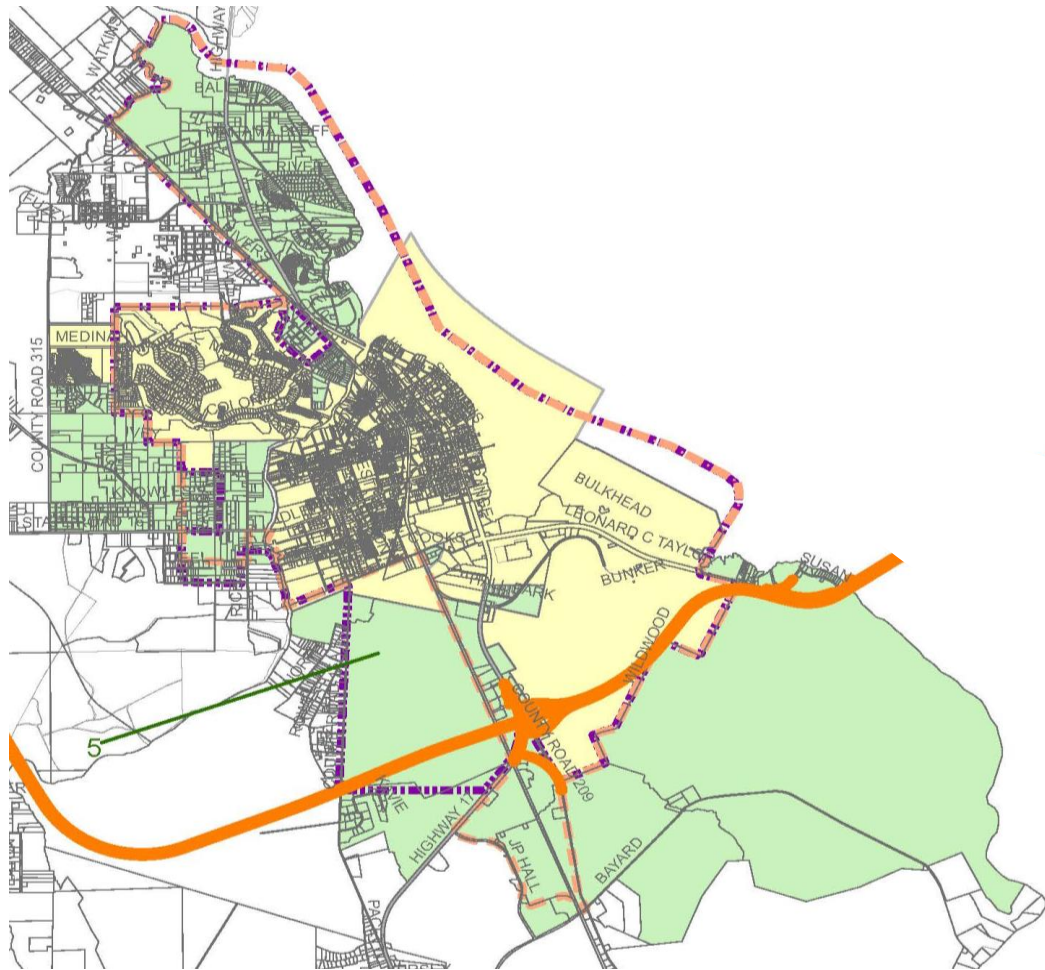


CITY OF GREEN COVE SPRINGS



ANNEXATION REPORT



January 10, 2017

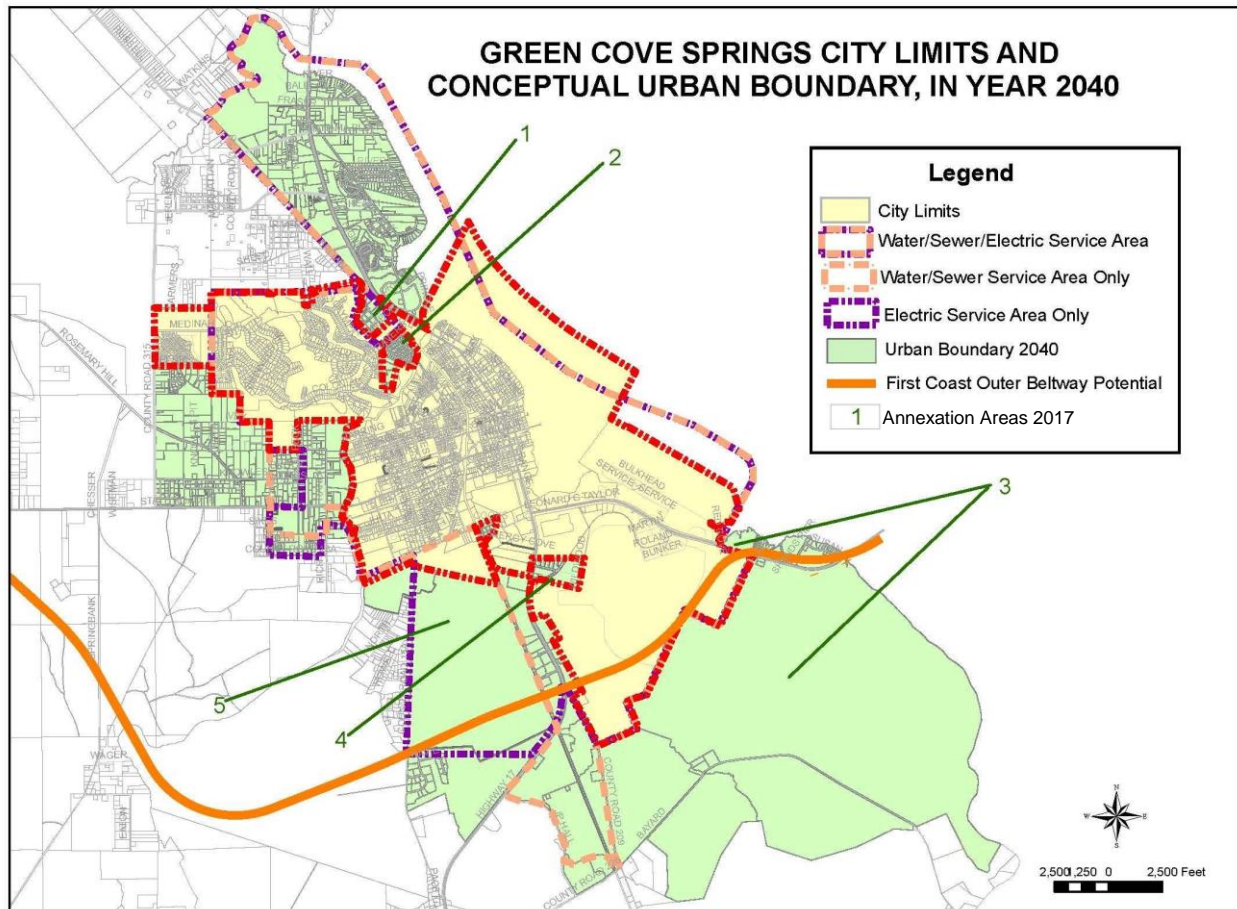
ANNEXATION REPORT CITY OF GREEN COVE SPRINGS

The City of Green Cove Springs is proposing to annex land that is located south, north, and east of the existing corporate limits of the City. This annexation would eliminate some existing enclaves that were created by previous annexation and are logical extensions of the existing city limits. The majority of the lands proposed for annexation are included in the City's water and sewer service area. The area to be annexed meets the criteria of Chapter 171.043, Florida Statutes. The land is contiguous to the existing corporate limits and most of the land to be annexed is developed for urban purposes as defined by Chapter 171.043, Florida Statutes.

Exhibit #1 provides a fiscal impact statement on the proposed annexation areas.

CHARACTER OF THE LAND TO BE ANNEXED

As shown on the maps in this report, the land proposed for annexation is contiguous to the existing City limits. Some of the parcels are surrounded on all sides by land in the City limits of Green Cove Springs. It incorporates land into the City of Green Cove Springs that is, in fact, nearly an enclave. The annexation area is a compact area for extension of the existing City boundaries. The proposed annexed property is located in Clay County and is not a part of any other incorporated municipality. The areas proposed for annexation are identified in this report and are indicated on the following map.



GENERALIZED LAND USE OF THE ANNEXED AREA

The proposed annexation area is a combination of residential, commercial, industrial, and vacant land uses. The predominant land uses in the proposed annexation area are industrial and commercial. The largest parcel in the proposed annexation area contains a very large, currently vacant industrial plant. Below is a description of each of the areas.

1. Harbor Road Industrial Park – This area contains approximately 44 acres of property in 22 parcels located north of Harbor Road, off of Enterprise Way and Virgils Way. The Harbor Road Industrial Park is located across the street from the offices of the City Electric Department and the Harbor Road Water and Wastewater Treatment Plant. The land is developed as an industrial park, with a variety of manufacturing and warehouse facilities.

This annexation eliminates an existing enclave and is in the City's water/wastewater service area. There are 12 existing businesses in the industrial park. The City currently provides water and sewer to all businesses. Roads are paved public roads, but there is a private drainage system that serves the industrial park. If the area was annexed into the City, each of the 22 parcels would be charged the stormwater assessment fee. Each business would need to pay for a business tax license. The City would lose approximately \$6,859 in utility taxes, but would receive ad valorem taxes of \$24,026 for the properties and a franchise fee for the electric service from Clay Electric. See Exhibit #1 for details.

If this area were to be annexed along with the Governors Creek/Travers Road/Gator Bay Road/Harbor Road, then the responsibility for Harbor Road would shift from the County to the City. Likewise, under City oversight, a sidewalk should then be built to connect this area to a City park.



2. Governors Creek/Travers Road/Gator Bay Road/Harbor Road – This area is a 62-lot single family dwelling unit subdivision on Governors Creek Drive/Travers Road/Gator Bay Road and another 10 lots south of the subdivision located off of Harbor Road. The 10 lots off of Harbor Road are served by Clay Electric and use wells and septic tanks for water and wastewater service. This annexation eliminates an existing enclave. The area is in the City’s water/wastewater and electric service area. Currently, the City Utility Department provides water and electric service to the majority of the homes in the subdivision. The homes are on septic tanks and no extension of the wastewater system would be required, until such time as the septic tanks begin to fail. At that time, since the area is in the City’s utility service area, whether in the city limits or not, the City would need to extend the wastewater lines to serve the subdivision. Governors Creek Drive, Travers Road, and Gator Bay Road are all paved roads with drainage structures. A portion of Harbor Road is unpaved, which after annexation should receive consideration for paved roadway.

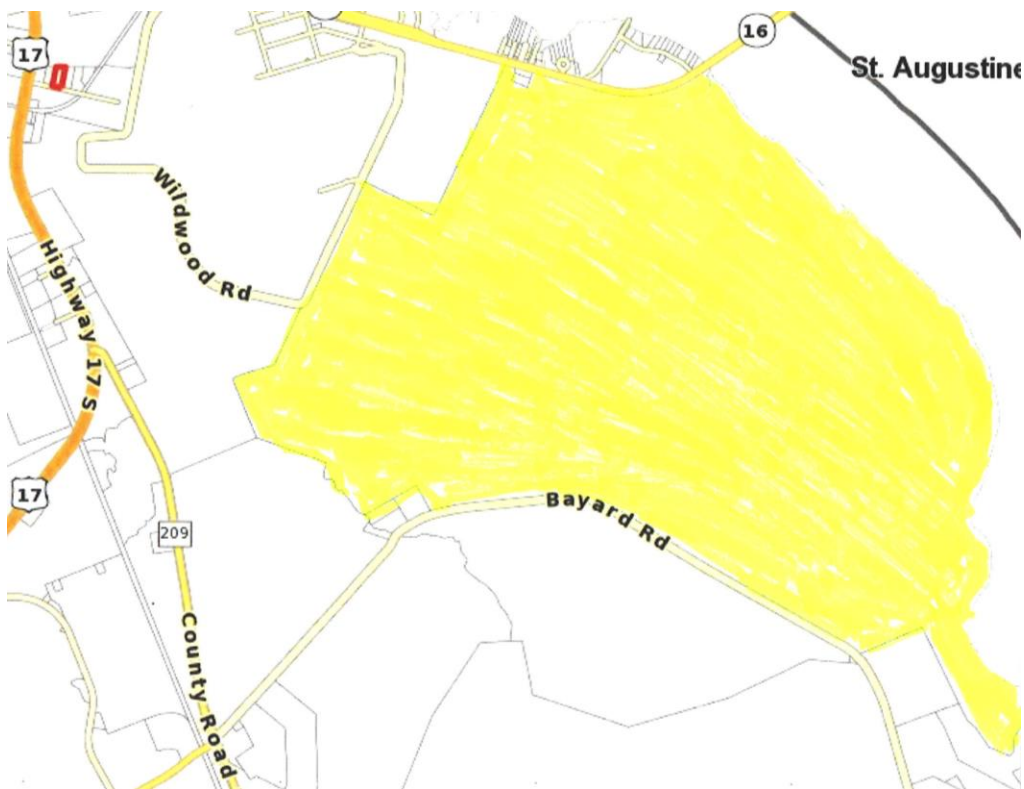
If annexed into the City, each parcel would be subject to the stormwater assessment fee. In reviewing the utility bills and ad valorem taxes for the area, the City would lose approximately \$100 – \$150 annually in utility taxes/fees per dwelling unit and will receive approximately \$350 per homesteaded dwelling unit. See Exhibit #1 for details.

If this area were to be annexed along with Harbor Road Industrial Park, then the responsibility would shift from the County to the City. Likewise, under City oversight, a sidewalk should then be built to connect this area to a City park.



3. S.R. 16 East and Bayard Conservation Area – This area is located off of S. R.16 East, west of the Reynolds Park. It provides a logical extension of the City limits to the St. Johns River. The Bayard Conservation area located South of S.R. 16 and east of Reynolds Park is owned by the St. Johns River Water Management District (SJRWMD). Conservation/Recreational are the only uses permitted and allowed at the Bayard Conservation area. Annexation of the Bayard Conservation area will allow for connectivity with trails being constructed and planned within the city limits. The Bayard Conservation area contains 10,371 acres. It is estimated between 1,000 to 1,500 acres would be annexed into the City. The exact acreage to be annexed will be determined by further discussions with the SJRWMD. All roads and stormwater system within the conservation area are private. The area is outside of the City’s water, sewer, electric service area and no expansion of facilities would be required.

There is no fiscal impact since no services are provided and no ad-valorem taxes would be generated.



4. Hall Park Road – This is approximately 52 acres of developed industrial properties in 9 individual parcels located off U.S. 17. The majority of the property is owned by Vac-Con, Inc. or Tamko Roofing Products. The parcels are in the City’s water and wastewater service area. The City provides electric service to parcels north of Hall Park Road. Parcels south of Hall Park Road are served by Clay Electric. Annexation of these properties eliminates an existing enclave in the City. Since the parcels served by the City are developed, no extension of the water, wastewater, or electric would be required. The public streets are paved with drainage structures.

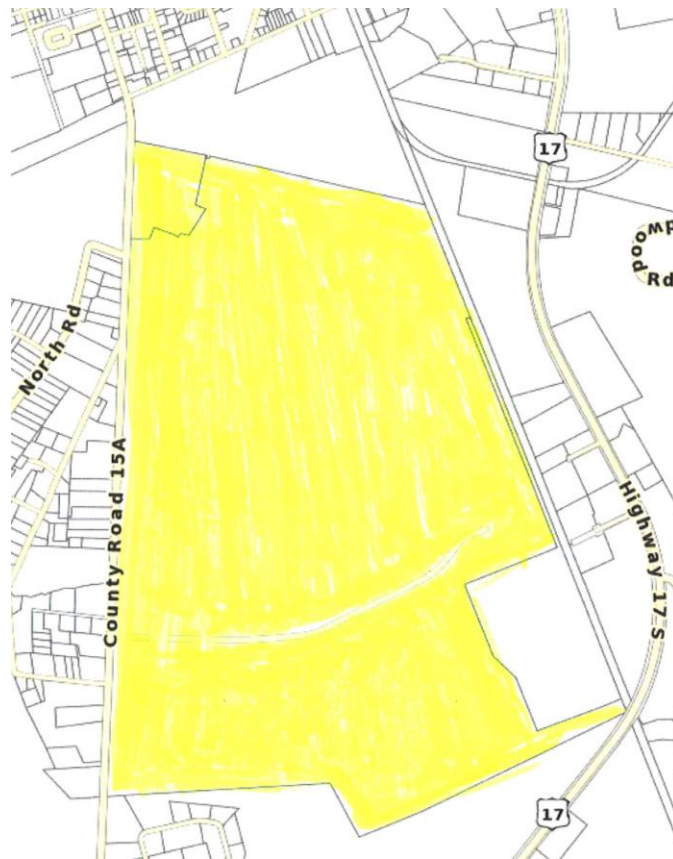
If the area was annexed into the City, each of the 9 parcels would be charged the stormwater assessment fee. Each business would need to pay for a business tax license. The City would lose approximately \$15,337 in utility taxes, but would receive ad valorem taxes of \$12,184 for the properties and a franchise fee for the electric service from Clay Electric. The ad valorem taxes will increase with the recent expansion of Vac-Con. See Exhibit #1 for details.



5. Gustafson Property – This area is the former Gustafson Dairy and contains 1,018 acres in 2 parcels. This annexation will allow the City to have land use control over the redevelopment of the former Gustafson Dairy. The property is in the City’s electric service area.

The northwest corner of the property was purchased by the Green Cove, LLC in 2016 and the remaining portion of the property is owned by the Gustafson family. At the 2016 assessment value, the City would receive approximately \$3,644 in ad valorem taxes for the property.

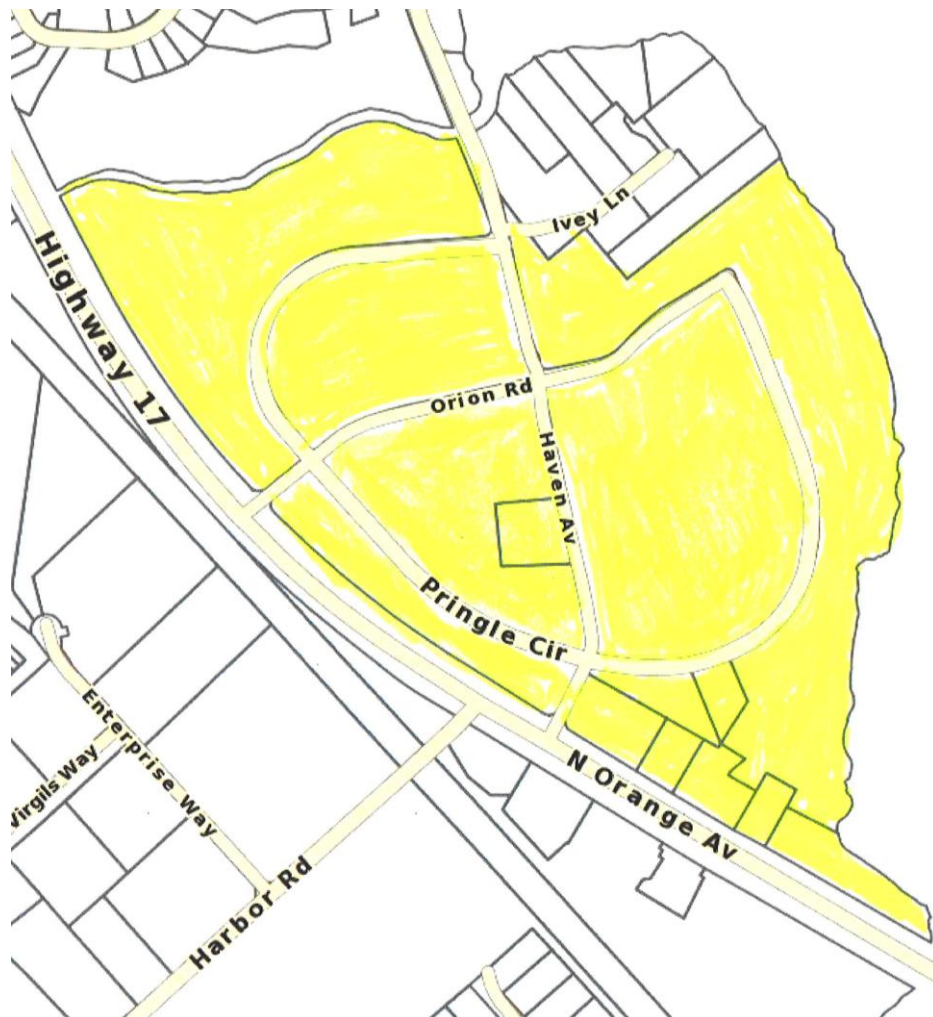
The City needs to monitor the electric load. If redevelopment occurs, it could have a significant impact on the electric load.



6. St. Johns Landing – This area includes 7 parcels with approximately 80 acres of land, of which 75 acres is in the St. Johns Landing apartment complex. All of this area has electric service provided by the City. The City also provides sewer to St. Johns Landing. Annexation of this area would expand the City limits to both sides of U.S. 17. Currently only the west of U.S. 17 is in the city limits. The owners of St. Johns Landing plan to redevelop the apartment complex. Expansion of the water and sewer service to the area would be a component of the redevelopment of St. Johns Landings parcel and would be paid by the development. The remaining 6 parcels are served by well and septic tanks for water and sewer. Lines will be expanded to serve these development, when the redevelopment of St. Johns Landing occurs.

Based on current utility usage and tax assessments, we would see a reduction in the utility taxes of \$28,242, if these properties are annexed into the City, and would receive an additional \$37,068 in ad valorem taxes. These numbers would increase with the redevelopment of St. Johns Landing. The businesses along U.S. 17 would need to obtain a business tax license. See Exhibit 1 for details.

This annexation would require additional law enforcement officers and should be part of the discussions when redevelopment occurs.



PROVISION OF URBAN SERVICES FOR ANNEXED AREA

The City of Green Cove Springs will provide the annexed area with the same level of services it currently provides to areas within the City limits. The following is the plan for the urban services expansion.

Police Protection

The City of Green Cove Springs Police Department provides police protection to residences and businesses in Green Cove Springs. The Police Department will provide the same level of service to any businesses or residences existing or developed in the proposed annexation area. The Police Department must currently travel through the proposed annexed area to serve properties within the existing city limits. The cost for the provision of police service to the annexed area will be funded by the General Fund of the City. The police protection provided to the annexed area will be the same as the level of service provided to the businesses and residents within the existing limits.

Fire and Rescue Service

The Clay County Public Safety Department provides fire protection and rescue service to the residents and businesses of Green Cove Springs, and to the surrounding areas in the county. The provision of fire and rescue service inside the City limits occurs in accordance with an Interlocal agreement between Clay County and the City which began in 2002. This agreement is renewed annually. The provision of fire and rescue services in the annexed area will be provided in accordance with the Interlocal Agreement. These services are paid for through ad valorem taxes.

Solid Waste Collection

The City of Green Cove Springs provides solid waste collection to single family residences within the city limits. Commercial customer's contract with City approved private contractor for solid waste collection along with a Franchise Fee. All residential customers are charged a solid waste collection fee. All development within the proposed annexed area will be charged the same rate as similar customers in the existing city limits and will be provided the same level of service.

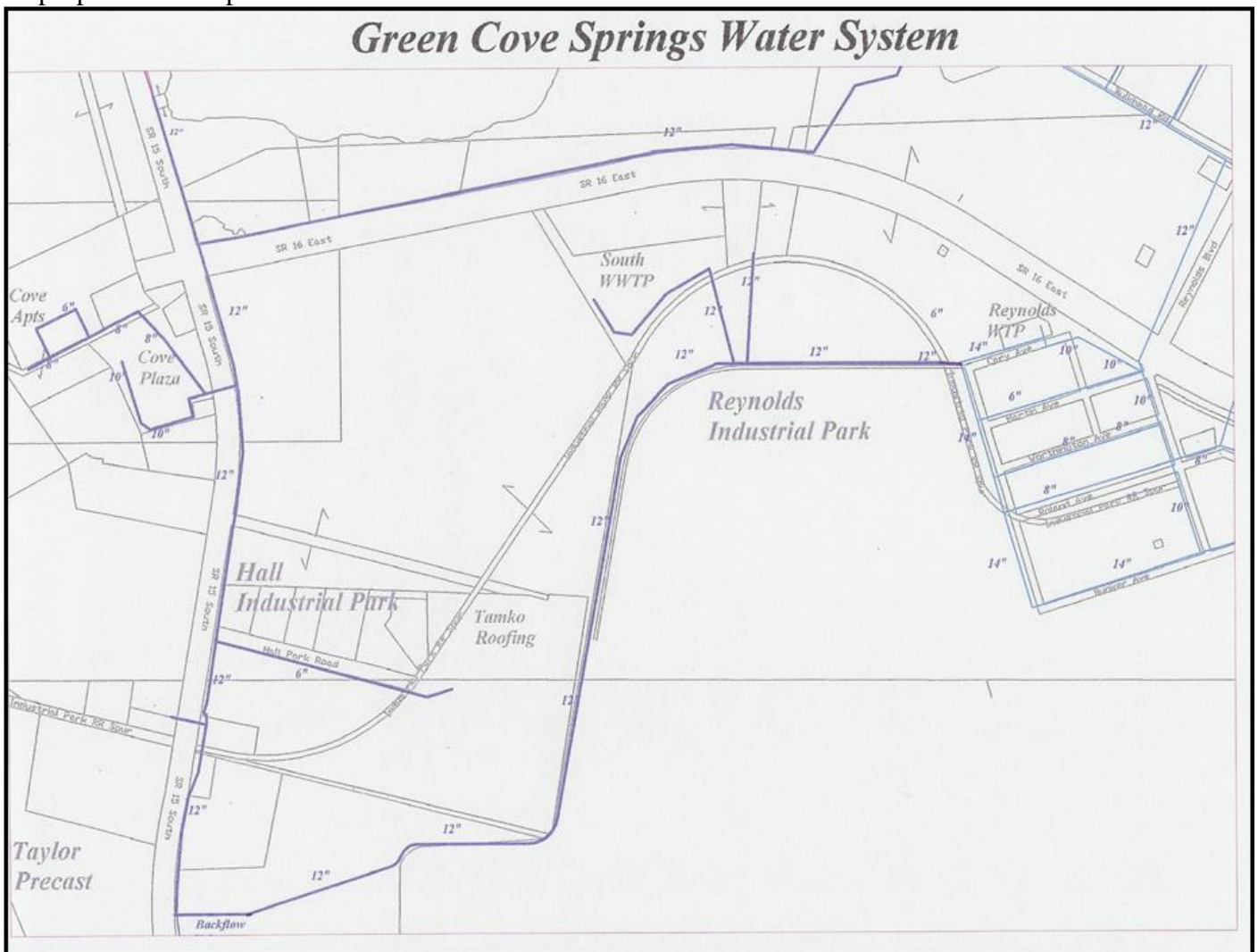
Streets and Drainage

The Florida Department of Transportation is responsible for the maintenance of the road and drainage for State Road 16 East and U. S. Highway 17. The City is responsible for drainage and maintenance of public local roads within Green Cove Springs. Any new roads in the annexed area will be developed and constructed by the builder and dedicated to the City. After annexation, the City will be responsible for the roadway maintenance and drainage for all public streets within the annexed area. The funds required for the maintenance of streets and drainage in the annexed area will be funded through the General Fund.

Water and Sewer Service

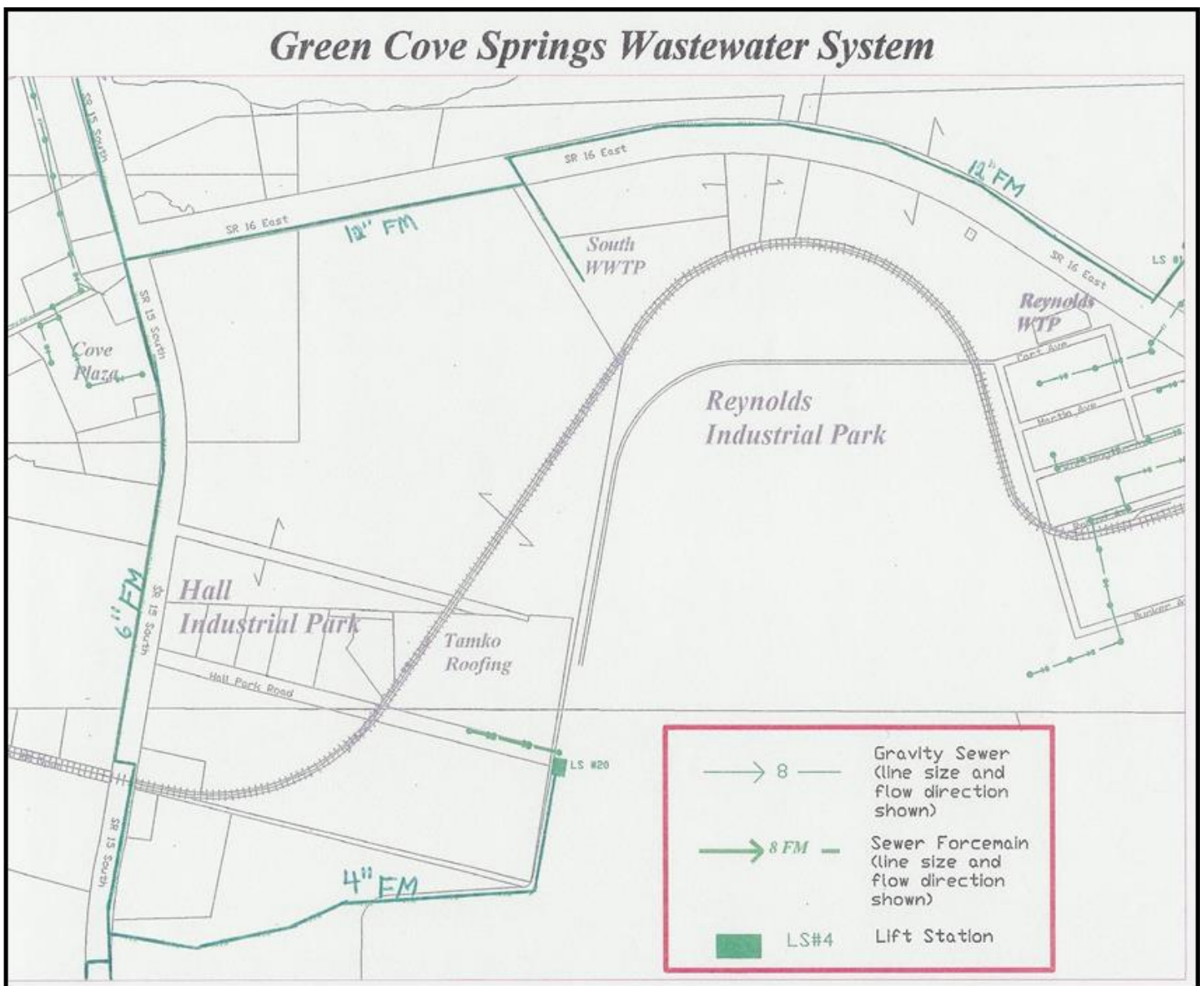
The entire area proposed for annexation is in the City of Green Cove Springs water and sewer service area, except for the former Gustafson property. The City of Green Cove Springs currently provides water and sewer services to the majority of the areas proposed for annexation. The City of Green Cove Springs has established utility service areas through interlocal agreements. The water and sewer service area was established by an interlocal agreement with the Clay County Utility Authority (CCUA) in 1998. The service area extends from Black Creek to County Road 209 South, south of Green Cove Springs. The service area includes property that is located within the city limits and property that is within the unincorporated Clay County. All customers in the water and sewer service area, which are not within the city limits, must pay a 25% utility surcharge for service. This charge would be eliminated when the property is annexed.

The City of Green Cove Springs has a water treatment plant south of SR 16 East. A twelve-inch trunk line extends from the water treatment plant through Reynolds Industrial Park to C. R. 209 South and north to SR 16 East through the Hall Industrial Park. Fourteen-inch water lines exist adjacent to the area along Industrial Park Road and Bunker Avenue. Ten-inch water lines border Cary, Martin, Worthington, Roland and Bunker Avenues. Six and eight-inch water lines serve these individual streets. This potable water treatment plant currently has capacity available for additional proposed development in the annexation area.



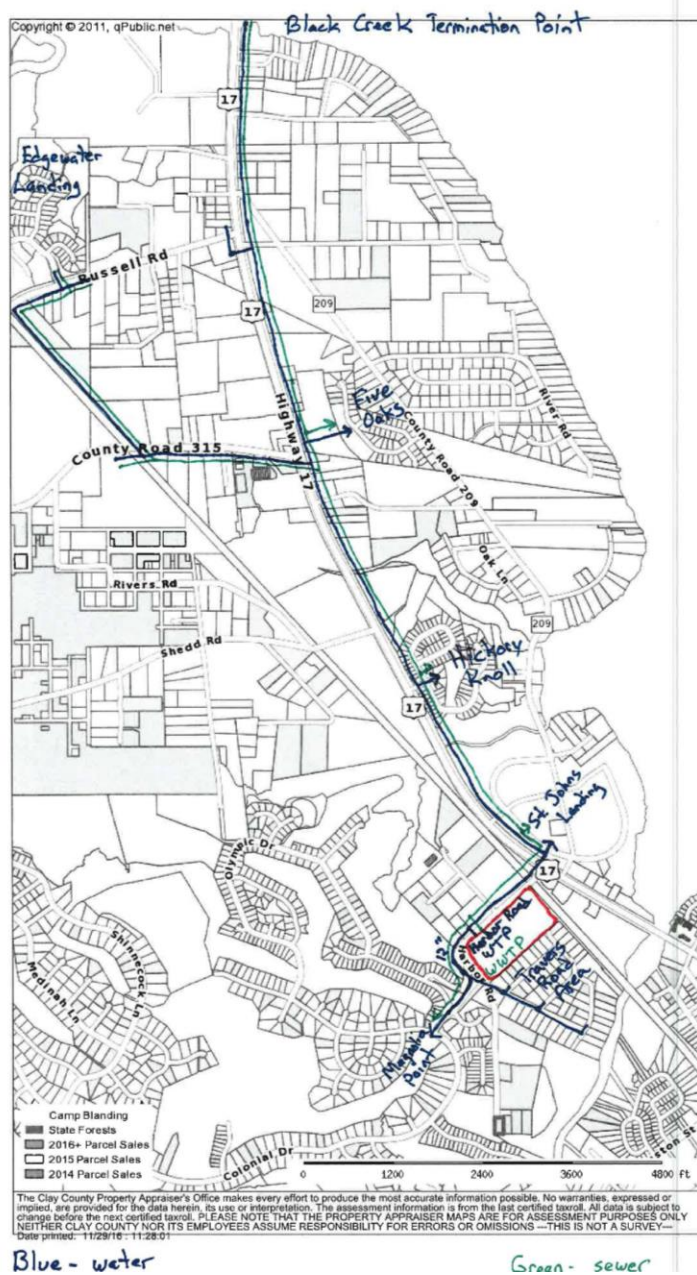
The water lines in the area can be extended to serve the vacant parcels in the area proposed for annexation. Extension of the water lines to any undeveloped parcels will be paid by the developer, as undeveloped land is developed. However, no extension of major trunk lines is necessary at this time to serve existing development.

The City of Green Cove Springs South waste water treatment plant (WWTP) is located between SR 16 and Industrial Park Road South. The South WWTP also has capacity available for additional proposed development. There is a twelve-inch force main that runs from east to west from SR 16 East at Cary Avenue to U.S. 17. A six-inch force main runs north and south along U.S. 17. A four-inch force main borders the area east of U.S. 17 and south of the Industrial Park RR spur around to Hall Park Road. Lift Station #32 is located at the east end of Hall Park Road. Eight-inch gravity sewer lines serve the area east of the wastewater treatment plant for Cary and Worthington Avenues.



The City of Green Cove Springs also has the Harbor Road Water Treatment Plant (WTP), which serves the area north of the city limits and the Magnolia Point subdivision. There is a twelve-inch water main running along U.S. 17, north to the Black Creek Bridge, an eight-inch main, west on CR 315 to the railroad tracks, and a ten-inch main along the tracks to the Edgewater Landing subdivision. Plans are currently underway to complete a “loop” from Edgewater Landing, along C. R 209, to the U. S 17, twelve-inch main.

There is a twelve-inch main leading into Magnolia Point with an eight-inch main serving the majority of the community. A six-inch main serves Governors Creek Drive/Travers Road/Gator Bay area. The St. Johns Landing development water system and Harbor Road WTP are interconnected. The twelve-inch main along U.S. 17, north of city limits, also serves subdivisions to the east of U.S. 17.



Electric Service

Except for several small parcels located on State Road 16, the City of Green Cove Springs currently provides electric service to all of the area proposed for annexation. The entire area proposed for annexation is in the City of Green Cove Springs electric service area which has been established by the Territorial Agreement with the Clay Electric Cooperative, Inc. The service area is basically the same area as the water and sewer service area. This service area also extends from Black Creek to C.R. 209 South, south of Green Cove Springs. The service area includes property that is located within the city limits and property that is within the unincorporated Clay County.

Other Considerations

Annexation will allow the City to have land use control of the annexed areas. All fees for land development will be paid to the City. All building permits will be issued by the City, increasing the revenues for the Building Fund. It will also allow for “one stop permitting” for development in the City’s utility service area. Code enforcement would be the City’s responsibility and any potential code enforcement fines would be paid to the City.

Gas tax, sales tax, and revenue sharing funds are based on population. As the population increases, the revenue sources will also increase to offset the cost for increased police protection and right of way maintenance.

Proposed Annexation Schedule

Below is a proposed annexation schedule:

City Council Approve Petition for Annexation and Direct City Attorney to Draft Ordinance	January 10, 2017
Send Letter to County on Annexation	January 12, 2017
1 st Advertisement of Annexation in Clay Today (7 days before public hearing)	January 12, 2017
City Council First Reading of Annexation Ordinance	January 24, 2017
2 nd Advertisement of Annexation in Clay Today (5 days before public hearing)	February 2, 2017
City Council Second and Final Reading of Annexation IF REFERENDUM IS REQUIRED FOR ANNEXATION- PRIOR TO ORDINANCE BECOMING EFFECTIVE	February 7, 2017
Notify Supervisor of Elections of Referendum	February 8, 2017
Vote of the registered voters at the annexed area (Regularly scheduled City Council election)	April 11, 2017

If referendum passes, ordinance for annexation becomes effective 10 days after referendum passes.

April 21, 2017

This is a representative schedule only and must conform in all respects to State Statute.

EXHIBIT #1

EXHIBIT 1														
UTILITY SAVINGS COMPARISON														
INSIDE CITY VS OUTSIDE CITY														
ANNUAL														
ANNEXATION AREAS	SERVICE PROVIDED	ELECTRIC CHARGES	FRANCHISE FEE	4% WATER CHARGES	SEWER CHARGES	25% UTIL TAX-W & VTAX-WATER	10% UTIL	DIFF CITY VS CTY UTILITIES	ASSESS VALUE	POTENTIAL CITY TAXES	STORM-WATER ASSESS.	SOLID WASTE COLLECT.	BUS. TAX LICENSE	BENEFIT TO CITY
1. HARBOR ROAD INDUSTRIAL PARK	WW, WW, IR, FP	\$0	\$0	\$11,292	\$17,871	\$5,833	\$1,027	\$6,859	\$6,673,961	\$24,026	\$924	\$4,400	\$2,200	\$24,691
2. GATOR BAY/HARBOR ROAD/TRAVERS ROAD (62 LOTS)	EL, WA	\$84,639	\$3,255	\$14,026	\$0	\$2,805	\$1,275	\$7,336	\$5,900,974	\$21,244	\$2,604	\$13,392	\$0.00	\$29,904
3. S. R. 16 EAST/BAYARD CONSERVATION AREA	EL, FP, NL, WA, WW	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4. HALL PARK ROAD	EL, FP, NL, WA, WW	\$255,697	\$9,835	\$8,480	\$15,177	\$4,731	\$771	\$15,337	\$3,384,308	\$12,184	\$378	\$400	\$200	-\$2,175
5. GUSTAFSON	EL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,012,337	\$3,644	\$84	\$200	\$200	\$4,128
6. ST. JOHNS LANDING	EL, NL, IR, WA, WW	\$365,175	\$14,045	\$502	\$70,255	\$14,151	\$46	\$28,242	\$10,297,078	\$37,069	\$294	\$1,200	\$500	\$10,821
TOTAL		\$705,511	\$27,135	\$34,300	\$103,303	\$27,520	\$3,119	\$57,774	\$27,268,658	\$98,167	\$4,284	\$19,592	\$3,100	\$67,369
NOTES:														
1. FRANCHISE FEE FOR COMMERCIAL SOLID ESTIMATED AT \$200 PER COMMERCIAL CUSTOMER														
2. ASSESSED VALUE HALL PARK ROAD COULD INCREASE IN 2017 WITH THE EXPANSION OF VAC-CON														
3. SINCE THE DAIRY CLOSED, ELECTRIC CHARGES FOR GUSTAFSON AREA														
4. THE REDEVELOPMENT OF ST. JOHNS LANDING WILL INCREASE THE NUMBER OF UNITS ON THE PROPERTY AND INCREASE THE ASSESSED VALUE OF THE PROPERTY														
SERVICE PROVIDED-														
EL - ELECTRIC, FP - FIRE PROTECTION, NL- NIGHT LIGHT														
WA - WATER, WW - WASTEWATER, IR-IRRIGATION														