

**TO:** Katelynn Wintz, Senior Planner, Planning and Development

**FROM:** Ian Peterson, Analyst II, Budget Office

**DATE:** June 4, 2021

**SUBJECT: Enclaves at Mountain Vista Master Plan Amendment - Fiscal Impact Analysis**

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

Enclaves at Mountain Vista amends a 24-acre property in the City. Based on the planned zoning uses, this Fiscal Impact Analysis evaluates the 17 acres of Residential created from rezoning school, parks, and open space/drainage. The remaining 7 acres are to be zoned as open space drainage to revise the residential/open space boundary. The amendment creates 85 new residential units within the City.

The result of the fiscal impact analysis is a positive cumulative cashflow for the City during the 10-year timeframe. The public works costs to maintain roadways impacted by trip generation within the model created small annual deficits between expenses and revenues. However, the net gain from sales tax created by construction is enough to offset those deficits and create a positive cumulative cash flow over ten years.

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.

## COMBINED FUNDS SUMMARY

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Revenue</b>										
General Fund	\$316,094	\$44,094	\$44,094	\$44,094	\$44,094	\$44,094	\$44,094	\$44,094	\$44,094	\$44,094
Special Revenue Funds	\$152,171	\$6,651	\$6,651	\$6,651	\$6,651	\$6,651	\$6,651	\$6,651	\$6,651	\$6,651
<b>TOTAL REVENUE</b>	<b>\$468,266</b>	<b>\$50,746</b>	<b>\$50,746</b>	<b>\$50,746</b>	<b>\$50,746</b>	<b>\$50,746</b>	<b>\$50,746</b>	<b>\$50,746</b>	<b>\$50,746</b>	<b>\$50,746</b>
<b>Expenditures</b>										
Operating - General Fund	\$45,621	\$45,621	\$45,621	\$45,621	\$45,621	\$45,621	\$45,621	\$45,621	\$45,621	\$45,621
Operating - Special Funds	\$22,058	\$22,058	\$22,058	\$22,058	\$22,058	\$22,058	\$22,058	\$22,058	\$22,058	\$22,058
Capital Items - All Funds	\$36,130	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$103,809</b>	<b>\$67,679</b>	<b>\$67,679</b>	<b>\$67,679</b>	<b>\$67,679</b>	<b>\$67,679</b>	<b>\$67,679</b>	<b>\$67,679</b>	<b>\$67,679</b>	<b>\$67,679</b>
<b>GRAND TOTAL NET RESULT</b>	<b>\$364,457</b>	<b>(\$16,933)</b>	<b>(\$16,933)</b>	<b>(\$16,933)</b>	<b>(\$16,933)</b>	<b>(\$16,933)</b>	<b>(\$16,933)</b>	<b>(\$16,933)</b>	<b>(\$16,933)</b>	<b>(\$16,933)</b>
<b>CUMULATIVE NET RESULT</b>	<b>\$364,457</b>	<b>\$347,523</b>	<b>\$330,590</b>	<b>\$313,657</b>	<b>\$296,723</b>	<b>\$279,790</b>	<b>\$262,857</b>	<b>\$245,924</b>	<b>\$228,990</b>	<b>\$212,057</b>

## **FISCAL IMPACT MODEL NOTES**

The Fiscal Impact Model which the Budget Office uses 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.