

TO: William Gray, Planning and Community Development

FROM: Kent McDowell, Analyst II, Budget Office

DATE: March 23, 2022

SUBJECT: Banning Lewis Ranch Master Plan Amendment Enclaves at Mountain Vista East - Fiscal Impact Analysis

A copy of the fiscal impact analysis for the Banning Lewis Ranch Master Plan Amendment Enclaves at Mountain Vista East 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 Banning Lewis Ranch Master Plan Amendment Enclaves at Mountain Vista East for a ten-year horizon. The Fiscal Impact model incorporates the land uses proposed by the Banning Lewis Ranch Master Plan Amendment Enclaves at Mountain Vista East and calculates the average City expenditures and revenues created by the project.

Banning Lewis Ranch Master Plan amends an 185.8-acre property in the City. Based on the planned zoning uses, this Fiscal Impact Analysis evaluates the change from PUD zoning to mixed use PUD multi-family/commercial zoning. The analysis assumes a 10 year buildout with retail being implemented for the commercial acreage described in the application. The analysis also assumes that parkland/trails will be City owned and maintained.

The result of the fiscal impact analysis is a positive cumulative cashflow for the City during the 10-year timeframe. The reason for this outcome is the Sales and Use Tax revenue collected as a result of construction.

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.

Banning Lewis Ranch Master Plan Amendment Enclaves at Mountain Vista East

COMBINED FUNDS SUMMARY

Year	1	2	3	4	5	6	7	8	9	10
Revenue										
General Fund	\$325,313	\$405,487	\$485,661	\$565,835	\$646,008	\$726,182	\$806,356	\$886,530	\$966,704	\$1,046,878
Special Revenue Funds	\$158,860	\$186,571	\$214,282	\$241,993	\$269,703	\$297,414	\$325,125	\$352,836	\$380,547	\$408,257
TOTAL REVENUE	\$484,173	\$592,058	\$699,943	\$807,827	\$915,712	\$1,023,597	\$1,131,481	\$1,239,366	\$1,347,251	\$1,455,135
Expenditures										
Operating	\$54,802	\$109,604	\$164,406	\$225,208	\$280,028	\$336,309	\$391,112	\$451,914	\$506,732	\$573,536
Special Revenue Fund Expenditures	\$39,687	\$79,374	\$119,061	\$158,749	\$198,445	\$238,132	\$277,820	\$317,507	\$357,203	\$396,891
Capital Expenditures	\$39,855	\$39,855	\$39,855	\$559,855	\$40,765	\$69,855	\$39,910	\$559,855	\$40,285	\$190,335
TOTAL EXPENDITURES	\$134,344	\$228,833	\$323,322	\$943,812	\$519,238	\$644,296	\$708,841	\$1,329,275	\$904,220	\$1,160,761
GRAND TOTAL NET RESULT	\$349,829	\$363,225	\$376,620	(\$135,984)	\$396,474	\$379,300	\$422,640	(\$89,910)	\$443,030	\$294,374
CUMULATIVE NET RESULT	\$349,829	\$713,054	\$1,089,674	\$953,689	\$1,350,163	\$1,729,463	\$2,152,103	\$2,062,193	\$2,505,224	\$2,799,597

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.