

GBA MEMORANDUM

TO: City of Flint Hill
FROM: Jim Dunajcik, P.E.
DATE: October 15, 2007
SUBJECT: City of Flint Hill – Property Tax Analysis

George Butler Associates, Inc. (GBA) was asked to perform a property tax rate analysis by the City at the September 17, 2007 Joint City Council/Planning & Zoning Work Session. The purpose of this analysis was to determine generally, the amount of tax revenue that could be generated currently and under a variety of future development scenarios.

Basis for Analysis

GBA began the analysis effort by reviewing the real estate valuations provided to the City by the St. Charles County Registrar in their August 6, 2007 letter. Additionally, we reviewed the 2006 tax rates as published by the St. Charles County Collector of Revenue as posted on the County website. The tax rates were reviewed in order to establish both what other city's property tax rates are and to look specifically at city's comparable to Flint Hill. These two (2) documents are attached as part of this memo.

Similar City's tax rates are as follows:

- St. Paul – \$ 0.1887
- Cottleville – \$ 0.3400
- Dardenne Prairie – \$ 0.1238
- New Melle - \$ 0.2325
- Augusta - \$ 0.3143

The average of these tax rates is \$ 0.2399. For the purpose of this analysis GBA assumed a "target" rate of \$ 0.25 for the City of Flint Hill but also showed property tax revenue under proposed scenarios for \$ 0.50, \$ 0.75 and \$1.00 per \$100 assessed value. As comparison the City of Wentzville has a property tax rate of \$ 0.9734.

Current Condition

The City currently charges no property tax in addition to the County and agency taxes currently levied. GBA began by using the current 2006 valuation provided by the County and extrapolating the tax revenues that would be generated at various tax rates, the target rate is highlighted in the table below:

Current Homes within Flint Hill with City Property Tax

Rate/\$100 Assessed	2006 County Taxes	Tax Revenue Generated for City
\$ 0.25	\$ 521,515.00	\$ 22,730.00
\$ 0.50		\$ 45,460.00
\$ 0.75		\$ 68,190.00
\$ 1.00		\$ 90,920.00

Next GBA looked at the projected tax revenues which might be generated under the current zoning requirements of minimum 1 acre lot sizes for areas more or less representing 50% (500 acres) and 100% (1,000 acres) of the developable land remaining within the current corporate limits.

500 - 1 acre Lots (Est. \$98,000), Average Property Value \$435,000

Rate/\$100 Assessed	County Taxes (500 Homes)	City Tax Per Property	Tax Revenue Generated for City
\$ 0.25	\$ 2,479,500.00	\$ 206.63	\$ 103,315.00
\$ 0.50		\$ 413.26	\$ 206,630.00
\$ 0.75		\$ 619.89	\$ 309,945.00
\$ 1.00		\$ 826.52	\$ 413,260.00

1000 - 1 acre Lots (Est. \$98,000), Average Property Value \$435,000

Rate/\$100 Assessed	County Taxes (1,000 Homes)	City Tax Per Property	Tax Revenue Generated for City
\$ 0.25	\$ 4,959,000.00	\$ 206.63	\$ 206,630.00
\$ 0.50		\$ 413.26	\$ 413,260.00
\$ 0.75		\$ 619.89	\$ 619,890.00
\$ 1.00		\$ 826.52	\$ 826,520.00

The current absorption rate in Flint Hill is 8 permits per year. Projecting that absorption at a linear rate for the development of the remaining 1,000 acres will require about 125 years.

Projected Growth Scenarios

GBA also looked at the property tax revenue possibilities for several housing densities that are higher than the current zoning allows. These scenarios are shown as Options 1 through 4 below. The Options are broken down by both property tax rate and residential lot size and indicate the number of each size residential lot per 1,000 acres developed. These totals could be used as a simple ratio when assuming potential future annexation areas outside the current corporate limits. Again, the target property tax rate of \$ 0.25 per \$100 assessed is highlighted.

Higher Density Zoning Options (per 1,000 acres developed, Average Property Value \$435,000)

Option 1 : 25% 1/4 acre, 25% 1/2 acre, 50% 1 acre lot sizes

Rate/\$100 Assessed	1/4 Acre	1/2 Acre	1 Acre	Tax Revenue Generated for City
\$ 0.25	1000	500	500	\$ 288,065.00
\$ 0.50	1000	500	500	\$ 576,130.00
\$ 0.75	1000	500	500	\$ 864,195.00
\$ 1.00	1000	500	500	\$ 1,152,260.00

Option 2 : 50% 1/4 acre, 25% 1/2 acre, 25% 1 acre lot sizes

Rate/\$100 Assessed	1/4 Acre	1/2 Acre	1 Acre	Tax Revenue Generated for City
\$ 0.25	2000	500	250	\$ 342,158.00
\$ 0.50	2000	500	250	\$ 684,316.00
\$ 0.75	2000	500	250	\$ 1,026,474.00
\$ 1.00	2000	500	250	\$ 1,368,632.00

Option 3 : 25% 1/4 acre, 50% 1/2 acre, 25% 1 acre lot sizes

Rate/\$100 Assessed	1/4 Acre	1/2 Acre	1 Acre	Tax Revenue Generated for City
\$ 0.25	1000	1000	250	\$ 315,408.00
\$ 0.50	1000	1000	250	\$ 630,816.00
\$ 0.75	1000	1000	250	\$ 946,224.00
\$ 1.00	1000	1000	250	\$ 1,261,632.00

Option 4 : 40% 1/4 acre, 50% 1/2 acre, 10% 1 acre lot sizes

Rate/\$100 Assessed	1/4 Acre	1/2 Acre	1 Acre	Tax Revenue Generated for City
\$ 0.25	1600	1000	100	\$ 347,863.00
\$ 0.50	1600	1000	100	\$ 695,726.00
\$ 0.75	1600	1000	100	\$ 1,043,589.00
\$ 1.00	1600	1000	100	\$ 1,391,452.00

Projecting absorption rates for these growth scenarios is somewhat more tricky than for the single lot size under the current zoning. However, we have compiled some data for two (2) of the Comparison City's showing their typical number of new home permits per year and average home value listed by the builder on the permit. The data is listed in the tables below:

Dardenne Prairie - New Single Family Homes		
Year	No. of Permits	Avg. Cost*
2002	333	\$ 114,500.00
2003	386	\$ 123,700.00
2004	223	\$ 121,500.00
2005	N/A	N/A
2006	111	\$ 202,000.00

* Avg. Cost is listed by the builder and does not reflect sale price.

Cottleville - New Single Family Homes

<u>Year</u>	<u>No. of Permits</u>	<u>Avg. Cost*</u>
1996	40	\$ 70,600.00
1997	66	\$ 101,900.00
1998	62	\$ 92,300.00
1999	75	\$ 93,100.00
2000	50	\$ 103,300.00
2001	69	\$ 115,000.00
2002	14	\$ 170,500.00
2003	41	\$ 152,600.00
2004	74	\$ 152,900.00
2005	61	\$ 191,500.00
2006	62	\$ 243,400.00

* Avg. Cost is listed by the builder and does not reflect sale price.

Both of these municipalities allow for more dense zoning but are shown for comparison purposes. Based on this limited sampling it may be possible to anticipate an absorption rate of 50 to 100 new home permits per year for development Options 1 through 4, for a remaining projected development time of 15 to 25 years.

Conclusions/Additional Factors

In addition to looking at property tax estimates and higher density zoning options, we also compiled some additional data from St. Charles County 2006 real estate sales in the Multiple Listing Service (MLS) shown below:

- 4,925 single family sales
- 669 new construction single family sales (new construction represents 13.6% of total sales)
- \$277,700 average sale price for new construction single family homes

For **ALL** sales listed in 2006 in St. Charles County:

- 40.5% were \$179,999 or less
- 36.0% were \$180,000 to \$260,000
- 18.5% were \$260,000 to \$399,999
- 5% were \$400,000 or more

For **NEW** sales listed in 2006 in St. Charles County (only 13.6% of all sales):

- 111 were \$179,999 or less (16.6% of new sales, 2.2% of all sales)
- 243 were \$180,000 to \$260,000 (36.3% of new sales, 4.9% of all sales)
- 226 were \$260,000 to \$399,999 (33.8% of new sales, 4.6% of all sales)
- 89 were \$400,000 or more (13.3% of new sales, 1.8% of all sales)

Flint Hill issued 8 building permits in 2006 accounting for 1.2% of all new construction and roughly 9% of the "\$400,000 or more" new construction market in St. Charles County.



St. Charles County Government

County Registrar
Amy Gann

AUGUST 6, 2007

CITY OF FLINT HILL
ATTENTION: ANN MEUTH, CLERK
PO BOX 196
FLINT HILL, MO 63346

PURSUANT TO SECTION 137.245 RSMO, I HEREBY CERTIFY THE FOLLOWING TO BE TRUE VALUATION FIGURES FOR YOUR POLITICAL SUBDIVISION FOR THE YEAR 2007 REFLECTING CHANGES MADE BY THE BOARD OF EQUALIZATION.

REAL ESTATE VALUE BREAKDOWN

POLITICAL SUBS
2007 VALUE REPORT - AFTER BOARD
CERTIFIED - AUGUST 2007
FLINT HILL (25)

RESIDENTIAL	8,691,930
COMMERCIAL	1,206,810
AGRICULTURAL	126,640
TOTAL REAL ESTATE	10,025,380

REAL ESTATE	10,025,380
PERSONAL PROPERTY	1,598,124

RAILROAD & UTILITIES

STATE ASSESSED REAL	242,297
STATE ASSESSED PERSONAL	41,565
LOCAL ASSESSED REAL	13,050
LOCAL ASSESSED PERSONAL	0

TOTAL VALUE	11,920,416
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GIVEN UNDER MY HAND AND OFFICIAL SEAL THIS 7TH DAY OF AUGUST, 2007

AMY GANN, COUNTY REGISTRAR
ST. CHARLES COUNTY OF MISSOURI



St Charles County Collector of Revenue

Michelle D. McBride
Collector of Revenue

October 2, 2006

2006 TAX RATES FOR EACH \$100.00 ASSESSED VALUATION ARE AS FOLLOWS:

S C H O O L	F I R E	C O M M O N	S C H O O L	F I R E	J R C O L L E G E	T O T A L T A X
R1 00	0.7714	3.6600	0.0000	0.4471		4.8785
R1 17	0.7714	3.6600	0.5219	0.4471		5.4004
R1 18	0.7714	3.6600	0.2495	0.4471		5.1280
R2 00	0.7714	4.5629	0.0000	0.2196		5.5539
R2 11	0.7714	4.5629	0.5814	0.2196		6.1353
R2 13	0.7714	4.5629	0.4644	0.2196		6.0183
R2 14	0.7714	4.5629	0.5714	0.2196		6.1253
R2 15	0.7714	4.5629	0.4153	0.2196		5.9692
R2 20	0.7714	4.5629	0.5812	0.2196		6.1351
R2 22	0.7714	4.5629	0.3000	0.2196		5.8539
R3 00	0.7714	4.7176	0.0000	0.2196		5.7086
R3 13	0.7714	4.7176	0.4644	0.2196		6.1730
R3 14	0.7714	4.7176	0.5714	0.2196		6.2800
R3 17	0.7714	4.7176	0.5219	0.2196		6.2305
R3 18	0.7714	4.7176	0.2495	0.2196		5.9581
R3 20	0.7714	4.7176	0.5812	0.2196		6.2898
R4 00	0.7714	4.4043	0.0000	0.2196		5.3953
R4 11	0.7714	4.4043	0.5814	0.2196		5.9767
R4 13	0.7714	4.4043	0.4644	0.2196		5.8597
R4 15	0.7714	4.4043	0.4153	0.2196		5.8106
R4 17	0.7714	4.4043	0.5219	0.2196		5.9172
R5 00	0.7714	4.6184	0.0000	0.2196		5.6094
R5 19	0.7714	4.6184	0.2972	0.2196		5.9066
R5 20	0.7714	4.6184	0.5812	0.2196		6.1906
R5 21	0.7714	4.6184	0.2000	0.2196		5.8094
R6 00	0.7714	4.4700	0.0000	0.2196		5.4610
R6 20	0.7714	4.4700	0.5812	0.2196		6.0422

COMMON TAX

State Tax	0.0300
County Tax	0.0025
Rd & Br Tax	0.2148
Library Tax	0.2064
Ambulance Tax	0.1441
Dev. Disability	0.1323
Dispatch & Alarm	0.0413

Total Tax 0.7714

SEWER FEE (Real Estate-Sub Class Residential)

St. Charles	\$28.00
St. Peters	\$28.00

The above figures are for your convenience and we trust that you will find them helpful.

Sincerely,

Michelle D. McBride
Collector of Revenue

CITIES

06 St Charles		0.9200
27 St Paul	(R E only)	0.1887
29 O'Fallon		0.7850
31 St Peters		0.8000
38 Cottleville		0.3400
42 Lake St Louis	(R E only) x	1.0429
44 Wentzville		0.9734
53 Dardenne Prairie		0.1238
56 Weldon Spring Hgts (town)	x	0.4481
60 New Melle		0.2325
75 Augusta	x	0.3143
76 Portage des Sioux		0.7499
25 Flint Hill		none
26 Josephville		none
46 Foristell		none
54 Weldon Spring (city)		none
77 West Alton		none

*Note: x indicates City taxes not collected by County Collector

FIRE DISTRICTS

O'Fallon	#11	0.5814
Wentzville	#13	0.4644
Cottleville	#14	0.5714
Lake St Louis	#15	0.4153
New Melle	#17	0.5219
Augusta	#18	0.2495
Orchard Farm	#19	0.2972
Central Co. Fire & Rescue	#20	0.5812
Central County Bond Issue	A6	0.0497
Central County Bond Issue	B6	0.0497
West Alton Fire	#21	0.2000
Old Monroe	#22	0.3000

SCHOOL DISTRICTS

Washington	R1	3.6600
Ft Zumwalt	R2	4.5629
Francis Howell	R3	4.7176
Wentzville	R4	4.4043
Orchard Farm	R5	4.6184
St Charles	R6	4.4700

East Central Mo Jr College	0.4471
St Charles Co. Community College	0.2196

Sur Tax .5300
(Applies to Real Estate Sub-Class 3, Commercial only)