



CITY OF CROSSVILLE
INTEROFFICE MEMORANDUM

TO: MR. RUTHERFORD, CITY MANAGER
FROM: KEVIN J. DEAN
SUBJECT: DAVID RUTLEDGE ANNEXATION ON 127 SOUTH
DATE: 7/15/2015
CC:

As requested, I ran some numbers in regard to services for Mr. Rutledge if his property were annexed into the City of Crossville. Also, I looked at his cost for water and sewer inside and outside rates as well as an estimated cost of City property tax.

If Mr. Rutledge were to remain outside the City, but allowed to tie into the City's sewer system, he would be required to pay water and sewer at Outside rates, which are:

Outside City Water: **\$7.87** per thousand gallons
Outside City Sewer: **\$10.77** per thousand gallons

At an estimated average monthly use of 3500 gallons of water used per month, the annual cost of water and sewer to Mr. Rutledge would be: **\$814.80**

If Mr. Rutledge were to be annexed into the City, he would pay water and sewer at Inside rates, which are: (per thousand)

Inside City Water: **\$5.24** per thousand gallons
Inside City Sewer: **\$7.18** per thousand gallons

At the same estimated monthly use of 3500 gallons of water used per month, the annual cost of water and sewer to Mr. Rutledge would be: **\$543.12**

In this estimated scenario, the annual savings in utility cost for being inside the city would be: **\$271.68**

The price difference for Inside City and Outside city for sewer taps

Inside City Sewer Tap fee: **\$850.00** (one time fee)
Outside City Sewer Tap fee: **\$1250.00** (one time fee)

Being annexed will save Mr. Rutledge: **\$400.00 (one time fee)**

In regard to the cost of City property tax, since Mr. Rutledge's last appraisal by the County Property Assessor, he has subdivided the property and is currently remodeling the house located on it. So I calculated three different scenarios for property tax collected.

If after subdivision and remodel: appraisal of \$100,000: **\$157.50**
If after subdivision and remodel: appraisal of \$125,000: **\$196.88**
If after subdivision and remodel: appraisal of \$150,000: **\$236.25**

Even at a taxed appraisal of \$150,000, it would be cheaper for Mr. Rutledge to pay City Property Taxes than outside City Water and Sewer Rates. (approximately **\$35.43** cheaper)

As for the cost of services for annexation:

Police and Fire: Can't be accurately projected. It would require on an estimated number of times that a residence needed their services.

Water and Sewer: The cost is calculated above. Which is shown for the resident not any "real" additional cost to the City.

Refuse Collection: The new rate that starts this fall is **\$7.90** per resident per month. So the annual cost to the city would be: **\$94.80**

Streets: No cost, the property is located on a US Highway (127)

Street Lighting: Cannot be accurately projected, but would be no different than the standard policy.

Inspection Services: Any new construction on the property would be subject to the Codes enforcement and building codes adopted by the City. Any additional cost to the city would be in gas mileage for the inspectors to visit the site, but it would also include the revenue of building permit fees. (approximately 2.8 miles further than the next closest residence)

Planning and Zoning: The property is already within the planning jurisdiction of the City.

Stormwater: The property would be subject to the City Stormwater ordinance. Any cost associated with land disturbance would be the cost of gas mileage for the inspectors to visit the property. (approximately 2.8 miles further than the next closest residence)

Recreation / Schools / Electricity / Natural Gas / and Off-Premise Advertising Signs: None of these would incur any additional cost to the City.

The only calculable cost to the City for Annexation is Refuse: **\$94.80**