



Navarre Incorporation Feasibility Study

September 2014



Goals of Incorporation

- Gain "Home Rule" which would allow area residents to control the future destiny of their community.
- The ability to enhance the present quality of life.
- Establish reasonable zoning regulations, maintenance of public infrastructure and levels of code enforcement.
- Return a greater share of their tax dollars and fees to the community.
- Build a community-centered local government to meet the needs of business and residents alike.



Incorporation Requirements

- A review of the existing services presently being provided in Navarre.
- Development of proposed incorporation revenue timeline.
- Development of revenue analysis for proposed incorporated area.
- Development of expenditure analysis for proposed incorporated area.
- A pro forma presentation of revenue vs. expenditures, forecasted for a period of five years.



SWOT ANALYSIS

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Strengths

- Natural environment and location on the Gulf
- Small town feel and caring people
- Great K-12 Education system
- Military Base and associated employers
- Highly trained workforce
- Relatively low cost of living
- Low crime rate
- High per household income



Weaknesses

- Lack of common vision for the future
- No unified voice for the community
- Lack of code enforcement
- Antiquated zoning layout
- Minimal East-West and North-South arterials
- Lack of maintenance of public right of ways
- Lack of stormwater management system
- Lack of parks
- Lack of destination retail
- No long range planning
- No dedicated funding for beach renourishment
- Unfunded liabilities for utilities, stormwater, roads and bridges
- Lack of access to healthcare



Opportunities

- Local governmental agencies (Santa Rosa County governmental staff) may be willing to negotiate for the provision of services. This would allow Navarre to determine the levels of service desired for the community rather than rely on outside boards or elected officials.
- Incorporation would give Navarre "home rule" powers, as defined in the Florida Constitution, to protect the environment, other interests of the community and define how the community will evolve in the future.
- Once incorporated Navarre could issue Tax Anticipatory Notes (TAN's) to cover any shortfall in local government funding due to a lack of reserves to deal with natural disasters.



Opportunities

- As a city government Navarre would have more clout with county government.
- Taking control of the redevelopment opportunities to enhance the quality of life by increasing business, choice of housing products, and lifestyles.
- Enhance overall aesthetic look of the community
- The City could negotiate with Santa Rosa County for control of impact fees collected within the incorporated area.
- Master plan for beautification, commercial business and a town center to create a sense of place.
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Opportunities

- Plan to develop Community Access Roads to move local traffic east-west without it having to get on U.S. 98.



Threats

- The availability of a government body within the community would give easy access to local special interest groups and possibly increase their influence on the process of governing.
- Natural disasters/hurricanes
- Seasonal market
- Any additional growth without dealing with infrastructure shortfalls.
- Increase crime with increased population
- Loss of military base.
- Continued lack of unified vision for the future.



Threats

- Will there be enough qualified residents willing to serve as local government officials, and will they possess the leadership skills to run the city?
- The additional cost to the business community in having to deal with another local government.
- Incorporation causing increase in taxes
- Loss of beach due to erosion



Navarre Existing Area and Services

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A Review of the Existing Areas & Services

- The Community of Navarre lies in South Santa Rosa County. It is made up of residential communities, strip retail, some older neighborhoods intertwined with mobile homes and some scattered industrial uses. It is adjacent to one of the largest military bases (land area) in the country. The Navarre area proposed for incorporation is bordered by the Santa Rosa-Okaloosa county line on the east, East Bay and East Bay River on the north, and the Santa Rosa Sound and Gulf of Mexico coastlines to the south including both Santa Rosa Island and Navarre Beach. To the west, the identified Study Area extends to the western most side of township-range-section 032S27, township-range-section 102S27, township-range-section 152S27, township-range-section 222S27, and township-range-section 272S27. More generally the proposed City of Navarre lies between Gulf Breeze and Destin along US 98, south of Interstate 10.



A Review of the Existing Areas & Services

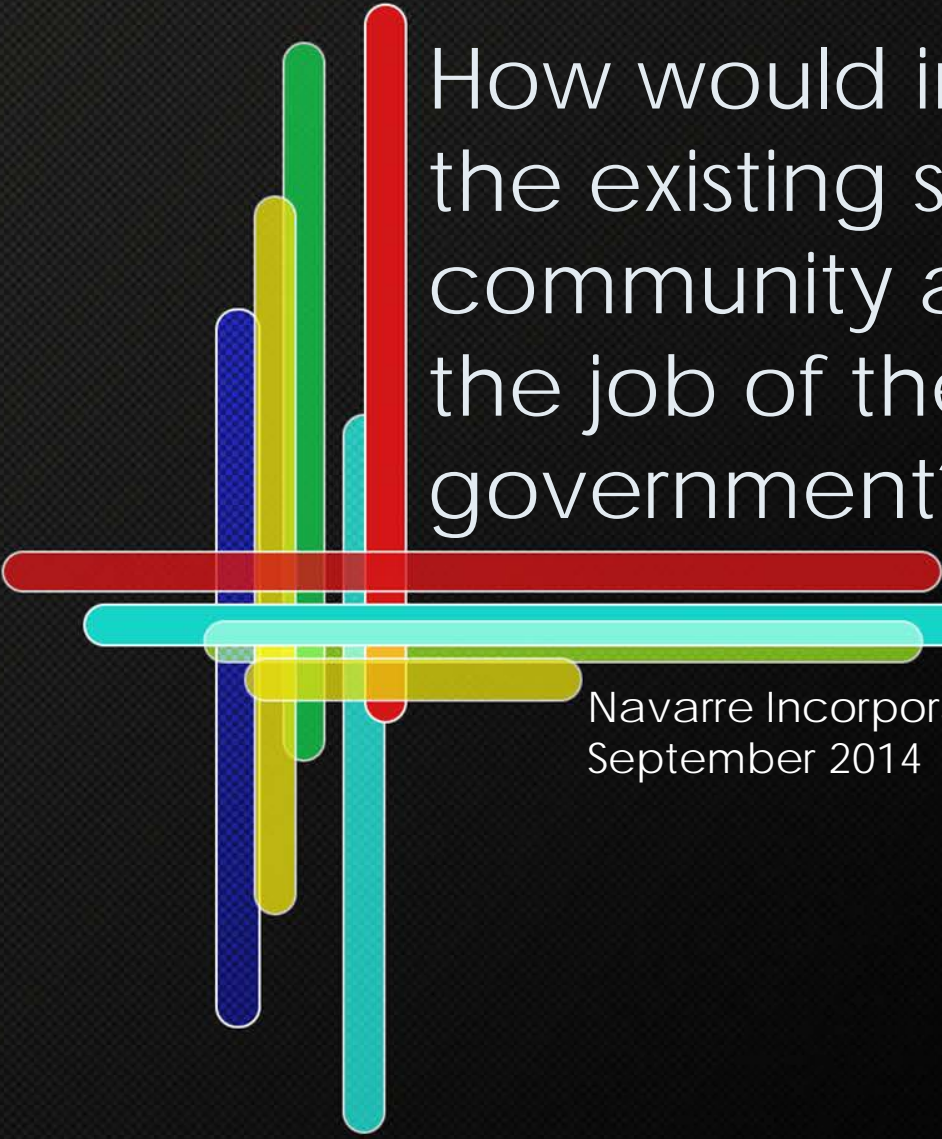
- The area considered for the proposed incorporation is approximately 24.8+/- square Miles, or 15,879 +/- acres). The estimated permanent population for this area at 42,300, this equates to a population density of 2.66 persons per acre exceeds the minimum density requirement of 1.5 persons per acre required by the statues for incorporation.
- The proposed area is compact, contiguous, and amendable to a separate municipal government. The are no existing local municipalities within the 2 mile buffer required.
- The area of Navarre proposed for incorporation meets all the requirements of State Statues to be considered for incorporation.



A Review of the Existing Areas & Services

- It is projected that after incorporation, a variety of options for the delivery of services will be addressed by the City Council, but that all governmental services exclusive of fire protection and emergency medical services would be provided by the City of Navarre. One of the options to be discussed will be contracting with Santa Rosa County for particular services such as parks, planning and zoning, code enforcement, environmental services, animal control, library, human services and other governmental services.





How would incorporation impact the existing services in the community and what would be the job of the new City government?

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Impact of Incorporation

- The proposed structure of operations would have the City unifying the community's land use, zoning, building, and code regulations. This would occur under the authority of the local Charter, with the City having enforcement authority. The City would also be a new partner to all present services providers. This would eliminate the need to travel to Milton when there is an issue or concern that impacts only the local area. The City would not be the provider of services, rather it would establish levels of service, prioritize capital and maintenance projects, and be a resource for all community groups.



Fiscal Year 2015 Tax Revenues

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Tax Revenues

The Navarre area for incorporation taxable value for the 2015 tax year was estimated by the Santa Rosa County Property Appraiser's Office in July 2014. The taxable value is \$ 2,074,554,063. Based on this estimate, the City of Navarre tax revenues for fiscal year 2015 per one mill levied can be projected as follows:

Taxable value	\$2,074,554,063
<u>x the percent</u> 0.95	
Revised Taxable Rate	\$1,970,826,360
<u>x millage rate</u> .001	
Estimated Property Tax	\$1,970,836
Revenues at 1 mill for FY 2015	

For the Purposes of this study we will use two options for ad valorem taxes: 0 mills and 1 mill yielding a revenue of \$0 and \$1,970,836 respectively for FY 2016



Municipal Employees

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Municipal Employees

Position	Proposed Salary
City Manager	\$125,000
Assistant City Manager	\$115,000
Finance Director/Comptroller	\$95,000
City Clerk/Treasurer	\$65,000
Administrative Assistant	\$35,000
Total Salaries	\$435,000
Benefits @ 35%	\$152,250
Total Salary and Benefits	\$587,250



Contractual Services

<u>Contract Services</u>	<u>Proposed Cost</u>
Legal Services	\$75,000
Growth Management	\$50,000
Professional Services	\$50,000
Total	\$175,000



Administrative & Finance Expenditures

Personnel w/benefits	\$587,250
Operating overhead	\$129,600
Insurance	\$75,000
Audit	\$35,000
Capital & Election(1 time)	\$240,000
Contingency	\$83,500
Total	\$1,150,350

The above costs include all relevant expenditure categories and coupled with a contingency factor, appear reasonable to assume the administrative and financial activities for Navarre.



First Year Projections for Revenues & Expenditures

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Revenues

State Shared Revenue @ 50%	\$1,239,937
Franchise Fees/Communication Service Tax @ 50%	479,635
Interest Earnings Business Tax and Licenses @ 50%	37,500
Ad Valorem Property Taxes @ 50% Option #1	0
Total	\$1,775,072



Expenditures

Salary and Benefits @ 50%	\$293,625
Mayor and City Council Salary	22,500
Contract Services	175,000
Operations/rent @ 50%	64,800
Insurance @ 50%	37,500
Local Elections (First year only)	65,000
Audit	35,000
Capital Equipment (One Time)	175,000
Contingency	<u>46,250</u>
Total	\$914,675



Five Year Fiscal Forecast Option #1

Option #1 No City Millage	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Revenues					
State Shared Revenue	\$1,239,936.50	\$ 2,554,269.19	\$2,630,897.27	\$2,709,824.18	\$ 2,791,118.91
Franchise Fees/Communication Tax	\$ 497,635.00	\$ 1,025,128.10	\$1,055,881.94	\$ 1,087,558.40	\$ 1,120,185.15
Interest Earnings and Business Tax	\$ 37,500.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$1,775,071.50	\$ 3,679,397.29	\$3,786,779.21	\$ 3,897,382.58	\$4,011,304.06
Expenses					
City of Navarre Local Government Expense	\$ 914,675.00	\$ 1,260,350.00	\$1,298,160.50	\$ 1,337,105.32	\$ 1,377,218.47
Total Expenses	\$ 914,675.00	1,260,350.00	\$1,298,160.50	\$ 1,337,105.32	\$ 1,377,218.47
Reserve/(Deficit)	\$ 860,396.50	\$ 2,419,047.29	\$2,488,618.71	\$ 2,560,277.27	\$ 2,634,085.59
Cumulative		\$ 3,279,443.79	\$5,768,062.50	\$ 8,328,339.77	\$10,962,425.36



Five Year Fiscal Forecast Option #2

Option #2 New City Tax of 1 mill	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Revenues					
State Shared Revenue	\$1,239,936.50	\$ 2,554,269.19	\$2,630,897.27	\$ 2,709,824.18	\$ 2,791,118.91
Franchise Fees/Communication Tax	\$ 497,635.00	\$ 1,025,128.10	\$1,055,881.94	\$ 1,087,558.40	\$ 1,120,185.15
Interest Earnings and Business Tax	\$ 37,500.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Ad Valorem Property Taxes	\$ -	\$ 2,030,981.15	\$2,091,910.59	\$ 2,154,667.90	\$ 2,219,307.94
Total Revenues	\$1,775,071.50	\$ 5,710,378.44	\$5,878,689.80	\$ 6,052,050.48	\$ 6,230,612.00
Expenses					
City of Navarre Local Government Expense	\$ 914,675.00	\$ 1,260,350.00	\$1,298,160.50	\$ 1,337,105.32	\$ 1,377,218.47
Total Expenses	\$ 914,675.00	\$ 1,260,350.00	\$1,298,160.50	\$ 1,337,105.32	\$ 1,377,218.47
Reserve/(Deficit)	\$ 860,396.50	\$ 4,450,028.44	\$4,580,529.30	\$ 4,714,945.17	\$ 4,853,393.53
Cumulative		\$ 5,310,424.94	\$9,890,954.24	\$14,605,899.41	\$19,459,292.94



Thank You

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