



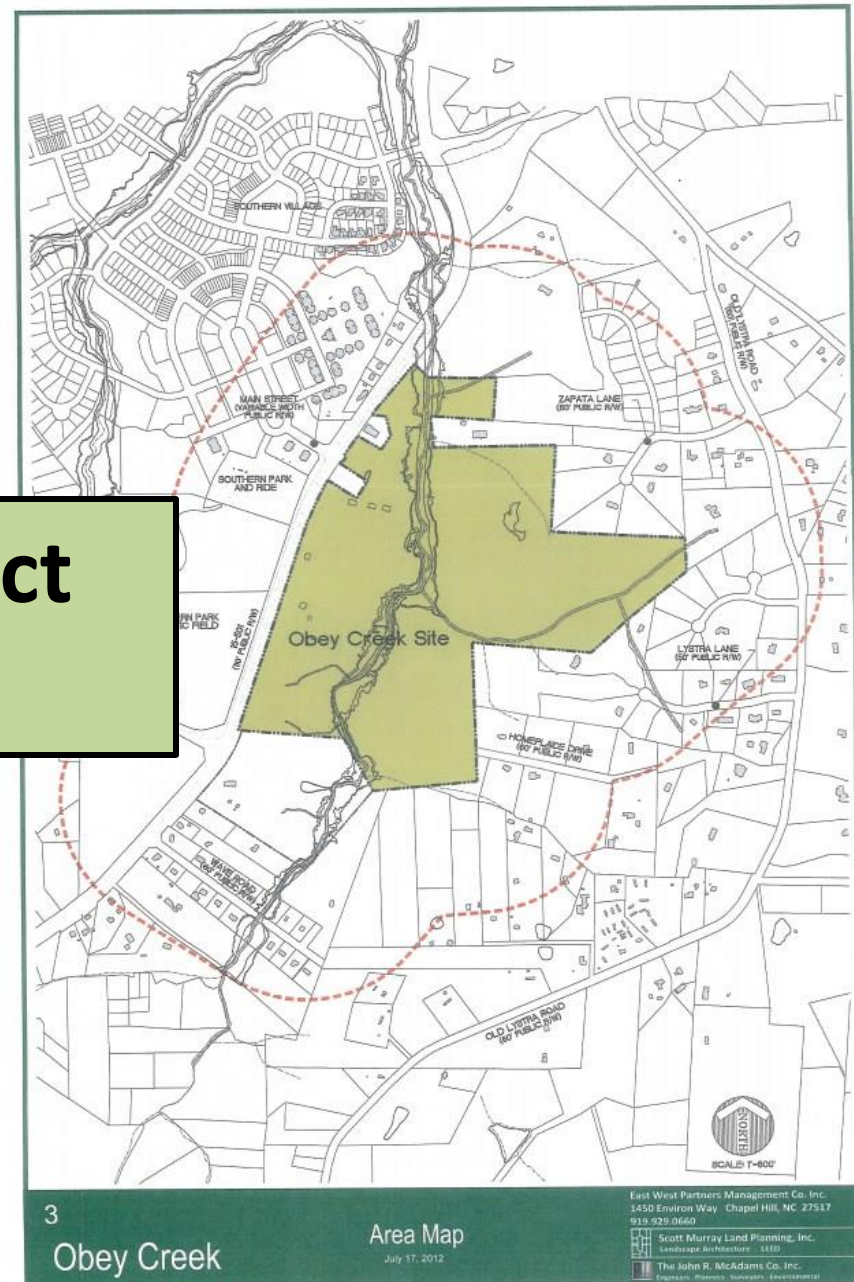
Obey Creek Fiscal Impact Analysis

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Business Management Department

October 2014



Overview



Assumptions



Development Scenarios



Revenues



Costs



Bottom Line



Assumptions

Development
Scenarios

Benefits

Costs

Bottom Line

*This analysis is based on
assumptions about future
events*



Assumptions

Annexation Analysis Model

160A-58.53 (5) “A statement showing how the proposed annexation will affect the municipality’s finances and services, including municipal revenue change estimates.”

Assumptions



1. All taxes, fees and cost estimates are based on today's dollars

2. Analysis is based on full build-out



Manager's Recommended Annual Budget
FY 2014-15

Assumptions

Capital Costs

Capital costs are included in the analysis in the form of a 13% O/H charge proportional to the Debt Fund



Assumptions

Ownership of Roads

1. Town owned
for current
zoning scenario
2. Privately owned
for
Development
Plan scenario

Our Task

*To understand the potential impact on
Town finances of two development
scenarios*



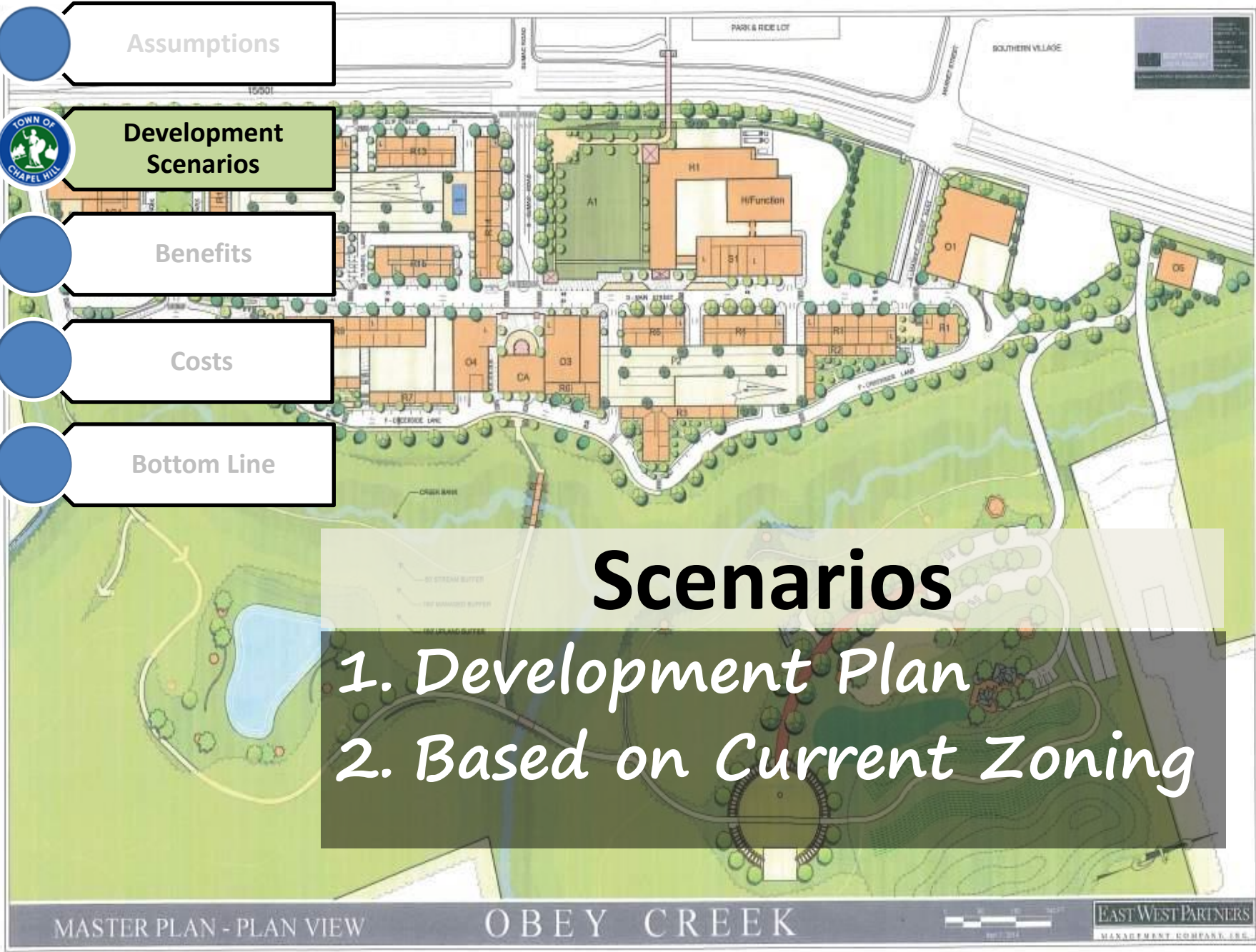
Assumptions

TOWN OF CHAPEL HILL
Development Scenarios

Benefits

Costs

Bottom Line



Scenarios

- 1. Development Plan
- 2. Based on Current Zoning

MASTER PLAN - PLAN VIEW

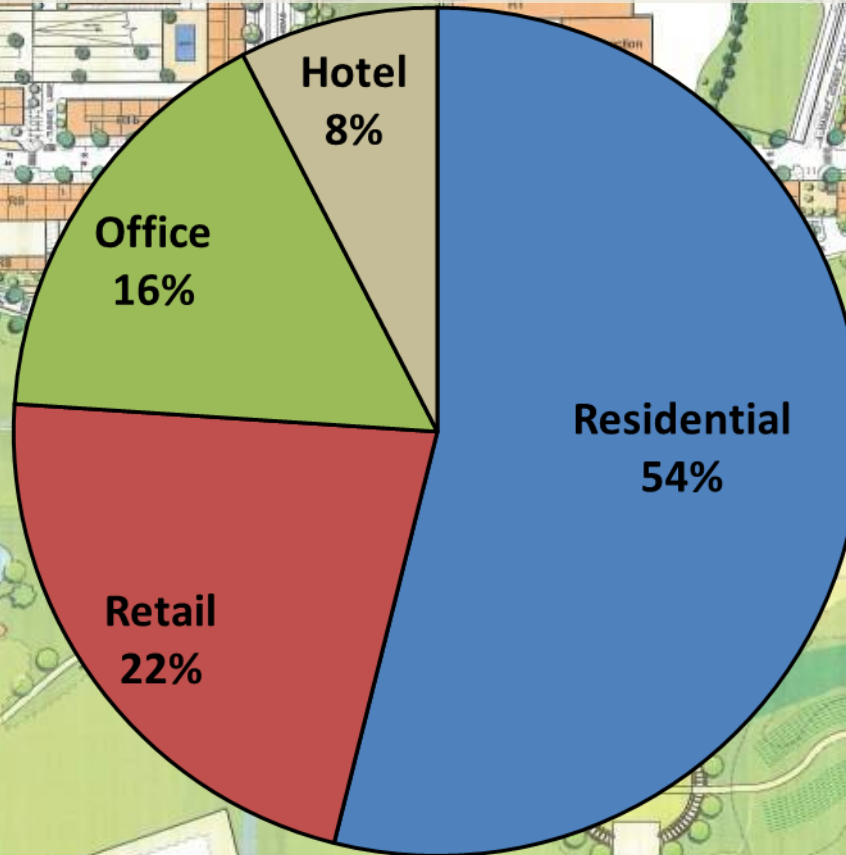
OBEY CREEK

EAST WEST PARTNERS
MANAGEMENT COMPANY, INC.

Assumptions

Scenario 1

Development Plan Scenario
1.5 million Square Feet

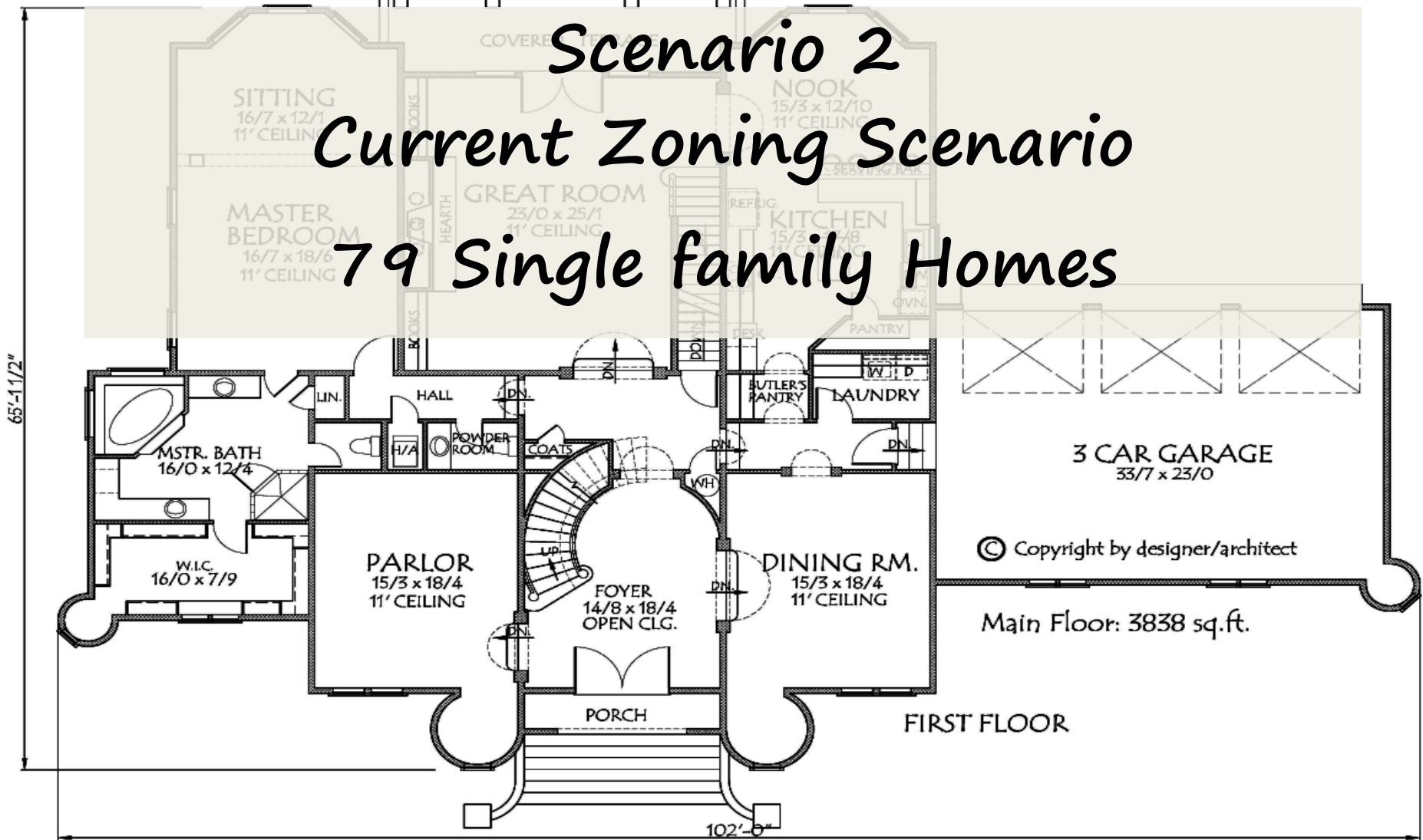


Assumptions

Scenario 2

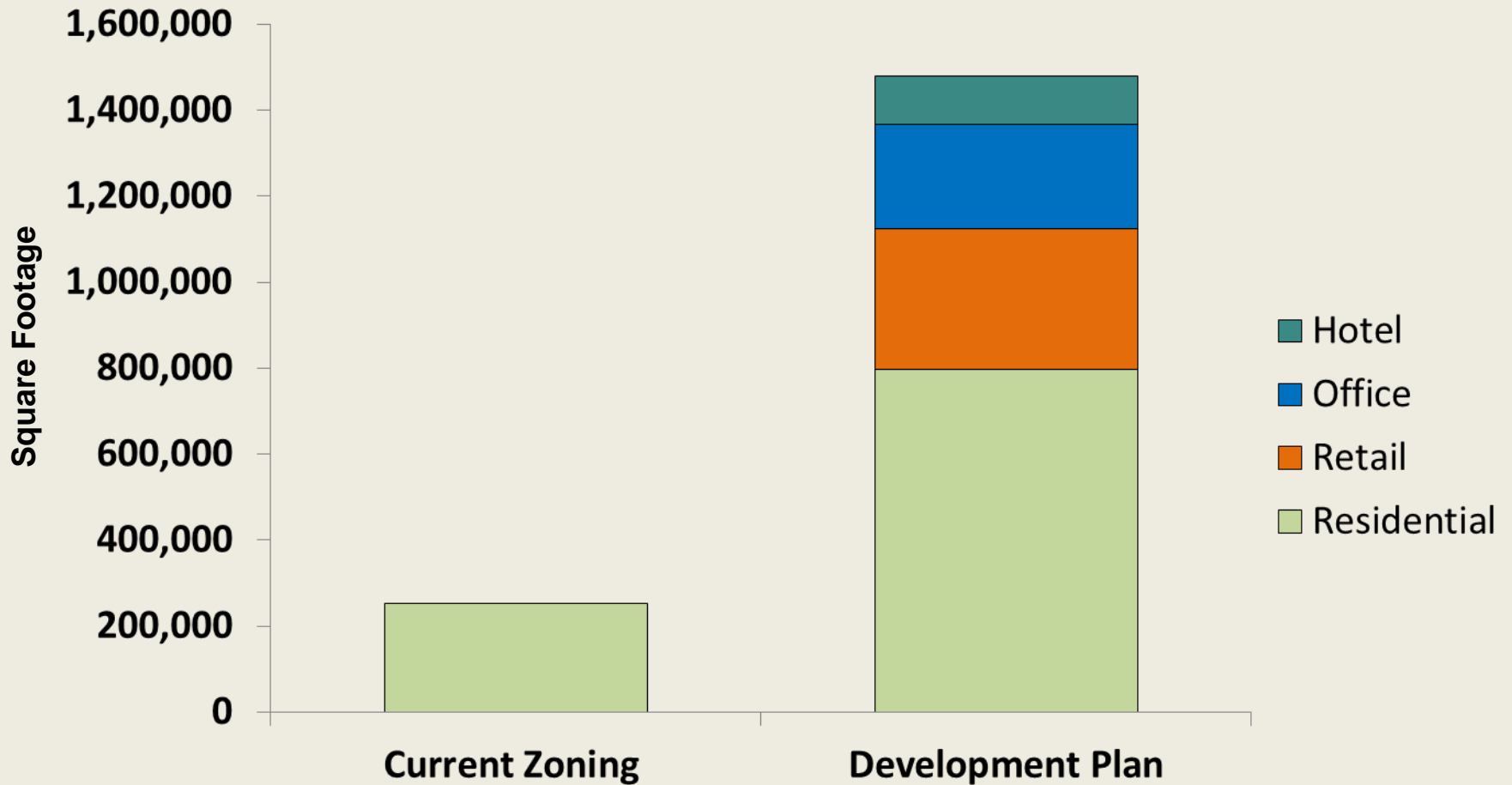
Current Zoning Scenario

79 Single family Homes



Scenario Comparison

Type of construction by Square Footage



Assumptions

We focused on the most predictable revenues for the Town and overlapping jurisdictions



Assumptions

We used a variety of cost estimation methods to predict the cost of extending Town services



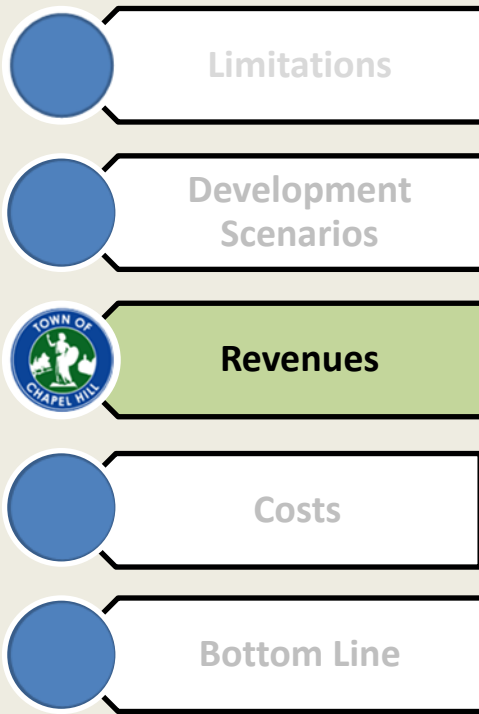
Revenues

Recurring:

- *Property Taxes*
- *Sales taxes*
- *Other*

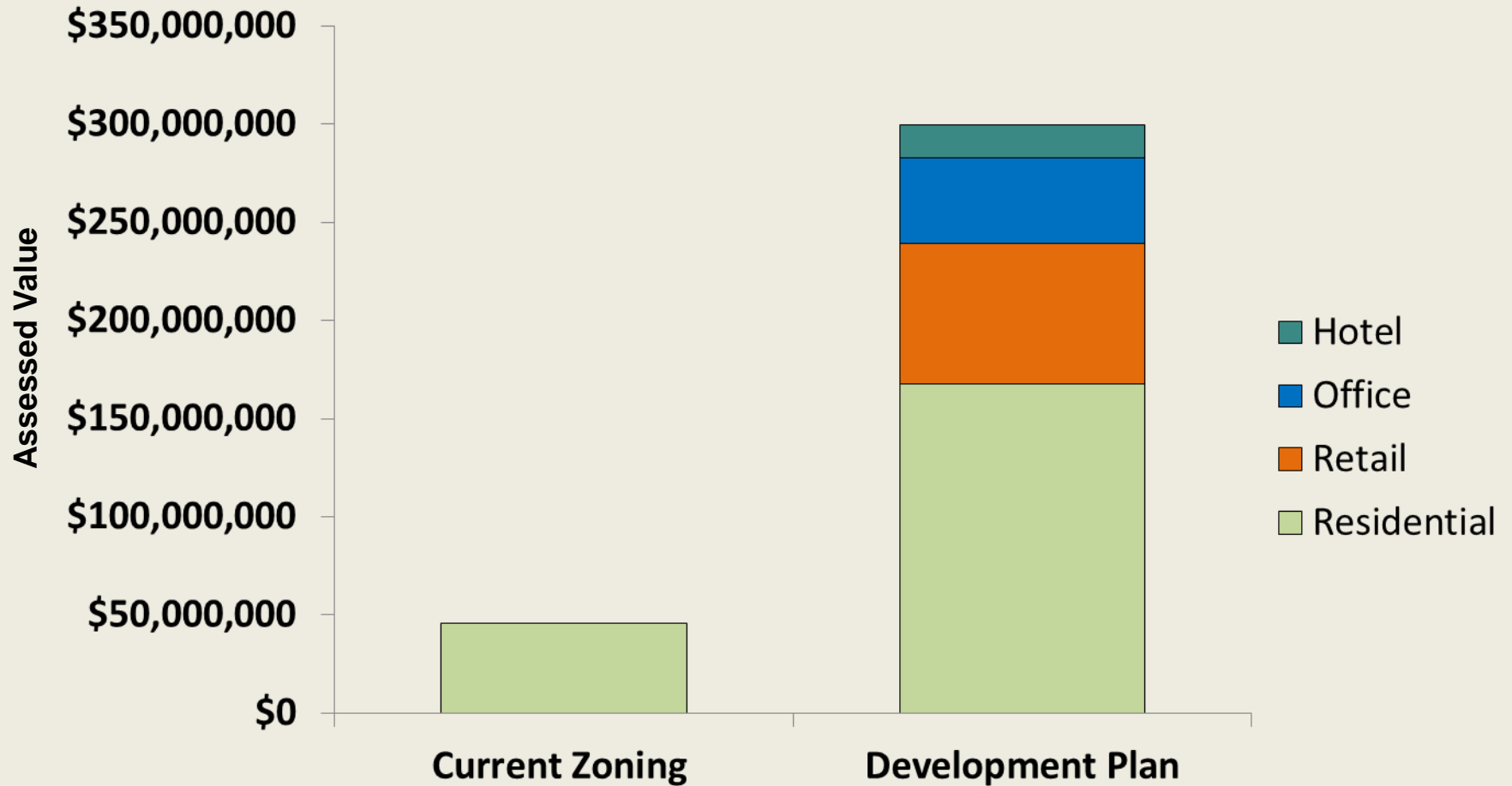
One-Time:

- *Permit Fees*



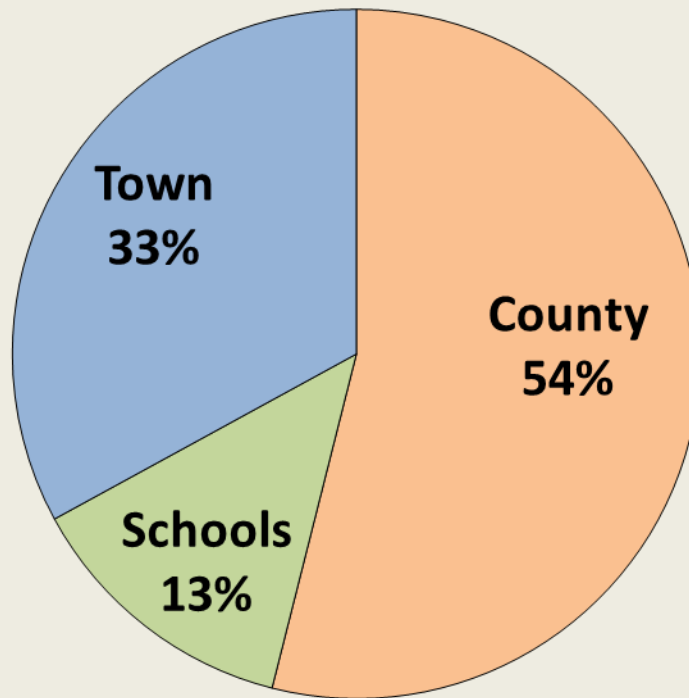
Assessed Value Estimate

By type of construction



Chapel Hill Property Tax

Town taxes represent 33% of the total Chapel Hill tax burden



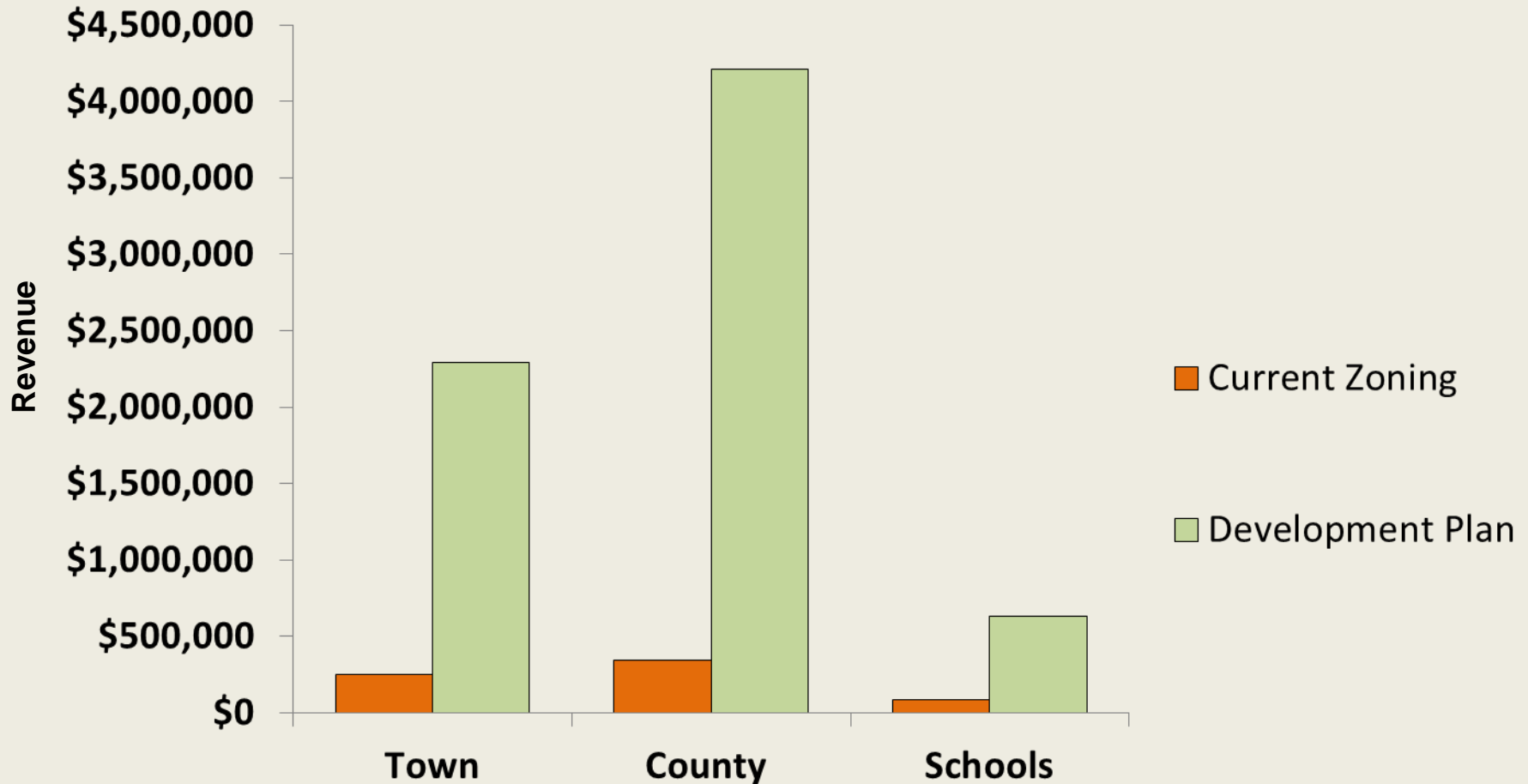
Key Variables in Analysis

(Revenues)

Assumption	Basis
Property Taxes	Current rates & value based on current market
Sales per Sq. Ft.	\$290
Stormwater	11% Impervious Surface

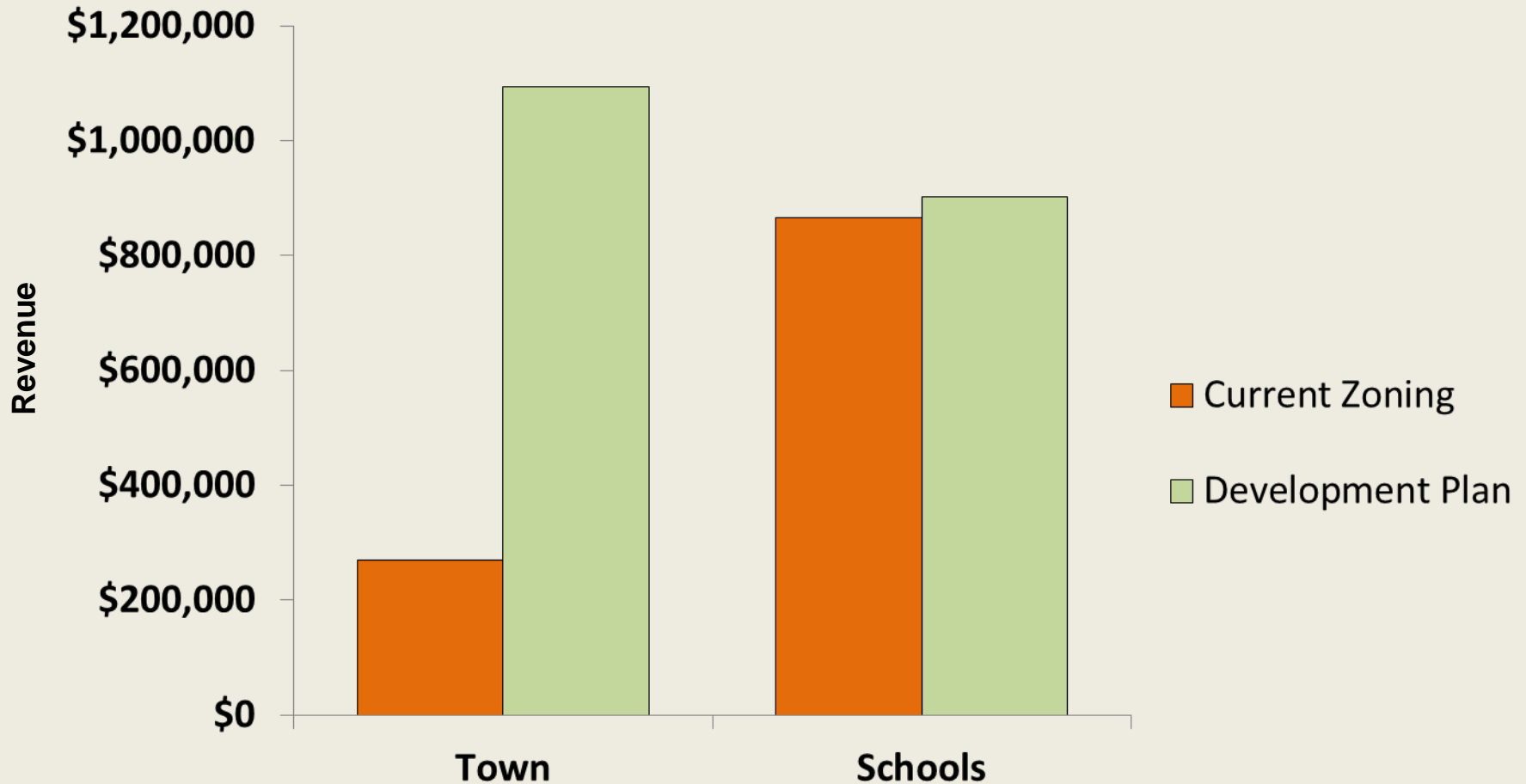
Annual Revenues

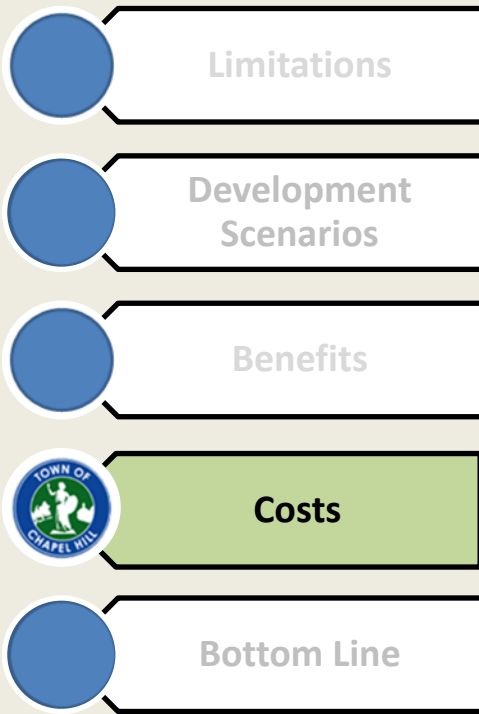
All Sources for all jurisdictions



One-time Revenues

All jurisdictions





Town Costs

Recurring:

- *Public Safety*
- *Public Works*
- *Parks & Recreation*
- *Capital*

One-Time:

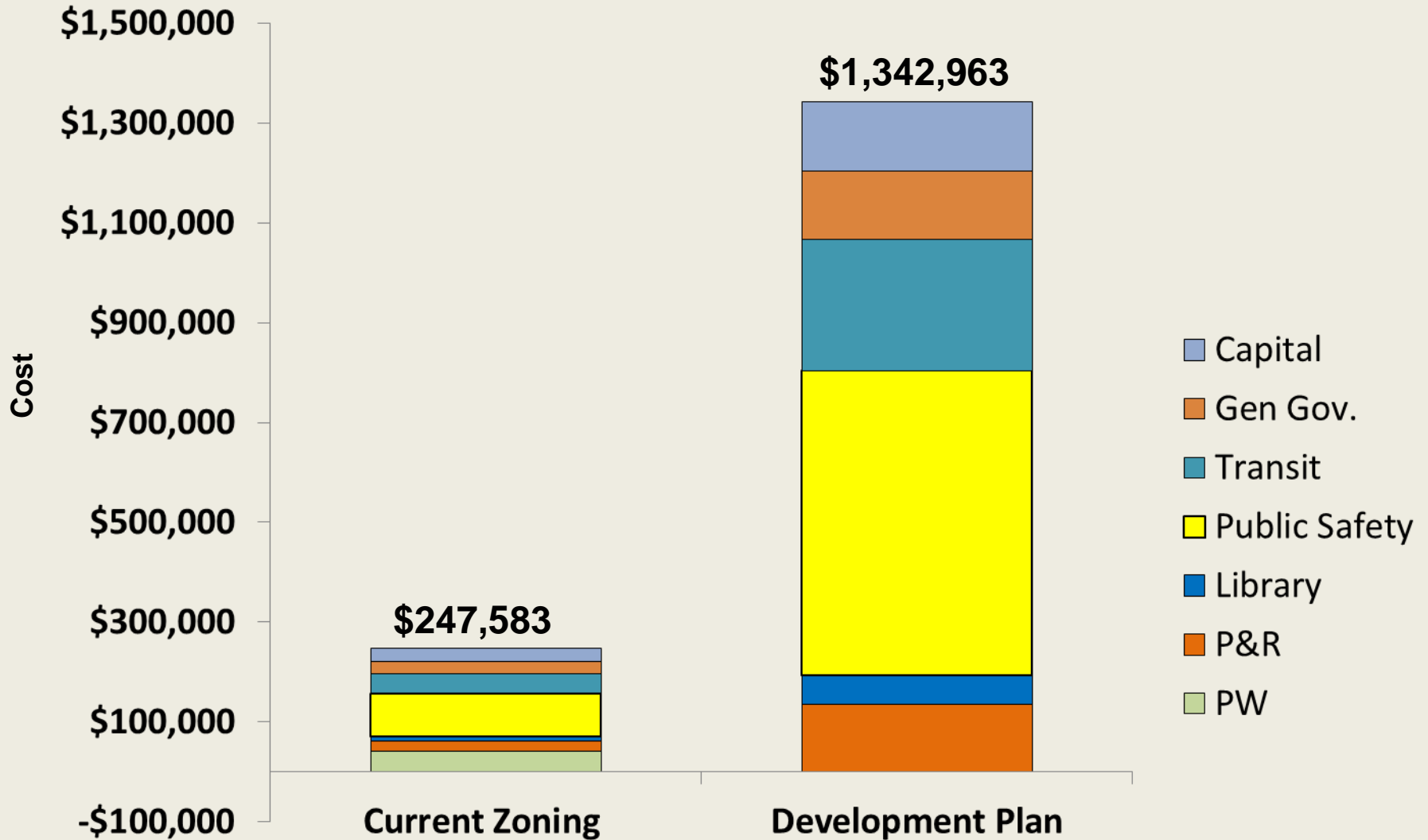
- *Inspections*

Cost of Extending Town Services

Service	Costing Method
Public Works	
Solid Waste Collection	Direct cost estimation
Street Maintenance Services	Direct cost estimation
Storm water	Direct cost estimation
Parks & Recreation	Per Capita
Library Services	Per Capita
Police Services	Calls for service estimation
Fire Services	Calls for service estimation
Public Transportation	Revenue Off-set
Planning/Inspections	Direct cost estimation
General Government	Proportional O/H (13%)
Capital - Debt Service	Proportional O/H (13%)

Town Annual Costs

By Function



Bottom Line

Limitations

Development
Scenarios

Revenues

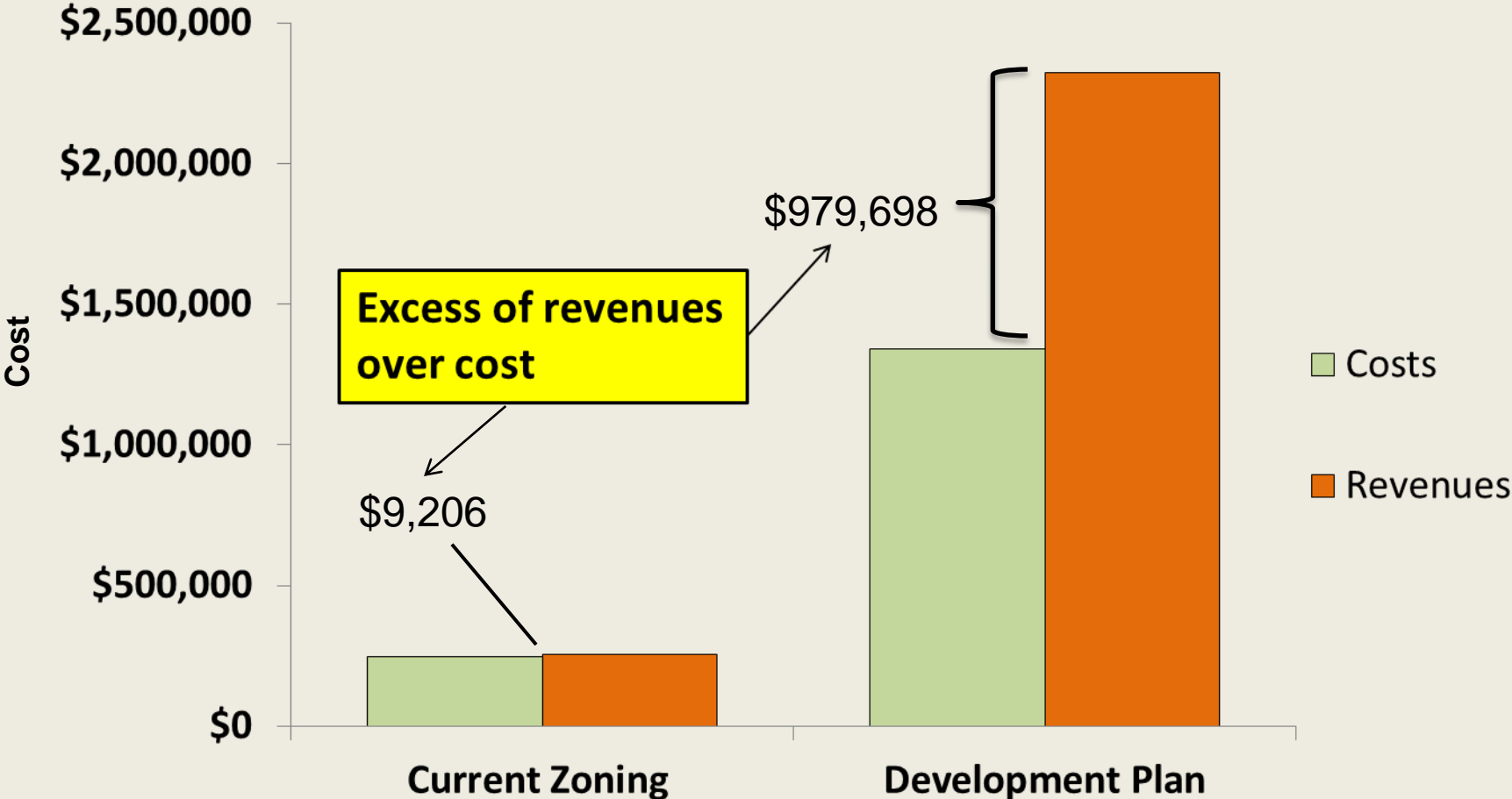
Costs

Bottom Line

1. *Estimated annual Town revenues exceeds costs by \$979,698 per year based on the Development Plan*
2. *Estimated annual Town revenues exceeds costs by \$9,206 per year under the current zoning*

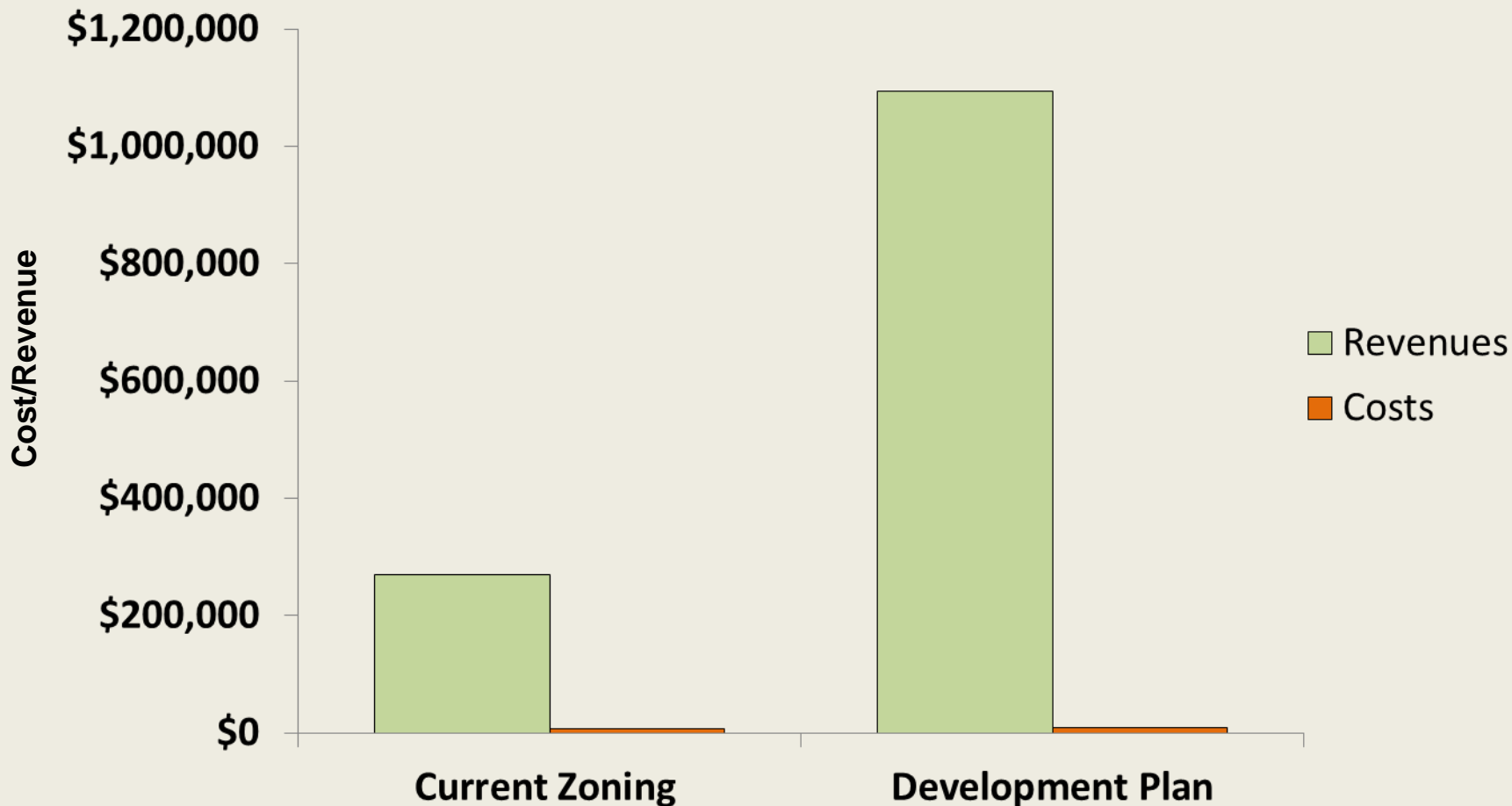
Annual Revenue versus Cost

For both scenarios



One-time Revenue versus Cost

For both scenarios



Factors to Consider

