

TO: Katie Carleo, Principal Planner, Planning and Development
FROM: Ian Peterson, Analyst II, Budget Office
DATE: December 4, 2018
SUBJECT: Briargate Church Assembly of God Annexation - Fiscal Impact Analysis

A copy of the fiscal impact analysis for the Briargate Church Assembly of God Annexation 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 Tax revenue and expenditures attributable to the Briargate Church Assembly of God for the period 2019-2028.

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 2019-2028. The Budget Office estimates the city revenue, as outlined in the Revenue Notes, stemming from the development.

City departments indicated that there were no identifiable marginal costs of providing services to this annexation. The annexation borders already serviced areas, as well as, the size and scope of the annexation precluding any further requirements for service.

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

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

**GENERAL FUND FISCAL IMPACT ANALYSIS
SUMMARY OF EXPENDITURES AND REVENUE FOR
Briargate Church Assembly of God**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
EXPENDITURES										
<u>Total Salaries, Operating, and Capital Outlay</u>										
Police	0	0	0	0	0	0	0	0	0	0
Fire	0	0	0	0	0	0	0	0	0	0
Public Works - Streets	0	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0	0	0
Parks, Recreation and Cultural Services	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	0	0	0	0	0	0	0	0	0	0
REVENUES										
Property Taxes	0	6	6	7	7	7	7	7	8	8
Specific Ownership Taxes	0	1	1	1	1	1	1	1	1	1
Road & Bridge Revenue	0	0	0	0	0	0	0	0	0	0
Sales Tax Revenue (Commercial Uses)	0	0	0	0	0	0	0	0	0	0
Sales and Use Tax Revenue (Building Materials)	0	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	0	7	7	8	8	8	8	9	9	9
<u>Public Safety Sales Tax Fund</u>										
Sales Tax Revenue (Commercial Uses)	0	0	0	0	0	0	0	0	0	0
Sales and Use Tax Revenue (Building Materials)	0	0	0	0	0	0	0	0	0	0
Public Safety Sales Tax Fund Sub-Total	0	0	0	0	0	0	0	0	0	0
<u>2C Road Tax Fund</u>										
Sales Tax Revenue (Commercial Uses)	0	0	0	0	0	0	0	0	0	0
Sales and Use Tax Revenue (Building Materials)	0	0	0	0	0	0	0	0	0	0
2C Road Tax Fund Sub-Total	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUE	0	7	7	8	8	8	8	9	9	9
REVENUE SURPLUS/DEFICIT										
(Total Rev. less Total Exp.)	0	7	7	8	8	8	8	9	9	9
ANNUAL	0	7	14	22	30	38	46	55	63	72
CUMMULATIVE										

FIGURE 4

EXPENDITURE NOTES:

**Briargate Church Assembly of God Annexation
General Fund/Public Safety Sales Tax (PSST) Fund/2C Road Maintenance Tax Fund Fiscal
Impact Analysis, 2019-2028**

POLICE:

As annexation occurs, the Police Department is responsible for regular police patrol and first response services in the area. The annexation is bordered by already serviced areas, and proposed land use does not permanently impact service level requirements.

FIRE:

As annexation occurs, the Fire Department is responsible for first response services in the area. The annexation is bordered by already serviced areas, and proposed land use does not permanently impact service level requirements.

PUBLIC WORKS – STREETS, TRAFFIC ENGINEERING, CITY ENGINEERING:

No additional public infrastructure needs were identified through the Fiscal Impact process. As a consequence, there are no marginal cost increases to be incurred by the Public Works Department.

PUBLIC WORKS -TRANSIT:

This annexation will not alter transit services to this area within the next ten years, thus there are no identifiable marginal costs within the next ten years.

PARKS:

The annexation does not indicate any current plans to expand parks services, thus there are no identifiable marginal costs within the next ten years.

REVENUE NOTES

Briargate Church Assembly of God Annexation

General Fund/Public Safety Sales Tax (PSST) Fund/2C Road Maintenance Tax Fund Fiscal Impact Analysis, 2019-2028

PROPERTY TAX:

It is assumed property taxes will be collected in the year 2020 based upon annexation in 2019 because of the time lag associated with placing assessed value onto the assessment rolls. The 2020 revenue is calculated by multiplying the City mill levy of 4.279 mills by the projected increase in City assessed valuation resulting from the addition of the Church. This assumes there is no change in the commercial assessment ratio of 29%, and residential assessment ratio of 7.2%. The cumulative assessed valuation includes a 3% annual increase in market values.

Based on the current parcel map provided by the El Paso County Assessor, there is a small portion of the land that will be subject to City property tax.

ROAD & BRIDGE REVENUE:

The Road & Bridge Revenue is calculated at 3.85% of the property tax revenues. This is based on the average actual City road & bridge revenues as a percent of property tax revenue over a period of five years.

SALES AND USE TAX:

Based on the current land use of the annexation, there is no expectation for an increase in Sales and Use Tax.