



# VILLAGE OF LOXAHATCHEE

Revised Municipal Incorporation Feasibility  
Study

November 11, 2021

Clifford McCue and Consultants, Inc.

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## **Section 1: Introduction**

Prior to a special act of the Florida Legislature allowing municipal incorporation, a feasibility study needs to be completed. The feasibility study must address the topics listed in F.S. § 165.061 (Standards for incorporation, merger, and dissolution), paragraphs (b)1 through (b)11, which are further articulated in the State of Florida “Local Government Formation Manual” (2020-2022), Chapter 5, section XIX.

This feasibility study satisfies all the conditions identified in these two source documents.

### ***Purpose***

The Village of Loxahatchee proposes its municipal incorporation in order to better serve the local community by preserving, improving and promoting the existing quality of life, and maintaining the existing natural environment. The primary goals for incorporating as the Village of Loxahatchee include:

- Preservation of the existing quality of life, agricultural lands, agricultural and equestrian lifestyles and maintaining the existing natural environment.
- Improving agricultural and equestrian lifestyles.
- Promoting agricultural and equestrian lifestyles.
- Provide residents and other stakeholders direct control over future land use and other quality of life issues.
- Develop a long-range strategy to properly mitigate and manage future impacts from adjacent land development on the community and its natural resources and quality of life.
- Return and reinvest a greater share of the Village of Loxahatchee tax dollars to improving, preserving and promoting the community’s infrastructure, services and resiliency.
- Build a community-centered land use vision and comprehensive plan that maintains the rich quality of life and living environment while ensuring a resilient tax base under the control of current and future residents.

These goals are consistent with Florida Statutes, which identifies the following reasons for incorporation:

- Allow orderly patterns of urban growth and land use.
- Assure adequate quality and quantity of local public services.
- Ensure financial integrity of municipalities.
- Eliminate or reduce avoidable and undesirable differentials in fiscal capacity among neighboring local government jurisdictions.
- Promote equity in the financing of municipal services.

### ***The Village of Loxahatchee Community***

A community's identity can be defined in a number of ways. For example, it can be identified based on its geographical boundaries, its economic makeup, by its cultural history, or some combination of these factors.

Currently, the Village of Loxahatchee is an unincorporated community located in western Palm Beach County, with a 2021 population of 42,987, and is approximately 42.13 square miles of contiguous land. The area to be incorporated is located within the Indian Trail Improvement District, which covers approximately 94.47 square miles, and is bordered to the north by Palm Beach Gardens and the JW Corbett Wildlife Management Area (JW Corbett), to the east by Palm Beach Gardens and West Palm Beach, to the south by Loxahatchee Groves, Royal Palm Beach, and Wellington; and surrounds Westlake on three and one-half sides. The remainder of the areas bordering the proposed municipality are, and will remain, as unincorporated areas of Palm Beach County.

The Village of Loxahatchee straddles the western fringes of the highly developed eastern portion of Palm Beach County and the agricultural western portions of the County. Its large, spacious homes, equestrian lifestyle and many agricultural and natural areas give the area a rural character, although it is widely considered to be an exurban outgrowth of the South Florida Metropolitan Area. Most of today's residents living in the Village of Loxahatchee own single-family homes on lots of one and a quarter-acres or larger where families can enjoy rural, equestrian, and agricultural ways of living.

The Village of Loxahatchee has a thriving local economy based upon its high quality of life and other characteristics that sustain high property values. Therefore, the Village of Loxahatchee needs self-governance and adequate local representation to compliment ongoing services provided by the Palm Beach County government. The purpose for incorporation is to maintain and preserve, on a local level, the Village of Loxahatchee's rural charm and community identity. Unfortunately, communities surrounding the Village of Loxahatchee have had to grapple with unprecedented, rapid growth that continue unchecked even with the incorporation of many surrounding communities (see for example Westlake and Loxahatchee Groves). It is the current quality of life in the Village of Loxahatchee with its natural beauty, rural qualities, equestrian amenities, and relative open space that make the community unique and the "Last of Its Kind" in the South Florida Metropolitan Area.

## **Section 2: Standards for Municipal Incorporation**

According to the Local Government Formation Manual (2020-2022) and F.S. §165.061, an area proposed for municipal incorporation must:

1. Be compact, contiguous, and amenable to separate municipal government;
2. Have a total population, as determined in the latest official state census, special census, or estimate of population, of at least 1,500 persons in counties with a population of 75,000 or less, and of at least 5,000 persons in counties with a population of more than 75,000;
3. Have an average population density of at least 1.5 persons per acre or have extraordinary conditions requiring the establishment of a municipal corporation with less existing density; and
4. Have a minimum distance of at least two miles from the boundaries of an existing municipality within the county or have an extraordinary natural boundary that requires separate municipal government.

In addition to the four standards discussed above, the proposed incorporation must include a municipal charter prescribing the form of government, clearly defining the responsibility for legislative and executive functions, and empowering the legislative body to exercise its power to levy any tax authorized by the Florida Constitution or as prescribed in general law. Moreover, the plan for any incorporation must honor existing solid waste contracts in the affected areas for the shorter of five years or the remainder of the contract term.

Each of the Standards for Incorporation described in state statute (F.S. §165.061), and as described by the *Local Government Formation Manual* (2020-2022) are addressed in the following sections.

### ***Section 2.1 Compact, Contiguous and Amenable to Separate Municipal Government [F.S. § 165.061(1)(a)]***

Figure 1 shows that the Village of Loxahatchee is compact and contiguous, making it amenable to separate municipal government. There are two obstacles to the Village of Loxahatchee's compactness and contiguity: the incorporation of the City of Westlake in 2016 and the GL Homes tract. The City of Westlake, as well as the proposed boundaries for the incorporation of the Village, previously were included together as the Acreage Census Designated Place. Population data for this area were previously collected as part of the 2010 U.S. Census. Before the incorporation of Westlake, this entire area existed as a single, compact, contiguous area based on federal definitions for census designated places based on the density of population despite only existing as improvement districts in unincorporated Palm Beach County. The infrastructure, ranging from park and road maintenance as well as drainage, does reinforce that these boundaries are compact and contiguous.

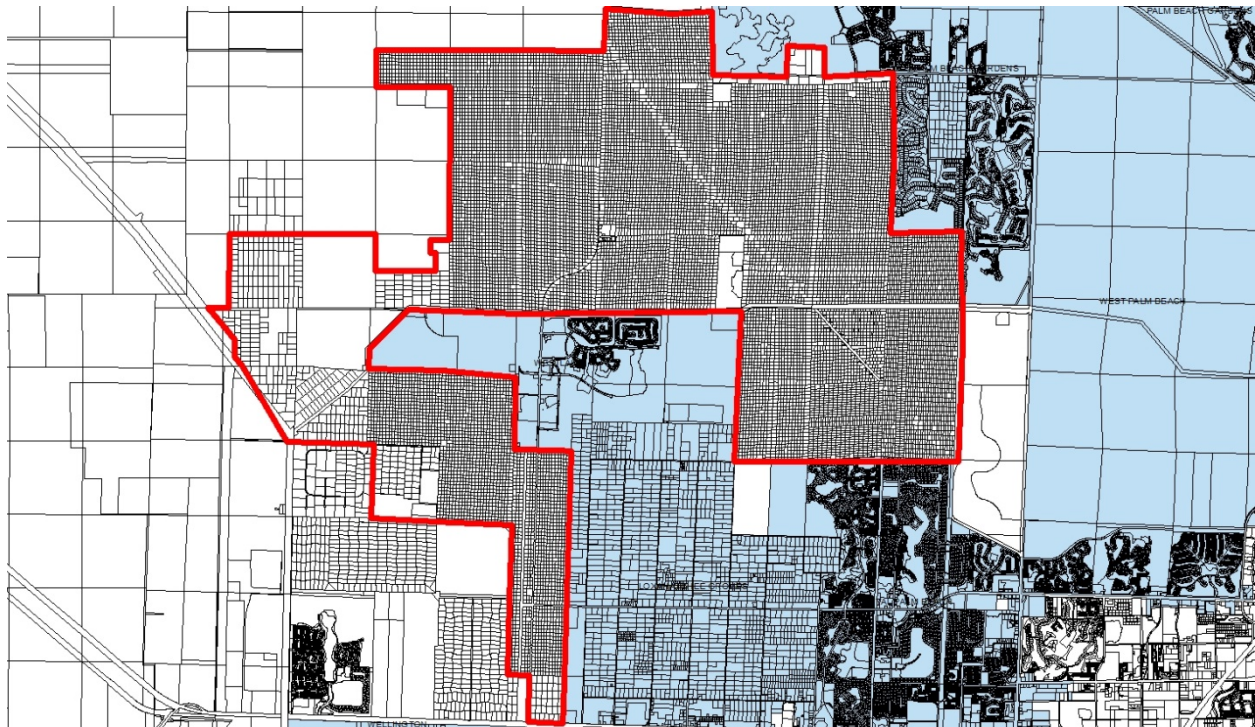
The second obstacle refers to the term "compact" as it relates to municipal incorporation. Currently the term compact is not defined within Chapter 165 of the 2021 Florida Statutes, nor is it defined in another chapter within the current statutes. According to Oxford Languages Dictionary compact is defined as "closely and neatly packed together; dense." Therefore,



whether or not the boundaries are compact is a matter of perspective. Is it a perfect square? No. Are there parts of the boundaries that are smaller than other parts? Yes.

The proposed boundaries as drawn have been effectively and successfully serviced as a limited general service special district since 1957. The same level of functionality should be expected as a general service municipality. These areas are a community of common interest. In addition, the areas are all unlike and not compatible with neighboring municipalities. To exclude areas, would be to disenfranchise residents and leave them with no service or ability to obtain services. The residents will have new, as well improved services and infrastructure available to them as a result of becoming a municipality. We contend that it is relatively compact and amenable to separate government.

**Figure 1: Proposed Boundaries**



### ***Section 2.2 Population [F.S. § 165.061(1)(b)]***

According to the Local Government Formation Manual a community must have a total population, as determined in the latest official state census, special census, or estimate of population, of at least 1,500 persons in counties with a population of less than 75,000, and of at least 5,000 persons in counties with a population of more than 75,000.

The population for Palm Beach County for 2019 was 1,497,000 based on the United States Census Bureau population estimates. The Bureau of Economic and Business Research at the University of Florida estimates Palm Beach County's 2020 population to be 1,466,494. The

statutory requirement is that the population of the area to be incorporated for a county this size must be at least 5,000 for counties with a population above 75,000. The Village of Loxahatchee has a 2021 population of 42,987. This population for the area to be incorporated is far above the minimum population requirement outlined in Florida statutes.

While the existing data show that the Village of Loxahatchee exceeds the minimum population requirements, future data shows that this trend is likely to continue. Projections from ESRI's Business Analyst Online database projects a 1.52% growth rate (statewide, 1.33%, national, 0.72%) from 2021-2026, which results in a 2026 projected population of 46,353 for the Village of Loxahatchee. Using the growth rate estimates for Palm Beach County from the Bureau of Economic and Business Research at the University of Florida (using the medium AVE-5 estimate), the population for the Village of Loxahatchee would be 45,391 in 2025.

### ***Section 2.3 Density [F.S. § 165.061(1)(c)]***

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

Based on measurements calculated using ESRI's Business Analyst Online and ArcMap GIS software, the Village of Loxahatchee is approximately 42.13 square miles. Converted into acres, this land area is slightly under 27,000 acres. Using the population figure of 39,553 from the 2010 Decennial Census, the average number of people per acre is 1.47. This density figure using the 2010 Decennial Census does not exceed the minimum population density requirement of 1.5 people per acre. Using 2021 population projections from ESRI's Business Analyst Online,<sup>1</sup> the number of people per acre increased from the current 1.47 based on the 2010 Decennial Census to 1.59 in 2021. Using the aforementioned growth projections, this density is projected to increase to 1.72 by 2026 – see table1 below for the estimates:

**Table 1: Population Calculations for Village of Loxahatchee (26,293.2 Acres)**

<b>Year</b>	<b>Source</b>	<b>Population</b>	<b>Density per Acre</b>
<b>2000</b>	U.S. Census	29,950	1.11
<b>2010</b>	U.S. Census	39,553	1.47
<b>2021</b>	ESRI	42,987	1.59
<b>2026</b>	ESRI	46,353	1.72

### ***Section 2.4 Boundaries [F.S. § 165.061(1)(d)]***

The final component of the standards as prescribed by the Local Government Formation Manual requires that a community must have a minimum distance of at least two miles from the

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<sup>1</sup> ESRI's estimates were used due to the lack of data available based on the results from the 2020 Decennial Census at the time of this report.

boundaries of an existing municipality within the county or have an extraordinary natural boundary that requires separate municipal government.

Given the recent incorporation of Westlake and Loxahatchee Groves, coupled with the annexation of other adjacent areas by Palm Beach Gardens, Royal Palm Beach, and West Palm Beach, it is impossible to meet the minimum distance requirement due to the extensive population growth in Palm Beach County over the past decade. Given the uniqueness of the Village of Loxahatchee and the need to plan accordingly, in 1990 Palm Beach County designated the area as a “Unified Planning Area” (the only one in the County or the State at that time). On the basis of meeting the population requirement and the population density requirement, the Village of Loxahatchee should be exempt from this requirement due to already providing services to this area as an Improvement District, predating the recent wave of annexations and municipal incorporations.

The Village of Loxahatchee is impacted by the rate of development, annexation and encroachment by County enforcement standards that do not have the same level of concern about an agricultural-residential quality of life and are meant for urban and commercial zoned parcels.

Incorporation will also prevent pockets or unincorporated enclaves similar to Broward County that had selective annexation throughout the 1990’s into the first decade of the 2000’s. GL Homes has negotiated to include the Cowan Parcel of their property while excluding the rest of their property to the North. Indian Trail Improvement District has a developer agreement with GL Homes and once they decide to develop those lands, they will consent to annexation into the Village of Loxahatchee. As a result, one portion of the FPL lands adjacent to GL Homes property on the North as well as another parcel of land to the West is also excluded so as not to create an enclave. It is important to note these lands are all within Indian Trail Improvement District’s boundaries however are not currently serviced by Indian Trail. There is also the Cypress Groves Community Development District over these lands, which currently provides limited services to these agricultural lands. GL Homes has provided a letter stating they will consent to incorporation on a referendum.

### ***Section 2.5 Municipal Charter [F.S. § 165.061(1)(e)]***

Accordingly, a community must have a proposed municipal charter prescribing the form of government and clearly defining the responsibility for legislative and executive functions, and does not prohibit the legislative body from exercising its power to levy any tax authorized by the Florida Constitution or general law.

The Village of Loxahatchee form of government will be a council-manager form of government with a five-member city council. The mayor will be elected at-large by the entire electorate. Each Village council will be elected by district but on an at-large vote basis. The mayor and each council member will serve four (4) years with no more than two (2) consecutive terms in any position. The vice mayor shall be nominated and elected by the Village council. The terms will be staggered with the mayor and one (1) council member will be elected one separate election years from the other three (3) council members. The elections will be on the general election on the second Tuesday of November on even number years.

Per F.S. § 165.061(1)(e), there are no prohibitions in the charter regarding the power to levy any tax. The full charter is included in Appendix B.

Based on the criteria of F.S. § 165.061(1)(a) - 165.061(1)(e) the Village of Loxahatchee satisfies all criteria for incorporation, except as noted about the 2-mile distance from surrounding localities.

### **Section 3: Feasibility Study for Incorporating the Village of Loxahatchee**

Since the Village of Loxahatchee satisfies the basic standards as described in Section 2, the second part of the justification for conversion includes a feasibility study. According to the *Local Government Formation Manual* (2020 – 2022), and consistent with F.S. § 165.041, a feasibility study is an analysis of the proposed area to be incorporated. The purpose of the feasibility study is to determine if the area: 1) meets the statutory requirements for incorporation, and 2) is financially viable.

According to the *Local Government Formation Manual*, a feasibility study must include the following:

1. The general location of territory subject to a boundary change and a map of the area that identifies the proposed change;
2. The major reasons for proposing the boundary change;
3. The following characteristics of the area:
  - a. A list of the current land use designations applied to the subject area in the county comprehensive plan;
  - b. A list of the current county zoning designations applied to the subject area;
  - c. A general statement of present land use characteristics of the area;
  - d. A description of development being proposed for the territory, if any, and a statement of when actual development is expected to begin, if known;
  - e. A list of all public agencies, such as local governments, school districts and special districts, whose current boundaries fall within the boundary of the territory proposed for the change or reorganization;
  - f. A list of current services being provided within the proposed incorporation area, including, but not limited to, water, sewer, solid waste, transportation, public works, law enforcement, fire and rescue, zoning, street lighting, parks and recreation, and library and cultural facilities, and the estimated costs for each current service;
  - g. A list of proposed services to be provided within the proposed incorporation area, and the estimated cost of such proposed services;
  - h. The names and addresses of three officers or persons submitting the proposal;

Each of the statutory requirements to satisfy Phase I of this study, following the Local Government Formation Manual and F.S. statute, is addressed below.

#### ***Section 3.1 Location of area to be incorporated [F.S. § 165.041(1)(b)(1)]***

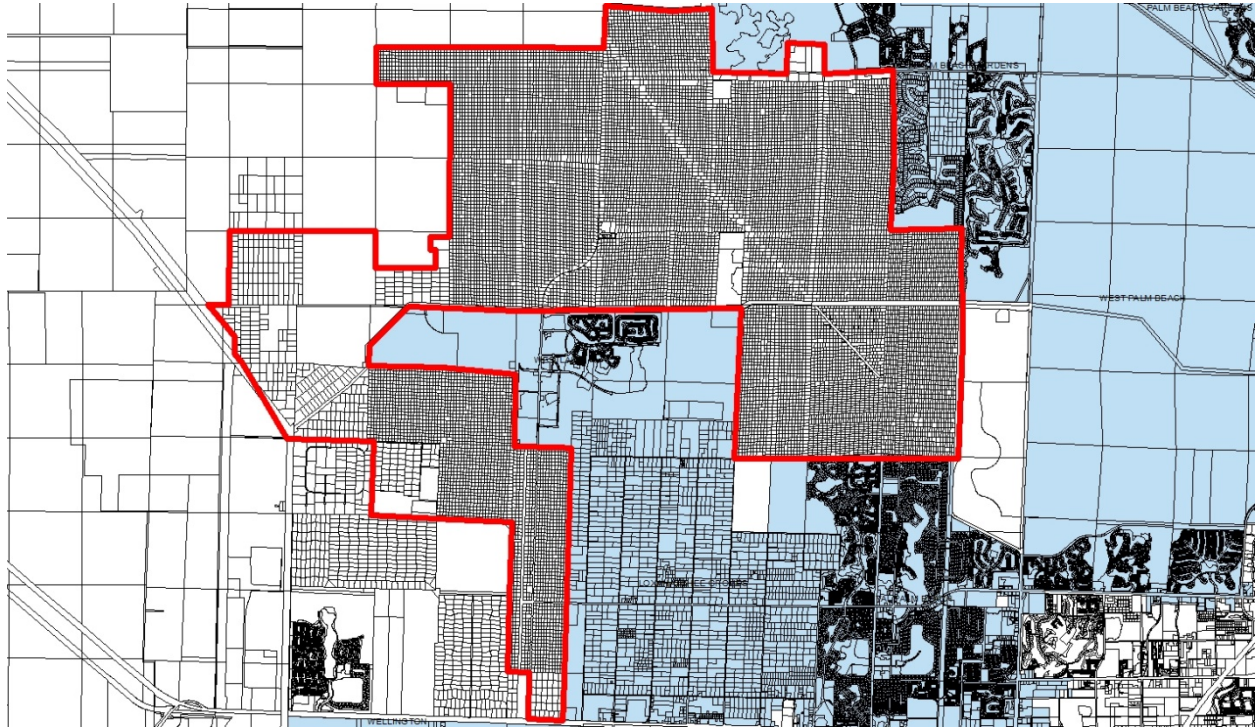
The proposed boundary of the area to be incorporated consists of a single contiguous area. The recent incorporation of Westlake means that roughly the middle third of the Acreage Census Designated Place is incorporated. In 2020, the decennial census designated Westlake as a



municipality and will begin collecting corresponding data for that area. A majority of the remainder of the Acreage CDP would be incorporated as the new municipality.

Specifically, the legal boundary of the area to be incorporated is as follows:

***Figure 2: Village of Loxahatchee Boundaries***



***Section 3.2 Major Reasons for Proposing Boundary Change under [F.S. § 165.041(1)(b)(2)]***

Over the last several decades, the Village of Loxahatchee has become a distinct and unique community. It is located in the western part of Palm Beach County, with a 2021 population of 42,987. It is located south and west of Palm Beach Gardens, west of West Palm Beach; west as well as north of Loxahatchee Groves and, Royal Palm Beach, north of Wellington, north, east, west and partially south of Westlake. The remainder of the areas bordering the proposed municipality are unincorporated areas of Palm Beach County. Most of the population lives in single family homes on lots of one and one-quarter acres or larger.

The Village of Loxahatchee is located between the western fringes of the highly developed portion of Palm Beach County and easternmost of the agricultural farmlands and rural portions of the County. Its large, spacious home site lots, and many agricultural and natural areas give the area a rural character, although it is widely considered to be an exurban outgrowth of the South Florida Metropolitan Area. The Village of Loxahatchee is located almost entirely within the Indian Trail Improvement District, responsible for maintaining the parks, roads, and drainage systems within its boundaries.

The Village of Loxahatchee community has the acute need to preserve and maintain its current quality of life, property values and environmental assets. The Village of Loxahatchee has a

thriving local economy based upon its high quality of life and other characteristics that drive high property values, including its rural charm, agricultural lands, equestrian trails, and limited development. The Village of Loxahatchee has its own localized government needs as a result of its rapid growth over the last twenty years. As the strains on the Village of Loxahatchee have escalated, the need for municipal incorporation and self-governance has become evident. Table 1 provides a general community profile of the Village of Loxahatchee. This profile was generated using ESRI Business Analyst Online and their projections to 2021 based on the proposed legal boundaries for incorporation.

**Table 2: Village of Loxahatchee Community Profile**

	<b>Village of Loxahatchee</b>
<b>Population Summary</b>	
2010 Total Population (Census)	39,553
2021 Total Population (ESRI)	42,987
2026 Total Population (ESRI)	46,353
<b>Household Summary</b>	
2021 Families	11,196
2021 Average Family Size	3.41
2026 Families	12,023
2026 Average Family Size	3.42
2021-2026 Annual Rate	1.44%
<b>Housing Unit Summary</b>	
2021 Housing Units	14,240
Owner Occupied Housing Units	12,069
Renter Occupied Housing Units	1,523
<b>Median Household Income</b>	
2021	\$92,144
2026	\$102,338
<b>Median Home Value</b>	
2021	\$350,484
2026	\$370,605
<b>Per Capita Income</b>	
2021	\$34,258
2026	\$39,157
<b>Median Age</b>	
2021	40.9
2026	41.0

Source: ESRI Business Analyst Online

The Village of Loxahatchee needs and desires self-governance and adequate local representation to compliment and better provide ongoing services currently managed by the Palm Beach County government. The Village of Loxahatchee community wants to protect the character of the community. The geographic size and populace basically require a more focused local government than Palm Beach County can provide to the citizenry. Additionally, there are no

other unincorporated areas similar in population grouping anywhere in the county and therefore, the county is not organized in such a way to properly represent and provide necessary services to the residents. The Village of Loxahatchee community is only represented by one (1) Palm Beach County Commissioner whose district also includes, but is not limited to Belle Glade, Royal Palm Beach, Loxahatchee Groves, Wellington, Westlake and large tracts of other unincorporated parcels.

In addition to Palm Beach Gardens' annexations and continued growth, the City of Westlake and other unincorporated portions of the County are also creating unprecedented growth in a rural area that is having a negative impact on the traffic, safety and rural lifestyle in this area of unincorporated Palm Beach County.

The City of Palm Beach Gardens is trying to use administrative mechanisms to continue its annexation of commercially zoned properties south of Northlake Boulevard within the proposed boundaries that directly abut residential properties. Palm Beach Garden's Land Development Codes are not representative of the Village of Loxahatchee community and will have adverse impacts upon the northern residents.

The Town of Loxahatchee Groves is also trying to annex properties that do not reflect the Town's Charter and Land Use that are currently in the proposed Village of Loxahatchee municipal boundaries. The Town's only reason was put on the record by the Town's Mayor who said it only became aware to try to annex these properties after the Indian Trail Improvement District made the initial announcement to consider conversion from a Special District to a municipality. Before this, the Town had no inclination or plans to annex west. The Town of Loxahatchee Groves is incapable of annexing large areas of the District, but could create enclaves by only annexing certain properties into its municipal boundaries which would be inconsistent with proper planning and local governance.

Overall, the potential annexation of certain areas by surrounding municipalities like Loxahatchee Groves, Palm Beach Gardens, Royal Palm Beach, West Palm Beach, Westlake and Wellington, whose land development codes and enforcement operations, would not be consistent with the lifestyles of the Village of Loxahatchee community.

The Village of Loxahatchee needs to maintain and preserve, on a local level, its rural charm and community identity. Unfortunately, communities surrounding the Village of Loxahatchee have had to grapple with historic rapid growth that went relatively unchecked until many of the surrounding communities actually incorporated (see for example Westlake and Loxahatchee Groves). It is the current quality of life in the Village of Loxahatchee with its natural beauty, rural qualities, equestrian amenities, and relative open space that make the community unique and the "Last of its Kind in South Florida".

### ***Section 3.3 Characteristics of the Village of Loxahatchee under [F.S. § 165.041(1)(b)(3)]***

#### **Section 3.3.a List of current land use designations under F.S. § 165.041(1)(b)(3)(a)**

The existing (Figure 2) and future (Figure 3) land use designations are based on the Palm Beach County Comprehensive Plan and the geographic information is from Palm Beach County's Information Systems Services. The existing land uses are largely single-family residential. A majority of the future land uses in the area to be incorporated is designated as Rural Residential



with one residential unit per 2.5 acres (RR2.5) based on the Future Land Use designation based on the Palm Beach County Comprehensive Plan. The remainder of the area largely carries residential and commercial Future Land Use designations. These designations include one residential unit per 10 acres (RR-10), one residential unit per 5 acres (RR-5), mixed use development (WCR), Commercial Low, one residential unit per five acres (CL/RR5), Commercial Low, 2.5 residential units per acre (CL/RR2.5), Institutional (INST), and Park (PARK) land use designations.

**Figure 3: Current Land Use Designations**

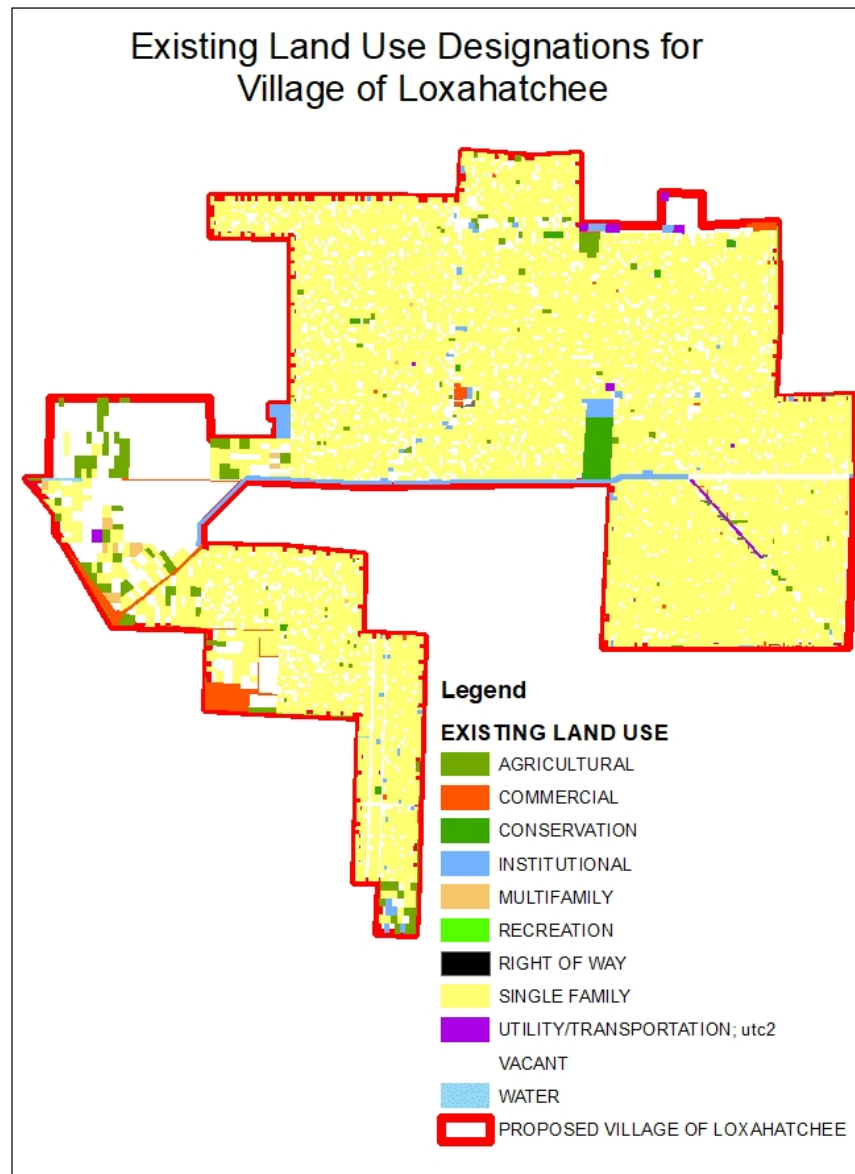
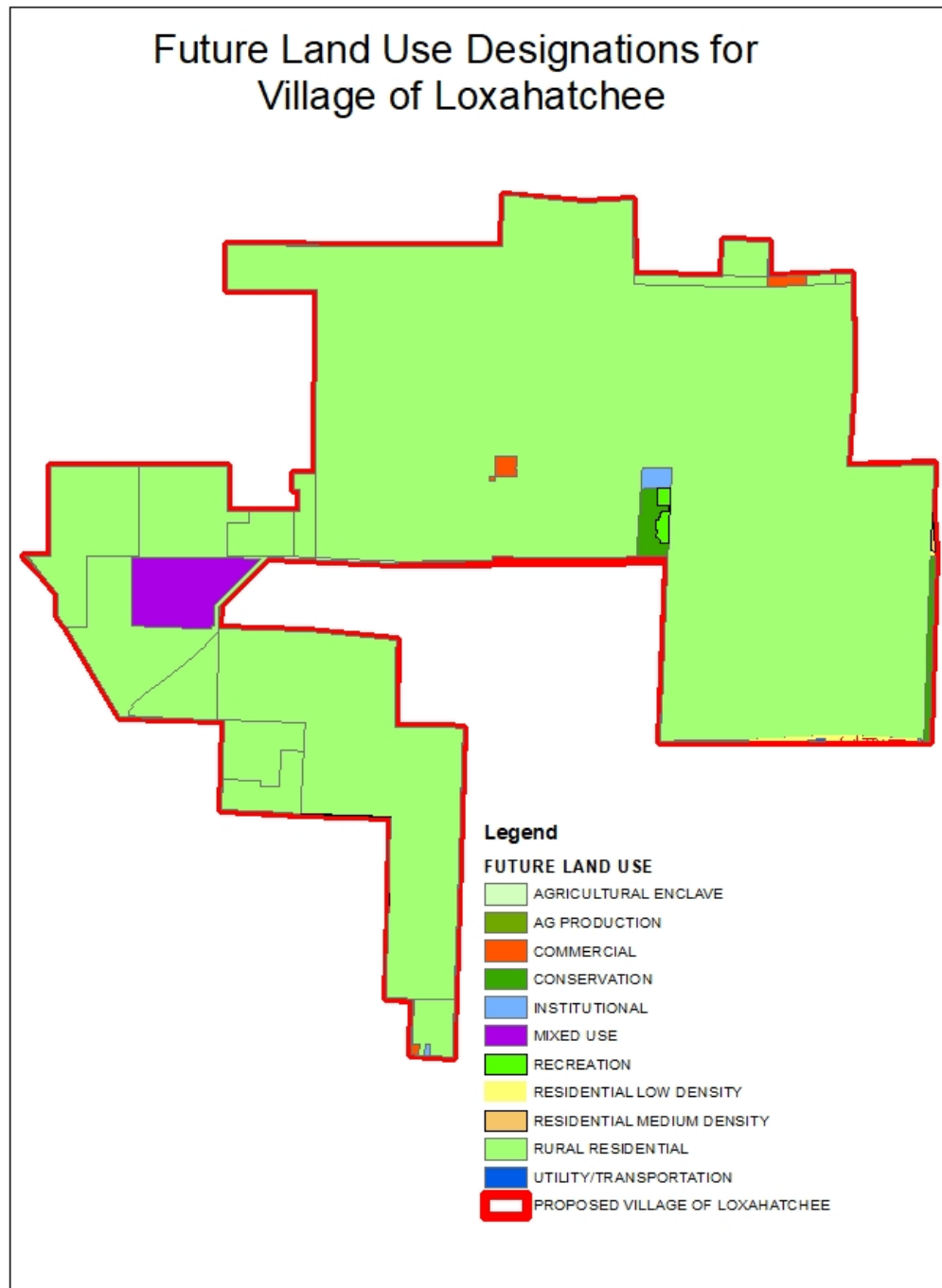


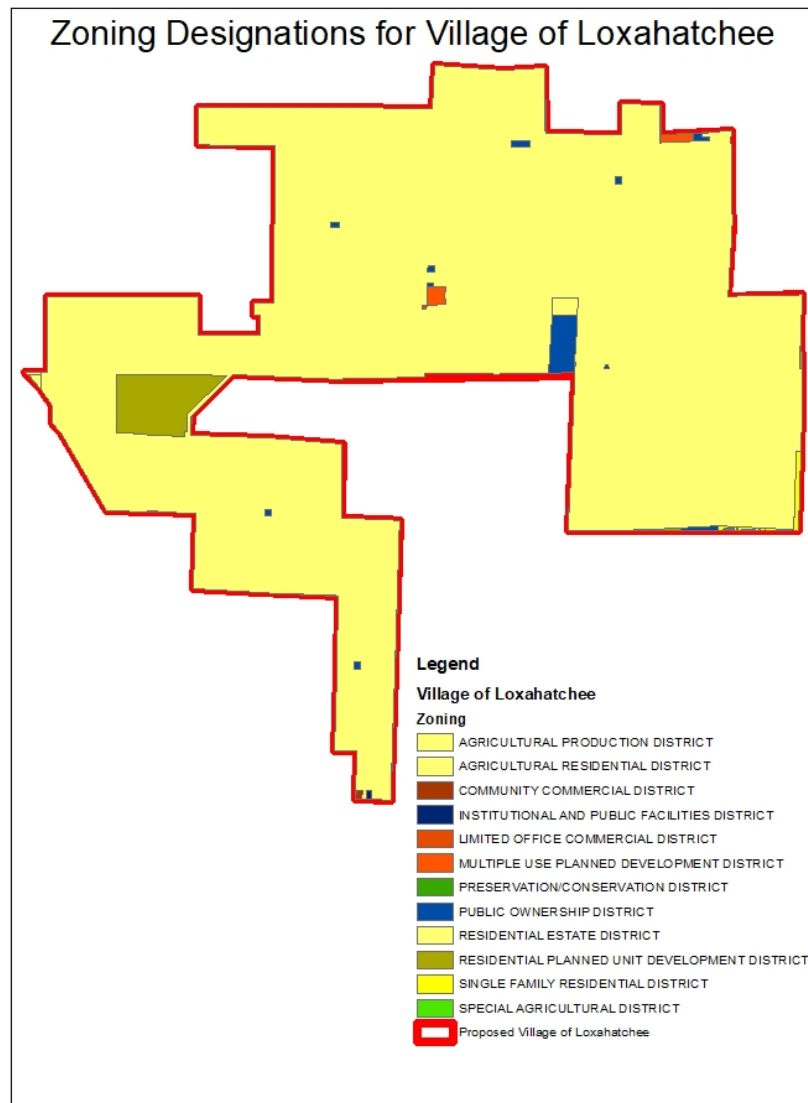
Figure 4: Future Land Use Designations



Section 3.3.b List of current county zoning designations under F.S. § 165.041(1)(b)(3)(b)

A large majority of the property is zoned as Agricultural Residential District (AR). The other zoning designations for smaller areas include Public Ownership District (PO), Residential Planned Unit Development District (PUD), Multiple Use Planned Development (MUPD), and Residential Estate District (RE). Figure 4 contains the location of these zoning designations within the proposed boundaries.

**Figure 5: Zoning Map**



Section 3.3.c General statement of present land use characteristics of the area under F.S. § 165.041(1)(b)(3)(c)

While a majority of the area is zoned as Agricultural Residential District, the largest land use in the area consists of single-family residential homes. The area to be incorporated already has a rich, diverse park system, with several parks in the area, and several additional parks adjacent to the area. Acreage Community Park, Citrus Grove Park, Coconut Park, Downers Dog Park, Hoefl Park, Nicole Hornstein Equestrian Park, Kidscape Park, Sycamore Park, and Temple Park are all within the area's proposed boundaries. Several schools serve the area, although some of these schools are adjacent to the area, with Pierce Hammock Elementary, Acreage Pines Elementary, Frontier Elementary, and Osceola Creek Middle School located within the proposed boundaries. Palm Beach County Fire Station #26 is located within the boundaries, as are several infrastructure-related uses such as pump stations.

Section 3.3.d Description of proposed development under F.S. § 165.041(1)(b)(3)(d)

This area is already largely developed, with a majority of uses being single-family housing. While future development is expected, it will likely be single-family residential development based on current zoning and future land use designation with commercial development occurring along the boundaries to the north and south of the proposed municipality and along certain county roads and major intersections. In areas already developed within the eastern part of the boundary, small-scale, largely residential development and/or redevelopment is likely due to the fact that most undeveloped parcels are scattered throughout the area and there are no undeveloped, large tracts of land for development.

Section 3.3.e List of all Public Agencies Falling within Boundaries under [F.S. § 165.041(1)(b)(4)]

Below is a list of the existing public agencies within the proposed Village of Loxahatchee boundaries and their associated 2020 millage rates and fees, where applicable.

- Palm Beach County Government (Millage Rate 4.7815)<sup>2</sup>
  - Countywide voted debt (Millage Rate is 0.0309)
- Palm Beach County Sheriff (Included in County Millage Rate)
- Palm Beach County Fire and Rescue MSTU (Millage Rate 3.4581)
- Palm Beach County Supervisor of Elections (Included in County Millage Rate)
- Palm Beach County Library (Millage Rate 0.5491)
  - Library voted debt (Millage Rate is 0.0342)
- Palm Beach County Health Care District (Millage Rate 0.7261)
- Palm Beach County School District (Millage Rate Required 3.2480)
  - Palm Beach County School Board Discretionary 3.7620)
- Children's Services Council (Millage Rate 0 .6497)

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<sup>2</sup> All listed millage rates were gathered from the Palm Beach County Property Tax Assessors "Detailed Millage Rate Chart 2020" retrieved from [https://www.pbcgov.org/papa/pdf/taxroll/2020\\_Final\\_Total\\_Millage\\_Rates\\_Levy.pdf](https://www.pbcgov.org/papa/pdf/taxroll/2020_Final_Total_Millage_Rates_Levy.pdf) Total Millage rate for unincorporated Palm Beach in 2020 was 17.5391.

- Indian Trail Improvement District – \$540 average cost per acre, non-ad valorem taxes.
- South Florida Water Management District (Millage Rate 0.1103)
  - SFWMD Basin (Millage 0.1192)
  - SFWMD Everglades Construction Project (Millage Rate 0.0380)
- Florida Inland Navigation District (Millage Rate 0.0320)
- Palm Beach County Court
- Circuit Court or the Fifteenth Judicial Circuit
- Fourth District Court of Appeal
- Florida Power and Light
- Water and Sewer (Village of Loxahatchee currently uses septic tanks and well water)
- Solid Waste Authority of Palm Beach County
- AT&T Internet & DIRECTV Services
- Xfinity or Comcast Spotlight

Table 2 provides a breakdown of the estimated costs for the specific services identified in Section 165.041(1)(b)5. Please note that to generate the estimated costs of those services, we used a simple and straight forward technique; specifically, we generated a per capita cost estimate based on Palm Beach County FY21 Adopted Budget for each service. In addition, to provide a more general indicator of traditional services provided by municipalities in the State, we conducted a sister-city comparison located in Appendix A.

**Table 3: Certain Services Provided within the Village of Loxahatchee**

Current Services Provided within the Village of Loxahatchee	Palm Beach County FY21 Budget*	Palm Beach County Population	Per Capita Costs for Services	Village of Loxahatchee Population	Estimated Service Costs
Water and Sewer	187,722,000	1,466,494	128.01	42,987	5,502,652
Solid Waste**	226,504,621	1,466,494	154.45	42,987	6,639,478
Transportation	172,621,401	1,466,494	117.71	42,987	5,060,011
Public Works	63,049,107	1,466,494	42.99	42,987	1,848,144
Law Enforcement	752,340,857	1,466,494	513.02	42,987	22,053,194
Fire and Rescue	496,058,404	1,466,494	338.26	42,987	14,540,845
Planning, Zoning and Building	65,185,751	1,466,494	44.45	42,987	1,910,775
Street Lighting	21,398,658	1,466,494	14.59	42,987	627,254
Parks and Recreation	82,462,174	1,466,494	56.23	42,987	2,417,195
Library	61,271,262	1,466,494	41.78	42,987	1,796,030
Cultural Facilities***	34,678,561	1,466,494	23.65	42,987	1,016,525

\*Source: Palm Beach County FY21 Budget <https://discover.pbcgov.org/ofmb/budget/PDF/Annual/2021/FY%202021%20Budget>

\*\*Solid Waste Data Retrieved from <https://swa.org/DocumentCenter/View/4204/FY-2021-Budget-In-Brief>

\*\*\*Cultural Facilities Located in Parks and Recreation Budget

### Section 3.3.f List of Current Services being Provided under [F.S. § 165.041(1)(b)(5)]

The Village of Loxahatchee is currently receiving most of its public services from Palm Beach County Government and the Indian Trail Improvement District. Currently Palm Beach County and the Indian Trail Improvement District levy a combination of ad valorem taxes (County) and non-ad valorem (ITID) assessments and fees on parcels within Village of Loxahatchee. However, there are a host of other public entities that are providing services to the Village of Loxahatchee.

Palm Beach County Government: Police and 911 are provided by Palm Beach County Sheriff, while Fire Protection and Emergency Medical Services are provided by Palm Beach County MSTU. Other services under the Palm Beach County Commission and Administration include development services (Building, Planning and Zoning), code enforcement, environmental services, economic development, emergency management, animal control, library, human services, waste management, and other less conspicuous governmental services.

Indian Trail Improvement District: The Indian Trail Improvement District (the District) was created by the Florida Legislature in 1957 as a Chapter 298, F.S District. The District is an independent special district that provides water management and infrastructure development services to properties in Village of Loxahatchee. The original legislation restricted the District to strictly water (canal) management. Over the years Indian Trail Improvement District's powers were amended to include road maintenance and recreation authority. The District now maintains, not only 164.2 miles of canals, but also 9 rural and equestrian parks, and more than 458 miles of roads.

Palm Beach County School Board: The Palm Beach County School Board provides education for K-12 children.

Palm Beach County Health Care District: is a dependent district that provides health care for low-income residents.

Children's Services Council: This dependent district enhances the lives of children and families in the County.

South Florida Water Management District (SFWMD): The SFWMD manages and protects water resources of the region.

South Florida Water Management District (SFWMD) Everglades Construction Project: The Project improves the water quality and clean-up the Everglades.

Florida Inland Navigational District (F.I.N.D.): FIND manages and maintains the Atlantic Intracoastal Waterway.

### Section 3.3.g List of Proposed Services and Estimated Costs to be Provided under F.S. § 165.041(1)(b)(6)

The Village of Loxahatchee will be a full-service municipality responsible for providing all legislative, administrative, and program specific activities typically found in local governments

in Florida. Please refer to Section 4 for the proposed services and estimated costs for the Village of Loxahatchee.

Section 3.3.h Names and Addresses of Officers or Persons Submitting the Proposal under [F.S. § 165.041(1)(b)(7)]

Louis Colantuoni, Jr.  
7849 Coconut Blvd.  
West Palm Beach, FL 33412  
561-236-5696  
Lcolan4280@aol.com

Bob Morgan  
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West Palm Beach, FL 33412  
305-975-4392  
Bobmorgan731@gmail.com

Elizabeth Accomando  
6521 Carol Street  
Loxahatchee, FL 33470  
561-402-1451  
barkypines@gmail.com



#### **Section 4: Five-Year Operational Plan for the Village of Loxahatchee**

This section of the feasibility study documents the 5-year operational plan, including revenue and expenditure projections and the assumptions used, to demonstrate that the Village of Loxahatchee can more than adequately afford self-governance. In fact, as this analysis shows, the Village of Loxahatchee will be fiscally sound upon successfully incorporating and for the near future.

##### ***Limitations of Financial Projections***

As with all financial projections, typically there will be differences between projected and actual results because circumstances used to project revenues and expenditures frequently do not occur as expected, and those differences may be material. Although State law requires that local governments balance their budgets, this projection does not attempt to anticipate possible municipal decisions to close budget gaps and prevent deficits in the future as a result of changing circumstances or future policy decisions of the municipal council. Moreover, there is no obligation to update this report for events and circumstances occurring after its release.

##### ***Feasibility Study Time Period***

For the purpose of this feasibility study, it is assumed that the Village of Loxahatchee will commence operations in Fiscal Year (FY) 2023-2024, the first potential complete fiscal year of operations.<sup>3</sup> Consistent with the stated statutory requirements, FY 2023-2024 – FY 2027-2028 are used in generating the 5-year operational budget. Moreover, for determining the fiscal capacity of the Village, it is assumed that FY 2023-2024 estimates are based on a complete budget year, rather than a partial budget year.

**Table 4: Proposed Timeline for Budget Purposes<sup>4</sup>**

<b>Date</b>	<b>FY 2023-2024 Budget Calendar</b>
On or about December 31, 2022	Village of Loxahatchee Incorporation becomes final
On or about December 31, 2022	Preliminary Tax Roll from Palm Beach County Property Tax Appraiser
On or about June 30, 2023	Projected Millage Rate for FY24 is submitted to Palm Beach County Property Tax Appraiser
On or about August 1, 2023	Proposed budget delivered to legislative body
On or about August 1, 2023	DR-420 submitted to Palm Beach County Property Tax Appraiser
September, 2023	First Public hearing to adopt millage rate and budget
September, 2023	Final Public hearing to adopt millage rate and budget
October 1, 2023	FY 2023-2024 Budget goes into effect
November 2023	Village of Loxahatchee begins to receive ad valorem tax revenue

<sup>3</sup> The exact date that Village of Loxahatchee will commence operations requires a number of necessary actions to take place, and successful passage of an act to incorporate by the Florida legislature. Therefore, no specific date can be determined at this time. In addition, no estimate was made based on a partial first-year budget. All analysis provided herein is based on a complete fiscal year.

<sup>4</sup> This timetable assumes that the Local Government Affairs Subcommittee reviews and the Senate approves the feasibility study and proposed charter in 2022.

### ***Feasibility Study Financial Focus – the General Fund***

The 5-year operational plan is limited to projecting the revenues and expenditures of the Village of Loxahatchee general fund. No attempt was made to project revenues and expenses for other typical government-wide funds, such as proprietary funds (enterprise funds) or fiduciary funds (trust and agency funds). According to generally accepted accounting principles developed by the Governmental Accounting Standards Board, if the Village of Loxahatchee were to establish fiduciary or enterprise funds in the future, these funds are treated differently for accounting purposes (please refer to *Concepts Statement No. 1* of the Governmental Accounting Standards Board), and are typically self-sustaining or propriety-based funds.

For the general fund, revenues are recognized when they are earned and they are measurable and available. “Measurable” means the amount of the transaction is determinable. “Available” means only if the amounts are collectible within the current fiscal period or soon enough thereafter (commonly 60 days) to pay expenditures of the current fiscal period. Expenditures are recognized when the general fund incurs a liability, but only when a payment is due and expected to be paid with available current financial resources. Long-term liabilities such as debt service payments, claims and judgments, and compensated absences are not budgeted or recognized as expenditures in governmental funds until they become due as it is only at that time they are liquidated with current financial resources.

### ***Future Growth Factor***

All revenue and expenditure assumptions used herein attempt to model what may actually occur in the future. However, like any model, there are a host of assumptions to baseline the analysis, and therefore different models will likely produce different results. In addition, applying a simple growth factor (such as 3%), may be overly conservative for some revenues and expenditures, such as property tax values and new construction, employee health care costs, wage growth through merit-based incentive pay, or even state shared revenues based on consumptions or population. For other revenues and expenditures, a 3% growth rate may be overly optimistic, such as occupational business tax revenues, general operating expenses for departments, or parking ticket revenues. Therefore, this feasibility study uses various growth factors.

### ***Timing of Certain Revenues***

Local governments in Florida operate on an October 1 – September 30 fiscal year, however, the State of Florida operates on a July 1 – June 30 fiscal year. In order for the newly incorporated Village of Loxahatchee to qualify for ad valorem and various state shared revenues, it must meet property appraiser deadlines and comply with state mandated criteria for state shared revenue.

If the Village of Loxahatchee becomes a legal entity on or about December 31, 2022 and complies with TRIM requirements, it should begin to receive property tax revenues collected by the Palm Beach Property Tax Appraiser between November and January 2023.

The Village of Loxahatchee must meet the criteria established in F.S. § 218.23 to be eligible to participate in revenue sharing beyond minimum entitlement. In order to qualify, it must:

1. Report its finances for the most recently completed fiscal year to the Department of Banking and Finance.

2. Make provisions for annual post-audits of its financial accounts in accordance with the provisions of state law.
3. For local governments, eligible after 1972, levy ad valorem taxes (excluding debt service or other special millage) that will produce the equivalent of 3 mills per dollar of assessed valuation (in the year of incorporation for new local governments) certified by the property appraiser or collect an equivalent amount of revenue from occupational license tax or a utility tax (or both) in combination with the ad valorem tax.
4. Certify that its law enforcement officers, as defined in F.S. § 943.10(1) meet the qualifications established by the Criminal Justice Standards and Training Commissions, and salary plans meet the provisions of Chapter 943, F.S., and that no law enforcement officer receives an annual salary of less than \$6,000; the minimum law enforcement officer salary requirements may be waived if the municipality certifies that it is levying ad valorem taxes at the 10 mills.
5. Certify that its firefighters, as defined in F.S. § 633.30(1), meet the qualifications set by the Division of State Fire Marshal, and that the provisions of F.S. § 633.382 have been satisfied.
6. Certify that each dependent special district that is budgeted separately from the general budget has met the provisions for an annual post-audit of its financial accounts in accordance with the provisions of law.
7. Certify to the Department of Revenue that the requirements of F.S. § 200.065 (TRIM) are met, if applicable, this certification is made annually within 30 days of adoption of an ordinance or resolution establishing a final property tax levy, or not later than November 1 if no property tax is levied.
8. Notwithstanding the requirement that municipalities produce revenue equivalent to a millage rate of 3 mills per dollar of assessed value (as described in #3 above), no municipality that was eligible to participate in revenue sharing in the three years prior to initially participating in half-cent sales tax shall be ineligible to participate in revenue sharing solely due to a millage or a utility tax reduction afforded by the Local Government Half-Cent Sales Tax.

***Evidence of Fiscal Capacity and Organization [F.S. § 165.041(1)(b)(8)]***

The statute explicitly states that the feasibility study must provide evidence of fiscal capacity and the operational plan including the existing tax bases, ad valorem taxable value, utility taxes, sales and use taxes, franchise fees, license and permit fees, charges for services, and other revenues sources, as appropriate

***Section 4.1: Village of Loxahatchee Revenues***

There are a variety of revenue sources local governments in Florida can use to pay for services provided within their community. Ultimately, a responsible local government will use a variety of revenue sources that produce long-term financial solvency that satisfies local public services demands. Depending on these needs, local government officials should conscientiously

formulate a mix of revenues that will pay for local government operations and services without unduly burdening the local tax base.

Home rule authority is granted by the Florida State Constitution. Under Home Rule, local governments have the discretion to perform any public service and enact any ordinance unless specifically prohibited by the State. The Florida Constitution restricts local governments to levying taxes that specifically have been enacted by the Florida Legislature. The lone exception is property tax. It is the only local revenue source authorized by the Constitution and is capped at 10 mills for general operating purposes. A mill is equal to \$1 of tax for each \$1,000 of taxable property value.

#### Ad Valorem Property Tax Revenues [F.S. § 165.041(1)(b)(8)(a)]

Property taxes are based on the value of real and personal property. Each year the Palm Beach County Property Appraiser determines the total value of each parcel of property. The value of residential property is based solely on the value of the real estate, which includes the buildings and improvements. The value of commercial property includes the value of the real estate and all relevant tangible and intangible property. This value is called "assessed value."

All Florida residents are eligible for a Homestead Exemption on their homes, condominiums, coop apartments, and certain mobile home lots if they qualify. Currently there are a number of property tax limitations placed on local governments. Under "Save our Homes" (SOH), the assessed value of homesteaded property cannot increase more than 3 percent each year, unless new construction or improvements occur on the property. The yearly limit varies based on the change in the CPI, but it cannot be more than 3 percent. For most homesteads, this limitation results in an assessed value that is lower than the market value of the home. In addition, *Amendment 1* allows portability of the SOH differential (which is the difference between the assessed value of a homestead and the market value). This portability allows some or all of the difference between the old homesteaded assessed value and its market value can be applied to the assessment of a new home in the first year it is owned. After which the SOH limit will apply for each year thereafter. The value of the portable SOH differential depends on how the value of the new home compares to the value of the old home.

In addition to SOH and Amendment 1 there are other exemptions on property taxes that property owners can claim, including:

- Disability Exemption
- Disability Exemption for Blind Persons
- Exemption for Widowed Persons
- Veteran's Disability Exemption
- Full Exemption for Veteran's Service-Connected Total and Permanent Disability
- Deployed Military Exemption
- Additional Exemption for Combat-Wounded Florida Disabled Veterans
- Full Exemption for Totally and Permanently Disabled Persons
- Surviving Spouse of Military Veteran or First Responder
- "Granny Flat" Exemption
- First Responders Tax Exemption

- Senior Citizen Tax Exemption

Ad valorem taxes are based on taxable value.<sup>5</sup> The property tax is calculated by multiplying taxable value of property by .001, and then multiplying that number by the rate of taxation, which is referred as "mills" or "millage rate." For example, a single-family home valued at \$300,000, \$400,000 and \$500,000, with the standard deduction of \$50,000, at a millage rate of 3 mills, they would pay the following:

**Table 5: Example of How Much a Single-Family Home would Pay in Property Taxes**

<b>Taxable Value of Property</b>	<b>\$300,000</b>	<b>\$400,000</b>	<b>\$500,000</b>
<b>Less Homestead Exemption</b>	(\$50,000)	(\$50,000)	(\$50,000)
<b>Taxable Value</b>	\$250,000	\$350,000	\$450,000
<b>Millage Rate</b>	3 mills	3 mills	3 mills
<b>Tax Bill</b>	\$750	\$1,050	\$1,350

All property taxes are due and payable on November 1 each year or as soon as the assessment roll is certified by the Palm Beach County Property Appraiser. Palm Beach County will mail each property owner a notice of taxes due to the local government and the discount rate for paying taxes (4 percent if paid in November, 3 percent if paid in December, 2 percent if paid in January and 1 percent if paid in February.) There is no discount if taxes are paid in the month of March, and taxes are considered delinquent after April 1.

#### Identifying Property Tax Values

Assessed value for the Village of Loxahatchee is based on information retrieved from the Florida Property Tax Data Portal from the Florida Department of Revenue. Using the GIS parcel shapefile for Palm Beach County, property tax data were joined to the parcel shapefile. Based on the proposed boundary for the Village of Loxahatchee, parcels from the county dataset were selected. Once these parcels were isolated, the data were exported into Microsoft Excel to calculate the assessed value. The property tax categories come from the Property Tax Oversight section of the Florida Department of Revenue.

**Table 6: Village of Loxahatchee Property Tax (based on 2020 Assessed Value)**

	<b>TOTAL VALUE</b>
<b>Just Value</b>	\$ 4,470,924,966
<b>Assessed Value – School District</b>	\$ 3,240,392,416
<b>Assessed Value – Non-School District</b>	\$ 3,184,130,148
<b>Taxable Value – School District</b>	\$ 2,831,553,994
<b>Taxable Value – Non-School District</b>	\$ 2,487,229,000
<b>New Construction</b>	\$ 53,039,665

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<sup>5</sup> While a complicated formula is used to calculate assessed value, hence property taxes, including deductions, after subtracting all lawful exemptions, the remaining value is called "taxable value."

The Village of Loxahatchee taxable value (non-school district) is \$2,487,229,000.<sup>6</sup> Based on this valuation, the Village of Loxahatchee property tax revenue for fiscal year 2023-2024 per one mill levied is:

Taxable value	\$2,487,229,000
x the discount factor <sup>7</sup>	0.95
Revised Taxable Rate	\$2,362,867,550
Millage	1
<b>Estimated Property Tax per mill</b>	<b>\$2,362,868</b>

Using the 2021 taxable value minus the 95% discount factor the following table shows how much revenue the Village of Loxahatchee could collect at different millage rates starting in FY 2023-2024.

**Table 7: Estimated Property Tax Revenue Per Mill**

<b>Millage Rate</b>	<b>Estimated Revenue</b>
1	\$2,362,868
2	\$4,725,736
3	\$7,088,604
4	\$9,451,472
5	\$11,814,340
6	\$14,177,208
7	\$16,540,076
8	\$18,902,944
9	\$21,265,812
10	\$23,628,680

Estimating property tax revenues over the 5-year span requires looking specifically at the different components of assessed value of taxable property, including new construction, and the millage rate imposed by the elected body.

- Assessed value of taxable land: Capped consistent with Amendment I and SOH – no more than 3% per annum or the CPI if less than 3%. Please note that this value

<sup>6</sup> Please note that taxable value for the Village of Loxahatchee does not include property that can be assessed for taxing purposes, including taxable value of personal property for operating purposes, taxable value of centrally assessed property for operating purposes, and new construction. Moreover, the value is based on 2021 assessed values.

<sup>7</sup> Historically, local governments in Florida have used a 95% discount factor to capture potential property tax appraisal appeals, discounts, delinquencies, and non-payments.

does not account for any future annexations that may occur, the value of new construction, or the sale of current parcels within the Village of Loxahatchee.

- Millage rate: Given this is a policy decision by the elected officials of the Village of Loxahatchee, no attempt was made to estimate future millage rate changes. Therefore, a 3-mill rate is imposed across all five years.
- New construction: As noted on table 4, new construction within the Village of Loxahatchee was \$53,180, 640. Since the community is rather stable in terms of new construction over the last five years, and applying a 3-mill rate to this amount generates \$212,723. Please note that this figure does not account for any future land development occurring within the Village's boundaries.

Based on these conditions, the annual growth rate for property tax revenues in the Village of Loxahatchee will be based on the average taxable value growth based on Palm Beach County Property Tax Appraisers Office (<https://www.pbcgov.org/papa/asps/web/TaxRollInfo.aspx>). The average county growth rate from 2017 to 2020 is based on the total assessed value (line 25) of \$208,805,696,217 in 2017 and 246,164,733,165 in 2020. This represents a 5.97% average increase in county taxable value. To provide more conservative estimates despite this county increase in value, a 4% annual growth rate will be used for this study (which includes the value of new construction).

**Table 8: 5-Year Estimate of Property Tax Revenues**

	<b>Taxable Value (95% @ 4%)</b>	<b>Estimated Property Tax Revenues Per Mill</b>	<b>Property Tax Revenues - 3 Mills</b>
<b>FY 2023-2024 (Base Year)</b>	\$2,362,868	\$2,362,868	\$7,088,604
<b>FY 2024-2025</b>	\$2,457,383	\$2,457,383	\$7,372,148
<b>FY 2025-2026</b>	\$2,555,678	\$2,555,678	\$7,667,034
<b>FY 2026-2027</b>	\$2,657,905	\$2,657,905	\$7,973,715
<b>FY 2027-2028</b>	\$2,764,221	\$2,764,221	\$8,292,664

### Public Service Tax

The Public Service Tax, also called the "Utility Tax", is another substantial revenue source for local governments in Florida. This tax is levied by the local government on specific utility services collected by the utility provider, even if the provider is the local government itself. The tax is incorporated into the utility bill and is based on relative consumption.

Florida Statutes § 166.231 provides local governments the authority to assess a tax based on the purchase of electricity, telephone and telegraph, water and heating fuels (natural gas, propane, fuel oil and kerosene) at a rate not to exceed 10 percent. Many local governments apply this tax on a broader definition of telecommunications, which include intrastate long distance, cellular,

paggers, etc. In this case the maximum rate allowed is 7 percent on all applicable telecommunications.

### State Shared Revenues

This category is referred to as "revenue sharing." These revenues are collected by one government and shared with other governmental units. The statutory requirements for eligibility in state revenue sharing are addressed in the preceding section of this report. For this study, it is assumed that the Village will comply with all the provisions of state law to qualify for state shared revenues. A one-year lag has been included to recognize that population estimates for state revenue sharing purposes are based on the population of the prior year.

The half-cent sales tax allocation factor for each municipal government is computed by dividing the municipality's total population by the sum of the county's total population plus two-thirds of the county's incorporated population. Each municipality's distribution is determined by multiplying the allocation factor by the sales tax monies earmarked for distribution within its respective county. A one-year lag in population reporting for purposes of computing the half-cent sales tax revenue has been incorporated into the per capita estimates for the Village.<sup>8</sup>

### Franchise Fees

Franchise fees are typically levied on a company or utility for the privilege of doing business within the local government's jurisdiction and/or for utilizing a local government's right-of-way to transact business. A 1987 Florida League of Cities survey indicates that franchise fees are levied on electricity, telephone (1 percent maximum), water, sewer, natural gas, cable television (5 percent maximum), solid waste collection, taxis, marinas, mass transit and golf courses. These fees are generally levied at rates of up to 6 percent of gross billings, except where noted above.

### Intergovernmental Revenues, Licenses and Permit Fees

No attempt was made to model the various formulas used by the Florida Department of Revenue for determining state shared revenues. In addition, no effort was made to estimate potential federal or state grants or other intergovernmental revenues, such as federal payments in lieu of taxes (Chapter 69, Title 31 of the United States Code). These revenue sources, although typically minor in comparison to shared revenues, are dependent on the Village of Loxahatchee and various levels of government agreeing to establish these payments.

For each of the revenue items identified below, a simplified procedure was used. It is based on the premise that since the Village of Loxahatchee is located in unincorporated Palm Beach County, the per capita share of the County's revenues can be used to estimate these revenue sources for the Village of Loxahatchee. The formula applied is:

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<sup>8</sup> Sections 212.20(6) and 218.60-62, FS, provide definitions and the distribution formula for the Local Government Half Cent Sales Tax. Sections 218.63 and 218.23, FS, specify the eligibility requirements that local governments must satisfy in order to participate in the Local Government Half-Cent Sales Tax Program. Section 218.64, FS, stipulates the restrictions on the uses of these funds. In addition to the Half Cent Sales Tax, on November 8, 2016, the voters of Palm Beach County approved an Infrastructure Surtax. Proceeds are distributed 50% to the School District, 30% to Palm Beach County, and 20% to Cities.



- Palm Beach County FY 2021 Revenue Estimates
- 2020 Unincorporated Population of Palm Beach County: 1,466,494<sup>9</sup>
- Palm Beach County Revenue Per Capita
- Village of Loxahatchee Population 2021 Estimate (42,987)

In addition to the standard Intergovernmental revenues where Palm Beach County was used to base the projections on for the Village of Loxahatchee, an additional source has to be computed. Again, as a policy decision by the Village of Loxahatchee's legislative body, they can impose an additional 1/6 cent sales tax. For this study, it is assumed that the Village of Loxahatchee will impose this additional sales tax.<sup>10</sup>

**Table 9: Intergovernmental and Franchise Revenue Estimates**

Revenue Category	Palm Beach County FY 2021 Budget	Palm Beach County Population	Per Capita Rate	Village of Loxahatchee Population	Village of Loxahatchee Estimated Revenues
<b>Licenses, Permits &amp; Other Taxes</b>					
Franchise Fee	35,245,000	1,466,494	24.0335	42,987	1,033,128
Utility Service Tax	44,690,000	1,466,494	30.474	42,987	1,309,986
Local Option Gas Taxes	52,420,000	1,466,494	35.7451	42,987	1,536,575
Communications Services Tax	17,412,000	1,466,494	11.8732	42,987	510,393
Building Permits	24,000,000	1,466,494	16.3656	42,987	703,508
Other Licenses, Permits & Other Taxes	9,456,621	1,466,494	6.4485	42,987	277,202
<b>Licenses, Permits &amp; Other Taxes</b>	<b>\$183,223,621</b>				<b>\$5,370,791</b>
<b>Intergovernmental Revenues</b>					
State Shared Revenue	34,230,000	1,466,494	23.3414	42,987	1,003,377
½ Cent Sales Tax <sup>11</sup>	94,290,000	1,466,494	64.2962	42,987	2,763,901
Constitutional Gas Tax	18,784,000	1,466,494	12.8088	42,987	550,612
<b>Intergovernmental Revenues</b>	<b>\$147,304,000</b>				<b>\$4,317,889</b>

<sup>9</sup> The unincorporated population of Palm Beach County was taken from the "Population Allocation Model" developed by the County Planning Division, and retrieved from <https://discover.pbcgov.org/pzb/planning/Projects-Programs/Population-Demographics.aspx>.

<sup>10</sup> In addition to the Half Cent Sales Tax, on November 8, 2016, the voters of Palm Beach County approved an Infrastructure Surtax. Proceeds are distributed 50% to the School District, 30% to Palm Beach County, and 20% to Cities.

<sup>11</sup> Sections 212.20(6) and 218.60-62, FS, provide definitions and the distribution formula for the Local Government Half Cent Sales tax. Sections 218.63 and 218.23, Florida Statutes, specify the eligibility requirements that local governments must satisfy in order to participate in the Local Government Half-Cent Sales Tax Program. While Section 218.64, Florida Statutes, stipulates the restrictions on uses of the funds.

Population growth rate factor produced by ESRI (1.45%) is used to annualize the base moving forward.<sup>12</sup>

**Table 10: Village of Loxahatchee Intergovernmental Revenue Estimates**

<b>Revenue Category</b>	<b>FY 2023-2024</b>	<b>FY 2024-2025</b>	<b>FY 2025-2026</b>	<b>FY 2026-2027</b>	<b>FY 2027-2028</b>
<b>Licenses, Permits &amp; Other Taxes</b>					
Franchise Fee	1,033,128	1,048,108	1,063,306	1,078,724	1,094,365
Utility Service Tax	1,309,986	1,328,981	1,348,251	1,367,800	1,387,634
Local Option Gas Taxes	1,536,575	1,558,855	1,581,458	1,604,389	1,627,653
Communications Services Tax	510,393	517,794	525,302	532,919	540,646
Building Permits	703,508	713,709	724,058	734,557	745,208
Other Licenses, Permits & Other Taxes	277,202	281,221	285,299	289,436	293,632
<b>Licenses, Permits &amp; Other Taxes</b>	<b>\$5,370,791</b>	<b>\$5,448,668</b>	<b>\$5,527,674</b>	<b>\$5,607,825</b>	<b>\$5,689,138</b>
<b>Intergovernmental Revenues</b>					
State Shared Revenue	1,003,377	1,017,926	1,032,686	1,047,660	1,062,851
1/2 Cent Sales Tax	2,763,901	2,803,977	2,844,635	2,885,882	2,927,727
1/6 Cent Sales Tax	922,927	936,309	949,886	963,659	977,632
Constitutional Gas Tax	550,612	558,596	566,695	574,912	583,249
<b>Intergovernmental Revenues</b>	<b>\$5,240,816</b>	<b>\$5,316,808</b>	<b>\$5,393,902</b>	<b>\$5,472,114</b>	<b>\$5,551,459</b>

### User Fees (Charges for Services)

The Florida Comptroller defines user fees as "voluntary payments based on direct measurable consumption of publicly provided goods and services." User fees are derived from charges for water, waste water, natural gas, electricity, mass transit, garbage collection, parks and recreation, building inspections, public transportation, special public safety services and a variety of other goods and services.

User fees have substantially increased as a proportionate share of a municipal budget since the 1970's. For some services, fees are charged at rates below the actual cost and partially are offset by taxes. This is necessary for some services so that residents on fixed incomes are not excluded due to high prices. For other services, user fees cover the full cost of service delivery.

For the purpose of this study, it is assumed that the Village of Loxahatchee will charge for various services, including planning and zoning fees, athletic programs and summer camps, and lot mowing and clearing. However, since the actual rate and what is to be charged are policy decisions, revenues from this source are estimated to be \$300,000. This value was based on a Sister-City analysis conducted for this study (please refer to Appendix A for a discussion of the Sister-City benchmark process). More importantly, if the Village of Loxahatchee decided not to

<sup>12</sup> According to the Palm Beach County Planning Department the population growth of the unincorporated area from 2020 – 2025 is estimated to be 5.50%. Therefore, the ESRI estimate may underestimate the actual growth of these revenue sources.

charge for these services, it would have no material effect on this feasibility study, i.e. no significant impact on the ability of the Village of Loxahatchee to pay for expected operational expenses.

### Fine and Forfeitures

Fines and forfeitures are financial penalties imposed for violations of the law. Fines include moving and parking tickets (including those from traffic cameras), court-imposed fines, and other criminal justice-related charges and penalties. A forfeiture is when the police seize property that is believed to be connected to a crime. (The US Census Bureau excludes library fines, sales of confiscated property, and any penalties relating to tax delinquency from these totals).

Although fines constitute a small share of the overall revenue for local governments in the State, depending on the nature of certain forfeitures, this could be material. However, for this feasibility study, only code enforcement, public safety, and false alarm fines are included in the revenue mix. Moreover, since the amounts are insignificant to the overall revenue total, these sources are projected to remain the same over the study horizon at \$5,000 for code enforcement fines, \$4,000 for public safety fines, and \$1,000 for false alarm fines.

### Interest Income

During any fiscal year, local governments will have idle cash that should be invested, even short-term. According to the Government Finance Officers Association (GFOA), *Best Practices: Investment Policy*, local governments should develop an investment policy that describes how the entity will invest government funds, including investment objectives, preferences or tolerance for risk, constraints on the investment portfolio, and how the investment program will be managed and monitored.

For this study, a minimum amount of interest income is provided. This is based in part on the Village of Loxahatchee developing an investment policy, and in part on the fact that during certain times during the year, the Village of Loxahatchee will have cash to pay bills. Given there is no policy in place currently, it is assumed that the majority of interest income will come from short-term investments, as defined by the GFOA.

For this study, only \$20,000 in interest income was used, and no adjustments for future growth was offered.

### Miscellaneous Income

Miscellaneous income represents all other sources that are not expressly captured from the revenue categories discussed in previous section. These types of income typically include sale of surplus equipment, rents and royalties, sponsorships, and donations.

Like charges for operating services, fines and forfeitures, and interest income, miscellaneous income typically produces limited revenues for local governments in Florida. Therefore, a minimum of \$50,000 is used for this study. Moreover, no projections were made for future years.

Table 11 provides the base and projected revenues by source for the Village of Loxahatchee. It becomes quickly apparent that a number of other revenue sources could have been included for this study, but since many of these others sources are immaterial to the overall fiscal health of a local government, they were not included herein.

**Table 11: 5-Year Village of Loxahatchee Revenue Projections**

REVENUES	Fiscal Year				
	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
<b>AD VALOREM TAXES</b>					
Ad Valorem Taxes (3 mills)	7,088,604	7,372,148	7,667,034	7,973,715	8,292,664
<b>UTILITY SERVICE TAX</b>					
Utility Service Tax	1,309,986	1,328,981	1,348,251	1,367,800	1,387,634
<b>OTHER TAXES</b>					
Local Option Gas Tax	1,536,575	1,558,855	1,581,458	1,604,389	1,627,653
Communication Service Tax	510,393	517,794	525,302	532,919	540,646
<b>FRANCHISE FEES</b>					
Electrical Franchise Fees	1,033,128	1,048,108	1,063,306	1,078,724	1,094,365
<b>PERMITS &amp; FEES</b>					
Building Permits	703,508	713,709	724,058	734,557	745,208
Plan Check Fees	5,000	5,000	5,000	5,000	5,000
Certificate of Use	1000	500	500	500	500
<b>STATE SHARED REVENUE</b>					
State Shared Revenue	1,003,377	1,017,926	1,032,686	1,047,660	1,062,851
1/2 Cent Sales Tax	2,763,901	2,803,977	2,844,635	2,885,882	2,927,727
1/6 Cent Sales Tax	922,927	936,309	949,886	963,659	977,632
Constitutional Gas Tax	550,612	558,596	566,695	574,912	583,249
<b>CHARGES FOR SERVICES</b>					
Charges for Services	300,000	300,000	300,000	300,000	300,000
<b>FINES &amp; FORFEITURES</b>					
Code Enforcement Fines	5,000	5,000	5,000	5,000	5,000
Public Safety	4,000	4,000	4,000	4,000	4,000
False Alarm Fines	1,000	1,000	1,000	1,000	1,000
<b>INVESTMENT INCOME</b>					
Interest Income	20,000	20,000	20,000	20,000	20,000
<b>MISCELLANEOUS INCOME</b>					
Miscellaneous Income	50,000	50,000	50,000	50,000	50,000
<b>TOTAL G/F REVENUES</b>	17,809,010	18,241,903	18,688,811	19,149,718	19,625,129

## ***Section 4.2: Village of Loxahatchee Expenditures***

According to F.S. 165.041(1)(b), a feasibility study for incorporation requires a listing of the services to be provided within the proposed incorporation area and their estimated costs. This section details the expenditures associated with operating the Village of Loxahatchee government. As noted in the proposed Charter, the Village of Loxahatchee will be a full-service municipality.

### **Exclusions from Village of Loxahatchee Operational Budget**

Certain operations that some local governments provide, such as solid waste, water and wastewater treatment services, and even electrical power, will not be provided directly by the Village of Loxahatchee. Each one of these major services, and justification for not including them in the operational plan for Village of Loxahatchee is provided below.

*Solid Waste:* If the voters in the Village of Loxahatchee vote for incorporation, consistent with current practices, the existing solid-waste contracts will be honored for, at minimum, five years [F.S. § 165.041(1)(b)(11)]. The Local Government Formation Manual specifically states “The plan for any incorporation must honor existing contracts for solid waste collection services in the affected areas for the shorter of five years or the remainder of the contract term” (p. 19). Therefore, the Solid Waste Authority of Palm Beach will continue to collect residential and commercial garbage and trash within the Village of Loxahatchee. Since residents and businesses in the Village of Loxahatchee currently pay for these services, there is no additional expenses included in this feasibility study.

*Water and Wastewater Services:* In the Village of Loxahatchee, a significant majority of residential units are currently on well-water and septic. Moreover, for those commercial and residential units who currently receive Palm Beach County Water Utilities Department services, there are no additional expenses associated with providing water and wastewater for the Village of Loxahatchee.

### **Contracted Services**

The second important part of the expenditures analysis regards specific services that will be contracted rather than actually provided by the Village of Loxahatchee. Below is the list of contracted services.

*Legal Services:* For the entire part of this feasibility study, it is assumed that the Village of Loxahatchee will contract with a legal firm that specializes in local government law. The original agreement will be for three years, with one-year renewable contracts thereafter. The base price is estimated to be \$316,000 with an escalation clause that increases the contract price 5% in the 4<sup>th</sup> year.

*Palm Beach Sheriff's Office:* Palm Beach County Sheriff's Department currently provides policing services within the proposed municipal boundaries of the Village of Loxahatchee. The Sheriff's Office noted that if they were to provide the same level of services to the area, it would cost around \$6,500,000 (email from Major Eric Coleman,

Palm Beach County Sheriff's Office). Consequentially this amount will be used for the first three years (contractual arrangement) for estimating future costs. From there, it is anticipated that a new contract with the Village of Loxahatchee will be negotiated, with a potential escalation of costs. This increase is projected to be 10% from the current base for the final two years of the projections.

According to Major Eric Coleman, West Regional Bureau, Palm Beach County Sheriff's Office, the following services will be provided to the Village for the estimated \$6.5 million:

Indian Trails [Village of Loxahatchee]: 1st year of contract

- 4 sectors, 6 deputies per sector (Minimum 4 on duty 24x7) = 24 deputies
- 2 Motors
- 2 Detectives
- 2 Street Team
- 5 Sergeants
- 1 Clerical Specialist
- 42 Crossing Guards
- Captain and lieutenant assigned to D15 at no charge to Indian Trails

2nd year: add two patrol deputies

3rd year: add two patrol deputies

4th year: add two patrol deputies

As personnel are added, we will add an additional sector, totaling 5 sectors (Minimum 5 deputies on duty 24 x 7).

Support services included

- Communications 24x7
- Crime Scene
- Traffic Homicide
- Violent Crimes Division - Robbery/Homicide/Gang detectives
- Crimes Against Children/Sex Crimes
- Computer Crimes
- Financial Crimes
- SWAT Team
- Narcotics
- Crossing guard supervision
- Fleet
- Computers
- Radios
- Legal
- Central Records
- Crime Analysis Unit
- Behavioral Services

- Tactical Unit
- K-9
- Police Athletic League
- Media Department
- Internal Affairs
- Training Division
- Watch Commanders
- Command Duty Officers
- Major

*Fire and EMS:* Pursuant to F.S. 125.01(1)(q) and (r), the Florida Legislature has empowered counties to establish Municipal Service Taxing Units ("MSTU"s) and to levy a tax within the MSTU for certain essential municipal services, including the provision of fire-rescue services. Currently, Palm Beach County Fire Rescue operates a MSTU for unincorporated areas, as well as providing services to a number of local governments in the county. Therefore, the Village of Loxahatchee, pursuant to Section 125.01(1)(q), will remain within the Fire Rescue MSTU. As a result, there is no additional costs associated with providing these services.

#### Services to be Provided by the Village that are Currently Provided by the Indian Trail Independent District.

As noted in the proposed Charter, the Village of Loxahatchee will enter into an inter local government agreement with the Indian Trail Independent District (ITID) to provide certain services that are currently provided by the District. The two functions the Village will take over from the District are roadways and parks and recreation. The District will still provide their residents with water control, water supply, and protecting the land within its boundaries from the effects of water by using the construction and maintenance of canals, ditches, levees, dikes, pumping plants, and other works and improvements. Therefore, all the expenses associated with roadways and parks and recreation are included in the proposed operational plan for the Village. If, for some reason, the Village and the District do not enter into the inter local government agreement once the Village is incorporated, those identified expenses associated with roadways and parks and recreation would be removed from the five-year operational budget. The fiscal impact for the Village if they did not enter into the inter local government agreement with the District would be approximately a \$3,000,000 reduction in expenses each year.

#### ***General Governmental Expenditures***

The three major expenditure categories as defined by the State of Florida *Uniform Accounting System Manual*<sup>13</sup> are used herein to estimate expenditures for each department in the general fund.

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<sup>13</sup> Uniform Accounting System File, Retrieved from <https://www.myfloridacfo.com/division/aa/manuals/localgovernment/2011uasmanualcounty122910.pdf>

## Personnel Expenses

For each position used to compute personnel expenditures, two approaches were used. For those positions that are currently occupied by ITID personnel which will be transferred to the Village, those actual costs are included. For any new position, the Bureau of Labor Statistics (BLS), *Occupational Outlook Handbook* was used to establish baseline salaries. For example, according to the BLS, the median pay for a code enforcement officers were \$62,860, while a recreation supervisor is \$28,440 per year. In addition to new positions salaries, calculations for Social Security/FICA, Medicare, unemployment, workmen's compensation, healthcare, and retirement were estimated based on the U.S. Small Business Administration, which states that it generally costs between 1.25 to 1.4 times the annual salary for employees for these benefits. Therefore, each salary line includes a 1.3% multiplier to capture these additional personnel expenses. These additional expenses were also compared to the ITID average costs, which was approximately 30%. Other personnel expenses, such as accumulated vacation and sick leave were not added to the estimated costs. For future year estimates, all personnel costs are expected to increase 2.5%.

## Operating Expenditures:

Operating expenditures typically include all the materials and supplies, and other associated operating costs (i.e. utilities and rent, training and travel) that are related to providing the programs/services of each department. Basically, these expenditures include goods and services, which primarily benefit the current period, and are not defined as personnel services or capital outlays.

Like personnel costs, actual ITID operating expenses associated specifically with certain functions are used to establish the baseline estimates. For those new activities/departments, according to U.S. Census Bureau, *2019 State & Local Government Finance Historical Datasets and Tables*,<sup>14</sup> approximately 42% of the actual cost of direct local government expenditures are associated with operating and capital expenses. This was computed by taking current operational expenses for local government (\$1,276,519,167) and divide this by salaries and wages (\$736,643,392). The next step was to isolate the operating expenses by removing capital outlays, assistance and subsidies, interest on debt, and insurance benefits and repayments. Based on this analysis, it was determined that operating expenses represented 26% of all local government expenditures, and was used for those departments where actual operating costs had to be estimated.

## Capital Outlays:

Capital outlays are divided into two separate classes. Those typically associated with operating a department and cost less than \$10,000 are classified as capital expenditures and are treated as part of the department's budget. For example, general operating capital would include office furniture, office equipment, and computer hardware and software. Using the same logic as

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<sup>14</sup> Annual Survey of State and Local Government Finances, Retrieved from <https://www.census.gov/programs-surveys/gov-finances.html>



operating expenses above, capital expenditures account for 16% of local government expenditures.

Those capital items which are projected to last longer than three years and cost more than \$10,000 are typically itemized within the Capital Fund. Capital grouped under this category would include major equipment, buildings, and technology infrastructure. Moreover, how the Village of Loxahatchee may want to finance these items is a policy decision beyond this study to be undertaken upon successful incorporation – for example the Village of Loxahatchee could issue debt, use pay-as-you-go financing, or even lease these items through a public-private partnership. Therefore, major capital expenditures are not captured herein.

Once the Village of Loxahatchee is incorporated, major capital items, such as the administration building, equipment related to roadways, as well as parks and recreation facilities and associated land will be transferred from the ITID to the new Village through an interlocal agreement. To avoid listing each asset and keep this study manageable, table 12 lists those assets by major category. If the ITID and the Village cannot agree on transferring those responsibilities and associate assets, the net effect would be a decrease of approximately \$2,900,000 in annual expenditures for the Village. How the Village of Loxahatchee may want to finance capital assets if the interlocal agreement does not occur is a policy decision beyond this study – for example the Village could issue debt, use pay-as-you-go financing, or even lease these items through a public-private partnership. A possible consideration that the Village may consider regarding certain capital assets (such as administration buildings) is the fact that over the past 18 months the normal office space and functionalities of both the private and public sector have changed substantially. Currently there are many studies that show that a significant number of professionals, para-professionals and administrative staff do not want to return to a full-time office space and are just as productive.

**Table 12: Capital Assets Rolled Forward Schedule**

	<u>Village of Loxahatchee</u>
Not being depreciated:	
Land	2,378,722
Land improvements	0
Construction in progress	8,024,407
	<u>10,403,129</u>
Being depreciated:	
Park improvements	5,760,362
Roads and pathways	22,849,681
Buildings	874,980
Drainage structures	0
Machinery and equipment	4,668,269
	<u>34,153,291</u>
Accumulated depreciation:	
Park improvements	(4,474,745)
Roads and pathways	(12,750,553)
Buildings	(853,218)

Drainage structures	-
Machinery and equipment	(2,903,355)
	<u>(20,981,872)</u>
Total being depreciated, net	<u>13,171,420</u>
Grand total, net	<u><u>23,574,549</u></u>

The following table itemizes the positions, associated operating expenditures, and capital expenditures for the Village of Loxahatchee along with the five-year operational forecast. Please note that the amount for the Mayor and Council Members are solely for their pay and benefits per the Code, with a 1% annual growth rate. All other expenses, such as travel, memberships, and related reimbursable expenses are included in the operating expenses for the Village.

**Table 13: 5-Year Village of Loxahatchee Expenditure Projections**

EXPENDITURES		Positions	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
<b>ADMINISTRATION</b>							
Mayor and Commission		5	119,600	120,796	122,004	123,224	124,456
City Manager's Office							
	Village Manager	1	261,947	268,496	275,208	282,088	289,140
	Chief Construction Officer	1	173,697	178,039	182,490	187,053	191,729
	Administrative Secretary	1	85,180	87,310	89,492	91,730	94,023
Legal Counsel	Contract Services		316,000	316,000	316,000	331,800	331,800
City Clerk	Village Clerk	1	67,331	69,014	70,740	72,508	74,321
Information Technology							
	Network and Media Specialist	1	83,959	86,058	88,209	90,415	92,675
Human Resources							
	Chief Human Resources Officer	1	121,134	124,162	127,266	130,448	133,709
	Total Administration	11	1,228,848	1,249,875	1,271,410	1,309,265	1,331,854
<b>FINANCE</b>							
Director's Office							
	Chief Financial Officer	1	145,055	148,681	152,398	156,208	160,114

Financial Operations

Senior Accountant	1	88,785	91,005	93,280	95,612	98,002
Accountant	1	79,946	81,945	83,993	86,093	88,245
Accounting Specialist	1	68,592	70,307	72,064	73,866	75,713

Purchasing

Purchasing Specialist	1	83,112	85,190	87,320	89,503	91,740
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Total Finance	5	465,490	477,127	489,055	501,282	513,814
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**PLANNING AND ZONING**

Director's Office and Staff

Planning Director	1	126,750	129,919	133,167	136,496	139,908
Development Review Coordinator	1	66,950	68,624	70,339	72,098	73,900
Administrative Assistant	1	50,180	51,435	52,720	54,038	55,389

Code Enforcement

Code Enforcement Officer	1	88,004	90,204	92,459	94,771	97,140
Code Enforcement Officer	1	88,004	90,204	92,459	94,771	97,140

Total Planning and Zoning	5	419,888	430,385	441,145	452,173	463,478
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**BUILDING DEPARTMENT**

Director's Office and Staff

Building Official	1	123,714	127,425	131,248	135,185	139,241
Administrative Assistant	1	50,180	51,685	53,236	54,833	56,478

Inspectors

Building Inspector	1	75,009	77,259	79,577	81,965	84,424
Plumbing Inspector	1	70,361	72,472	74,646	76,886	79,192

Mechanical Inspector	1	59,031	60,802	62,626	64,505	66,440
Electrical Inspector	1	72,100	74,263	76,491	78,786	81,149
Building Permit Supervisor	1	89,522	92,207	94,973	97,823	100,757
Building Code Compliance Officer	1	61,564	63,411	65,313	67,272	69,290
Total Building Department	8	601,480	619,525	638,111	657,254	676,971

## **PUBLIC WORKS/OPERATIONS**

### Director's Office

Chief Operating Officer	1	128,566	131,780	135,075	138,452	141,913
Administrative Assistant	1	50,180	51,435	52,720	54,038	55,389
Customer Service Rep	1	51,462	52,749	54,067	55,419	56,804
Capital Improvement Sup.	1	79,750	81,744	83,787	85,882	88,029
Total Director's Office	4	309,958	317,707	325,650	333,791	342,136

## **ROADS**

Crew Chief	4	307,223	314,903	322,776	330,845	339,117
Grader MEO III	6	401,883	411,930	422,228	432,784	443,604
Maint Equip Oper 1	2	94,732	97,100	99,527	102,015	104,566
Maint Equip Oper 2	7	386,188	395,843	405,739	415,883	426,280
Maint Equip Oper 3	6	390,806	400,576	410,591	420,855	431,377
Roadway Management Sup.	1	92,390	94,700	97,067	99,494	101,981
Sign Tech	1	50,267	51,524	52,812	54,132	55,485
Total Roads	27	1,723,489	1,766,576	1,810,740	1,856,009	1,902,409

**FLEET**

Dump Truck MEO 3	3	195,549	200,438	205,449	210,585	215,850
Fleet Mechanic	2	159,207	163,187	167,267	171,449	175,735
Fleet Supervisor	1	102,851	105,422	108,058	110,759	113,528
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Total Fleet	6	457,607	469,047	480,773	492,793	505,113

**CAPITAL PROJECTS**

Crew Chief	1	76,806	78,726	80,694	82,711	84,779
Maint Equip Oper 1	1	47,366	48,550	49,764	51,008	52,283
Maint Equip Oper 2	2	110,340	113,098	115,925	118,824	121,794
Maint Equip Oper 3	1	65,134	66,763	68,432	70,143	71,896
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Total Capital Projects	5	299,645	307,136	314,815	322,685	330,752

Total Public Works/Operations	42	2,790,699	2,860,466	2,931,978	3,005,277	3,080,409
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**PUBLIC SAFETY**

Police	Contract with PBSO	0	6,500,000	6,500,000	6,500,000	7,150,000	7,150,000
Fire & EMS	MSTU	0	0	0	0	0	0
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Total Public Safety		0	6,500,000	6,500,000	6,500,000	7,150,000	7,150,000

**PARKS AND RECREATION**

Director's Office

Parks & Rec Director	1	121,722	124,765	127,884	131,081	134,358
Facilities, Parks & Rec. Manager	1	77,940	79,889	81,886	83,933	86,031
Parks & Recreation						
Equestrian Specialist	1	58,558	60,022	61,522	63,061	64,637
Park Specialist I	6	316,627	324,543	332,656	340,973	349,497
Park Specialist II	2	158,227	162,183	166,237	170,393	174,653
Recreation Specialists	1	53,909	55,257	56,638	58,054	59,505
Total Parks and Recreation	12	786,983	806,658	826,824	847,495	868,682

#### OPERATING EXPENSES

Accounting & Auditing Fees	46,667	46,667	46,667	46,667	46,667
Books, Publications, Dues, Subscriptions	4,207	4,207	4,207	4,207	4,207
Charges and Fees	6,187	6,187	6,187	6,187	6,187
Chemicals	10,000	10,000	10,000	10,000	10,000
Computer Programming & Maintenance	97,267	97,267	97,267	97,267	97,267
Contractual Services - Janitorial	16,600	16,600	16,600	16,600	16,600
Contractual Services - Other	259,393	259,393	259,393	259,393	259,393
Contractual Services - Professional	98,933	98,933	98,933	98,933	98,933
Deputy Sheriffs	29,500	29,500	29,500	29,500	29,500
Dyed Diesel Fuel	173,250	173,250	173,250	173,250	173,250
Education & Training	5,000	5,000	5,000	5,000	5,000
Engineering Fees	226,000	226,000	226,000	226,000	226,000
Equipment Leasing, Long-Term (Non - Capital)	142,130	142,130	142,130	142,130	142,130
Equipment Rental, Short - Term	73,400	73,400	73,400	73,400	73,400
Gasoline	5,000	5,000	5,000	5,000	5,000
General Insurance	173,333	173,333	173,333	173,333	173,333

Janitorial Supplies	9,733	9,733	9,733	9,733	9,733
Lubricants and Fluids	22,815	22,815	22,815	22,815	22,815
Maintenance - Asphalt Roads and All Sidewalks (Unit Specific)	143,400	143,400	143,400	143,400	143,400
Maintenance-Non - Asphalt Roads (Unit Specific)	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
Meetings/Meals	1,833	1,833	1,833	1,833	1,833
Postage & Delivery	600	600	600	600	600
Printing, Signage & Forms	2,667	2,667	2,667	2,667	2,667
Records Management	5,333	5,333	5,333	5,333	5,333
Reimbursable Expenses	-13,699	-13,699	-13,699	-13,699	-13,699
Repairs & Maintenance - Building	59,100	59,100	59,100	59,100	59,100
Repairs & Maintenance - Equipment	175,400	175,400	175,400	175,400	175,400
Repairs & Maintenance - Fields & Grounds	164,400	164,400	164,400	164,400	164,400
Repairs & Maintenance - Vehicles	54,487	54,487	54,487	54,487	54,487
Safety Supplies	2,350	2,350	2,350	2,350	2,350
Surveying Supplies	5,267	5,267	5,267	5,267	5,267
Telephones & Communications	36,333	36,333	36,333	36,333	36,333
Tools	14,940	14,940	14,940	14,940	14,940
Trash Pickup	46,600	46,600	46,600	46,600	46,600
Travel	8,000	8,000	8,000	8,000	8,000
Uniforms	27,217	27,217	27,217	27,217	27,217
Utilities	90,375	90,375	90,375	90,375	90,375

Total Operating	0	3,574,018	3,574,018	3,574,018	3,574,018	3,574,018
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**CAPITAL - OPERATING**

Capital Outlay-Computer Equipment	30,000	30,000	30,000	30,000	30,000
Capital Outlay-Vehicles	70,000	70,000	70,000	70,000	70,000



Total Capital - Operating	0	100,000	100,000	100,000	100,000	100,000
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<b>TOTAL EXPENDITURES</b>	<u>83</u>	<u>16,467,407</u>	<u>16,618,055</u>	<u>16,772,541</u>	<u>17,596,765</u>	<u>17,759,226</u>
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## **Data and Analysis to Support that Incorporation is Necessary and Financially Feasible under [F.S. § 165.041(1)(b)(9)]**

The ability of the Village of Loxahatchee to develop a self-governed, multi-purpose municipality in order to maintain and preserve, on a local level, its rural charm and community identity, is only limited by the fact that it is an unincorporated section of Palm Beach County. Self-governance will allow the Village of Loxahatchee to meet its stated goals of preserving the existing quality of life and maintaining the existing natural environment, providing residents direct control over future land use and other quality of life issues within the Village of Loxahatchee, and to take a long-range look at what future impacts and adjacent land development will have on the Village of Loxahatchee through the development of a comprehensive plan upon incorporation. Ultimately incorporation is necessary so the Village of Loxahatchee can return a greater share of statewide collected tax dollars to the community and build a community-centered land use plan that maintains the rich quality of life and living environment under the control of current and future residents.

Despite much of the area existing as a Census Designated Place, the U.S. Census and the State of Florida do not have accurate, current data, nor are projections applicable to this geographic area at either the federal, state, or county level. Given these issues regarding the lack of available data, ESRI 5-year projections were used. These projections combine publicly-available data and privately-purchased data to create their projections at the local level. These projections, based on multiple sources of data, are used to triangulate local projects. Specifically, their Methodology Statement: 2020/2025 ESRI Updated Demographics white paper (available at <https://doc.arcgis.com/en/esri-demographics/reference/methodologies.htm>) points out that using recent U.S. Census data, whether from the most recent decennial census and/or American Community Survey, may result in great inaccuracy related to smaller geographies in unincorporated areas. Moreover, the ESRI projections use cohort-survival methodologies similar to what the State of Florida's Office of Economic & Demographic Research for their projections. The difference is that the Office of Economic & Demographic Research projections cannot easily be applied to smaller-scale, unincorporated geographies. Finally, ESRI made conservative adjustments based on the population and employment impacts from COVID-19.

To measure population change at smaller geographic levels not collected by the U.S. Census, ESRI utilizes four different sources, three of which are proprietary: Experian, the U.S. Postal Service, Metrostudy, and Axiometrics. The U.S. Postal Service has monthly counts of residential deliveries for every single postal route in the entire country. This data source provides a far more accurate picture of household growth and decline than other public data sources. Mail carrier routes, though, often overlap, especially in smaller areas that are unincorporated. To address this overlap issue, ESRI created a database called Address Based Allocation back in 2005 to provide better baseline data for their projections. This database links carrier routes to block groups. Perhaps more importantly, the accuracy of these data was independently tested by four different outside vendors, with the accuracy of ESRI's methodology existing as the most accurate estimate. The data from Metrostudy include construction projects by location. These data contain the number of units planned, an inventory of units under construction, sold, and/or closed, the type of housing, and the target markets. Axiometrics housing data is used to ensure that the multifamily housing market is included for rental properties as well as student apartments. The newest estimates generated by ESRI, with the

inclusion of the Axiometrics rental data, means that the most recent projections are far more accurate in capturing rental properties.

### **Evaluation of Available Alternatives to Address Policy Concerns under [F.S. § 165.041(1)(b)(10)]**

*Status Quo:* If the residents in the proposed area do not vote in favor of incorporation, all current services will remain under the provision of the Indian Trail Improvement District and Palm Beach County.

*Special Taxing District:* Unlike a municipality, a special district does not have the same legal rights, such as the ability to use Home Rule for governance to its fullest extent. In addition, if the Village of Loxahatchee is not incorporated, those services not directly provided by Indian Trail Improvement District would not qualify for creating another special district in the proposed municipal boundaries.

*Annexation/Merger with an Existing Municipality:* One of the major reasons for municipal incorporation of the Village of Loxahatchee is to provide more input and planning related to land use. A review of surrounding localities demonstrates that surrounding land use philosophies and that of the Village of Loxahatchee are not necessarily in unison. In fact, given that the Village of Loxahatchee is the only remaining unincorporated area in the county that provides equestrian trails, dirt roads, and similar rural characteristics, none of the surrounding communities would provide a fit that would not impinge on the existing character of this unique area.

*County Neighborhood Overlay:* The community could work with the County to try to create an overlay that would protect the existing land uses and create codes specific to the area. However, this option is not likely to be a successful option. This option would require extensive support from the county commission coupled with a very lengthy process. It would increase administrative costs to the county to create separate rules, as well as provide separate and unique code enforcement for rules created in the overlay. This option would subject the County to other unincorporated areas requesting the same privileges, resulting in unique rules for many areas in the County. Discussions with the County staff regarding this option does not seem appealing or desirable to the staff. Furthermore, it would not address the potential to have areas of the community annexed into other municipalities.

### **Information about the County's Municipal Overlay [F.S. § 165.041(1)(c)]**

No municipal overlay was adopted or exists for the Village of Loxahatchee based on data from Palm Beach County.

### **Evidence that the Proposed Municipality Meets the Requirements for Incorporation under [F.S. § 165.061]**

The proposed boundaries for the Village of Loxahatchee meet all the feasible requirements with the exception of being located at least two miles from the nearest municipality. Despite this distance issue, the Village of Loxahatchee meets the population size and density requirements, is amenable to separate municipal government, has a charter that prescribes a council-manager

form of government, and enables the legislative body to levy taxes under the Florida Constitution.

## **Conclusion**

This feasibility study demonstrated that the Village of Loxahatchee satisfies all the requirements stated in Florida State statutes and conforms to the criteria for incorporation identified in the *Local Government Formation Manual, 2020-2022* except for the 2-mile separation between the proposed municipality and surrounding municipalities. The existing population meets the population requirement as well as the population density requirement. Due to the fast rate of growth and development in Palm Beach County over the last two decades, the minimum distance requirement is not met due to municipalities that were recently incorporated. Moreover, several surrounding municipalities annexed properties over the last decade that border the area to be incorporated. The fact that the area meets the population requirements based on existing, not proposed, population benchmarks demonstrate the feasibility of this area to be self-governed. Finally, the creation of the municipal charter provides a viable framework for governance of the area to be incorporated.

## Appendix A: Sister-City Benchmark Analysis for Village of Loxahatchee

To establish a reasonable baseline to justify the defensible estimates used in this feasibility study, a benchmark analysis was conducted. A benchmark is defined as “a standard or point of reference against which things may be compared or assessed” (Oxford Languages). To establish a benchmark, and consistent with benchmarking practices, a sister city comparison was used in this study to judge the validity of certain estimates.

### Sister City Comparison for Benchmark Analysis

Data were gathered from 18 comparable cities in Florida based upon population, median household income, and per capita income. Of these 18 comparable cities, the list was narrowed to the following 5 communities based on having comparable populations to the Village of Loxahatchee within the State.

**Table 14: Cities Used for Benchmark Purposes**

<u>City</u>	<u>Population</u>	<u>Median Household Income</u>
Greenacres	41,117	49,884
Altamonte Springs	44,143	52,888
North Miami Beach	43,041	43,788
<b>Village of Loxahatchee</b>	<b>42,987</b>	<b>92,144</b>
Winter Garden	46,051	73,739
Royal Palm Beach	40,396	82,852

For each of the benchmark cities, FY 2020 budget data was collected regarding their individual revenues and expenditures. The full results of this analysis are provided on Table 15. Based on these calculations, revenues and expenditures are compared using the sister cities estimates and the estimates provided above. Again, this is solely for benchmarking purposes and to check the validity of the estimated revenues and expenditures for the incorporation of the Village of Loxahatchee.

**Table 15: Sister-City Comparison**

	Greenacres	Altamonte Springs	North Miami Beach	Winter Garden	Royal Palm Beach	Average	Village of Loxahatchee
Population	41,117	44,143	43,041	46,051	40,396		42,987
Median Household Income	\$49,884	\$52,888	\$43,788	\$73,739	\$82,852	for All Cities	\$92,144
<b>GENERAL FUND REVENUES</b>							
Ad Valorem	12,117,534	10,420,878	20,020,335	16,172,254	5,436,026	12,833,405	7,117,701
Utility Services	3,025,165	4,206,800		5,561,982	4,572,387	4,341,584	1,309,986
Other Taxes	2,211,004	3,405,000	15,940,450	275,642	2,681,564	4,902,732	5,628,751
Intergovernmental Revenues	5,470,120	5,101,000	7,052,876	10,315,853	5,364,528	6,660,875	5,240,816
Permit and Fees	2,567,875	4,961,000	877,750	5,420,508	1,122,868	2,990,000	709,508

Charges for Services	4,740,682	7,169,161	1,560,456	4,676,113	475,300	3,724,342	300,000
Fines and Forfeitures	113,400	205,000	1,755,000	53,727	446,500	514,725	10,000
Miscellaneous Revenues	778,211	718,400	12,665,680	910,161	1,121,935	3,238,877	1,804,250
<b>TOTAL G/F REVENUES</b>	<b>31,023,991</b>	<b>36,187,239</b>	<b>59,872,547</b>	<b>43,386,240</b>	<b>21,221,108</b>	<b>39,206,542</b>	<b>22,121,012</b>

*GENERAL FUND EXPENDITURES*

City Commission	238,809	240,000	513,683	241,273	301,652	307,083	119,600
City Manager	392,403	317,967	1,573,766	1,257,434	1,839,723	1,076,259	725,917
Communications/Marketing	-	-	529,861			529,861	0
City Attorney	230,000	550,000 <sup>a</sup>	988,040	339,162	320,000	375,440	316,000
Financial Services	1,002,096	1,720,853	2,003,814	2,048,736	939,308	1,542,961	560,490
Information Technology Services	767,787	4,136,000		1,389,909	1,009,280	1,825,744	0
Human Resources	368,477	628,698	747,181	618,487		590,711	0
City Clerk	314,370	545,225	594,961	280,604		433,790	67,331
Police	10,722,058	12,267,272	25,141,960	12,121,533	8,098,508	13,670,266	6,500,000
Fire & EMS	8,282,064	-		8,336,374		8,309,219	0
Development-Support Services		1,033,496			1,392,917	1,213,207	0
Building	1,216,182	153,733	769,981	2,404,304		1,136,050	529,380
Engineering				770,077	1,029,934	900,006	0
Planning and Zoning	663,133		748,322	533,176		648,210	419,888
Economic Development				304,823		304,823	0
Public Works	2,851,925	844,235	15,241,224	546,637	2,682,035	4,433,211	1,404,377
Facilities Management		2,634,573		1,030,750		1,832,662	299,645
Fleet Management		1,871,615		819,877		1,345,746	457,607
Roads & Streets				1,118,982		1,118,982	1,723,489
Recreation		4,541,057	7,531,535	1,497,405		4,523,332	786,983
Parks & Grounds	993,495	2,549,881		6,709,267	5,610,602	3,965,811	0
Other	3,264,982	1,742,738	1,305,322			2,104,347	7,407,289

<b>TOTAL G/F EXPENDITURES</b>	<b>31,307,781</b>	<b>35,227,343</b>	<b>57,689,650</b>	<b>42,368,810</b>	<b>23,223,959</b>	<b>52,187,722</b>	<b>21,317,997</b>
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Notes: Total expenditures for the Village of Loxahatchee captures all possible departments that are included in the comparison.

Altamonte Springs: Estimated based on City Commission and City Attorney itemized in City Manager budget

North Miami Beach: Budget for Mayor/Commission included \$8,774,049 for non-departmental expenditures

North Miami Beach: Misc. Revenues includes \$12,156,600 in Fund Balance Carryforward

## **Appendix B: Proposed Charter**