

TO: Daniel Sexton, Planning Supervisor, Planning and Community Development
FROM: Kent McDowell, Analyst II, Budget Office
DATE: June 29, 2022
SUBJECT: Banning Lewis Ranch-Freestyle North Master Plan Amendment - Fiscal Impact Analysis

A copy of the Fiscal Impact Analysis for the Banning Lewis Ranch-Freestyle North 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 Banning Lewis Ranch-Freestyle North Master Plan Amendment for a ten-year horizon. The Fiscal Impact model incorporates the land uses proposed by the Banning Lewis Ranch-Freestyle North Master Plan Amendment and calculates the average City expenditures and revenues created by the project.

The BLR Master Plan Amendment/Freestyle amends a 557-acre property in the City. Based on the planned zoning uses, this analysis evaluates the fiscal impact to the City of 361 acres of residential flex zones, a combination of low, medium and high density residential (per the drawings included with the application). The analysis assumes a 10-year buildout. 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 largely due to the revenue collected as a result of construction is greater than the expenditures created for the City.

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 - Freestyle North

COMBINED FUNDS SUMMARY

<i>Year</i>	1	2	3	4	5	6	7	8	9	10
Revenue										
General Fund	\$675,153	\$779,400	\$883,647	\$987,894	\$1,092,142	\$1,196,389	\$1,300,636	\$1,404,883	\$1,509,130	\$1,613,378
Special Revenue Funds	\$647,341	\$667,549	\$687,757	\$707,965	\$728,172	\$748,380	\$768,588	\$788,796	\$809,004	\$829,212
TOTAL REVENUE	\$1,322,494	\$1,446,949	\$1,571,404	\$1,695,859	\$1,820,314	\$1,944,769	\$2,069,224	\$2,193,679	\$2,318,135	\$2,442,590
Expenditures										
Operating	\$114,506	\$229,012	\$343,517	\$459,502	\$574,008	\$689,993	\$840,897	\$955,420	\$1,069,926	\$1,239,251
Special Revenue Fund Expenditures	\$70,365	\$140,729	\$211,094	\$281,459	\$351,823	\$422,188	\$492,552	\$562,927	\$633,291	\$703,656
Capital Expenditures	\$82,250	\$82,250	\$82,250	\$112,250	\$82,250	\$111,750	\$548,750	\$82,735	\$82,250	\$4,723,750
TOTAL EXPENDITURES	\$267,120	\$451,991	\$636,861	\$853,211	\$1,008,081	\$1,223,930	\$1,882,200	\$1,601,082	\$1,785,467	\$6,666,656
GRAND TOTAL NET RESULT	\$1,055,373	\$994,958	\$934,543	\$842,648	\$812,233	\$720,839	\$187,024	\$592,598	\$532,667	(\$4,224,067)
CUMULATIVE NET RESULT	\$1,055,373	\$2,050,331	\$2,984,874	\$3,827,522	\$4,639,755	\$5,360,594	\$5,547,618	\$6,140,216	\$6,672,883	\$2,448,817

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 property tax, user fees and other revenues that could be generated 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.

The model assumes that future Park and Public Safety infrastructure will be City-owned and maintained. If, for instance, a special district will build and maintain a park located in the analysis area, it will be noted on page 1 of this memo.