

TO: Daniel Sexton, Planning Supervisor, Planning and Community Development

FROM: Chris Wheeler, Budget Manager, Budget Office

DATE: January 11, 2022

SUBJECT: Crestone at Fillmore East/Hill Properties Master Plan Amendment - Fiscal Impact Analysis

A copy of the fiscal impact analysis for the Crestone at Fillmore East/Hill Properties Master Plan Amendment is attached. At the request of the Planning Department, in accordance with City Code, the Budget Office prepared a fiscal impact analysis estimating the City expenditure and revenues attributable to the Crestone at Fillmore East/Hill Properties Master Plan Amendment for a ten-year horizon. The Fiscal Impact model incorporates the land uses proposed by the amendment and calculates the average City expenditures and revenues created by the project.

Crestone at Fillmore East amends a 28.55-acre property in the City. Based on the planned zoning uses, this Fiscal Impact Analysis evaluates the zone change from Office/Commercial/Hospital to 14 acres of Residential (multi-family, density of 25-33.99 dwelling units per acre), 6.7 acres of Office/Commercial, and 7.7 acres of private open space/detention facility. The analysis assumes a 3-year buildout.

The result of the fiscal impact analysis is a negative cumulative cashflow for the City during the 10-year timeframe. The reason for this outcome is that multi-family residential and office commercial zoning creates a higher level of obligation for City services than the revenue generated by those developments.

A Combined Funds Summary of the cumulative fiscal impact is attached. In addition, the Fiscal Impact Model Notes at the end of this memo provide an overview of the Fiscal Impact model.

Crestone at Fillmore East/Hill Properties Master Plan Amendment

COMBINED FUNDS SUMMARY

	1	2	3	4	5	6	7	8	9	10
Revenue										
General Fund	\$21,071	\$29,982	\$38,893	\$26,732	\$26,732	\$26,732	\$26,732	\$26,732	\$26,732	\$26,732
Special Revenue Funds	\$7,075	\$7,643	\$8,212	\$1,706	\$1,706	\$1,706	\$1,706	\$1,706	\$1,706	\$1,706
TOTAL REVENUE	\$28,146	\$37,626	\$47,105	\$28,439	\$28,439	\$28,439	\$28,439	\$28,439	\$28,439	\$28,439
Expenditures										
Operating	\$11,764	\$23,545	\$35,326	\$35,326	\$35,326	\$35,326	\$35,326	\$35,326	\$35,326	\$35,326
Special Revenue Fund Expenditu	\$4,805	\$9,619	\$14,433	\$14,433	\$14,433	\$14,433	\$14,433	\$14,433	\$14,433	\$14,433
Capital Expenditures	\$9,625	\$10,590	\$10,535	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$26,194	\$43,754	\$60,294	\$49,759	\$49,759	\$49,759	\$49,759	\$49,759	\$49,759	\$49,759
GRAND TOTAL NET RESULT	\$1,952	(\$6,129)	(\$13,189)	(\$21,320)	(\$21,320)	(\$21,320)	(\$21,320)	(\$21,320)	(\$21,320)	(\$21,320)
CUMULATIVE NET RESULT	\$1,952	(\$4,177)	(\$17,365)	(\$38,686)	(\$60,006)	(\$81,326)	(\$102,646)	(\$123,966)	(\$145,286)	(\$166,606)

FISCAL IMPACT MODEL NOTES

The Fiscal Impact Model used by the Budget Office was created and customized specifically for the City's needs in 2020-21, by TischlerBise. TischlerBise is one of the nation's leading consulting firms for fiscal impact work. The model is updated regularly to reflect current City budget data, tax rates, market values for built spaces, and assumptions for business tax revenue by category of commercial use.

The model measures the impact of a proposed development on the City's operating budget. It utilizes current demographic data, budget information for the City, and the City's current infrastructure capacity to determine service levels. These service levels are used to project annual operating costs and revenues across all City departments based on proposed land use.

What the Fiscal Impact Model Tells Us?

The Fiscal Impact Model is a mechanism for City stakeholders to gauge the impact created by new or amended development on City expenditures and revenues.

The Fiscal Impact Model estimates the difference between costs of providing services and the sales and use tax, property tax, user fees and other revenues that could be collected from the new development.

The revenue and cost estimates are displayed as net annual and cumulative values for the ten-year horizon on the second page of this memo. The Fiscal Impact Model shows direct revenues and costs from new development only, and does not include revenues or costs generated from existing development.

The revenue projections and cost to serve are based on a "snapshot approach" in which it is assumed the current levels of service will continue through the ten-year horizon. This approach does not attempt to speculate about how levels of service, revenues, policies, and other factors will change over time.