

Cost to Serve Fiscal Impact Analysis of Growth in Banning Lewis Ranch

Prepared for:
City of Colorado Springs, Colorado

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TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
OVERVIEW	1
SCENARIO ANALYZED	2
APPROACH AND MAJOR ASSUMPTIONS.....	3
<i>Fiscal Impact Analysis</i>	3
<i>Level of Service</i>	4
<i>Revenue Structure</i>	4
<i>Inflation Rate</i>	4
<i>Non-Fiscal Evaluations</i>	4
SUMMARY OF FISCAL IMPACT ANALYSIS RESULTS.....	5
<i>Cumulative Fiscal Impact Results</i>	5
<i>Average Annual Results</i>	6
<i>Summary of Fiscal Results</i>	6
BACKGROUND	8
SUMMARY OF GROWTH SCENARIO	10
<i>Residential</i>	10
<i>Nonresidential</i>	10
APPROACH AND MAJOR ASSUMPTIONS	12
FISCAL IMPACT ANALYSIS	12
<i>General Approach</i>	13
<i>Level of Service</i>	13
<i>Revenue Structure</i>	13
<i>Inflation Rate</i>	13
<i>Non-Fiscal Evaluations</i>	14
FISCAL IMPACT ANALYSIS RESULTS.....	15
CUMULATIVE FISCAL IMPACT RESULTS	16
AVERAGE ANNUAL FISCAL IMPACT RESULTS.....	20
SUMMARY OF FISCAL RESULTS.....	21
REVENUES AND EXPENDITURES.....	22
REVENUES.....	22
<i>Revenue Methodologies</i>	22
Current City Revenues (FY2017)	22
<i>General Fund</i>	23
Sales & Use Tax 2.0%	24
Property Tax.....	25
Intergovernmental.....	26
<i>Special Revenue Funds</i>	27
<i>Other Revenues</i>	28
2C Road Tax.....	28

Pikes Peak Rural Transportation Authority..... 28
2A Stormwater Fee 29
EXPENDITURES 30
Expenditure Methodologies and Outputs 30
 Current City Expenditures (FY2017)..... 30
 General Fund Expenditure Projections 31
 Special Revenue Fund Expenditures 32
 Operating Indicator OUtputs 33
Capital Expenditure Projections 34
 Fire Capital Impacts..... 35
 Police Capital Impacts 36
 Streets and Public Works Capital Impacts 37
 Parks Capital Impacts 37

EXECUTIVE SUMMARY

OVERVIEW

The City of Colorado Springs retained TischlerBise to conduct a Cost to Serve Fiscal Impact Analysis of new development in Banning Lewis Ranch (BLR). Prior to this analysis the City of Colorado Springs retained TischlerBise to conduct an Economic Impact Analysis of new development in Banning Lewis Ranch. TischlerBise presented the results of the BLR Economic Impact Analysis to City Council in December 2016.

Banning Lewis Ranch, annexed by Colorado Springs in 1988, encompasses approximately 24,000 acres on the east side of the Colorado Springs Municipal Airport. The ultimate buildout of the site is anticipated to take at least 50 years. This fiscal analysis is based on the first 30 years of projected development.

Fiscal Impact Analysis (FIA) is a process to evaluate revenue generation and operating and capital costs to a jurisdiction associated with the provision of public services and facilities under a set of assumptions. A fiscal impact analysis shows direct revenues and costs from new development only and does not include revenues or costs generated from existing development.

Economic Impact Analysis (EIA) is a process to evaluate the economic benefit of an entity or industry/industries on a defined geographic location—either due to its presence, expansion, or contraction. The key components of any economic impact analysis are typically measured by increases in personal income, value added (or gross regional product), business output, and/or job creation. It identifies direct impacts as well as the jobs supported by the spending of the entity/industry itself.

The Cost to Serve Analysis herein is a **Fiscal Impact Analysis** and evaluates the direct **revenues** from growth in BLR as well as **operating and capital costs** to serve that growth.

Three reports are provided to the City of Colorado Springs on the overall fiscal and economic analysis of growth in Banning Lewis Ranch:

1. **Cost to Serve Fiscal Impact Analysis of Growth in Banning Lewis Ranch: The report on the fiscal impacts of growth in Banning Lewis Ranch.**
2. *Level of Service Document: Appendix to the Cost to Serve Fiscal Impact Analysis of Growth in Banning Lewis Ranch* providing supporting data, assumptions, and methodologies for the analyses.
3. *Economic Impact Analysis of Growth in Banning Lewis Ranch: The report on the economic impacts of growth in Banning Lewis Ranch.*

This document is item number 1 above.

SCENARIO ANALYZED

The growth scenario analyzed assumes developable land within Banning Lewis Ranch is developed using the land use presented by Oakwood Developers in its BLR PUD Concept Plan, except for any industrial land uses and activity center/office land uses near the future intersection of CO Hwy 94 and BLR Parkway. See Figure 1 for a summary of the land uses modeled in this analysis.

Figure 1. Growth Scenario Summary (30-Year Total)

	BLR Growth Scenario
SINGLE FAMILY DETACHED, LOW DENSITY	17,599
SINGLE FAMILY DETACHED, MEDIUM DENSITY	5,252
TOWNHOUSE	190
MULTIFAMILY	864
TOTAL UNITS	23,905
<i>Total Growth from Base Year</i>	<i>12%</i>
POPULATION	61,770
<i>Total Growth from Base Year</i>	<i>13%</i>
RETAIL SF	3,005,500
OFFICE SF	2,824,200
INDUSTRIAL SF	1,411,400
INSTITUTIONAL SF	2,370,200
TOTAL SF	9,611,300
<i>Total Growth from Base Year</i>	<i>15%</i>
JOBS	20,979
<i>Total Growth from Base Year</i>	<i>10%</i>

APPROACH AND MAJOR ASSUMPTIONS

Fiscal Impact Analysis

A fiscal impact analysis determines whether revenues generated by new growth are sufficient to cover the resulting costs for service and facility demands placed on a jurisdiction. Fiscal analysis enables local governments to estimate the difference between the costs of providing services to development and the taxes, user fees, and other revenues that will be collected by the government from new development.

The fiscal impact analysis conducted on BLR for the City of Colorado Springs uses a marginal cost methodology to project revenues and expenditures (operating and capital) generated by the projected development. Because the development itself is large enough to trigger the need for certain facilities and accompanying operating impacts, the cost analysis employs a case study-marginal methodology, which takes site or geographic-specific information into consideration.

Service level and revenue assumptions are based on TischlerBise’s on-site interviews with City departments, follow-up discussions with staff, detailed analysis of the fiscal year 2017 budget, and other relevant documents. Additionally, our local fiscal experience with Colorado jurisdictions, as well as our national experience conducting over 800 fiscal impact analyses, was beneficial. Assumptions are outlined in the supporting document, *Level of Service Document—Cost to Serve Fiscal Impact Analysis: Banning Lewis Ranch (Level of Service Document)* and are utilized along with the development projections to calculate the fiscal impact on Colorado Springs over a 30-year projection period. Calculations are performed using a customized fiscal impact model designed specifically by TischlerBise for this assignment.

For this analysis, all revenues and expenditures directly attributable to the new development—by type of development—are included. Funds modeled in this analysis include the General Fund and Special Revenue Funds. Enterprise funds (e.g., utilities) are not included in this analysis as they are assumed to be self-sufficient.¹

Some revenues and expenditures are not expected to be affected by development in BLR, and are therefore considered “fixed” in this analysis. TischlerBise reviewed the FY2017 budget and available supporting documentation and interviewed staff to develop baseline assumptions for the analysis.

¹ Additional revenue sources that are restricted for specific uses are reported separately from the fiscal impact results for information purposes only.

Level of Service

The revenue projections are based on a “snapshot approach” in which it is assumed the current levels of service will continue through the 30-year analysis period. The current demand base data were used to calculate revenue and expenditures per demand unit. Examples of demand base data include population, dwelling units, employment by type, vehicle trips, etc. In summary, the “snapshot” approach does not attempt to speculate about how levels of service, revenues, policies, and other factors will change over time. Instead, it evaluates the fiscal impact of new growth in Banning Lewis Ranch as conducted under the current budgets used in this analysis. The *Level of Service Document* provides further detail on level-of-service assumptions.

Revenue Structure

Revenues are projected assuming that the current revenue structures and rates for Colorado Springs, as defined in the FY2017 budget, will not change during the analysis period.

Inflation Rate

The rate of inflation is assumed to be zero throughout the projection period, and revenue and expenditure projections are in constant 2017 dollars. This assumption is in accord with budget data and avoids the difficulty of speculating on inflation rates and their effect on revenue categories. It also avoids the problem of interpreting results expressed in inflated dollars over an extended period of time. In general, including inflation is complicated and unpredictable. Using constant dollars avoids these issues.

Non-Fiscal Evaluations

It should be noted that while a fiscal impact analysis is an important consideration in planning and policy decisions, it is only one of several issues that should be considered. Environmental and social issues, for example, should also be considered when making planning and policy decisions. The above notwithstanding, this analysis will enable interested parties to understand the fiscal implications of future development.

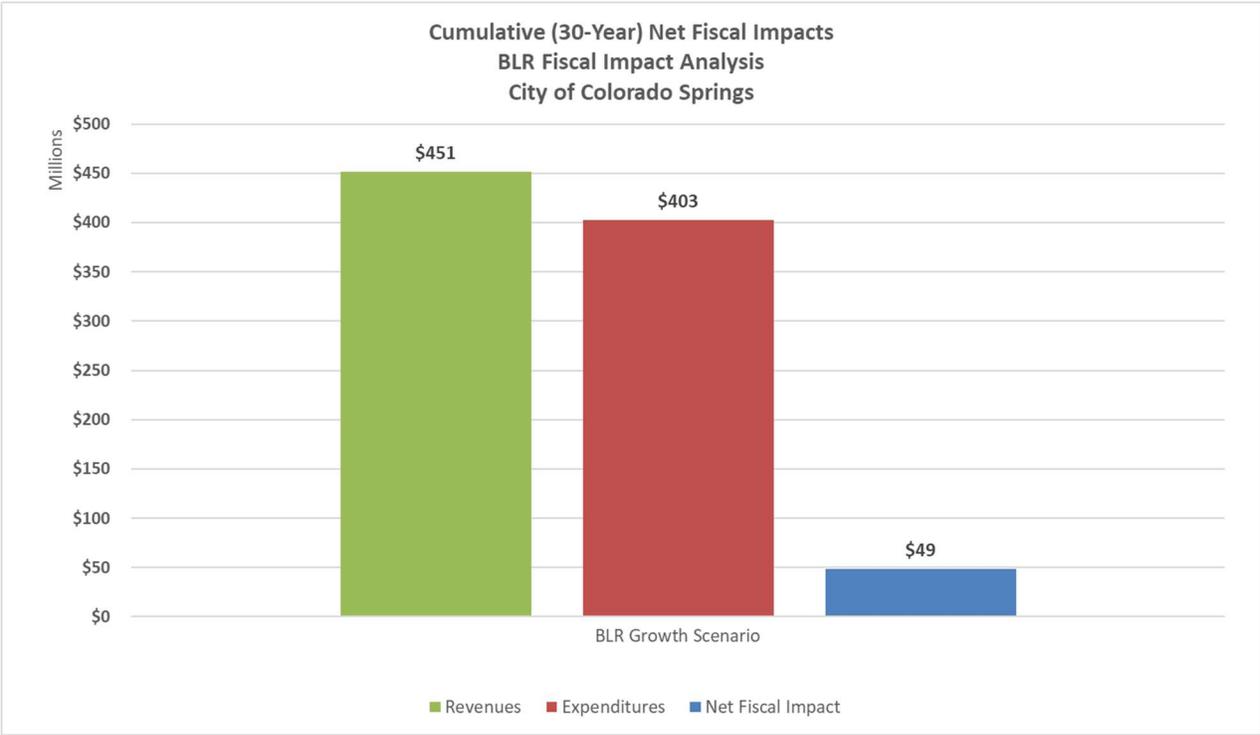
SUMMARY OF FISCAL IMPACT ANALYSIS RESULTS

Cumulative Fiscal Impact Results

Cumulative fiscal impact results reflect total revenues generated during the 30-year analysis period minus total operating and capital expenditures.

The analysis includes revenues² generated to the City from Banning Lewis Ranch. As shown in Figure 2, the development scenario projects \$451 million in revenue over the analysis period compared to \$403 million in total expenditures, resulting in a net fiscal impact of \$49 million.

Figure 2: Cumulative Results (30-Year) Fiscal Impact Results

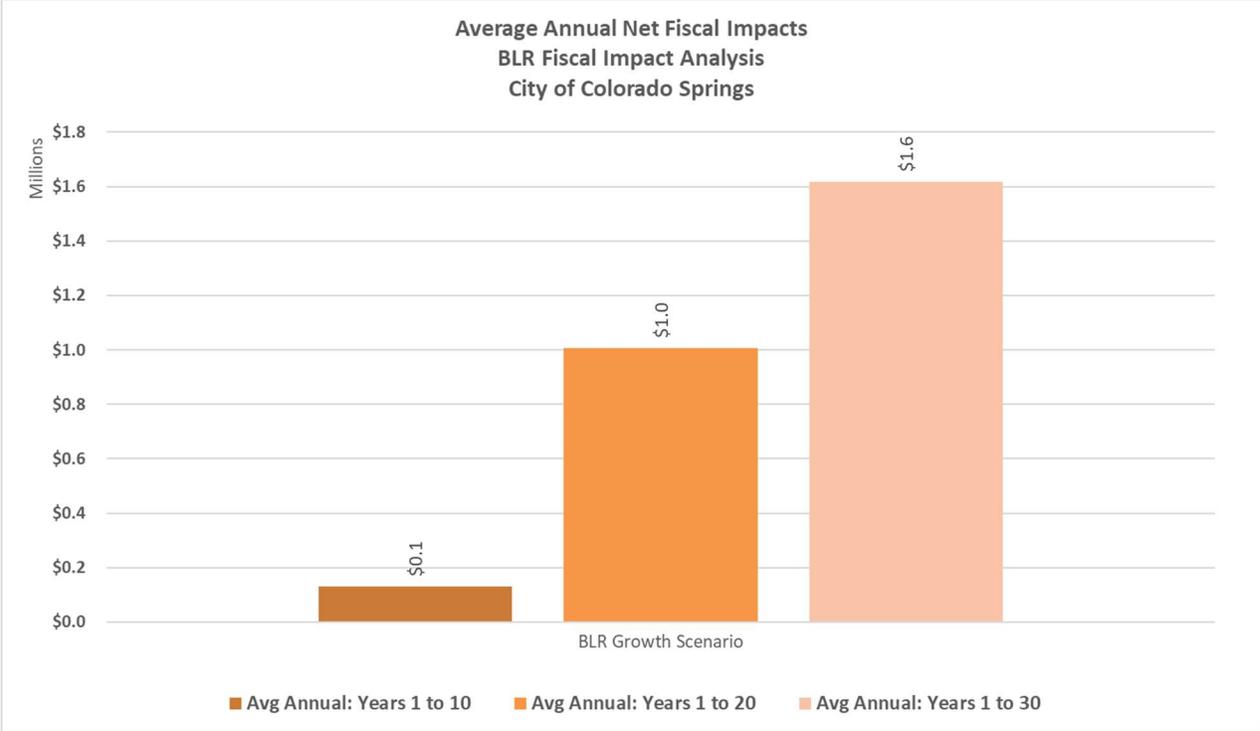


² It should be noted that the following revenues are excluded from the revenue total: (1) 2C Sales Tax: temporary sales tax dedicated for streets operating and maintenance. (2) Pikes Peak Rural Transit Authority (PPRTA) revenue: a one-cent sales tax but is not appropriated by the City; streets capital costs and maintenance of the City’s transportation system are included in the analysis, however. See operating and capital sections of this report.

Average Annual Results

Results are summarized below on an **average annual** basis—over three multi-year intervals: Years 1-10, Years 1-20, and Years 1-30. The fiscal results in Figure 3 include all operating and capital impacts.

Figure 3. Average Annual Fiscal Impact Results



Average annual net fiscal impacts in years 1-10 total approximately \$130,000 and is the lowest annual amount over the projection period. This is due to several capital improvements that are triggered early in the development timeline as well as relatively low sales tax revenue generation due to less than 10 percent of total retail being absorbed in the first 10 years. After the first 10 years, the net surpluses are projected to plateau between \$1 and \$1.5 million per year.

Summary of Fiscal Results

In addition to the positive net fiscal results to the City of Colorado Springs, the City expects to receive several additional revenue sources from growth in BLR. Additionally, Colorado Springs Utilities (CSU) expects to receive a positive fiscal benefit from growth in BLR as well. The summary results of these additional impacts are shown below in Figure 4.

Figure 4. Summary of Cumulative Net Fiscal Impacts (Years 1-10, 1-20, and 1-30)

Cumulative Net Fiscal Impacts (Years 1-10, 1-20, 1-30)			
COS-BLR Fiscal Impact Model			
Category	SCENARIO		
	BLR Growth Scenario		
	10-Year Summary	20-Year Summary	30-Year Summary
General Fund			
General Fund Revenues	\$25,903,645	\$125,821,148	\$350,118,323
Special Revenue Funds Revenue [1]	\$10,012,944	\$39,396,473	\$101,076,034
SUBTOTAL: City Gross Revenue	\$35,916,589	\$165,217,621	\$451,194,357
Less: Cost of Service (Operating and Capital) [2]	\$34,605,661	\$145,103,945	\$402,637,558
SUBTOTAL: Net City Revenue	\$1,310,928	\$20,113,676	\$48,556,799
CSU Gross Revenue [3]	\$91,842,000	\$423,719,000	\$1,141,810,000
Less: CSU Costs and Expenses [3]	\$52,211,000	\$242,851,000	\$707,022,000
SUBTOTAL: Net CSU Revenue	\$39,631,000	\$180,868,000	\$434,788,000
TOTAL: Net Community Revenue	\$40,941,928	\$200,981,676	\$483,344,799
Other Potential Revenues: Pikes Peak RTA Revenue [4]	\$5,815,482	\$29,017,498	\$82,675,122
Other Potential Revenues: 2C Revenue (Sales Tax) [4]	\$5,547,075	\$27,678,229	\$78,859,347
Other Potential Revenues: 2A Revenue (Stormwater Fee) [4]	\$2,473,285	\$9,534,149	\$23,376,188
SUBTOTAL: Other Potential Revenue	\$13,835,842	\$66,229,876	\$184,910,657
GRAND TOTAL: Potential Net Community Revenue	\$54,777,770	\$267,211,552	\$668,255,456
<p>[1] Special revenue funds include Impact Fees to be used for capital improvements. [2] Includes Public Works Special Revenue Fund (costs currently funded through PPTRA) [3] Source: Colorado Springs Utilities; excluded from the Fiscal Model. [4] Excluded from the Fiscal Model</p>			

BACKGROUND

The City of Colorado Springs retained TischlerBise to conduct a Cost to Serve Analysis Fiscal Impact Analysis of new development in Banning Lewis Ranch (BLR). Select city staff oversaw the project and provided guidance where necessary on this assignment.

Prior to this analysis, the City of Colorado Springs had retained TischlerBise to conduct an Economic Impact Analysis of future growth in Banning Lewis Ranch.³

Banning Lewis Ranch (BLR), annexed by Colorado Springs in 1988, encompasses approximately 24,000 acres on the east side of the Colorado Springs Municipal Airport. The ultimate buildout of the site is anticipated to take at least 50 years. This fiscal impact analysis is based on a growth scenario that includes the first 30 years of projected development.

A fiscal impact evaluation analyzes revenue generation and operating and capital costs to a jurisdiction associated with the provision of public services and facilities under a set of assumptions. A fiscal impact analysis shows direct revenues and costs from new development only and does not include revenues or costs generated from existing development. A fiscal analysis relies on a set of assumptions. Changes to any of these assumptions may affect the results; however, some elements are more sensitive to modifications than others.

This document, and the accompanying *Level of Service Document* issued as an Appendix to this study, provides the baseline fiscal impact analysis of Banning Lewis Ranch. It is a snapshot of the current policies and practices in Colorado Springs as applied to BLR.

City staff and TischlerBise in conjunction with Colorado Springs Utilities developed a growth scenario for Banning Lewis Ranch on which the fiscal impact analysis is based. The growth scenario consists of numerical projections of housing units, population, nonresidential building area, and employment. These projections are inputs to the fiscal model, which was developed by TischlerBise. Summaries of development/land use assumptions are provided in the body of this document. All discussions and analysis in this document reflect projections regarding the next 30 years of development in Banning Lewis Ranch.

After the scenario was identified, the next major step of the analysis was to determine current service levels and associated revenues and costs. This was done through on-site interviews, follow-up discussions with staff, and a review of applicable budgets and other relevant documents. Additionally, our local experience with Colorado jurisdictions as well as our national experience conducting over 800 fiscal impact analyses was beneficial. The results of the level-of-service analysis were used to develop a fiscal impact model to assess the impact of Banning Lewis Ranch on the City of Colorado Springs. The assumptions are based on information provided by staff through interviews, follow-up discussions, and

³ The report, "Economic Impact Analysis: Banning Lewis Ranch," is available under separate cover.

written correspondence. The results of this step are documented in the *Level of Service Document* (issued under separate cover as an Appendix to this report).

SUMMARY OF GROWTH SCENARIO

The growth scenario analyzed assumes developable land within Banning Lewis Ranch is developed using the land use breakdown presented by Oakwood in its BLR PUD Concept Plan except for any industrial land uses and activity center/office land uses near the future intersection of CO Hwy 94 and BLR Parkway. See Figure 5 for the table showing the breakdown in multi-year intervals over the 30-year projection period.

Buildout of Oakwood (based on Colorado Springs Utilities (CSU) projections) occurs in year 12. Buildout of similar development happens in year 22 (10 years) and again in year 29 (7 years).

Residential

Total housing units are projected using CSU projections. Units by type of housing unit projected using share of total units in Oakwood PUD Concept Plan (SFD Low, 72.5%; SFD Medium, 22.9%; Townhouse, 0.8%; Multi-Family, 3.8%). Population represents total population (SFD Low and Medium, 2.62 persons per housing unit (PPHU); Townhouse, 2.22 PPHU; Multi-Family, 1.71 PPHU).

Nonresidential

Office: Office development is assumed to begin in year 5. Citywide office employment per person of 0.23 (2014 OnTheMap and 2014 Census) is applied to annual population increase. This was reduced by 25 percent, because employment and floor area increases were relatively high relative to trends. Floor area projections assume 301 square feet per employee (ITE). Year 5 office development equals 74,000 square feet (246 employees X 301 square feet per employee = 74,000 square feet).

Retail: Retail development begins in year 8, but more acreage is available for development. Citywide commercial employment per person of 0.12 (2014 OnTheMap and 2014 Census) is applied to annual population increase. Floor area projections assume 500 square feet per employee (ITE). Year 8 commercial development equals 86,500 square feet (173 employees X 500 square feet per employee = 86,500 square feet).

Industrial: Industrial development begins in year 5. Citywide industrial employment per person of 0.06 (2014 OnTheMap and 2014 Census) is applied to annual population increase. Floor area projections assume 433 square feet per employee (ITE). Year 5 industrial development equals 36,800 square feet (85 employees X 433 square feet per employee = 36,800 square feet).

Institutional: 118 acres of institutional development is in the Oakwood plan. BLR Academy (existing) is approximately 59,000 square feet. Using a FAR of 0.15 (based on existing BLR Academy and planned school in Village 2), a total of 773,000 square feet is projected when Village 6 is completed. Assuming 1,018

square feet per employee (ITE), 58 employees are projected annually in years 1-12. Additional 773,000 square feet needed in years 13-22, and years 23-29 (year 30 uses year 29 increase). Floor area estimates increased accordingly based on increased growth rate from CSU projections.

Figure 5. Growth Scenario Summary (Multi-Year Intervals)

	BLR Growth Scenario		
	10-Year Summary	20-Year Summary	TOTAL: 30-Year Summary
SINGLE FAMILY DETACHED, LOW DENSITY	4,736	9,922	17,599
SINGLE FAMILY DETACHED, MEDIUM DENSITY	1,182	2,823	5,252
TOWNHOUSE	43	102	190
MULTIFAMILY	194	464	864
TOTAL UNITS	6,156	13,312	23,905
<i>Total Growth from Base Year</i>	3%	7%	12%
POPULATION	15,934	34,413	61,770
<i>Total Growth from Base Year</i>	3%	8%	13%
RETAIL SF	254,500	1,363,500	3,005,500
OFFICE SF	443,400	1,403,300	2,824,200
INDUSTRIAL SF	221,200	701,000	1,411,400
INSTITUTIONAL SF	595,000	1,332,400	2,370,200
TOTAL SF	1,514,100	4,800,200	9,611,300
<i>Total Growth from Base Year</i>	2%	7%	15%
JOBS	3,077	10,316	20,979
<i>Total Growth from Citywide Base Year</i>	2%	5%	10%

APPROACH AND MAJOR ASSUMPTIONS

FISCAL IMPACT ANALYSIS

A fiscal impact analysis determines whether revenues generated by new growth are sufficient to cover the resulting costs for service and facility demands placed on a jurisdiction. Fiscal analysis enables local governments to estimate the difference between the costs of providing services to development and the taxes, user fees, and other revenues that will be collected by the government as a result of new development.

The fiscal impact analysis conducted on BLR for the City of Colorado Springs uses a marginal cost methodology to project revenues and expenditures (operating and capital) generated by the projected development. Because the development itself is large enough to trigger the need for certain facilities and accompanying operating impacts, the cost analysis also employs a case study-marginal methodology, which takes site or geographic-specific information into consideration (for example, fire services).

Service level and revenue assumptions are based on TischlerBise's on-site interview, follow-up discussions with staff, detailed analysis of the fiscal year 2017 budget, and other relevant documents. Additionally, our local fiscal experience with Colorado jurisdictions, as well as our national experience conducting over 800 fiscal impact analyses, was beneficial. Assumptions are outlined in the *Level of Service Document*⁴ (issued as an Appendix under separate cover) and are utilized along with the development projections to calculate the fiscal impact on the jurisdictions over a 30-year projection period. Calculations are performed using a customized fiscal impact model designed specifically by TischlerBise for this assignment.

The assumptions outlined in the *Level of Service Document* (issued as an Appendix) are utilized along with the development projections to calculate the fiscal impact on Colorado Springs over a 30-year projection period. Calculations are performed using the customized fiscal impact model designed specifically by TischlerBise for this assignment.⁵ Major assumptions regarding the fiscal impact methodology are noted below. See the *Level of Service Document* in the Appendix for further detail.

⁴ *Level of Service Document: Appendix to the Cost to Serve Fiscal Impact Analysis of Growth in Banning Lewis Ranch.*

⁵ A general note on rounding: Calculations throughout this report are based on an analysis conducted using Excel software. Results are discussed in the report using one-and two-digit places (in most cases), which represent rounded figures. However, in some cases the analysis itself uses figures carried to their ultimate decimal places; therefore the sums and products generated in the analysis may not equal the sum or product if the reader replicates the calculation with the factors shown in the report (due to rounding).

General Approach

For this analysis, all revenues and costs directly attributable to the new development—by type of development—are included. Funds modeled in this analysis include the General Fund and Special Revenue Funds. Enterprise funds (e.g., utilities) are not included in this analysis as they are assumed to be self-sufficient.

Demographic changes are not expected to impact some revenues, and these revenues are therefore considered “fixed” in this analysis. TischlerBise reviewed the FY2017 budget and available supporting documentation and interviewed staff to develop baseline assumptions for the analysis. Assumptions are documented in the *Level of Service Document* issued as an Appendix to this report. For revenues affected by development, the impacts of Banning Lewis Ranch are projected based on net new development.

Level of Service

The revenue projections are based on a “snapshot approach” in which it is assumed the current levels of service will continue through the 30-year analysis period. The current demand base data was used to calculate revenue per demand unit. Examples of demand base data include population, dwelling units, employment by type, vehicle trips, etc. In summary, the “snapshot” approach does not attempt to speculate about how levels of service, revenues, policies, and other factors will change over time. Instead, it evaluates the fiscal impact of new growth in Banning Lewis Ranch as conducted under the current budgets used in this analysis. The *Level of Service Document* provides further detail on level-of-service assumptions.

Revenue Structure

Revenues are projected assuming that the current revenue structures and rates for Colorado Springs, as defined in the FY2017 budget, will not change during the analysis period.

Inflation Rate

The rate of inflation is assumed to be zero throughout the projection period, and projections of revenues and costs are in constant 2017 dollars. This assumption is in accord with budget data and avoids the difficulty of speculating on inflation rates and their effect on revenue categories. It also avoids the problem of interpreting results expressed in inflated dollars over an extended period of time. In general, including inflation is complicated and unpredictable. Using constant dollars avoids these issues.

Non-Fiscal Evaluations

It should be noted that while a fiscal impact analysis is an important consideration in planning and policy decisions, it is only one of several issues that should be considered. Environmental and social issues, for example, should also be considered when making planning and policy decisions. The above notwithstanding, this analysis will enable interested parties to understand the fiscal implications of future development.

FISCAL IMPACT ANALYSIS RESULTS

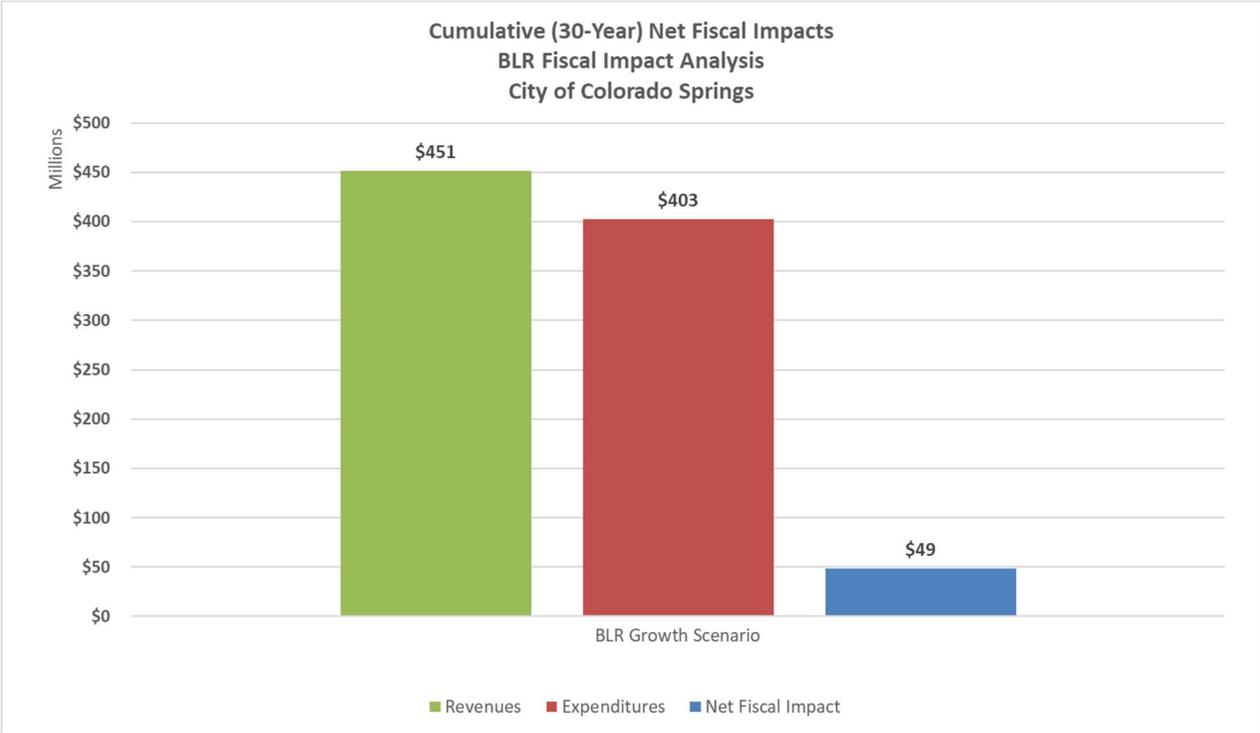
Fiscal impact results are presented in several ways for the growth scenario modeled:

- **Cumulative** net fiscal results are shown first.
 - Cumulative net results convey the projected grand total revenues minus grand total expenditures over the 30-year period to determine the overall net surplus or deficit.
 - Cumulative net results are also shown in multi-year intervals—years 1-10, years 1-20, and years 1-30. In each time interval, the figures reflect total revenues minus total expenditures.
- Next, **average annual** results are shown.
 - The average annual net result conveys an average annual fiscal impact over different time periods during the 30-year projection period.

CUMULATIVE FISCAL IMPACT RESULTS

Cumulative net fiscal results below provide detail on total projected revenues and total projected expenditures over the 30-year period. All revenues (General Fund and Special Revenue Funds) and operating and capital expenditures are captured in the figure below.

Figure 6. Cumulative (30-Year) Fiscal Impact Results



As shown in the figure above, total revenues projected over the 30-year period total approximately \$451 million compared to total expenditures (operating and capital) of \$403 million. This results in a projected cumulative net fiscal impact of \$49 million over 30 years.

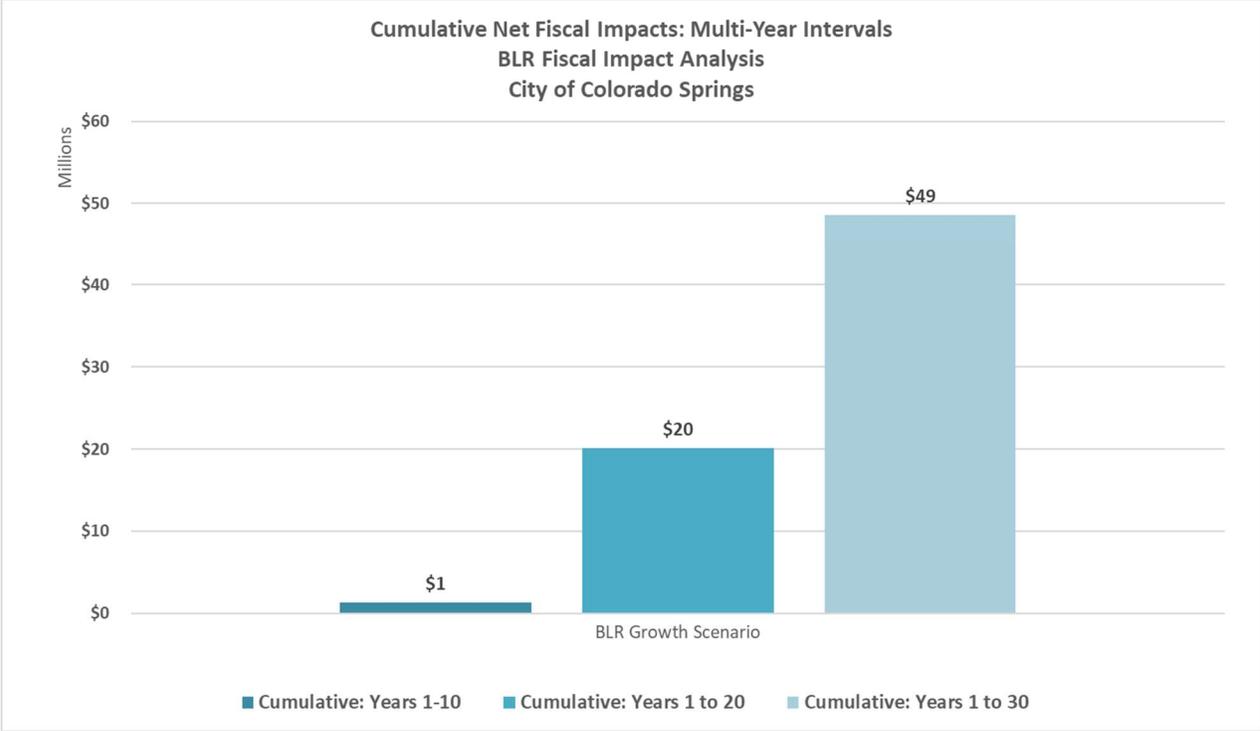
The figure below provides detail on the cumulative results by revenue and expenditure groupings.

Figure 7. Cumulative (30-Year) Fiscal Impact Results by Fund Group

30-Year Total Net Fiscal Impact COS-BLR Fiscal Impact Model	
Category	SCENARIO
	BLR Growth Scenario
<i>Operating</i>	
General Fund Revenues	\$350,118,323
General Fund Expenditures	\$275,330,582
GENERAL FUND NET FISCAL IMPACT	\$74,787,741
<i>Special Revenue Funds</i>	
Revenues*	\$101,076,034
Expenditures	\$24,912,176
SPECIAL REVENUE FUND NET FISCAL IMPACT	\$76,163,858
<i>Capital</i>	
Capital Revenues*	\$0
Capital Expenditures	\$102,394,800
CAPITAL NET FISCAL IMPACT	(\$102,394,800)
GRAND TOTAL NET FISCAL IMPACT	\$48,556,799
* Special revenue funds include Impact Fee revenues to be used for capital improvements.	

Results are also shown in multi-year intervals to document short-, medium-, and long-term fiscal results.

Figure 8. Cumulative Fiscal Impact Results at Multi-Year Intervals



As shown above in the short-term (10 years), growth in BLR is projected to generate a net surplus of approximately \$1 million. As development increases and nonresidential development is anticipated to develop, the net surpluses increase in the medium- and long-term.

The figure below provides further detail on the cumulative results in multi-year intervals by revenue and expenditure groupings.

Figure 9. Cumulative Fiscal Impact Results at Multi-Year Intervals by Fund Group

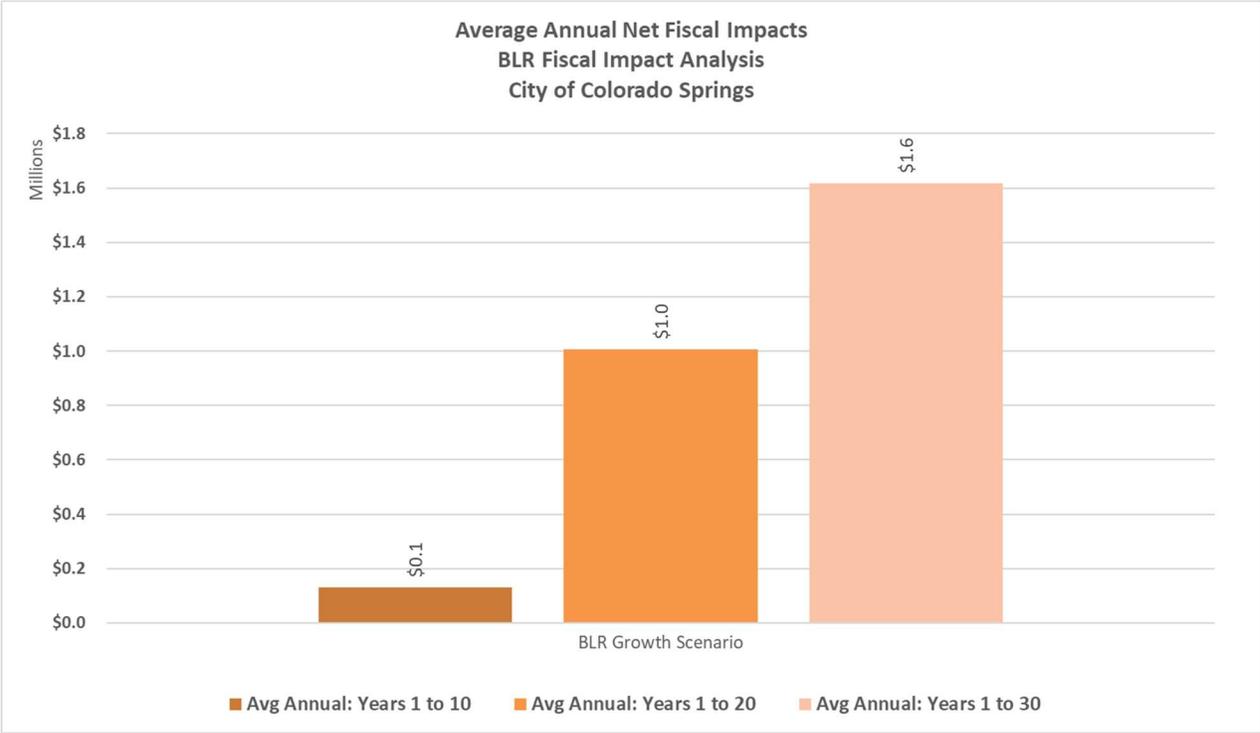
Cumulative Net Fiscal Impacts (Years 1-10, 1-20, 1-30) COS-BLR Fiscal Impact Model			
Category	SCENARIO		
	BLR Growth Scenario		
	10-Year Summary	20-Year Summary	30-Year Summary
<i>General Fund</i>			
General Fund Revenues	\$25,903,645	\$125,821,148	\$350,118,323
General Fund Expenditures	\$11,164,504	\$84,278,671	\$275,330,582
GENERAL FUND NET FISCAL IMPACT	\$14,739,141	\$41,542,478	\$74,787,741
<i>Special Revenue Funds</i>			
Revenues*	\$10,012,944	\$39,396,473	\$101,076,034
Expenditures	\$1,954,157	\$9,328,474	\$24,912,176
SPECIAL REVENUE FUND NET FISCAL IMPACT	\$8,058,787	\$30,067,999	\$76,163,858
<i>Capital</i>			
Capital Revenues	\$0	\$0	\$0
Capital Expenditures	\$21,487,000	\$51,496,800	\$102,394,800
CAPITAL NET FISCAL IMPACT	(\$21,487,000)	(\$51,496,800)	(\$102,394,800)
GRAND TOTAL NET FISCAL IMPACT	\$1,310,928	\$20,113,676	\$48,556,799

* Special revenue funds include Impact Fees to be used for capital improvements.

AVERAGE ANNUAL FISCAL IMPACT RESULTS

Results are also presented on an average annual basis—over the three multi-year intervals used above: Years 1-10, Years 1-20, and Years 1-30. Consistent with the other results, the fiscal results in Figure 10 include all operating and capital impacts.

Figure 10. Average Annual Fiscal Impact Results



Average annual net fiscal impacts in years 1-10 total approximately \$130,000 and is the lowest annual amount over the projection period. This is due to several capital improvements that are triggered early in the development timeline as well as relatively low sales tax revenue generation due to less than 10 percent of total retail being absorbed in the first 10 years. After the first 10 years, the net surpluses are projected to plateau at around \$1 to 1.5 million per year.

SUMMARY OF FISCAL RESULTS

In addition to the positive net fiscal results to the City of Colorado Springs, the City expects to receive several additional revenue sources from growth in BLR. Additionally, Colorado Springs Utilities (CSU) expects to receive a positive fiscal benefit from growth in BLR as well. The summary results of these additional impacts are shown below in Figure 11.

Figure 11. Summary of Cumulative Net Fiscal Impacts (Years 1-10, 1-20, and 1-30)

Cumulative Net Fiscal Impacts (Years 1-10, 1-20, 1-30)			
COS-BLR Fiscal Impact Model			
Category	SCENARIO		
	BLR Growth Scenario		
	10-Year Summary	20-Year Summary	30-Year Summary
<i>General Fund</i>			
General Fund Revenues	\$25,903,645	\$125,821,148	\$350,118,323
Special Revenue Funds Revenue [1]	\$10,012,944	\$39,396,473	\$101,076,034
SUBTOTAL: City Gross Revenue	\$35,916,589	\$165,217,621	\$451,194,357
Less: Cost of Service (Operating and Capital) [2]	\$34,605,661	\$145,103,945	\$402,637,558
SUBTOTAL: Net City Revenue	\$1,310,928	\$20,113,676	\$48,556,799
CSU Gross Revenue [3]	\$91,842,000	\$423,719,000	\$1,141,810,000
Less: CSU Costs and Expenses [3]	\$52,211,000	\$242,851,000	\$707,022,000
SUBTOTAL: Net CSU Revenue	\$39,631,000	\$180,868,000	\$434,788,000
TOTAL: Net Community Revenue	\$40,941,928	\$200,981,676	\$483,344,799
Other Potential Revenues: Pikes Peak RTA Revenue [4]	\$5,815,482	\$29,017,498	\$82,675,122
Other Potential Revenues: 2C Revenue (Sales Tax) [4]	\$5,547,075	\$27,678,229	\$78,859,347
Other Potential Revenues: 2A Revenue (Stormwater Fee) [4]	\$2,473,285	\$9,534,149	\$23,376,188
SUBTOTAL: Other Potential Revenue	\$13,835,842	\$66,229,876	\$184,910,657
GRAND TOTAL: Potential Net Community Revenue	\$54,777,770	\$267,211,552	\$668,255,456
<p>[1] Special revenue funds include Impact Fees to be used for capital improvements. [2] Includes Public Works Special Revenue Fund (costs currently funded through PPTRA) [3] Source: Colorado Springs Utilities; excluded from the Fiscal Model. [4] Excluded from the Fiscal Model</p>			

REVENUES AND EXPENDITURES

REVENUES

Further details on revenue projections are presented and discussed in this chapter. Details on General Fund and Special Revenue Funds revenues for are presented below.

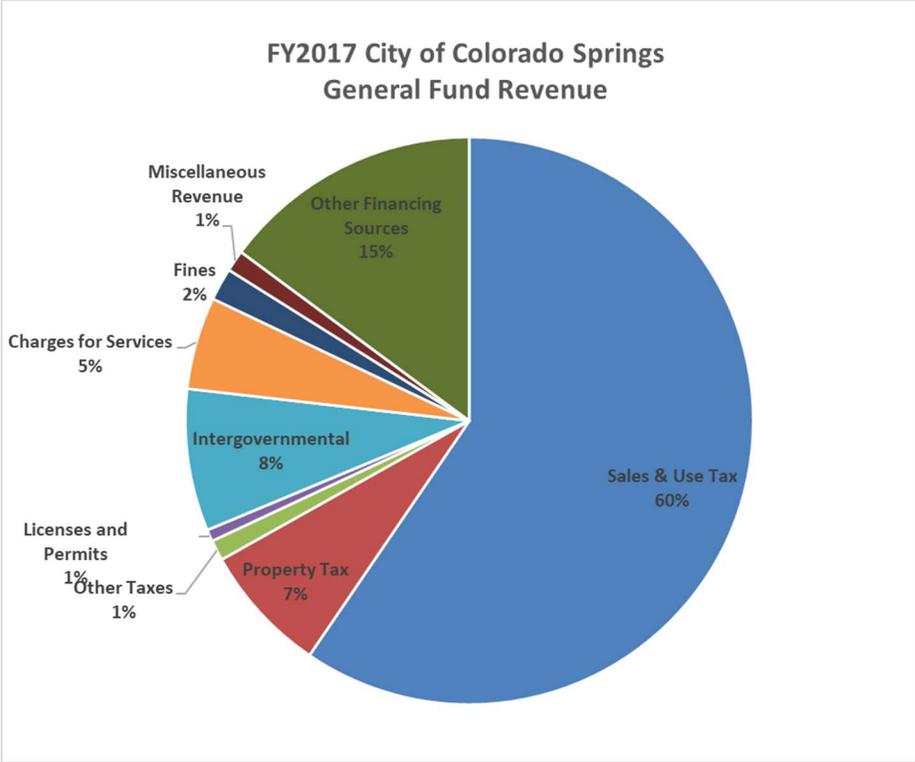
Revenue Methodologies

This section provides detail on projection methodologies for revenue included in the analysis. Growth-related revenues of the General Fund and Special Revenue Funds are modeled in this analysis. Other funds that are not included are either Enterprise Funds (self-sustaining) or Internal Service Funds.

CURRENT CITY REVENUES (FY2017)

The City's current FY17 General Fund by revenue source is shown below to provide a comparison with the revenues that are projected in this study. It should be reiterated that Figure 10 includes only General Fund revenues (and not the other funds included in the study). Figure 12 provides a summary by fund of the major funds included in the study.

Figure 10. City of Colorado Springs FY2017 General Fund Revenues



General Fund

All General Fund revenues are evaluated. Some revenues, such as “Interest,” are not tied directly to growth and are modeled as fixed. See the *Level of Service Document* issued under separate cover for related assumptions. Cumulative revenues (total over 30 years) are shown below in Figure 12. Cumulative General Fund revenues are projected at approximately \$350 million. Revenues are shown in constant 2017 dollars.

Figure 12: Cumulative Results – General Fund Revenue (Years 1-30)

30-Year Cumulative General Fund Revenue COS-BLR Fiscal Impact Model		
Category	SCENARIO	
	BLR Growth Scenario	%
Sales & Use Tax 2.0%	\$254,384,990	73%
Property Tax	\$32,792,574	9%
Other Taxes	\$4,716,000	1%
Licenses and Permits	\$1,141,712	0%
Intergovernmental	\$29,317,180	8%
Charges for Services	\$20,207,530	6%
Fines	\$6,861,198	2%
Miscellaneous Revenue	\$697,138	0%
Other Financing Sources	\$0	0%
TOTAL	\$350,118,323	100%

As shown above, the largest sources of revenue are sales taxes followed by property taxes, intergovernmental revenue, and charges for service. The sales and use tax, in this case, is the two-percent sales tax dedicated to the General Fund. Property tax revenue is based on the city millage of 4.279 mills per \$1,000 of assessed value. Intergovernmental revenues include the Highway Users Tax (state-shared) and the city share of the El Paso County Road and Bridge mill levy of 0.165 mills per \$1,000 of assessed value.

SALES & USE TAX 2.0%

Sales tax revenue projections are based on two components: sales tax on retail purchases and sales tax on construction materials.

Retail Sales Tax Revenues

To project sales tax on retail purchases, a sales per square foot factor for a convenience center is applied to commercial square footage in each scenario. Adjusted for inflation, the Urban Land Institute estimates a convenience center generates \$300 in sales per square foot of floor area—this is consistent with sales per square foot in Colorado Springs. The two-percent General Fund sales tax is applied to retail sales generated by new commercial development in Banning Lewis Ranch.

Construction Sales Tax Revenues

To project one-time sales tax revenue generated from construction, the two-percent General Fund sales tax is applied to the annual construction value of new development in Banning Lewis Ranch. Shown below in Figure 13 are revenue projections for sales tax revenue collected on retail sales compared to sales tax revenue on construction materials.

Figure 13: Cumulative Results – General Fund Sales & Use Tax Revenue (Years 1-30)

30-Year Cumulative General Fund Sales Tax Revenue COS-BLR Fiscal Impact Model		
Category	SCENARIO	
	BLR Growth Scenario	%
Sales And Use Tax 2.0%: General	\$185,649,000	73%
Sales And Use Tax 2.0%: Construction	\$68,735,990	27%
TOTAL	\$254,384,990	100%

PROPERTY TAX

Property tax revenue projections are based on assessed values of new residential and nonresidential development. All projections assume the current city millage of 4.279 mills per \$1,000 of assessed value.

Residential

To project residential property tax revenue, market value must be converted to assessed value. In El Paso County, residential properties are assessed at 7.96 percent of market value. The city millage of 4.279 mills per \$1,000 of assessed value is applied to the assessed value for each land use prototype. For a single family detached unit at the average market value assumed in this analysis, property taxes due to Colorado Springs equal \$94 per unit ($\$22,000$ (rounded) assessed value / $\$1,000 \times 4.279$ mills = \$94).

Nonresidential

Similar to the calculation for residential property taxes, nonresidential market value must be converted to assessed value. In El Paso County, nonresidential properties are assessed at 29 percent of market value, and the city millage is 4.279 mills per \$1,000 of assessed value. For office development, property taxes due to Colorado Springs equal \$51 per 1,000 square feet ($\$12$ (rounded) assessed value per square foot / $\$1,000 \times 4.279$ mills $\times 1,000$ square feet = \$51).

Figure 14: Property Tax by Land Use

RESIDENTIAL PROTOTYPES

<i>Land Use Prototype</i>	<i>Median Market Value Per Unit^{1,2}</i>	<i>Median Assessed Value Per Unit³</i>	<i>Construction Value Per Unit</i>	<i>FY 2017 City Tax Rate (per \$1,000)</i>	<i>Ad Valorem Taxes Per Unit</i>
Single Family Detached	\$280,000	\$22,000	\$140,000	\$4.279	\$94
Townhouse	\$217,000	\$17,000	\$108,500	\$4.279	\$73
Multi-Family	\$128,000	\$10,000	\$64,000	\$4.279	\$43

1. El Paso County Tax Assessor (Single Family).
2. Based on recent sales within a 10-mile radius of Banning Lewis Ranch (Townhouse and Multi-Family).
3. Residential assessed value is 7.96% of market value (rounded).

NONRESIDENTIAL PROTOTYPES

<i>Land Use Prototype</i>	<i>Total Market Value Per SF⁴</i>	<i>Total Assessed Value Per SF⁵</i>	<i>Construction Value Per SF</i>	<i>FY 2017 City Tax Rate (per \$1,000)</i>	<i>Ad Valorem Taxes per 1,000 sf</i>
Retail	\$77	\$22	\$58	\$4.279	\$94
Office	\$43	\$12	\$32	\$4.279	\$51
Industrial	\$35	\$10	\$26	\$4.279	\$43
Institutional	\$0	\$0	\$0	\$4.279	\$0

4. El Paso County Tax Assessor.
5. Nonresidential assessed value is 29% of market value (rounded).

INTERGOVERNMENTAL

Revenues from intergovernmental sources are generated from Highway Users Taxes and from Colorado Springs' share of the Road and Bridge Tax. Highway Users Tax revenue, a state-shared revenue source, is projected based on population and jobs. Road and Bridge Tax revenue is projected using cumulative assessed value of development in Banning Lewis Ranch and the Road and Bridge Tax of 0.165 mills per \$1,000 of assessed value (half of the .33 mill levy).

Special Revenue Funds

This analysis evaluates all Special Revenue Funds revenues except for Enterprise Funds and any funds restricted for uses outside of Banning Lewis Ranch. Cumulative Special Revenue Fund revenues are projected at approximately \$101 million as shown in Figure 15. Revenues are shown in constant 2017 dollars.

Figure 15: Cumulative Results – Special Revenue Funds (Years 1-30)

30-Year Cumulative Special Revenue Fund Revenue COS-BLR Fiscal Impact Model		
Category	SCENARIO	
	BLR Growth Scenario	%
2C Road Tax Fund 0.62%	\$0	0%
Arterial Roadway Fund	\$3,755,448	4%
Police and Fire Fees	\$13,935,006	14%
Cable Franchise Fund	\$4,319,314	4%
Conservation Trust Fund	\$6,714,812	7%
Lodgers and Auto Rental Tax Fund	\$8,360,511	8%
Public Safety Sales Tax Fund (PSST) 0.4%	\$50,876,998	50%
Senior Programs Fund	\$394,696	0%
Trails, Open Space and Parks Fund (TOPS) 0.1%*	\$12,719,250	13%
TOTAL	\$101,076,034	100%
* Sunset of current TOPS tax (2025)	\$738,455	

As shown in the figure above, sales taxes are the largest sources of revenue combined. Sales and use taxes include the Public Safety Sales Tax (PSST) and the Trails, Open Space and Parks Tax (TOPS).⁶ Also shown in the above figure is the dedicated capital revenue from police and fire impact fees. These revenues are shown in the Banning Lewis Ranch Fund and represent a fee of \$2,308 per acre. (See the *Level of Service Document* for details.)

Other large revenue sources include the Conservation Trust Fund and the Lodgers and Auto Rental Tax Fund. The Conservation Trust Fund is funded through Colorado’s lottery, and allocations are based on population. The Lodgers and Auto Rental Tax Fund receives revenue from the two-percent tax on hotel rooms and the one-percent tax on automobile rentals—these revenues are projected based on population and jobs.

⁶ The Trails, Open Space and Parks Tax (TOPS) is currently authorized through the end of 2025 without a vote to renew it. The fiscal impact analysis includes this revenue source under the assumption it will be approved and continue to be available.

Other Revenues

The following revenues are not included in the fiscal results for the reasons outlined below.

2C ROAD TAX

In addition to the PSST and TOPS sales tax revenues, the City currently collects a temporary sales tax for road maintenance on existing roadways, the 2C Road Tax Fund. Revenues from this source are not included in the results but are shown below for information purposes both through the current sunset of the tax (December 31, 2020) and over the full 30-year projection period (under the assumption the tax gets renewed).

Figure 16. Cumulative Results -- 2C Road Tax Fund (Through Sunset and Years 1-30)

Revenue Potential: 2C ROAD TAX FUND COS-BLR Fiscal Impact Model		
Category	SCENARIO	
	BLR Growth Scenario	
	Through Sunset (Dec. 31, 2020)	30-Year Cumulative
2C Road Tax Fund 0.62%	\$1,567,937	\$78,859,347
<i>Average Annual</i>	<i>n/a</i>	<i>\$2,628,645</i>

PIKES PEAK RURAL TRANSPORTATION AUTHORITY

The joint venture, Pikes Peak Rural Transportation Authority (PPRTA), is not considered a component unit of the city and is, therefore, not included in the results. However, this one-percent sales tax revenue is an important source of revenue for the city, and it is shown separately to indicate the additional revenues potentially available to the City. Colorado Springs receives about 65 percent of PPRTA revenue. Figure 17 shows the city's share of projected cumulative revenue through the sunset of the current tax (December 31, 2024) and over the full 30-year projection period (under the assumption the tax gets renewed). Revenues are shown in constant 2017 dollars.

Figure 17: Cumulative Results – Pikes Peak Rural Transportation Authority (Years 1-30)

Revenue Potential: PPRTA Revenues (Potential City Share) COS-BLR Fiscal Impact Model		
Category	SCENARIO	
	BLR Growth Scenario	
	Through Sunset (Dec. 31, 2024)	30-Year Cumulative
PPTRA REVENUES	\$3,910,250	\$82,675,122
<i>Average Annual</i>	<i>n/a</i>	<i>\$2,755,837</i>

2A STORMWATER FEE

The City of Colorado Springs just voted in a general election to assess a Stormwater Fee. The fee revenue will operate as an Enterprise Fund for the purposes of “the construction, improvement, operation and maintenance of public stormwater facilities and a public stormwater system in the City, including regulatory permit compliance and protection of life and property within the City from the hazards of flooding and stormwater.”⁷

The rates imposed are:

- Residential property: \$5.00 per dwelling unit/month
- Non-residential property: \$30.00 per acre/month⁸

Projected Stormwater Fee revenue are not included in the results but are shown below for information purposes both through the current sunset of the tax (July 1, 2038) and over the full 30-year projection period (under the assumption the fee continues gets renewed).

Figure 18. Cumulative Results – 2A Stormwater Fee Revenue (Through Sunset and Years 1-30)

Revenue Potential: 2A Stormwater Fee COS-BLR Fiscal Impact Model		
Category	SCENARIO	
	BLR Growth Scenario	
	Through Sunset (July 1, 2038)	30-Year Cumulative
2A Stormwater Fee	\$11,671,766	\$23,376,188
Average Annual	n/a	\$779,206

⁷ City Question 2A, Resolution 89-17, referred by City Council 8/22/2017

⁸ For purposes of this projection, multifamily units are assumed to be charged the nonresidential rate, which is a conservative estimate (i.e., lower revenue amount).

EXPENDITURES

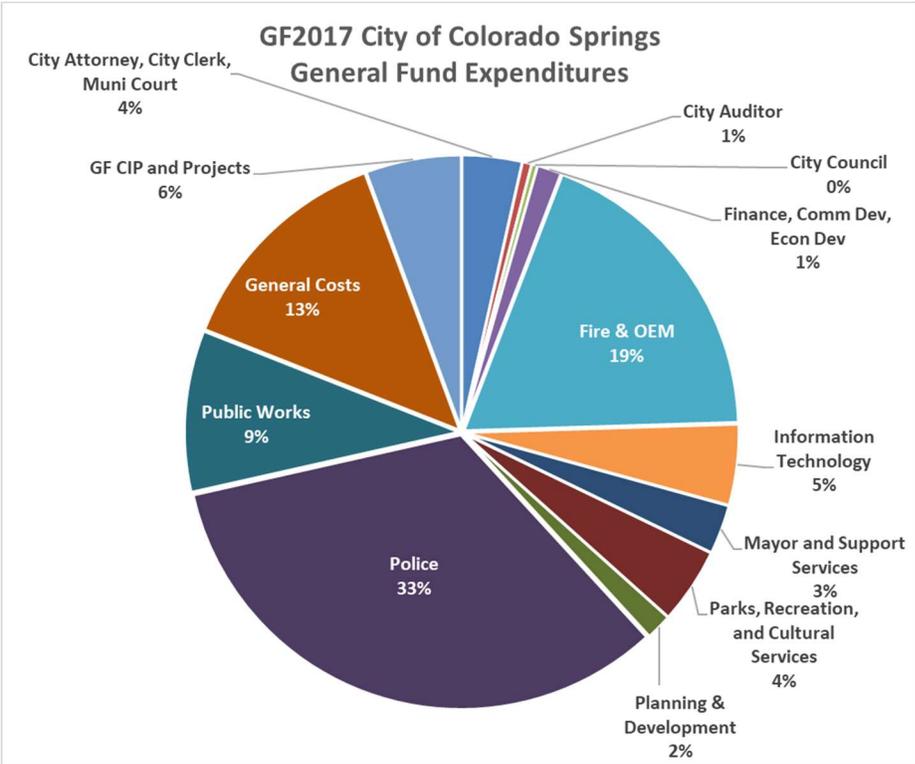
Expenditure Methodologies and Outputs

All variable operating expenditures are projected—including personnel and operating costs. Capital improvement expenditures are discussed in a separate section. First, base year City expenditures are summarized and provided for context.

CURRENT CITY EXPENDITURES (FY2017)

The City’s current FY17 General Fund expenditures by source are shown below to provide a comparison with the expenditures projected in this study. It should be reiterated that Figure 19 includes only General Fund expenditures (and not the other funds included in the study).

Figure 19. City of Colorado Springs FY2017 General Fund Expenditures



GENERAL FUND EXPENDITURE PROJECTIONS

For most City Organizations, operations and personnel costs are projected separately. It should be noted that departments may have some portion of their budget that are considered “fixed” and will not increase with growth. That is, existing operations will be able to absorb a portion of additional impacts from growth in the City. The Level of Service Document provides detail on operating cost projection methodologies. General Fund operating expenditure results are provided in this section for the 30-year cumulative total amounts.

Figure 21: Cumulative Results – General Fund Expenditures (Years 1-30)

30-Year Total General Fund Expenditures COS-BLR Fiscal Impact Model		
Category	SCENARIO	
	BLR Growth Scenario	%
City Attorney, City Clerk, Muni Court	\$1,444,414	1%
City Auditor	\$104,517	0%
City Council	\$730,849	0%
Finance, Comm Dev, Econ Dev	\$1,079,768	0%
Fire	\$115,804,983	42%
OEM	\$74,591	0%
Information Technology	\$4,680,457	2%
Mayor and Support Services	\$767,988	0%
Parks, Recreation, and Cultural Services	\$18,693,896	7%
Planning & Development	\$1,046,343	0%
Police	\$107,333,208	39%
Public Works	\$19,677,409	7%
Other Costs	\$3,892,159	1%
TOTAL	\$275,330,582	100%

As shown above, Fire and Police reflect most of the projected costs to serve the BLR area. Combined, the share for Fire and Police reflect over 80 percent of the projected costs in the General Fund.

SPECIAL REVENUE FUND EXPENDITURES

Special Revenue Funds that will provide core services to BLR and funded through variable revenue sources (i.e., revenues that are affected by growth) are included in the study. The Special Revenue Funds included in the analysis are shown in the following figure along with the projected costs captured within the respective fund.

Figure 21: Cumulative Results – Special Revenue Fund Expenditures (Years 1-30)

30-Year Total Special Revenue Fund Expenditures COS-BLR Fiscal Impact Model		
Category	SCENARIO	
	BLR Growth Scenario	%
Public Works Special Revenue Fund (PPRTA)	\$19,192,984	77%
Parks Special Revenue Fund (TOPS and CTF)*	\$0	0%
Fire PSST^	\$3,073,901	12%
Police PSST^	\$1,317,276	5%
Radio Communications Fund	\$1,328,015	5%
TOTAL	\$24,912,176	100%
* Parks operating costs are captured in General Fund; capital costs projected separately.		
^ The majority of Fire and Police operating impacts are captured in General Fund.		

The Public Works Special Revenue Fund captures Streets Operating and Maintenance costs. It is important to note that costs funded by 2C sales tax revenue are **not included** in the analysis. The 2C sales tax is a temporary revenue source voted on by residents with funding earmarked for Streets Operating and Maintenance, primarily to correct existing issues in the City. Those costs funded through PPRTA are included in the analysis and reflected in the figure above.

As indicated in the footnotes, the majority of other BLR operating impacts are captured in General Fund projections. To reflect total direct impact, full staffing complements are modeled under the General Fund section and reported in that section. Additional operating costs funded in the above Special Funds are modeled to complete the full operating impact from BLR. Therefore, to get the full operating impact, both the General Fund and Special Revenue Funds should be combined.

OPERATING INDICATOR OUTPUTS

The following figure provides a summary of key operating indicator outputs, which drive major costs to serve future growth as modeled in BLR.

Figure 20. Key Operating Indicators: Projected Needs to Serve BLR

30-Year Total Key Operating Indicators COS-BLR Fiscal Impact Model	
Category	SCENARIO
	BLR Growth Scenario
Fire and EMS FTEs	114
Sworn Police FTEs	70
Civilian Police FTEs	24
System Lane Miles	180
Residential Lane Miles	378
Total Lane Miles	558
Signalized Intersections	8

Capital Expenditure Projections

Capital costs and infrastructure improvements to serve new development are modeled based on demand generated by future growth in BLR.

The analysis includes capital improvement costs that are funded with local funds and are “pay as you go” expenditures (as opposed to debt financed). By assuming pay-go funding, the full costs of the improvements occur in the year that the improvement is triggered.

For vehicles and equipment, capital cost projections reflect both the initial cost of purchase as well as the cost to replace the unit once the assumed useful life is reached.

A summary of projected total capital costs over the 30-year period are shown below in Figure 21. Further detail on the improvements triggered by growth in BLR is shown in Figure 22.

Figure 21. Summary of Capital Costs

30-Year Total Capital Expenditures COS-BLR Fiscal Impact Model		
Category	SCENARIO	
	BLR Growth Scenario	%
Fire Capital Expenditures	\$30,090,000	29%
Parks Capital Expenditures	\$58,510,000	57%
Police Capital Expenditures	\$11,484,800	11%
Public Works Capital Expenditures	\$2,310,000	2%
TOTAL	\$102,394,800	100%

Figure 22. Capital Facilities Triggered for Expansion

CAPITAL FACILITIES	Units	Needed	Built / Purchased [New]	Built / Purchased [Replacements]	Total Built / Purchased [New + Replacement]	Total Cost [New + Replacement]	TOTAL COST
Fire Station	Number of Stations	5.1	5.0	0.0	5.0	\$24,000,000	\$30,090,000
Engines	Vehicles	5.1	5.0	1.0	6.0	\$3,000,000	
Ladder Trucks	Vehicles	1.4	1.0	0.0	1.0	\$950,000	
Squad/Ambulances	Vehicles	4.7	4.0	2.0	6.0	\$1,080,000	
Brush Trucks	Vehicles	5.0	5.0	1.0	6.0	\$420,000	
Other Heavy Vehicles	Vehicles	0.0	0.0	0.0	0.0	\$0	
Light Duty Vehicles	Vehicles	13.0	13.0	3.0	16.0	\$640,000	
Community Parks*	Acres	83.4	100.0	0.0	100.0	\$52,000,000	
Neighborhood Parks**	Acres	35.2	35.0	0.0	35.0	\$5,250,000	
Sports Complex	Acres	13.1	0.0	0.0	0.0	\$0	
Park Vehicles	Vehicles	0.0	0.0	0.0	0.0	\$0	\$58,510,000
Trails	Linear Miles	18.7	18.0	0.0	18.0	\$1,260,000	
Police Substation	Sq. Ft.	11,072.9	17,560.0	0.0	17,560.0	\$7,550,800	
Patrol Cars	Vehicles	35.0	35.0	39.0	74.0	\$2,590,000	\$11,484,800
Officer Personal Equipment	Units	70.0	70.0	122.0	192.0	\$1,344,000	
System Lane Miles	Lane Miles	180.0	180.0	0.0	180.0	\$0	\$2,310,000
Residential Streets	Lane Miles	378.0	378.0	0.0	378.0	\$0	
Signalized Intersections	Number	8.0	8.0	0.0	8.0	\$0	
PW Facility	Sq. Ft.	12,834.1	12,000.0	0.0	12,000.0	\$660,000	
Vehicles and Equipment	Vehicles	43.4	43.0	12.0	55.0	\$1,650,000	
GRAND TOTAL						\$102,394,800	

*Modeled based on the City building and maintaining Community Parks in BLR at the City's current level of service of 1.4 acres per 1,000 persons.

**Modeled based on the City maintaining the City-funded and maintained current levels of service of .6 acres per 1,000 residents, which reflects one-third of the neighborhood park inventory. It is assumed based on current City policy and practice that two-thirds of neighborhood parks would be built and maintained by metro districts or HOAs.

FIRE CAPITAL IMPACTS

Additional Fire Stations will be needed to serve BLR.

- Five (5) Fire Stations are projected based on the department's current level of service of 1,200 calls for service per station.
 - Cost for one station is \$4.8 million (reflecting a fully loaded cost estimate including land acquisition, construction, and related expenditures) for a total of \$24 million
 - Each station will house an Engine (capital cost of \$500,000) and a Brush Truck (capital cost of \$70,000).
 - Each Engine Company triggers an annual operating cost of \$1.2 million reflecting 12 FTEs to staff the unit 24 hours per day. The Brush Truck has a minimal operating impact but does not have a separate staffing operating impact.
- Four (4) Squad/Ambulances are projected based on a level of service of 1 Ambulance per 2,200 calls for service.
 - Cost per Ambulance is \$180,000.
 - Each Squad/Ambulance triggers an annual operating cost noted above (of \$700,000) reflecting 8 FTEs to staff the unit 24 hours per day.

- One (1) Ladder Truck is projected based on a level of service of 1 Ladder Truck per 7,500 calls for service.
 - Cost per Ladder Truck is \$950,000.
 - The annual operating impact is triggered (at \$1.2 million) reflecting 12 FTEs to staff the unit 24 hours per day.
- Thirteen (13) Light Duty Vehicles are also projected based on current levels of service of 85 vehicles serving the City currently. Average cost per vehicle is \$40,000.
- As noted, the model projects the initial cost as well as the cost to replace the unit when the useful life is reached. Figure 22 includes a column for replacement vehicles and the total number of units purchased over the 30-year period, combining initial and replacement vehicles.

POLICE CAPITAL IMPACTS

Additional Police Station space will be needed to serve BLR, and specifically to house new officers needed to serve growth.

- Additional space will be needed to accommodate new personnel and is projected based on current levels of service, which results in a need for one new substation (at 17,560 square feet).
- The cost for new Police Station space is estimated at \$7,550,800 million.

Additional Police vehicles will be needed to accommodate new officers hired to serve development in BLR:

- Police Patrol Vehicles: The City's current level of service is 2 officers per patrol vehicle. New vehicles are projected based on this level of service at a fully-loaded cost of \$35,000 per vehicle and a useful life of 7 years.
 - Initial purchases total 35 patrol cars; after the useful life is reached, the model "purchases" a replacement car resulting in a total of 74 vehicles over 30 years.
- Police Officer Personal Equipment has an initial cost of \$7,000 per officer when a new officer is hired; the equipment has a useful life of 5 years. An initial purchase of 70 units will be needed to serve projected new officers with a total purchase of 192 units over the 30-year projection period.

STREETS AND PUBLIC WORKS CAPITAL IMPACTS

- It is assumed that the City will not build any new roads in BLR but that private development will build and fund construction of all roads, intersections, and will pay for signals.
- However, the City will be responsible for maintenance and repair of the new lane miles constructed in Banning Lewis Ranch.
 - Per the City, it is projected that 180 lane miles of system level roads (i.e., arterials and major collectors) will be built over the 30 years.
 - TischlerBise projected the need for new residential (local) lane miles based on the City's current level of service. Given the City's network of 3,090 local lane miles and current vehicle trips on the system, it is projected that an additional 378 lane miles will be needed to serve BLR. This is a 12 percent increase over the current number of local lane miles.
- The City will also be responsible for maintenance and repair of signalized intersections.
 - Per the City, it is projected that 8 new signalized intersections will be needed to serve BLR. The analysis assumes private development pays for these costs.
- Public Works facility space is projected at 12,000 square feet to serve development in BLR. This need is projected based on the City's current level of service (23 square feet per lane mile).
- Additional Public Works vehicles and equipment will be needed to serve development in BLR.
 - Based on the City's current level of service, an additional 43 vehicles are projected at a weighted average cost per vehicle of \$30,000. Over the 30-year period, a total of 55 vehicles are assumed to be purchased.

PARKS CAPITAL IMPACTS

- Four types of Parks capital facilities are modeled in this analysis:
 - Four (4) Community Parks (100 acres) are projected to be needed in BLR based on the following assumptions:
 - City's current levels of service is 1.4 acres per 1,000 residents.
 - Prototype Community Park is 25 acres at a cost of \$13 million, and the fiscal analysis assumes that the Community Parks are funded by the City.
 - Seven (7) Neighborhood Parks (35 acres) are projected to be needed in BLR based on the following assumptions:
 - It is assumed the City maintains the **City-funded, owned, and maintained** level of service for Neighborhood Parks of .6 acres per 1,000 residents, which reflects one-third of the neighborhood park inventory. This analysis assumes that current City policy and practice regarding private ownership and maintenance of Neighborhood Parks would continue, namely that two-thirds of neighborhood parks would be built and maintained by metro districts or HOAs.
 - The prototype Neighborhood Park assumed is 5 acres at a cost of \$750,000.

- No Sports Complexes are triggered by development in BLR. Sports Complexes are modeled based on the City maintaining its current level of service of .22 acres per person with a prototype Sports Complex of 25 acres at \$25 million.
 - Given the current level of service and population projection, the development in BLR does not trigger a need for a Sports Complex.
- Eighteen (18) linear miles of Trails are projected to serve development in BLR based on the following assumptions:
 - Modeled based on the City maintaining current levels of service of .32 linear miles of trails per 1,000 residents.
 - One linear mile of recreational/multipurpose trail is estimated at an average cost of \$70,000 per mile.



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