For Public and Private
Sector Clients

Fenton Mill

Fiscal Impact Study

York County, Virginia

Prepared by

Ted Figura Consulting

For

Fenton Mill Associates, LLC
Grafton, Virginia

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Fenton Mill: Fiscal Impact Analysis

Executive Summary

The applicant, Fenton Mill Associates, LLC., is seeking a rezoning of 376.1894 acres along Fenton Mill Road, Barlow Road and Newman Road in the Lightfoot area of the County ("the Site"). The Site is currently zoned Rural Residential (RR) with a small portion of the Site zoned Limited Business (LB). The applicant is seeking a rezoning to Planned Development Residential (PDR) zoning to permit the development of a mixed-use community consisting of 495 single-family dwellings and 104 townhouses ("Fenton Mill" or "the proposed development"). Based on expected sale prices, Fenton Mill is expected to add more than $250 million to the County's tax base.

As proposed, this development is projected to have a positive fiscal impact on both the general fund and the enterprise funds of York County ("the County") over an initial fifteen-year analysis period and in its stabilization year. Annual cash flow for the County is projected to be more than $1.2 million annually, with almost $1.1 million annually entering the County's general fund. This annual revenue surplus from the proposed development can be expected to be received by the County each year after the proposed development is built out. Over the fifteen-year analysis period, the cumulative positive cash flow is projected to be more than $18.3 million, including an anticipated donation of a public use site worth $800,000, a passive recreation/open space site worth almost $300,000, and a water line interconnect to the Skimino Hills neighborhood worth $30,000.

Average prices for the residential units to be developed on the site are expected to be almost $425,000 ranging from $250,000 to $600,000. Based on these prices, the average income for households living in the Fenton Mill was estimated to be about $105,100 annually, which is between the County's projected mean and median household incomes in 2023 about $98,100 and $113,700, respectively.

Using the County's student generation formula, the proposed development is expected to add 306 students to the County's school system. The applicant is prepared to offer a 16 acre public use site with public utilities ("the public use site") that can accommodate an elementary school if needs dictate.

This fiscal impact analysis also estimated the fiscal impact of a 288 unit single-family development allowed under current zoning. This hypothetical by-right alternative development would have a smaller positive fiscal impact than would Fenton Mill, with both higher per-unit costs and higher per-unit revenue.

The table on the following page summarizes the fiscal impact measures for Fenton Mill.

Fenton Mill Fiscal Impact Measures, Combined General and Enterprise Funds	
Stabilization Period	
Annual Revenues	$2,912,575
Annual Costs	$1,710,025
Cash Flow	$1,202,550
Benefit-to-Cost Ratio	1.7-to-1
Cumulative Measures	
Total Revenues*	$34,582,200
Total Costs	$16,253,450
Cumulative Cash Flow	$18,328,750
Benefit-to-Cost Ratio	2.13-to-1

Figures rounded to the nearest $25

*Includes value of donated sites and off-site improvements

A more detailed analysis follows.

Background

Fenton Mill Associates LLC has proposed a residential development consisting of 495 single-family homes and 104 townhomes to be developed on parcels located between Fenton Mill Road, Newman Road and Barlow Road in the County. With respect to the single-family homes, the applicant proposes 102 homes on 50' wide lots, 286 homes on 60' wide lots, 100 homes on 70' wide lots, and seven (7) homes along an extension of Wichita Lane ("the Wichita lots") that average about 0.7 acres in size. The proposed development ("Fenton Mill") will include a clubhouse/swimming pool complex, and other amenities, such as a multi-use path, and playgrounds and parks.

Fenton Mill will be located on six parcels totaling 376.1894 acres—parcels C20d-4780-1137, most of D19a-1381-3152, D19b-2734-4736, D19b-2545-2534, D20c-1816-0933 and D20c-1880-1425. All parcels (collectively "the Site") are all owned by Fenton Mill Associates, LLC (the "applicant"). The Site is currently zoned Rural Residential (RR), with approximately seven acres zoned Limited Business (LB). The applicant wishes to rezone the entire site to Planned Development Residential (PDR) in order to construct the development.

Single-family homes would average about 2,875 square feet in size, with the 50' lot homes averaging 2,500 square feet, the Wichita lot homes averaging 2,800 square feet and the remaining homes averaging 3,000 square feet. Townhomes would average approximately 2,000 square feet. Selling prices are expected to be between $300,000 and $350,000 for homes on 50' lots, between $400,000 and $450,000 for homes on 60' lots without forest views, between $450,000 and $600,000 for home on 60' lots with forest views, between $400,000 and $500,000 for homes on 70' lots, $400,000 for homes on the Wichita lots and between $250,000 to $350,000 for the townhomes. Based on sale prices (taking the mid-points of the ranges as the average prices) and recent assessment-to-sales ratios, the proposed development is expected to add more than $250 million to the County's tax base.

Based on the asking sales prices and typical ratios of selling prices and rents to income, household income for Fenton Mill residents is projected to average about $105,100, which is between the estimated County median and mean income for 2023, the first year in which units are expected to be occupied in Fenton Mill. The average household income for households occupying home on 50' lots was estimated to be $81,250, to be $106,250 for households occupying homes on 60' lots without views, $131,250 for households occupying homes on 60' lots with views, $112,500 for households occupying homes on 70' lots, $100,000 for households occupying homes on the Wichita lots and $75,000 for households occupying townhomes.

Sitework is anticipated to start in the spring of 2022, with construction starting on the first homes in the late summer. The first units are assumed to be occupied early in the first quarter of 2023 (the third quarter of FY 2023. It is projected that the last residential units would be occupied in FY 2031.

These parameters are best estimates of the scope of the proposed development made by the applicant at this point in time. The specifics of the proposed development are subject to change based upon final determinations of site constraints and/or market conditions. Descriptions of the proposed development contained herein are not guarantees by the applicant that the proposed development will be constructed exactly as described above. However, the basic elements of the proposed development are those outlined above. Any change in the fiscal impact of the proposed development on the County due to minor changes in the scope of the proposed development are expected to be in the magnitude of projected revenues and costs projected in this report and are expected to be in practically the same proportion of revenues to costs as estimated in the fiscal impact analysis report.

By-right Development

Because the Site could be developed under its current zoning, a fiscal impact analysis of a by-right development was performed. Although such development could occur, it is not guaranteed that a developer would find development under the current zoning profitable enough to induce development to occur. Thus, the supposition of a by-right development taking place is a conservative assumption with respect to the fiscal impact analysis of the proposed development. Given the time that Fenton Mill Associates would need to replan the Site for a by-right development, it was assumed that a by-right development would not occur until two to three years after the development of Fenton Mill would occur.

The current zoning would theoretically allow 376 units to be developed on the Site on one-acre lots. However, the Site's topography would not allow the development of this many lots nor would it be financially feasible for a developer to build houses on one-acre lots on this Site. The County's zoning policy allows the clustering of units on smaller lots, however, as long as the overall density requirements are met. In order to fully utilize the Site, a road network similar to that proposed for Fenton Mill would need to be constructed for a by-right development, consuming about 45 acres. Given these constraints, the applicant's consulting civil engineer estimated that the Site's development capacity would be approximately 288 units. It was assumed that, with the lower profit margins and smaller amortization base, a developer would not provide any clubhouse or pool amenities under the by-right scenario and also would not provide any donated sites to the County or upgrade off-site water line capacity to the Skimino neighborhood.

<u>Methodology</u>

The fiscal impact of Fenton Mill on the County was calculated using the methodology described below. Fiscal impact is defined as the difference between all revenues to the County generated by the development and all costs to the County attributable to the development. Revenues and costs are described in further detail below.

The fiscal impact was calculated over a fifteen-year period. This period was chosen because the by-right development's stabilization year occurs within the last five years of this period. The stabilization year for the proposed development is FY 2032, although a capital cost recurring every five years falls in FY 2034. The stabilization year is the year following the completion of a project, the year beyond which the fiscal cash flow from the development does not change. Thus, there is no reason to continue the analysis period beyond the stabilization year.

All fiscal impacts are presented in constant 2020 dollars, (i.e., inflation is not applied to either revenues or costs throughout the analysis period, except for capital costs). A constant in 2020 dollars was chosen because the analysis is substantially based on the revenue, cost and tax rate assumptions contained in the County's *FY 2020 Adopted Annual Budget* and the *York County School Division Fiscal Year 2020 Approved Annual Budget* ("the *Budget(s)*). **This was the adopted budget in effect when research for this fiscal impact analysis was conducted.**

The constant dollar approach means that no assumptions are made about rates of increase in real estate assessments in the County. Also, no assumptions are made about increasing tax revenues from sales, meals or business license taxes received from spending by Fenton Mill households based upon retail price increases. Neither are assumptions made about future increases in the unit costs of government. The practical implication of this approach is that any future systemic imbalances between rising revenues and rising costs are assumed to be adjusted through changes in the County's tax rate, either upward or downward.

A marginal revenue/marginal cost approach was used to calculate expected revenues and costs to the County attributable to the development. This is opposed to an average revenue/average cost approach, in which estimates of a project's revenues and costs are based upon a jurisdiction's per-capita revenues and costs. The marginal revenue/marginal cost methodology counts only variable costs and revenues and, thus, does not count fixed costs and revenues that would be spent or received by the County whether additional development occurs or not. It counts only revenues and costs attributable to an increase in the number of households from the development being analyzed.

It is, thus, a more accurate estimate of future revenues and costs resulting from a development than is the average revenue/average cost approach. The average revenue/average cost approach actually calculates a project's "fair share" of public costs, rather than the incremental impact of a project on a locality's fiscal position. A more detailed description of the methodology used in this analysis is presented in the Appendix.

Revenues estimated for the Fenton Mill fall into three categories: one-time direct revenues, recurring direct revenues and additional tax revenues generated by households. The methodology does not use multipliers to calculate revenues that could be generated through a project's secondary impacts, as such multipliers are considered to be unreliable for small geographic areas. The methodology does not include revenues generated from spending by construction workers at the Fenton Mill, as such spending cannot reliably be said to occur within the County.

One-time direct revenues are revenues to the County derived from the construction of the Fenton Mill. They include all building permit and associated fees (electrical, mechanical and plumbing), other development fees, including sewer connection fees, certificate of occupancy fees and the local recordation tax. One-time direct revenues also include the value, at cost, of improvements constructed by the developer and benefitting the County and/or the market value of in-kind donations to the County. For Fenton Mill, this includes the donation of a public use site of approximately 16 acres with public utilities in place valued at $800,000, an approximately 52 acre site to be donated to the County for open space or passive recreational use worth $299,100, and a water line interconnect extension to the Skimino neighborhood, valued at $30,000.

Recurring direct revenues consist of real estate property taxes, personal property taxes (car tax), car rental tax, sewer collection fee, solid waste fee, and other fees paid by households to the County. These are taxes and fees paid directly to the County by households and/or property owners. Taxes currently paid on the assessed value of the Site's land were deducted from real estate property tax calculations. Taxes were calculated based upon estimates of the assessed property values, the County's per-household user fees or other methodologies explained in the Appendix.

Additional tax revenues generated by households are estimates of taxes paid by County businesses due to purchases made by Fenton Mill residents. These include the local option sales tax, meals tax, and the business license fees paid by businesses on gross receipts from these sales. The methodology for estimating net new sales and gross receipts is presented in the Appendix.

Purchases by Fenton Mill residents are estimated based upon spending patterns according to household estimated income. Spending patterns are derived from the most recent U.S. Bureau of Labor Statistics Consumer Expenditure Survey. An adjustment was made for purchases made outside the County. The methodology for estimating these revenues is presented in the Appendix.

No generated taxes were estimated for construction workers or employees of businesses located in County, as these employees were assumed either to be already living and spending in County or living outside the County and, thus, spending most of their income outside the County.

Costs were divided into five categories: education variable operating costs per student, other variable operating costs of government per household, education capital costs (if any), general government capital costs (if any) and enterprise fund costs. Cost data and assumptions were derived from the *Budgets*.

Per household costs were calculated for various budget line items. State and federal revenues supporting various budget line items were deducted to leave only the County's operating cost. Certain government functions, such as public assistance and public health services, that would not serve the Fenton Mill population were not included in the calculations. Chief executive, legislative and administrative functions, which would be performed regardless of population size, were not included in the calculations. A percentage of certain administrative support services, to the extent that they support operations which would be provided independent of population size, were not included in the calculations. The methodology for estimating the cost of government, including, enterprise fund costs (the per-customer cost of billing, the per-linear foot cost of line maintenance and the cost of providing solid waste services), is presented in more detail in the Appendix.

Education costs exclude administrative and other fixed costs. The County's student generation rate (0.54 students per household for single-family dwelling units and 0.37 students per household for townhouse units) was used to calculate the number of students expected to be generated by the proposed Fenton Mill. The distribution of Fenton Mill students to elementary, middle and high schools was estimated based on current enrollment distributions.

Data provided by the York County Public Schools were then used to calculate available capacity for the schools which Fenton Mill students would attend. An analysis was performed to determine whether any capital fiscal impact existed due to the development of Fenton Mill. In order for a fiscal impact to exist, the proposed development would have to cause the County to spend capital dollars to alleviate the development's facility impact. If there would be no change in the County's capital spending plans whether Fenton Mill is developed or not, there is no capital fiscal impact. In calculating fiscal impact, students generated by future development, reasonably expected to occur, that has not yet added students to the County's school system are counted in calculating whether a school would exceed its capacity due to the proposed development. Also, any planned construction that would expand the County's capacity to accommodate future students, whether from unbuilt developments that in "in the pipeline" or from the proposed development, are factored into the calculation of whether Fenton Mill would cause the County to remedy school overcapacity caused by the development of Fenton Mill.

An analysis was also performed to determine whether any additional school buses would likely be required due to the development of Fenton Mill. This included evaluating the need for both standard and special needs school buses. If it was determined that a school bus(es) would likely be purchased to accommodate students generated from Fenton Mill, the cost was counted as an educational capital cost in the fiscal impact analysis.

Three measures of fiscal impact were used—cash flow, cumulative cash flow and the benefit-to-cost ratio. Cash flow shows the annual surplus or deficit of revenues less costs for a sample of ramp up years through the stabilization year. Because revenues and costs are reported in constant dollars, there is no change in the projected cash flow after the stabilization year.

Cumulative cash flow is the sum of annual cash flows over the analysis period. Another way of explaining cumulative cash flow is that it is derived by subtracting total costs to the County attributable to a project from total revenues to the County derived from a project over the analysis period, leaving the County's total net revenue from a project.

Finally, the benefit-to-cost ratio is the ratio of total project revenues to the County and total project costs to the County. A benefit-to-cost ratio greater than 1.0-to-1 signals a net fiscal benefit. The magnitude of the benefit-to-cost ratio signals the strength of the fiscal impact on the County. For instance, a benefit-to-cost ratio of 1.5-to-1 indicates that for every additional dollar of spending a project costs the County, the County is expected to receive $1.50 in additional revenue.

These fiscal impact measures, as well as their revenue and cost components, were calculated for both the proposed and the by-right developments. The by-right development metrics are presented for comparison purposes. The comparison will allow the County to determine the differences in both the magnitude of fiscal impact and the benefit-to-cost ratio between the two development scenarios.

Education Impact of Fenton Mill and the By-right Development

Altogether, the proposed development is expected to add 306 students to the County's school system—137 at Waller Mill Elementary School, 72 at Queens Lake Middle School and 97 at Bruton High School. A by-right development would add a total of 157 students to the County's school system—70 at Waller Mill Elementary School, 37 at Queens Lake Middle School and 50 at Bruton High School.

By itself, the development of Fenton Mill would cause Waller Mill Elementary School to exceed its instructional capacity by 17 students. Students generated by Fenton Mill would not cause either Queen Lake Middle School or Bruton High School to exceed their instructional capacities. Table 1, below, shows the capacities, current enrollment, projected enrollment after adding students from Fenton Mill, and remaining capacity for each school.

Table 1
School Capacity, Enrollment and Remaining Capacity
Fenton Mill

	Capacity	Current Enrollment	Projected Enrollment	Remaining Capacity
Waller Mill Elementary School	495	375	512	-17
Queens Lake Middle School	681	518	590	91
Bruton High School	1,039	578	675	364

However, it is noted that students would also be generated attending these schools from development that is currently under construction, approved by the County, or planned ("pipeline development." The fiscal impact analysis accounted for students generated by pipeline development but also took into consideration school capacity expansions already planned by the County.

York County has budgeted for a new elementary school that would serve the proposed development (York and Bruton districts) in its current *Capital Improvements Plan* (*CIP*). Calculations determined that this school would provide enough capacity, together with the remaining capacity at Waller Mill Elementary School and taking into account the capacity deficit at Magruder Elementary School, to accommodate students to be generated by on-going, permitted and planned developments ("pipeline development") within those two elementary school districts plus students generated by Fenton Mill. Since a rezoning approval allowing Fenton Mill to be developed would not change the County's existing fiscal plans, no capital fiscal impact was assigned to Fenton Mill with respect to elementary school students to be generated by that development.

With respect to Queens Lake Middle School, it was calculated that the combination of pipeline development and the development of Fenton Mill would cause that school to exceed its current capacity. However, students generated from pipeline development bring Queens Lake to its instructional capacity. Therefore, Queens Lake Middle School would exceed its instructional capacity whether or not Fenton Mill is developed.

Recognizing the need for additional capacity at this middle school, the County has also programmed the addition of eight new classrooms scheduled in the *CIP* for FYs 2022 and 2023. This additional capacity would allow the school to easily accommodate students to be generated by Fenton Mill in addition to those generated from pipeline development. Again, these plans would not change due to the development of Fenton Mill and, therefore, no capital fiscal impact was assigned to Fenton Mill with respect to middle school student generation. Bruton High remains well within capacity after pipeline developments and the proposed development are added.

It was calculated that the development of Fenton Mill would cause the County's school system to purchase two new school buses to accommodate the transportation needs of students residing in the proposed development. Consequently, the estimated cost of these buses was added as a capital fiscal cost in the fiscal impact analysis. The fiscal operating education cost has been calculated and applied to all students generated by Fenton Mill. This cost, included in the fiscal impact analysis, is shown in the section below. The methodology for reaching the foregoing conclusions is described in more detail in the Appendix.

<u>Fiscal Impact of Fenton Mill</u>

Fenton Mill Associates, LLC is seeking a rezoning of the Site to Planned Development Residential (PDR). This zoning would permit the development described above. The derivation of the revenues and costs attributed to Fenton Mill are described in the Methodology section, above, and in the Appendix. The revenues projected for Fenton Mill are listed in the Table 2 on the following page. Costs generated by Fenton Mill are displayed in Table 3, located on page 14. Both revenues and costs are shown for the stabilization year and for the total fifteen-year analysis period (FY 2022-FY 2036).

Subtracting projected costs from revenues yields a positive overall cash flow (or revenues net of costs) for the development. In the stabilization year, the County is expected to receive more than $2.9 million annually in new revenue from the development of Fenton Mill while incurring about $1.7 million in new annual costs. Over the fifteen-year analysis period, the County can expect to receive more than $34.5 million in new revenues (including one-time avoided costs) while incurring about $16.25 million in new costs.

Annual cash flow from the Fenton Mill is shown in Table 4 on page 14. Cash flow is shown for the general fund and the County's enterprise funds separately. In the stabilization year, the County is expected to see net new revenues (revenues less costs) of more than $1.2 million. Of this revenue surplus, more than 90% is projected to enter the County's general fund while the remainder is projected to be earned by the County's enterprise funds. The enterprise funds, though separate for accounting purposes, ultimately impact the County's general fund. Surpluses are either transferred into the general fund or the funds would be used to enable a faster repayment of debt service, which would result in larger surpluses transferred to the general fund in the future.

Table 2
Fenton Mill
Projected Revenues

Revenue Type	Annual Revenues, Stabilization Year (FY 2032)	Fifteen-Year Total (FY 2022-FY 2036)
Current Real Estate Tax	$ (38,300)	$ (574,550)
Real Estate Property Tax, Land*	$ 0	$ 227,225
Real Estate Property Tax, Improvements	$1,999,325	$18,468,100
Personal Property (Car) Tax, Decals, Car Rental Tax	$ 416,975	$ 3,912,525
EMS Fees	$ 26,800	$ 251,425
Other fees	$ 54,100	$ 507,750
Subtotal Direct Taxes	*$2,458,900*	*$22,792,475*
Additional Revenues Derived from Households	$ 94,075	$ 882,700
General Fund Annual Revenues	***$2,552,975***	***$23,675,175***
Sewer Collection Fee	$ 186,900	$ 1,753,425
Solid Waste Fee	$ 172,700	$ 1,620,425
Enterprise Fund Annual Revenues	***$ 359,600***	***$ 3,373,850***
Subtotal Annual Revenues	**$2,912,575**	**$27,049,025**
Building Permit and Review Fees		$ 567,875
Development Review and Other Fees		$ 38,675
Certificate of Occupancy Fees		$ 45,525
Recordation Tax		$ 2,094,775
General Fund One-time Revenues		***$ 2,746,850***
Sewer Connection Fees		$ 1,934,400
Water Connection Fees		$ 1,722,825
Enterprise Fund One-time Revenues		***$ 3,657,225***
Public Use Site Donation, Recreation Site Donation and Water Line Interconnect		$ 1,129,100
Subtotal One-time Revenues		**$ 7,533,175**
Total Revenues	**$2,912,575**	**$34,582,200**
General Fund Revenues**	***$2,552,975***	**$26,422,025**
Enterprise Fund Revenues	***$ 359,600***	**$ 7,031,075**

* Land separately taxed; real estate “improvements” tax includes land taxed with improvements
**Does not include public use site donation and off-site improvements
Figures rounded to the nearest $25.

Table 3 **Fenton Mill** **Projected Costs**		
Cost Type	Annual Costs, Stabilization Year (FY 2032)	Fifteen-Year Total FY 2022-FY 2036)
General Government Service Operating Costs	$ 578,925	$ 5,424,850
General Government Service Capital Costs		$ 190,275
Education Operating Costs	$ 874,750	$ 8,190,000
Education Capital Costs		$ 247,925
Total General Fund Costs	***$1,453,675***	***$14.053,050***
Enterprise Fund Costs	$ 256,350	$2,200,400
Total Costs	**$1,710,025**	**$16,253,450**

Figures rounded to the nearest $25.

Table 4 **Fenton Mill** **Projected Cash Flow**						
	FY 2022-2023	FY 2024	FY 2026	FY 2028	FY 2030	Stabilization Year FY 2032
General Fund Revenues*	$186,325	$502,750	$1,227,475	$1,917,300	$2,481,575	$2,552,975
Enterprise Fund Revenues	$205,075	$483,175	$ 622,175	$ 716,375	$ 690,875	$ 359,600
Total Revenues	$391,400	$985,925	$1,849,650	$2,633,675	$3,172,450	$2,912,575
General Fund Costs	$ 9,375	$121,025	$ 505,025	$ 909,425	$1,270,950	$1,453,675
Enterprise Fund Costs	$ 1,225	$ 28,400	$ 78,250	$ 129,950	$ 176,100	$ 256,350
Total Costs	$ 10,600	$149,425	$ 583,275	$1,039,375	$1,447,050	$1,710,025
General Fund Cash Flow	$176,950	$381,725	$ 722,450	$1,007,875	$1,210,625	$1,099,300
Enterprise Fund Cash Flow	$203,850	$454,775	$ 543,925	$ 586,425	$ 514,775	$ 103,250
Total Cash Flow	$380,800	$836,500	$1,266,375	$1,594,300	$1,725,400	$1,202,550

Figures rounded to the nearest $25.
*The "cost" of taxes currently collected on the site is subtracted from General Fund revenues. Does not include value of the donated sites or off-site improvements.

Table 5, below, shows the fiscal impact measures for the Fenton Mill. These are positive. The County can expect to receive more than $18.3 million in surplus revenue from the proposed development during the fifteen-year analysis period (including the value of the donated sites and off-site water line extension). The benefit-to-cost ratio in the stabilization year is 1.7-to-1 for the County's general and combined funds. The County's combined general and enterprise funds are expected to receive $1.70 in revenue for every dollar of cost attributed to the development in the stabilization year and beyond. The somewhat higher benefit-to-cost ratios for the fifteen-year period are due to the presence of one-time revenues. This is particularly the case with the County's enterprise fund. Both the County's general and enterprise funds will receive significant surplus revenues due to the development of Fenton Mill. Enterprise fund revenues ultimately translate into less financial pressure on public enterprise fund customers and the County's general fund.

Table 5
Fenton Mill
Fiscal Impact Measures, General and Enterprise Funds

	Stabilization Year (FY 2032)	Fifteen-Year Total FY 2022-FY 2036)
Cumulative Cash Flow		
General Fund	N/A	$12,368,975
Enterprise Funds	N/A	$ 4,830,675
Total*	N/A	$18,328,750
Benefit-to-Cost Ratio		
General Fund	1.76-to-1	1.88-to-1
Enterprise Funds	1.4-to-1	3.2-to-1
Combined	1.7-to-1	2.13-to-1

*Total includes value of donated sites and off-site improvements

Fiscal Impact of the By-right Development Alternative

A fiscal impact of a development that may occur on the site at some point in the future under its current zoning has been calculated. For analysis purposes, it was assumed that 288 single-family detached units would be developed on the Site, with infrastructure development beginning in FY 2024. Revenues, costs and cash flow for the by-right development alternative are shown in Tables 6, 7 and 8, respectively. Table 9 shows the fiscal impact measures (cumulative cash flow and the benefit-to-cost ratio) for the by-right development alternative.

Comparing the metrics from Fenton Mill and the potential by-right alternative, we can see that both projects have positive fiscal impacts. The magnitude of the positive fiscal impact for Fenton Mill is significantly larger than that of a potential by-right alternative. This is to be expected given the greater number of residential units to be developed at Fenton Mill. Fenton Mill's cumulative cash flow during the fifteen-year analysis period is almost twice as high as that of the by-development alternative. In the stabilization year and beyond, the positive cash flow from Fenton Mill is more than 55% higher than that of the by-right alternative development.

The somewhat more positive benefit-to-cost ratio delivered by the hypothetical by-right development is primarily a factor of the more expensive housing that is presumed to be developed on the Site under its current zoning, using the most conservative fiscal impact assumptions. Per household revenues are higher for a hypothetical by-right development than for Fenton Mill (19% higher overall and 22% for the general fund in the stabilization year. If housing prices and household income in a development actually built under current zoning were more modest than assumed in this fiscal impact analysis, the fiscal impact metrics would deteriorate for the by-right alternative.

Table 6 By-right Development Alternative Projected Revenues		
Revenue Type	Annual Costs, Stabilization Year (FY 2032)	Fifteen-Year Total FY 2022-FY 2036)
Current Real Estate Tax	$ (38,300)	$ (574,550)
Real Estate Property Tax, Land*	$ 0	$ 288,550
Real Estate Property Tax, Improvements	$1,200,550	$ 9,663,800
Personal Property (Car) Tax, Decals, Car Rental Tax	$ 242.750	$ 1,996,775
EMS Fees	$ 12,875	$ 105,975
Other fees	$ 26,025	$ 214,000
Subtotal Direct Taxes	*$1,443,850*	*$11,694,550*
Additional Revenues Derived from Households	$ 53,100	$ 436,725
General Fund Annual Revenues	***$1,496,950***	***$12,131,275***
Sewer Collection Fee	$ 89,850	$ 739,125
Solid Waste Fee	$ 83,050	$ 683,050
Enterprise Fund Annual Revenues	***$ 172,900***	***$ 1,422,175***
Subtotal Annual Revenues	**$1,669,850**	**$13,553,450**
Building Permit and Review Fees		$ 301,825
Development Review and Other Fees		$ 23,725
Certificate of Occupancy Fees		$ 21,675
Recordation Tax		$ 1,260,000
General Fund One-time Revenues		***$ 1,607,225***
Sewer Connection Fees		$ 918,400
Water Connection Fees		$ 817,950
Enterprise Fund One-time Revenues		***$ 1,736,350***
Subtotal One-time Revenues		**$ 3,343,575**
Total Revenues	**$1,669,850**	**$16,897,025**
General Fund Revenues	***$1,496,950***	**$13,738,500**
Enterprise Fund Revenues	***$ 172,900***	***$ 3,158,525***

* Land separately taxed; residential real estate "improvements" tax includes land taxed with improvements

Table 7 By-right Development Alternative Projected Costs		
Cost Type	Annual Costs, Stabilization Year (FY 2032)	Fifteen-Year Total FY 2022-FY 2036)
General Government Service Operating Costs	$278,275	$2,288,300
General Government Service Capital Costs		$ 110,000
Education Operating Costs	$445,950	$3,664,775
Education Capital Costs		$ 123,950
Total General Fund Costs	***$724,225***	***$6,187,025***
Enterprise Fund Costs	$185,200	$1,489,600
Total Costs	**$909,425**	**$7,676,625**

Table 8 By-right Development Alternative Projected Cash Flow, Selected Years						
	FY 2024-2025	FY 2026	FY 2027	FY 2028	FY 2030	Stabilization Year FY 2032
General Fund Revenues*	$ 43,550	$327,900	$ 656,600	$ 926,225	$1,463,125	$1,496,950
Enterprise Fund Revenues	$205,700	$325,350	$ 355,975	$ 386,600	$ 435,725	$ 172,900
Total Revenues	$249,250	$653,250	$1,012,575	$1,312,825	$1,898,850	$1,669,850
General Fund Costs	$ (200)	$ 69,775	$ 199,125	$ 449,575	$ 581,425	$ 724,225
Enterprise Fund Costs	$ 0	$ 30,425	$ 46,225	$ 88,925	$ 141,925	$ 185,200
Total Costs	$ (200)	$100,200	$ 245,350	$ 538,500	$ 723,350	$ 909,425
General Fund Cash Flow	$ 43,750	$ 258,125	$ 457,475	$ 476,650	$ 881,700	$ 772,725
Enterprise Fund Cash Flow	$205,700	$ 294,925	$ 309,750	$ 297,675	$ 293,800	$ (12,300)
Total Cash Flow	$249,450	$ 553,050	$ 767,225	$ 774,325	$1,175,500	$ 760,425

Figures rounded to the nearest $25.

*The "cost" of taxes currently collected on the site is subtracted from General Fund revenues.

Table 9
By-right Development Alternative
Fiscal Impact Measures, General and Enterprise Funds

	Stabilization Year (FY 2032)	Fifteen-Year Total FY 2022-FY 2036)
Cumulative Cash Flow		
General Fund	N/A	$7,551,475
Enterprise Funds	N/A	$1,668,925
Total	N/A	$9,220,400
Benefit-to-Cost Ratio		
General Fund	2.07-to-1	2.22-to-1
Enterprise Funds	0.93-to-1	2.12-to-1
Combined	1.84-to-1	2.2-to-1