 a comprehensive sanitary and storm sewer master plan for the Greater Jacksonville area was prepared by Metcalf and Eddy, and Reynolds, Smith and Hills, consulting firms. This 121 page comprehensive study of the sewer problems of Greater Jacksonville should be referred to for any information relative to this problem.

Any sewer problem which exists now will continue to exist regardless of annexation. Sanitary sewage disposal is a community problem and the adverse effects of poor drainage and contaminated land due to inadequate facilities does not bother to stop at any arbitrary political boundary. The city has already begun to make great strides towards solving the sewer problem particularly through their multi-million dollar project in the West End of Jacksonville.

STREET LIGHTING

At the present time except for major highways there is practically no street lighting in the fringe areas. This particular function is a relative luxury rather than a necessity except in areas where crime rates are high. Street lighting cuts crime rates considerably. The residents of the fringe area should not expect immediate solution to all their lighting problems since this is a time consuming and expensive operation. The present policy is for the city to install lights in residential areas on a request basis. This is particularly appropriate since many persons prefer to not have street lights in front of their homes. Lights are installed on major highways on a priority basis at the discretion of Commissioner J. Dillon Kennedy.

Mr. Cyrus Washburn of the Utility Department estimates the cost of installation of street lights at approximately \$75.00 per unit, which does not include pole. In addition the maintenance and power costs are approximately \$30.00 per unit per year. The cost estimate for providing lighting based on an average of one light for each mile of street is found in Table 15.

TABLE 15

STREET LIGHTS

ZONE	NUMBER OF LIGHTS	INSTALLATION	ANNUAL MAINTENANCE
1	$226 \times 10 = 2260 \times \100 226	226,000 \$ 16,950	67,800 \$ 6,780
2	$318 \times 10 = 3180 \times \100 318	318,000 23,850	95,400 9,540
3	$134 \times 10 = 1340 \times 100$ 134	134,000 10,050	40,200 4,020
4	$292 \times 10 = 2920 \times 100$ 292	292,000 21,900	87,600 8,760
Total	970	970,000 \$ 72,750	291,000 \$ 29,100

Table 15 is without meaning for cost estimates of street lighting based upon 1 light per mile of street is an absurdity.

REFUSE COLLECTION AND DISPOSAL

At present there are a number of private firms collecting and disposing of garbage in the fringe area. The average charge for this service is \$2.00 per month. The City of Jacksonville does not charge for this service. The estimates of cost to provide this service to the areas in question is found in Table 16.

TABLE 16

**REFUSE COLLECTION AND DISPOSAL COST BY ZONE
ANNUAL AVERAGE COST**

ZONE	SALARIES	OPERATION	TOTAL	CAPITAL OUTLAY
1	\$ 22,100	\$ 114,400	\$ 136,500	\$ 199,300
2	29,000	148,400	177,400	226,200
3	16,700	106,100	122,800	159,600
4	44,500	210,000	254,500	330,000
Total	\$ 112,300	\$ 578,900	\$ 691,200	\$ 915,100

These costs were compiled by the Garbage Collection and Street Cleaning Department, and represent the long term cost of providing complete service on a par with that inside Jacksonville. Immediate cost of providing this service on a lesser scale will be substantially lower. Most cities charge for refuse collection, and in the future if the policy should be made to do so, refuse collecting could be a self supporting operation. Proof of this lies in the fact that the private collectors are making a profit on this operation in the existing suburbs.

One of the big policy decisions that need to be made relates to finding an equitable method of reimbursing the private collectors for their time, effort, and capital investment. Some cities have permitted existing companies to continue in operation until such time as the city was ready to fully service the newly annexed areas.

STREET SIGNS

The fringe area is presently well marked with street signs. The additional maintenance cost involved in the additional areas added is small enough to have little effect on the total financial picture of annexation. If and when a quadrant or alphabetical system of street designation is put into effect in Jacksonville then the additional cost to put signs on every street in the entire area to be annexed would be considerable.

HEALTH

Unlike most counties in the State of Florida, the Health Department function is divided between the City and the County. The City Health Department does not share staff with the County Health Department.

Once again the level of service is higher in the concentrated area of the City. *? How*

Dr. Edward R. Smith of the Health Department has prepared a comprehensive estimate of the financial needs of the Health Department by zone. These figures are found in Table 17, and should be considered as maximums. A temporary budget of something less than this figure could be used during the beginning months of operation due to the time it takes to recruit qualified personnel.

TABLE 17
ESTIMATED HEALTH EXPENDITURE BY ZONE

ZONE	POPULATION	ESTIMATED COST
1	22,280	\$ 78,000
2	40,587	142,000
3	22,207	77,700
4	45,826	160,400
Total	130,900	\$ 458,100

The Health Department is responsible for septic tanks ordinance enforcement, restaurant inspection, sanitary patrolmen, food store inspection, rodent control, mosquito control and dog impoundment. In addition to these enforcements the city also provides general health measures including T. B. X-Ray service, nutritional counseling, dental correction service, vital statistics, and milk inspection.

RECREATION

The general function of recreation is divided into three major departments of city government, namely, Parks Department which is responsible for the physical facilities, Recreation Department which is responsible for the planned programming, and supervision of activities and the Library.

The Recreation Department is operated separately from the General Fund. At the present time their major revenue source is a 1.9 millage rate on assessed valuation. The estimated revenue from this source is found in Table 18. This money will be available for budgeting by the Recreation Department.

TABLE 18
ESTIMATED REVENUE FROM PROPERTY TAX
FOR RECREATION PURPOSES
1.9 MILLS

ZONE	NON-EXEMPT VALUATION	ESTIMATED REVENUE
1	\$ 24,728,680	\$ 47,000
2	12,482,940	23,700
3	23,976,440	45,600
4	24,262,560	46,100
Total	\$ 85,450,620	\$ 162,400

CITY EQUIPMENT MAINTENANCE GARAGE

The tremendous increase in each city service with its concomitant increase in motor vehicles would result in a need for increased facilities to repair and maintain city vehicles. These facilities including personnel would then be charged back to the different operating departments. Each department has its own equipment and work done by the garage is charged on a revolving fund basis. Thus, it is fairly accurate to state that except for initial capital outlay which would also eventually be recouped, there would be no new costs as a result of annexation per se.

ADMINISTRATION

The city presently includes in its budget a total of 5% for administrative services. This is the "overhead" of government. It includes city hall maintenance, clerical staff, mayor's office, tax collection, tax assessment, city attorney costs, court expenses, and many other miscellaneous services. The city can expect an increased cost representing 5% of the total cost. This calculation is shown in Table 19.

SUMMARY

The total estimated departmental expenditures are summarized in Table 19. This table illustrates the fact that has been stated often before in this report. Increased services means increased cost. Increased revenue is short of estimated increased expenditure, because the city is already receiving revenue from the study areas through the utility contribution. Table 20 shows the estimated capital outlay for each zone. These figures represent an initial cost for equipment, and in case of the fire department also includes the cost of proposed fire buildings.

TABLE 19

ANNUAL OPERATING EXPENDITURE BY
DEPARTMENT AND ZONE

ZONE	1	2	3	4	TOTAL
Fire	\$ 153,300	\$ 332,900	223,700	\$ 223,700	\$ 933,600 ? ✓
Police	230,200	221,800	219,500	295,600	967,100 ? ✓
Street Maintenance	128,750	259,750	77,150	170,800	636,450 ? ✓
Street Lights	6,780	9,540	4,020	8,760	29,100 ? 582 000 (every 250 ft)
Refuse Collection	136,500	177,400	122,800	254,500	691,200 ?
Health	78,000	142,000	77,700	160,400	458,100
Administration	36,700	57,200	36,200	55,700	185,800
Total	\$ 770,230	\$ 1,200,590	\$ 761,070	\$ 1,169,460	\$ 3,901,350

1940
Garage

TABLE 20

INITIAL CAPITAL OUTLAY
BY
DEPARTMENT AND ZONE

ZONE	FIRE	POLICE	STREET LIGHTS	REFUSE COLLECTION	TOTAL
1	\$ 129,600	\$ 26,700	\$ 16,950	\$ 199,300	\$ 372,550
2	329,100	24,900	23,850	226,200	604,050
3	228,000	27,300	10,050	159,600	424,950
4	228,000	36,900	21,900	330,000	616,800
Total	\$ 914,700	\$ 115,800	\$ 72,750	\$ 915,100	\$ 2,018,350

What about franchises of Garbage Collectors?
Will they be bought by City or will
they continue in force?

CHAPTER IV

ECONOMIC AND LEGAL CHANGES RESULTING FROM ANNEXATION

PROPERTY TAX

Residents of the areas which would be annexed under the present proposal will pay annually, in event of annexation, a city real property tax of \$17.50 (or 17.5 mills) for each \$1,000, of assessed non-exempt valuation for general fund purposes, and 1.9 mills for Recreation purpose. Since the assessments of real property now used by the City of Jacksonville are similar to those of the County there would be no great change in present assessment levels. All residents of both the city and the fringe areas would continue to pay the usual County real property taxes and personal property taxes. Further, the city personal property tax of 19.4 mills would be levied on all personal property.

OTHER TAXES

Persons living in the fringe areas would likewise be subject to all other present city taxes or licenses. These would include the charges for building, electric and plumbing permits. Persons or corporations engaged in business which require professional or occupational licenses would be subject to these city regulations.

One real advantage to be gained from the incorporation into the city of the fringe areas would be the hundreds of thousands of dollars in cigarette taxes which now go to the State of Florida from the five cent per package tax on tobacco. In event of annexation it is estimated that \$916,000 would be returned to the City of Jacksonville from this tax, now collected from the sale of cigarettes in the four zones.

UTILITY TAX

Residents of the fringe areas would be subject to the present 10% city utility tax. However, since many of these residents now buy their water and lights from the city utilities at higher rates and a slightly higher minimum charge, the change from unincorporated areas to incorporated would result in a slight saving of perhaps 75¢ a month per user. The 10% utility tax of the city would apply to cooking gas and telephone rates in the fringe areas as well as electricity and this would not only counteract these savings but would in fact make total utility billings slightly higher.

Residents of the fringe areas would continue to use their present sewage disposal facilities such as septic tanks until the city sewage lines were extended into the new areas. Since there is presently no city charge for sewage disposal to the city lines, those residents who were able to use the city lines might well realize savings over the use of septic tanks or other means of sewage disposal. Should a sanitary sewage district or districts be established in any of the fringe areas such a district would impose a tax on all residents affected. Those residents of the fringe areas now using

Meaning less

Meaningless

sewage disposal plants would, no doubt, continue these connections pending the City's acquisition and operation of these disposal systems.

Most fringe area residents now pay for the collection and disposal of garbage and yard trash. Since there are no such charges now made by the city for these services, there would be substantial savings of from \$20.00 to \$24.00 a year should annexation take place.

Savings to whom?

FIRE INSURANCE RATES

An important source of potential savings to residents of the fringe areas in case of annexation would be in the increased fire protection available and the consequent reduction of fire insurance rates to the great majority of property owners. Readers should refer to Table 21 for further specific information on this point. From this table it will be noted that the rates for a masonry dwelling inside the city are \$0.06 per \$100.00, \$0.09 in areas not in the city, but within 1,000 feet of an approved fire hydrant, \$0.12 in those areas protected by Duval County volunteer fire departments, and \$0.13 in the unprotected areas of Duval County. Similar rates for a frame building with an approved roof are:

\$0.17, \$0.29, \$0.64, and \$0.80.

Thus, even on the most fire resistant building, the insurance rates are more than doubled in the unprotected areas than within the city.

Table 21 also gives sample comparisons of the costs of fire insurance in the four rating areas now used by the Florida Inspection and Rating Bureau in the city and the other areas under consideration in this survey.

High pressure water mains will have to be installed before fire insurance rates can be decreased.

What is the estimated cost for such installations, who and how will they be paid for, and what time elements are involved?

TABLE 21

DWELLING FIRE INSURANCE RATES PER \$100.00 COVERAGE

JACKSONVILLE AND ADJACENT AREAS

(NOT OVER 4 FAMILIES)

CLASS OF PROPERTY	RATING CLASS			
	3	7	9	10
Masonry				
a. approved roof	\$.06	\$.09	\$.12	\$.13
b. unapproved roof	.13	.20	.27	.28
Brick Veneer				
a. approved roof	.10	.17	.25	.32
b. unapproved roof	.17	.28	.40	.47
Frame				
a. approved roof	.17	.29	.64	.80
b. unapproved roof	.24	.40	.79	.95

Class 3 - Inside Jacksonville city limits.

Class 7 - Recognized protected suburban areas within 1000 feet of a standard public fire hydrant.

Class 9 - Those areas outside city limits covered by Duval County Volunteer Fire Department.

Class 10 - All others outside city limits not covered by Duval County Volunteer Fire Department.

Source - Florida Rule Book, Florida Inspection and Rating Bureau, and personal interview with Mr. Arthur Jones, Assistant Manager, Florida Inspection and Rating Bureau.

POSSIBLE ASSESSMENT AND OTHER CHARGES

Many cities which contemplate annexation now use special assessment charges to residents for the paving of streets. Jacksonville does not use such charges at the present, but there is always a chance they might be introduced for future street improvements, either within the present city or in the areas that might be annexed in the future.

The economic changes herein referred to can best be illustrated through an examination of Table 22 which follows. Masonry dwellings with values of \$10,000.00 and \$20,000.00 are used as examples and the reader can substitute other values as he may choose. These figures presuppose an assessment of approximately 45% of total value. The items are based on average estimates and the charges would obviously change with different amounts of insurance coverage, utility consumption, average

neighborhood, and other variables.

By and large families now living in the areas contained in the annexation proposal will enjoy a savings in overall expense if their homes are worth less than \$20,000.00. Further, upon consideration of the fire insurance rate factor, with fire protection and without fire protection, the monetary advantages of owning an expensive home outside the city vanishes as the cost of fire protection insurance rises. In some cases the increased cost of fire protection outside the city completely offsets the increased cost of city property taxes within the city. Readers now living in the fringe areas may easily compare their present situation and their future situation should annexation take place by referring to the table which most nearly approximates their present standards.

TABLE 22

TYPICAL COSTS BEFORE AND AFTER ANNEXATION. PROVIDED ON AN ANNUAL BASIS AND INVOLVING ONLY CITY FUNCTIONS.

1. A \$10,000 masonry house under "Homestead Exemption" assessed at \$4,500 and protected by volunteer fire department.

<u>Item</u>	<u>Outside City</u>	<u>Inside City</u>
City Property Tax	Exempt	Exempt
Fire Insurance ?	12.00	6.00
Increased Utility Rates	24.00	None
Utility Tax	None	30.00
Garbage Collection ?	24.00	None
Income Tax Savings *?	<u>None</u>	<u>-4.80</u>
Total	\$60.00	\$31.20

The Above Table results in a \$28.80 saving to the home owner under "Homestead Exemption".

2. A \$20,000 masonry house under "Homestead Exemption" assessed at \$9,000 and protected by volunteer fire department.

<u>Item</u>	<u>Outside City</u>	<u>Inside City</u>
City Property Tax	Exempt	\$77.60
Fire Insurance ?	24.00	12.00
Increased Utility Rate	36.00	None
Utility Tax	None	45.00
Garbage Collection ?	24.00	None
Income Tax Savings ?	<u>None</u>	<u>-32.15</u>
Total	\$84.00	\$102.45

The above table results in an \$18.45 increased cost to the home owner.

* Property Tax & Utility Tax are deductible from Federal Income Tax.

POSSIBLE CHANGES AFFECTING BUSINESS INTERESTS

The cost of annexation to business interests in the areas in the annexation proposal will undoubtedly be increased since the real and personal property taxes and occupational license taxes levied by the city will be in addition to the present state and county taxes. Although all such taxes are deductible from any federal income taxes, there will be overall an increase from the city taxes. However, business interests will receive manifold benefits from annexation. These benefits will include added police and fire protection, and the latter may well offset increased costs through much lower fire insurance premiums. Other benefits, less easily measured, would include zoning and planning, possibly lower utility rates, and non-economic factors such as civic pride and a city with a broader economic base.

The accompanying tables show that business interests and nonexempt real property owners will pay the lion's share of the original costs of annexation. There is a strong likelihood, however, that such costs would be shifted back to the homeowners, in the final analysis, in the forms of higher prices and higher rents. With the movement of some businesses to the fringe areas and the present policies of businesses within the city to shift taxes to the residential areas, the prospects of annexation would provide a much larger tax base and a far more even distribution of taxes on all the residents, both within the city and within the fringe areas. If the annexation should be consummated, both the residential areas and the business areas in the unincorporated suburbs would receive services and functions which are continually needed.

Since many of these taxes for services may be deducted from personal and business income taxes, even the Federal Government would share in the costs. Present utility rate differentials are not deductible from income tax purposes. Also, those residents of Duval County who patronize businesses in the fringe areas would also participate in the increased costs and their repayment. Better fire protection will result in better rates and a reduction in fire occurrences with fewer claims upon the insurance companies. From another angle, even the increased costs will result in larger payrolls. Those who perform the services and make the improvements will spend most of their money in the city or its environs. It will be seen that the costs of urban development are very real, but that ultimately there is a resulting material and a resulting non-material satisfaction to all the residents concerned.

NON-FINANCIAL CONSIDERATIONS

The non-financial, or non-material, advantages or disadvantages of annexation are clearly a matter of personal or collective viewpoints. Each individual or group will view the proposal first, from how it affects his pocket book, and second, for the well being of the community. Clearly, annexation will confer advantages to some, disadvantages to others. Even within any one of the

several fringe areas the proposal will be "pointed at with pride" by some and "viewed with alarm" by others.

The major change to the City of Jacksonville in the non-financial areas will be the increase in government; each department and division will increase in size and will assume more responsibility. The opportunity for better planning will result in better government in the future, if similar results in other cities may be used for a guide. The major non-financial gain in the fringe areas would be an increased voice in the government of the central city where most of the residents spend their days during business hours.

Annexation would likely increase the number of candidates for elective office and consequently more residents would participate in government. Annexation would give Jacksonville a much greater population and the opportunity to remain the second city in size of population in Florida. Jacksonville and the fringe areas will continue to grow, with or without annexation, only the people can decide how and by what level these new people are going to be governed.

All existing city ordinances of general application will become effective in the newly annexed areas except that the building codes will not apply to buildings already under construction.

All persons who have lived in the area for at least six months prior to annexation and who are otherwise eligible will be permitted to vote in city elections and if they have been a resident for over 2 years they can run for office.

Occupational licenses will be required, but not until October 1, after the date of annexation. This will represent a substantial saving the first year to the residents of the annexed areas. All occupational examinations now required by the city will be required of new citizens except that plumbers and electricians who hold valid licensed places of business and who hold certificates from Duval County will not need to be re-examined.

The Zoning Laws in effect will remain in effect until they are changed by the city after public hearing.

Liquor licenses will not be revoked regardless of any city ordinances which exist regulating number or distance between such places of business.

No doubt there will be some annexation in the Jacksonville area in the future, but the most economical way appears to be the sooner, the better, for the sake of economy. Prior to World War II the costs of annexation would have been relatively minor; by 1970 the costs of annexation in the Jacksonville Metropolitan Area will pose a truly major problem because of increased population, costs, and needs for functions and services and capital improvements. To use an old cliché, the latter prospect "staggeres the imagination!".

NON-ECONOMIC ADVANTAGES

Several important facts relative to the advantages of annexation need to be pointed out at this time.

1. Jacksonville's crime rate is high. The main reason for this is that the total crimes in the metropolitan area for the most part occur in the central city by criminals who reside not only in the central city, but in the environs as well. As a result of annexation the total crimes will be divided by 331,000 population, rather than 201,000 population. This does not necessarily mean less crime, but the publicity of crime rate will be more accurate. The present crime rate may have an adverse effect on encouraging new industry to come to this area.

2. Radio, T. V. and Newspaper and Magazine advertising is based on population. Once again the inaccurate population figure can have an adverse effect on attracting new industry.

3. Industry is interested in settling in areas which have good community facilities. Bringing the level of urban services of the suburban areas up to that of the central city will be of importance in attracting industry.

4. According to the 1960 census, Jacksonville has fewer people than in 1950. This is poor publicity for the city especially since it is not really true. The metropolitan area of Jacksonville actually increased by many thousands of people in this ten year period.

N. VOL GLAHN, PRESIDENT

E. S. MOORE, 2ND VICE PRES.
M. I. TAYLOR, 3RD VICE PRES.

E. G. BREEDLOVE, TREASURER
J. H. HIGBEE, JR., RECORDING SECRETARY

FLORIDA TAX INFORMATION ASSOCIATION, INC.
322 FIRST FEDERAL SAVINGS BANK BUILDING
JACKSONVILLE 2, FLORIDA

REC'D

DEC 26 1962

JACKSONVILLE
EXP'WAY AUTHORITY

CECIL WRIGHT PEMBERTON
EXECUTIVE VICE PRESIDENT

December 1962

ARTHUR-

Just a word to tell you how wonderful your annex analysis has proved in the clinches. This has been bone & muscle for the cause.

The attachment is history also - and a display that is both gratifying (as to county tax) and shocking as to the state outpour. You have friends thru the state and if you can use any of them, they are here.

The peak force of the annexers seemed to have crested. Now it is our turn and the work is moving steadily, more on the underground circuit where it can do the real damage. I shall talk with you more about just after the holidays.

MERRY CHRISTMAS-Arthur!



TAX RATES - per \$1000

County rate shown is for District #1

COUNTY FINAL....	47.50	CITY 19.40	TOTAL 66.90
Proposed 1963	53.89	?????	
1962	49.13	19.40	68.53
1961	45.48	19.40	64.88
1960	45.60	19.40	65.00
1959	42.94	16.30	59.34
1958	46.12	16.30	62.42
1957	44.16	16.40	60.56
1956	44.68	16.60	61.28
1955	39.38	13.70	53.08
1950	34.90	15.00	49.90

TOTAL INCREASES PROPOSED (1) County Commission & (2) County Hospital

AD VALOREM TAXES TO BE ASSESSED

1963 Proposed \$13,402,727.36

ACTUAL 1962 \$10,798,724.31

INCREASE -
Proposed \$2,604,003.05

24%

Florida..

TOTAL STATE SPENDING

SOURCE: STATE COMPTROLLER REPORTS

SINCE 1933 - STATE SPENDING UP 3300%

1962 \$ 1 062 357 888
1933 \$ 32 375 523

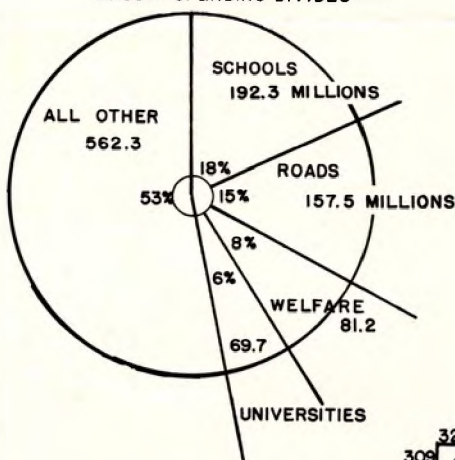
SINCE 1930 - POPULATION UP 237%

1960 4 951 960
1930 1 468 111

TOTAL DISBURSEMENTS

1962	1 062 357 888
1961	1 040 227 130
1960	928 844 257
1959	825 328 690
1958	732 214 318
1957	599 743 175
1956	546 957 725
1955	536 579 917
1954	407 692 246
1953	338 462 677
1952	325 168 778
1951	309 399 082
1950	256 186 970
1949	232 453 756
1948	204 522 528
1947	153 632 605
1946	103 898 624
1945	83 412 161
1944	77 057 095
1943	66 914 678
1942	77 802 165
1941	75 961 972
1940	67 899 140
1939	60 710 757
1938	52 721 229
1937	48 540 180
1936	43 281 680
1935	36 681 207
1934	35 150 014
1933	32 375 523

FOR 1962 MAJOR SPENDING DIVIDES —



32

33

67

75

77

66

77

83

103

153

204

232

256

309

325

338

407

536

546

599

732

825

928

1 040 227 130

1 062 357 888

ENDING JUNE 30 EACH YEAR

DAN McCARTY
1/6/53 to 9/28/53
CHARLEY E. JOHNS
9/29/53 to 1/55

LEROY
COLLINS

FARRIS BRYANT

STATE OF FLORIDA — THE DEBT SITUATION

STATE LEVEL ONLY — CITIES & COUNTIES NOT INCLUDED

REVENUE BONDS & CERTIFICATES OF INDEBTEDNESS

1931 \$ 393,000

1951 \$ 66,000,000

1960 \$ 380,512,365
268,268,750 112.2

1961 \$ 476,320,658
321,916,500 154.4

1962 \$ 925,891,986
511,712,250 414,179,736

PRINCIPAL

INTEREST TO MATURITY

TOTAL
STATE
DEBT

By reason of prohibition of state debt in the Florida Constitution, state debt is NON-GUARANTEED BY THE STATE OF FLORIDA, and is issued for highways, bridges & buildings, and school construction, in the form of revenue bonds & certificates of indebtedness payable from gasoline taxes, motor tag revenues, tolls, dormitory earnings, rentals from state buildings, etc. BUT... THE LIABILITY OF THE STATE OF FLORIDA, AND THE MORAL OBLIGATION THEREUNDER, IS IMPLICIT & WOULD BECOME OPERATIVE MOST CERTAINLY IN THE EVENT OF FISCAL OR FINANCIAL REVERSES WITHIN ANY ONE OF THE ISSUES!

DEBT SOURCES: - For 1960 & 1961, State Bd of Administration
- For 1962, State Bd of Administration & Fla State Turnpike Authority

FLORIDA TAX INFORMATION ASSOCIATION, Inc.

322 FIRST FEDERAL SAVINGS BLDG.

JACKSONVILLE 2, FLORIDA