

# **Bond Case Briefs**

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## **ANNEXATION - MISSISSIPPI**

### **Pendorff Community Association, LLC v. City of Laurel**

**Supreme Court of Mississippi - September 24, 2020 - 302 So.3d 1208**

After city enacted ordinance annexing four parcels of real property, neighboring city contested the annexation of one part of one parcel and community association entered an appearance to contest the annexation of that entire parcel.

After annexing city stipulated to exclude the part contested by neighboring city, the Chancery Court entered judgment after a bench trial approving the annexation. Community association appealed.

The Supreme Court held that:

- Sufficient evidence supported chancellor's finding that city's internal growth favored annexation;
- Sufficient evidence supported chancellor's finding that city's population increase favored annexation;
- Sufficient evidence supported chancellor's finding that city's need for developable land favored annexation;
- Sufficient evidence supported chancellor's finding that increased traffic counts favored annexation;
- Sufficient evidence supported chancellor's finding that city's sales tax revenue history favored annexation;
- Sufficient evidence supported chancellor's finding that city's plans for implementing and fiscally carrying out the proposed annexation favored annexation; and
- Sufficient evidence supported chancellor's finding that city's bonding capacity favored annexation.

Sufficient evidence supported chancellor's finding that city's internal growth, as subfactor of the "need to expand" factor relevant to determining the reasonableness of a municipal annexation, favored approval of city's proposed annexation of certain real property; over a 13-year period preceding the annexation, city issued 295 new single-family residential-unit permits, 170 new multifamily residential-unit permits, 152 new commercial permits, and almost 10,500 other permits for a combined total value of \$359 million, and expert witness for community association that opposed the annexation agreed that those numbers reflected a component of internal growth.

Sufficient evidence supported chancellor's finding that city's population increase, as subfactor of the "need to expand" factor relevant to determining the reasonableness of a municipal annexation, favored approval of city's proposed annexation of certain real property; though city's population had previously experienced a period of decline, in more recent years it had increased again, and city's expert witness testified that city had a dense population, with 1,142 people per square mile.

Sufficient evidence supported chancellor's finding that city's need for developable land, as subfactor of the "need to expand" factor relevant to determining the reasonableness of a municipal annexation, favored approval of city's proposed annexation of certain real property; only 7.7% of city's land was vacant and unconstrained, proposed annexation would increase city's vacant and unconstrained land by almost 30 percent, and expert witness for community association that opposed the annexation testified that he could not identify a city in the state with less vacant and

developable land.

Sufficient evidence supported chancellor's finding that increased traffic counts within the area that city proposed to annex, as subfactor of the "need to expand" factor relevant to determining the reasonableness of a municipal annexation, favored approval of the proposed annexation; though city's expert witness provided no reason for the increased traffic counts within the proposed annexation area, it was undisputed that traffic counts were increasing.

Sufficient evidence supported chancellor's finding that city's sales tax revenue history indicated that city had a reasonable financial ability to provide municipal services to real property it proposed to annex, as factor relevant to determining whether the proposed annexation was reasonable; though city's sales tax receipts had fluctuated, its receipts were trending upward, and expert witness testified that city's receipts for most recent year would exceed the amount budgeted by the city.

Sufficient evidence supported chancellor's finding that city's plans for implementing and fiscally carrying out its proposed annexation of real property indicated that city had a reasonable financial ability to provide municipal services to the property it proposed to annex, as factor relevant to determining whether the proposed annexation was reasonable; city undertook extensive planning, including with respect to water and sewer improvements, which was the only area about which community association that opposed the annexation complained.

Sufficient evidence supported chancellor's finding that city's bonding capacity indicated that city had a reasonable financial ability to provide municipal services to real property it proposed to annex, as factor relevant to determining whether the proposed annexation was reasonable; expert witness testified that city had more than \$5.6 million in bonding capacity, more than 18 years of clean audits, and an A-plus rating from rating agency.