

TO: Lonna Thelen, Principal Planner, Planning and Development Department

FROM: Ian Peterson, Analyst II, Finance Department, Budget Office

DATE: January 30, 2017

SUBJECT: Mesa Springs Community Plan Amendment - Fiscal Impact Analysis

A copy of the fiscal impact analysis for the Mesa Springs Community Plan amendment is attached. At the request of the Planning Department, the Budget Office prepared a fiscal impact analysis estimating the City General Fund, Public Safety Sales Tax (PSST) Fund, and 2C Road Maintenance Fund revenue and expenditures attributable to the Mesa Springs amendment for the period 2017-2026.

The fiscal review criteria of the City Code states city costs related to infrastructure and service levels shall be determined for a ten-year time horizon for only the appropriate municipal funds.

The methodology used for the fiscal impact analysis is a case study approach, where a mini-budget process is undertaken in which City units are asked to project the increased marginal cost of providing services to the development for 2017-2026. The Budget Office estimates the city revenue, as outlined in the Revenue Notes, stemming from the development.

Most departments indicated that there were no identifiable marginal costs of providing services to this development, as the area is currently being serviced by public safety agencies, and the surrounding infrastructure and roadways are already being maintained by the City as they fall within the service area of surrounding parcels. The Fire Department (\$49-\$56), Police Department (\$10,900-\$14,222), Traffic Division (\$3,474-\$4,533) and Streets Division (\$12,188-\$15,903) identified marginal increases in operation costs annually.

The result of the fiscal impact analysis is a positive cumulative cashflow for the City during the 10-year timeframe.

The Summary of Expenditures and Revenues is attached. Also, the Expenditure and Revenue Notes are attached that provide the methodology for calculating the expenditures and revenues.

EXPENDITURE NOTES:

Mesa Springs Community Plan Amendment

**General Fund/Public Safety Sales Tax (PSST) Fund/2C Road Maintenance Tax Fund
Fiscal Impact Analysis, 2017-2026**

POLICE:

As development occurs, the Police Department is responsible for regular police patrol and first response services in the area. However, the proposed amendment area is located within a serviced area, and the addition of commercial lots will have an identifiable marginal increase in cost of services for the Police Department of approximately \$10,900 to \$14,222 annually within the next ten years.

FIRE:

Since this property is located within a currently serviced area. The only additional, operational, identifiable marginal costs of providing service to the annexed area are fuel, medical supplies and maintenance (\$49-\$56 annually).

PUBLIC WORKS – STREETS, TRAFFIC ENGINEERING, CITY ENGINEERING:

There are additional public infrastructure and maintenance obligations associated with this amendment in the next ten years. The identifiable increased costs to Public Works, are in the Traffic Division for lanes striping, signage, and street lights (\$3,474-\$4,533), and Streets Division to account for marginal increased costs of maintenance of roadway and drainage (\$12,188-\$15,903).

PUBLIC WORKS -TRANSIT:

This property is located in a currently serviced area. There are no current plans to expand transit services to this area within the next ten years, thus there are no identifiable marginal costs within the next ten years.

PARKS:

There are currently no parks services in this area. There are no current plans to expand parks services to this area within the next ten years, thus there are no identifiable marginal costs within the next ten years.

GENERAL FUND FISCAL IMPACT ANALYSIS
SUMMARY OF EXPENDITURES AND REVENUE FOR
Mesa Springs Community Plan Amendment

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
EXPENDITURES										
<u>Total Salaries, Operating, and Capital Outlay</u>										
Police	10,900	11,227	11,564	11,911	12,268	12,636	13,015	13,406	13,808	14,222
Fire	49	50	50	51	52	53	54	54	55	56
Public Works - Streets	12,188	12,554	12,930	13,318	13,718	14,129	14,553	14,990	15,439	15,903
Public Works - Transportation Engineering	0	0	0	0	0	0	0	0	0	0
Public Works - City Engineering	0	0	0	0	0	0	0	0	0	0
Public Works - Traffic	3,474	3,578	3,686	3,796	3,910	4,027	4,148	4,273	4,401	4,533
Parks, Recreation and Cultural Services	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	26,611	27,409	28,230	29,076	29,948	30,845	31,770	32,722	33,703	34,713
REVENUES										
Property Taxes	0	0	15,139	15,593	16,061	16,543	17,039	17,550	18,077	18,619
Specific Ownership Taxes	0	0	1,761	1,813	1,868	1,924	1,982	2,041	2,102	2,165
Road & Bridge Revenue	0	0	583	600	618	637	656	676	696	717
Sales Tax Revenue (Commercial Uses)	0	31,106	32,039	33,000	33,990	35,010	36,060	37,142	38,256	39,404
Sales and Use Tax Revenue (Building Materials)	97,599	0	0	0	0	0	0	0	0	0
Miscellaneous Revenue	0	0	0	0	0	0	0	0	0	0
General Fund Sub-Total	97,599	31,106	49,522	51,007	52,537	54,114	55,737	57,409	59,131	60,905
<u>Public Safety Sales Tax Fund</u>										
Sales Tax Revenue (Commercial Uses)	0	6,221	6,408	6,600	6,798	7,002	7,212	7,428	7,651	7,881
Sales and Use Tax Revenue (Building Materials)	19,520	0	0	0	0	0	0	0	0	0
Public Safety Sales Tax Fund Sub-Total	19,520	6,221	6,408	6,600	6,798	7,002	7,212	7,428	7,651	7,881
<u>2C Road Tax Fund</u>										
Sales Tax Revenue (Commercial Uses)	0	9,643	9,932	10,230	0	0	0	0	0	0
Sales and Use Tax Revenue (Building Materials)	30,256	0	0	0	0	0	0	0	0	0
2C Road Tax Fund Sub-Total	30,256	9,643	9,932	10,230	0	0	0	0	0	0
TOTAL REVENUE	147,374	46,970	65,862	67,837	59,336	61,116	62,949	64,838	66,783	68,786
REVENUE SURPLUS/DEFICIT										
(Total Rev. less Total Exp.)										
ANNUAL	120,763	19,562	37,632	38,761	29,388	30,270	31,179	32,115	33,080	34,073
CUMMULATIVE	120,763	140,325	177,956	216,717	246,105	276,375	307,554	339,670	372,749	406,822

FIGURE 7 - FIA