

TO: Katie Carleo, Principal Planner, Planning and Development

FROM: Ian Peterson, Analyst II, Budget Office

DATE: April 13, 2021

SUBJECT: **Advanced Technology Campus Annexation - Fiscal Impact Analysis**

A copy of the fiscal impact analysis for the Advanced Technology Campus Annexation is attached. At the request of the Planning Department, the Budget Office prepared a fiscal impact analysis estimating the City General Fund, Public Safety Sales Tax (PSST) Fund, and 2C2 Road Maintenance Tax revenue and expenditures attributable to the Advanced Technology Campus Annexation and subsequent master plan for the period 2021-2030.

The fiscal review criteria of the City Code states city costs related to infrastructure and service levels shall be determined for a ten-year time horizon for only the appropriate municipal funds.

The methodology used for the fiscal impact analysis is a case study approach, in which City units project the increased marginal cost of providing services to the development for 2021-2030. The Budget Office estimates the city revenue, as outlined in the Revenue Notes, stemming from the development.

The Advanced Technology Campus project annexes a 160-acre property into the City. This Fiscal Impact Analysis evaluates the master planned Colorado Springs Utilities (CSU) technology campus, solar fields, detention pond, and a future power substation facility.

Most City departments did not identify increases in the marginal costs of providing services to this amended development. The costs identified were related to Public Safety response in the Police Department (\$4,598-\$6,000) and Fire Department (\$679-\$886). All infrastructure maintenance will be serviced by CSU, which will not create obligations within the City's Budget.

The result of the fiscal impact analysis is a small negative cumulative cashflow for the City during the 10-year timeframe.

The reason for this outcome is the nature of the master plan for the annexation. As a CSU technology campus with laboratories, solar farms, open space, and a public facility zoning, there will be no sales and use tax nor property taxes generated by this annexation. Since there is no residential zoning within the annexation, no population driven revenues are predicted either.

The Summary of Expenditures and Revenues is attached. In addition, the Expenditure and Revenue Notes are attached and provide the methodology for calculating the expenditures and revenues.

GENERAL FUND FISCAL IMPACT ANALYSIS
SUMMARY OF EXPENDITURES AND REVENUE FOR
Advanced Technology Campus Annexation

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
EXPENDITURES										
<u>Total Salaries, Operating, and Capital Outlay</u>										
Police	4,598	4,736	4,878	5,025	5,175	5,331	5,491	5,655	5,825	6,000
Fire	679	699	720	742	764	787	810	835	860	886
Public Works - Operations and Maintenance	0	0	0	0	0	0	0	0	0	0
Public Works - Transit	0	0	0	0	0	0	0	0	0	0
Public Works - Traffic	0	0	0	0	0	0	0	0	0	0
Parks, Recreation and Cultural Services	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	5,277	5,435	5,598	5,766	5,939	6,118	6,301	6,490	6,685	6,885
REVENUES										
Property Taxes	0	0	0	0	0	0	0	0	0	0
Specific Ownership Taxes	0	0	0	0	0	0	0	0	0	0
Road & Bridge Revenue	0	0	0	0	0	0	0	0	0	0
Sales Tax Revenue (Residential and Commercial)	0	0	0	0	0	0	0	0	0	0
Sales and Use Tax Revenue (Building Materials)	0	0	0	0	0	0	0	0	0	0
Miscellaneous Revenue	0	0	0	0	0	0	0	0	0	0
General Fund Sub-Total	0	0	0	0	0	0	0	0	0	0
<u>Public Safety Sales Tax Fund</u>										
Sales Tax Revenue (Residential and Commercial)	0	0	0	0	0	0	0	0	0	0
Sales and Use Tax Revenue (Building Materials)	0	0	0	0	0	0	0	0	0	0
Public Safety Sales Tax Fund Sub-Total	0	0	0	0	0	0	0	0	0	0
<u>2C2 Road Tax Fund</u>										
Sales Tax Revenue (Residential and Commercial)	0	0	0	0	0	0	0	0	0	0
Sales and Use Tax Revenue (Building Materials)	0	0	0	0	0	0	0	0	0	0
2C2 Road Tax Fund Sub-Total	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUE	0	0	0	0	0	0	0	0	0	0
REVENUE SURPLUS/DEFICIT										
(Total Rev. less Total Exp.)										
ANNUAL	(5,277)	(5,435)	(5,598)	(5,766)	(5,939)	(6,118)	(6,301)	(6,490)	(6,685)	(6,885)
CUMMULATIVE	(5,277)	(10,712)	(16,311)	(22,077)	(28,016)	(34,134)	(40,435)	(46,925)	(53,610)	(60,495)

EXPENDITURE NOTES:

Advanced Technology Campus (ATC) Annexation

**General Fund/Public Safety Sales Tax (PSST) Fund/2C2 Road Maintenance Tax Fund
Fiscal Impact Analysis, 2021-2030**

POLICE:

As development occurs, the Police Department is responsible for regular police patrol and first response services in the area. This annexation represents an increase to the Police Department's response area, and thus represents a \$4,598 to \$6,000 incremental cost increase to the Police Department.

FIRE:

As development occurs, the Fire Department is responsible for emergency first response in the area. This annexation increases the potential for calls for service in the future. Therefore, there is a potential future incremental cost increases of \$679 to \$886 within the Fire Department.

PUBLIC WORKS – OPERATIONS AND MAINTENANCE:

The roads and infrastructure within the ATC Annexation are to be maintained by Colorado Springs Utilities (CSU).

PUBLIC WORKS – TRAFFIC ENGINEERING:

Traffic Engineering is responsible for signals maintenance and school traffic safety. There are no additional signalized intersections or school zones that will fall to the City to maintain.

PUBLIC WORKS -TRANSIT:

This annexation lies outside the current service area of City transit services. There are currently no plans to extend service at this time, therefore no incremental cost increases have been incorporated into this fiscal impact analysis.

PARKS:

This annexation, and subsequent development, does not add parkland to the maintenance obligations of the City's Parks, Recreation, and Cultural Services department.

REVENUE NOTES

**Advanced Technology Campus (ATC) Annexation
General Fund/Public Safety Sales Tax (PSST) Fund/2C2 Road Maintenance Tax
Fund Fiscal Impact Analysis, 2021-2030**

As a CSU technology campus with laboratories, solar farms, open space, and a public facility zoning, the Advanced Technology Campus Annexation will not generate Sales and Use Tax nor Property Tax.

Since there is no residential zoning within the annexation, no population driven revenues are predicted.