

**TO:** Caleb Jackson, Senior Planner, Planning and Community Development

**FROM:** Kent McDowell, Analyst II, Budget Office

**DATE:** April 21, 2022

**SUBJECT: Hill Properties Master Plan Major Amendment – Pike View - Fiscal Impact Analysis**

A copy of the Fiscal Impact Analysis for the Hill Properties Master Plan Major Amendment – Pike View 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 Hill Properties Master Plan Major Amendment – Pike View for a ten-year horizon. The Fiscal Impact model incorporates the land uses proposed by the Hill Properties Master Plan Major Amendment – Pike View and calculates the average City expenditures and revenues created by the project.

Hill Properties Master Plan Major Amendment – Pike View amends a 46.75-acre property in the City. Based on the planned zoning uses, this Fiscal Impact Analysis evaluates the proposed zoning of PUD SS for residential use. The residential use proposal is inclusive of 560 single-family attached and multi-family housing units; a combination of single family and multi-family units with an average density of 8 dwelling units per acre.

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 the increased demand for service exceeds the revenue generated by the development. The Model assumes a 3-year buildout for the project.

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.

Hill Properties Master Plan Major Amendment - Pike View

**COMBINED FUNDS SUMMARY**

| Year                              | 1                | 2                | 3                  | 4                 | 5                 | 6                 | 7                 | 8                 | 9                 | 10                 |
|-----------------------------------|------------------|------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| <b>Revenue</b>                    |                  |                  |                    |                   |                   |                   |                   |                   |                   |                    |
| General Fund                      | \$376,555        | \$441,442        | \$506,330          | \$194,664         | \$194,664         | \$194,664         | \$194,664         | \$194,664         | \$194,664         | \$194,664          |
| Special Revenue Funds             | \$178,967        | \$191,193        | \$203,419          | \$36,677          | \$36,677          | \$36,677          | \$36,677          | \$36,677          | \$36,677          | \$36,677           |
| <b>TOTAL REVENUE</b>              | <b>\$555,522</b> | <b>\$632,636</b> | <b>\$709,749</b>   | <b>\$231,341</b>  | <b>\$231,341</b>  | <b>\$231,341</b>  | <b>\$231,341</b>  | <b>\$231,341</b>  | <b>\$231,341</b>  | <b>\$231,341</b>   |
| <b>Expenditures</b>               |                  |                  |                    |                   |                   |                   |                   |                   |                   |                    |
| Operating                         | \$71,368         | \$142,737        | \$220,123          | \$220,123         | \$220,123         | \$220,123         | \$220,123         | \$220,123         | \$220,123         | \$220,123          |
| Special Revenue Fund Expenditures | \$37,040         | \$74,081         | \$111,130          | \$111,130         | \$111,130         | \$111,130         | \$111,130         | \$111,130         | \$111,130         | \$111,130          |
| Capital Expenditures              | \$51,700         | \$52,180         | \$572,610          | \$0               | \$0               | \$0               | \$0               | \$0               | \$0               | \$0                |
| <b>TOTAL EXPENDITURES</b>         | <b>\$160,108</b> | <b>\$268,998</b> | <b>\$903,863</b>   | <b>\$331,253</b>  | <b>\$331,253</b>  | <b>\$331,253</b>  | <b>\$331,253</b>  | <b>\$331,253</b>  | <b>\$331,253</b>  | <b>\$331,253</b>   |
| <b>GRAND TOTAL NET RESULT</b>     | <b>\$395,414</b> | <b>\$363,638</b> | <b>(\$194,114)</b> | <b>(\$99,912)</b> | <b>(\$99,912)</b> | <b>(\$99,912)</b> | <b>(\$99,912)</b> | <b>(\$99,912)</b> | <b>(\$99,912)</b> | <b>(\$99,912)</b>  |
| <b>CUMULATIVE NET RESULT</b>      | <b>\$395,414</b> | <b>\$759,052</b> | <b>\$564,938</b>   | <b>\$465,026</b>  | <b>\$365,115</b>  | <b>\$265,203</b>  | <b>\$165,291</b>  | <b>\$65,379</b>   | <b>(\$34,533)</b> | <b>(\$134,445)</b> |

**FISCAL IMPACT ANALYSIS**

## **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.