

INSTRUCTIONS:

The following tabs in this workbook show the calculation of the revenues anticipated from the Obey Creek Project and the cost to extend services to the new development. The analysis focuses primarily on the revenue and costs associated with the impact on the Town. The analysis provided uses a methodology similar to what is commonly used to show the impact of annexations on Town finances. In other words, it shows Town revenues and costs associated with extending Town services to a specific development. Revenues estimates are also provided for overlapping jurisdictions.

The Obey Creek Project Description: The development is proposed for land that is currently undeveloped and not on the Town's tax rolls. The 124-acre site is currently zoned for low-density residential use which supports approximately 79 single family dwellings. The developer is requesting rezoning to permit about 1.5 million square feet of mixed use development.

- All numbers represent conditions at total build-out of the project.

There are two separate scenarios represented in these calculations:

- A Development Master Plan of approximately 1.5 million square feet of mixed use development is shown in areas with a green heading.
- Current Zoning, which allows for 79 Single Family homes is represented by areas of the spreadsheet with an orange heading.

This is a PDF version and will not accept changes. There is also a "live" version available on the Obey Creek web-page that accepts changes.

The Tabs in this Workbook are Described Below:

- **Instructions**
- **Preliminary Development Assumptions:** What we anticipate will be built under each scenario, its square footage and estimated value.
- **Square Footage Values:** Calculation of average square footage value numbers for different types of uses represented in the project.
- **Tax Calculation** – Calculation of property taxes for all jurisdictions based on current rates.
- **Vehicle Tax** – Estimate of vehicle taxes for new residents.
- **Town Tax Breakout** – Division of Town property tax by use.
- **Storm water** – Estimation of Stormwater Fees.
- **Sales Tax** – Estimate of sales taxes for Town and County based on estimated sales generated from new retail development.
- **Population Estimates** – Estimate of the number of new residents based on housing type and number of planned new units.
- **Permit Revenue** – Estimate of one-time revenue to Town for building permits.
- **Public Safety Costs** – Estimated cost of Police and Fire protection.
- **Leisure Costs** – Estimated cost of Library and Parks and Recreation services for new residents.
- **Departmental Costs** – Summary of estimated Town costs by department to extend services to new development.
- **Schools** – Estimated School impact fees and calculation of student generation

rates based on CHCCS (PROVIDED FOR BACKGROUND ONLY, NOT USED IN CALCULATIONS).

- **Revenue Summary** – Summary of all estimated revenues for all annual and one-time revenues for all jurisdictions.
- **Revenue and Cost Comparison** – Comparison of estimated Town Costs with estimated Town revenues.
- **Per-capita Cost of Service** – Calculation of cost distribution using a per-capita allocation basis for all Town costs (PROVIDED FOR COMPARISON ONLY).
- **Graphs** – Three graphs are provided that summarize the revenue and cost calculations. These graphs will change automatically as revenue and cost numbers are adjusted:
 - Graph 1 - Annual Revenue versus Cost
 - Graph 2 – One-time Revenue versus Cost
 - Graph 3 – Annual Town Costs by Type

DEVELOPMENT ASSUMPTIONS

Development Team Master Plan				
Property Use	Projected units	Square Feet	Value PSF*	Projected Value @ full build-out
Retail	18	327,180	\$ 220	\$ 71,896,103
Office	5	242,070	180	43,571,090
Hotel	1	112,220	149	16,677,746
Residential	673	797,360	210	167,556,689
Total		1,478,830		\$ 299,701,628

Current Zoning				
Property Use	Projected units	Square Feet	Value PSF**	Projected Value @ full build-out
Residential	79	252,800	\$ 182	\$ 45,942,050

Notes:

Source: Planning Department/Developer

*See Square Footage tab for Value per Square foot

** Square footage value calculation for Single Family reside shown below

Average Square Footage Value by Use

RETAIL

<u>Property</u>	<u>Valuation</u>	<u>SF</u>	<u>Value per SF</u>
Meadowmont	\$ 28,368,079	96,000	\$ 296
Southern Village	7,358,220	60,000	123
East 54	<u>10,771,700</u>	<u>55,600</u>	<u>194</u>
Total	\$ 46,497,999	211,600	\$ 220

HOTEL

<u>Property</u>	<u>Valuation</u>	<u>SF</u>	<u>Value per SF</u>
Sienna	\$ 6,600,000	56,000	\$ 118
Downtown Hampton	22,000,000	119,000	185
Franklin Hotel	9,000,000	82,000	110
Aloft	<u>9,700,924</u>	<u>61,275</u>	<u>158</u>
Total	\$ 47,300,924	318,275	\$ 149

MULTI-FAMILY RESIDENTIAL

<u>Property</u>	<u>Valuation</u>	<u>SF</u>	<u>Value per SF</u>
Greenbridge	\$ 59,766,500	216,000	\$ 277
Granville	<u>45,513,300</u>	<u>285,000</u>	<u>160</u>
Total	\$ 105,279,800	501,000	\$ 210

OFFICE

<u>Property</u>	<u>Valuation</u>	<u>SF</u>	<u>Value per SF</u>
Castalia	\$ 10,200,000	50,000	\$ 204
Exchange @ Meadowmont	21,600,000	140,000	154
East 54	<u>23,008,100</u>	<u>114,500</u>	<u>201</u>
Total	\$ 54,808,100	304,500	\$ 180

Notes:

Source - Economic Development Office

Annual Property Tax Revenue @ Full Build-out

Development Plan					
Property Use	Projected Value @ full build-out	Town of Chapel Hill 52.4 cents	Orange County 87.4 cents	School District 20.84 cents	
Retail	\$ 71,896,103	\$ 376,736	\$ 628,372	\$ 149,831	
Office	43,571,090	228,313	380,811	90,802	
Hotel	16,677,746	87,391	145,764	34,756	
Residential	167,556,689	877,997	1,464,445	349,188	
Less current tax		-	62,817	14,198	
Total	\$ 299,701,628	\$ 1,570,437	\$ 2,556,575	\$ 610,380	

Current Zoning					
Property Use	Projected Value @ full build-out	Town of Chapel Hill 52.4 cents	Orange County 87.4 cents	School District 20.84 cents	
Residential	\$ 45,942,050	\$ 240,736	\$ 401,534	\$ 95,743	
Less current tax		-	62,817	14,198	
Total	\$ -	\$ 240,736	\$ 338,717	\$ 81,545	

Tax Rates	0.00524	0.00874	0.002084
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Current Tax (from County Assessment Records)			
	Orange County	School District	
Parcel # 9787136437	\$ 33,636	\$ 7,984	
Parcel # 9787140366	1,434	340	
Parcel # 9787148639	27,747	5,874	
Total	\$ 62,817	\$ 14,198	

Notes:

Projected Values can be found in the Preliminary Development Assumption Tab

Tax Rates are based on FY15 rates

Current Taxes on property from County Tax Records

Annual Vehicle Tax & Fee Revenue @ Full Build-out

Development Plan				
Property Use	Projected units	Vehicles per Unit	Vehicle Value	Est. Vehicle Tax Value
Residential	673	1.27	10,000	8,567,290
		Town of Chapel Hill 52.4 cents	Orange County 87.4 cents	School District 20.84 cents
Vehicle Tax		\$ 44,893	\$ 74,878	\$ 17,854
Town Vehicle Fee @\$30		25,702	-	-
Total		\$ 70,594	\$ 74,878	\$ 17,854

Current Zoning				
Property Use	Projected units	Vehicles per Unit	Vehicle Value	Est. Vehicle Tax Value
Residential	79	1.57	10,000	1,243,855
		Town of Chapel Hill 52.4 cents	Orange County 87.4 cents	School District 20.84 cents
Vehicle Tax		\$ 6,518	\$ 10,871	\$ 2,592
Town Vehicle Fee @\$30		3,732	-	-
Total		\$ 10,249	\$ 10,871	\$ 2,592

Tax Rates FY15	0.00524	0.00874	0.002084
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Notes:

Projected Units - (see Preliminary Development Assumptions Tab)

Vehicles per unit based on population per housing unit assumptions (see pop. assumption tab)

Vehicle value is conservative estimate

Vehicles per unit:

Based on 670 vehicles per 1,000 residents

	Occupants per unit	Vehicles per occupant	Vehicles per unit
Single family	2.35	0.67	1.575
Multifamily	1.90	0.67	1.273

Town Property Tax Breakdown

Property Use	Tax Rate per \$ 100 Assessed Value	Development Master Plan	Current Zoning
Projected Assessment*		\$ 308,268,918	\$ 47,185,905
General Fund	38.8	1,196,083	183,081
Transit Fund	5.1	157,217	24,065
Debt Fund	8.5	262,029	40,108
Total	52.4	\$ 1,615,329	\$ 247,254

*Includes Vehicles

Storm water Utility Fees:

Master Plan		
1,243 ERUs	\$	30,764
Current Zoning		
331 ERUs	\$	8,192

Source: Stormwater Division

Notes:

Estimates 11% impervious surface

Fee per ERU is \$24.75

Sales Tax Estimation

	New Retail Sq. Footage	Est. Sales per Sq. Foot	Total Est. Sales	Tax Multiplier	Est. Annual Sales Taxes @ Build Out
Town Sales Tax	327,180	290	94,882,200	0.687%	651,979
County Sales Tax	327,180	290	94,882,200	1.666%	1,580,966

Sales Tax Multiplier (Town)

	Tax Revenues
Orange County Sales Tax Distribution 2013 (1)	35,845,683
Chapel Hill Sales Tax Distribution 2013 (1)	10,240,945
Total Orange County Sales (2)	1,321,366,090
Orange County Revenue per sales dollar	2.713%
Per Capita Distribution for TOCH	25.33%
Town Sales Tax per Dollar of Retail Sales	0.687%

1. NCDOR for 2013
2. Per Chamber
3. Sales per sq foot from Economic Development

Sales Tax Multiplier (County)

	Tax Revenues
Orange County Sales Tax Distribution 2013 (1)	35,845,683
Chapel Hill Sales Tax Distribution 2013 (1)	10,240,945
Total Orange County Sales (2)	1,321,366,090
Orange County Revenue per sales dollar	2.713%
Per Capita Distribution for Orange County	61.422%
County Sales Tax per Dollar of Retail Sales	1.666%

1. NCDOR for 2013
2. Per Chamber
3. Sales per sq foot from Economic Development

Note:

Sales tax estimation os based on actual tax receipts as a percent of retail sales
 Sales taxes are distributed on a per-capita basis through the County

Population Assumptions

Development Plan	Multifamily Units	Residents per Unit	Total New Residents	Estimated Population	Obey Creek % of Total Population
Full build-out	673	1.9	1,279	60,250	2.12%

Existing Zoning	Single Family Residences	Residents per Unit*	Total New Residents	Estimated Population	Obey Creek % of Total Population
Full build-out	79	2.4	186	60,250	0.31%

* Per Planning Department Estimate

Residents per Multifamily Unit	
Meadowmont Apts	1.48
Glen Lennox	1.76
The Park	1.60
Hillsborough St/MLK	2.02
Central Chapel Hill Single Family	2.27
Chapel Ridge Apts	2.29
Average	1.90

Building Permit Revenue Estimation (One-Time Revenue)

Master Plan	New Square Footage	Total Est. Permit Revenue
	1,478,830	\$ 1,093,750
Current Zoning	New Square Footage	Total Est. Permit Revenue
	252,800	\$ 269,285

Source: Town Inspections Office

Building Permit Cost Estimation (One-Time Cost)

Master Plan	New Square Footage	Total Est. Cost
	1,478,830	\$ 89,727
Current Zoning	New Square Footage	Total Est. Cost
	269,285	\$ -

Note: It is assumed that the cost of inspection under the Current Zoning Scenario would be included within the base Inspections Budget

Notes:

Ratio of one-time Inspection revenue to one-time cost for major projects (based on Ef)

Revenue	2,801,845
Cost	170,000
Ratio	6.1%

Public Safety Costs

Development Plan	Police	Fire	Total
	\$ 252,108	\$ 386,613	\$ 638,721

Current Zoning	Police	Fire	Total
	\$ 36,603	\$ 66,090	\$ 102,693

Police

Calls for Service based on population increase

	Est Added Population	Calls for service per person	Additional Service Calls	Cost per service Call	Expected additional Cost
Development Plan	1,279	0.53	678	\$ 372	\$ 252,108
Current Zoning	186	0.53	98	\$ 372	\$ 36,603

Fire

Annual
Financing Cost

Apparatus Cost \$ 750,000 \$ 92,110 annual cost 10 yr financing @4%
 Cost per valuation
 Total

Scenario 1			
Company Cost	\$ 953,616	4,000,000	sq ft per company
		1,478,830	development plan
		0.370	number of companies

Staffing Cost 352,559
 Apparatus Cost 34,054
Total Fire Cost \$ 386,613

Scenario 2			
Company Cost	\$ 953,616	4,000,000	sq ft per company
		252,800	development plan
		0.063	number of companies

Staffing Cost 60,269
 Apparatus Cost 5,821
Total Fire Cost \$ 66,090

Notes:

Police cost is based on a service call per capita cost

Fire cost is based on the cost of coverage per square foot of development

1 fire compaby ccovers 4 million sq feet

Proportional annual cost of fire apparatus assuming financing over 12 year life added

Per Capita Calculation

<i>FY14 Population</i> 60,250	2014-15 Adopted Budget	Cost per Capita
Parks and Recreation	\$ 6,401,924	\$ 106.26
Library	2,729,416	45.30
Subtotal	\$ 9,131,340	\$ 151.56

Leisure Costs

Development Plan	New Population Served	Cost of Service
Parks and Recreation	1,279	135,870
Library	1,279	57,927
Total		\$ 193,797
Current Zoning	New Population Served	Total Est. Permit Revenue
Parks and Recreation	186	19,726
Library	186	8,410
Total		\$ 28,137

Town Services Annual Costs

Town Service	Estimation Method	Current Zoning	Development Master Plan
Public Works:			
Solid Waste Collection	Direct Estimation	18,700	-
Street Maintenance Serv	Direct Estimation	22,500	-
Storm water	Direct Estimation	1,000	-
Total		\$ 42,200	\$ -

**Includes Vehicles*

Parks & Recreation	Per Capita	19,726	135,870
Library Services	Per Capita	8,410	57,927
Police Services	Calls for service est.	36,603	252,108
Fire Services	Calls for service est.	66,090	386,613
Transit	Revenue Off-set	24,065	157,217
Planning/Inspections	Direct cost estimation	-	-
General Government	Proportional O/H (13%)	25,622	128,666
Capital - Debt Service	Proportion of Op. (13%)	25,622	128,666

Total		\$ 290,539	\$ 1,247,066
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Town Services One-Time Costs

Town Service	Estimation Method	Current Zoning	Development Master Plan
Public Works:			
Solid Waste Collection	Direct Estimation	6,500	-
Planning/Inspections	Direct Estimation	-	89,727

Total		\$ 6,500	\$ 89,727
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Notes:

Cost of Transit services will be determined based on a separate analysis that will consider trip generation, existing service structure, enterprise fund affordability and funding partner negotiations of system-wide priorities. Listed cost is a place-holder representing direct Transit tax revenue received by the Town.

PW costs for development plan are assumed to be zero based on private roads and private waste collection

School Impact Fees (One-Time Revenue)

Development Master Plan	Units	Per Unit Fee	Total
Full Build-out	673	\$ 1,286	\$ 865,478

Current Zoning	Units	Per Unit Fee	Total
Full Build-out	79	\$ 11,423	\$ 902,417

Student Generation Rates (Updated for 2014 preliminary unadopted Student Generation Rates)

Development Master Plan	Elementary	Middle	High	All	Mixed-Use	Single-Family	Est. Students Generated
Multi-Family Homes	0.100	0.040	0.050	0.190	673	0	128

Current Zoning	Elementary	Middle	High	All	Mixed-Use	Single-Family	Est. Students Generated
Single-Family Homes	0.340	0.230	0.210	0.780	0	79	62

Based on most recent CHCCS Student Generation Formulas

Student Generation Rates

Development Master Plan	Mixed-Use	Single-Family	Est. Students Generated*
Multi-Family Homes	673	0	128

Current Zoning	Mixed-Use	Single-Family	Est. Students Generated*
Single-Family Homes	0	79	62

OBEY CREEK DEVELOPMENT REVENUE SUMMARY

Town of Chapel Hill	Current Zoning	Development Plan	Variance
Net Property Taxes	\$ 240,736	\$ 1,570,437	\$ 1,329,700
Vehicle Taxes & Fees	10,249	70,594	60,345
Sales Tax	-	651,979	651,979
Storm Water Utility Fees	8,192	30,764	22,572
Building Permit Fees (One-Time)	269,285	1,093,750	824,465
Total Annual	259,178	2,323,774	2,064,596
Total One-time	\$ 269,285	\$ 1,093,750	\$ 824,465

Orange County	Current Zoning	Development Plan	Variance
Net Property Taxes	\$ 338,717	\$ 2,556,575	\$ 2,217,859
Vehicle Taxes	10,871	74,878	64,007
Sales Tax	-	-	-
Total Annual	\$ 349,588	\$ 2,631,453	\$ 2,281,866

School District	Current Zoning	Development Plan	Variance
Net Property Taxes	\$ 81,545	\$ 610,380	\$ 528,835
Vehicle Taxes	2,592	17,854	15,262
Impact Fees (One-Time)	902,417	865,478	(36,939)
Total Annual	84,137	628,234	544,097
Total One-time	\$ 902,417	\$ 865,478	\$ (36,939)

SUMMARY ALL JURISDICTIONS (Town, County & School District)

	Current Zoning	Development Plan	Variance
Total Annual	\$ 692,903	\$ 5,583,462	\$ 4,890,559
Total One-time	\$ 1,171,702	\$ 1,959,228	\$ 787,526

OBEY CREEK DEVELOPMENT Town Revenue/Cost Comparison

Current Zoning	Revenues	Costs	Variance
REVENUES			
Net Property Taxes	\$ 240,736		
Vehicle Taxes & Fees	10,249		
Sales Tax	-		
Storm Water Utility Fees	8,192		
Building Permit Fees (one-time)	269,285		
Costs			
Public Works		42,200	
Solid Waste (one-time)		6,500	
Parks & Recreation		19,726	
Library Services		8,410	
Police Services		36,603	
Fire Services		66,090	
Transit		24,065	
Planning/Inspections		-	
General Government		25,622	
Capital - Debt Service		25,622	
Total Annual	\$ 259,178	\$ 248,339	\$ 10,839
Total (One-time)	\$ 269,285	\$ 6,500	\$ 262,785

Development Plan	Revenues	Costs	Variance
REVENUES			
Net Property Taxes	\$ 1,570,437		
Vehicle Taxes & Fees	70,594		
Sales Tax	651,979		
Storm Water Utility Fees	30,764		
Building Permit Fees (one-time)	1,093,750		
Costs			
Public Works		-	
Planning/Inspections (one-time)		89,727	
Parks & Recreation		135,870	
Library Services		57,927	
Police Services		252,108	
Fire Services		386,613	
Transit		157,217	
Planning/Inspections		-	
General Government		128,666	
Capital - Debt Service		128,666	
Total Annual	\$ 2,323,774	\$ 1,247,066	\$ 1,076,708
Total (One-time)	\$ 1,093,750	\$ 89,727	\$ 1,004,023

GENERAL FUND
EXPENDITURES BY DEPARTMENT

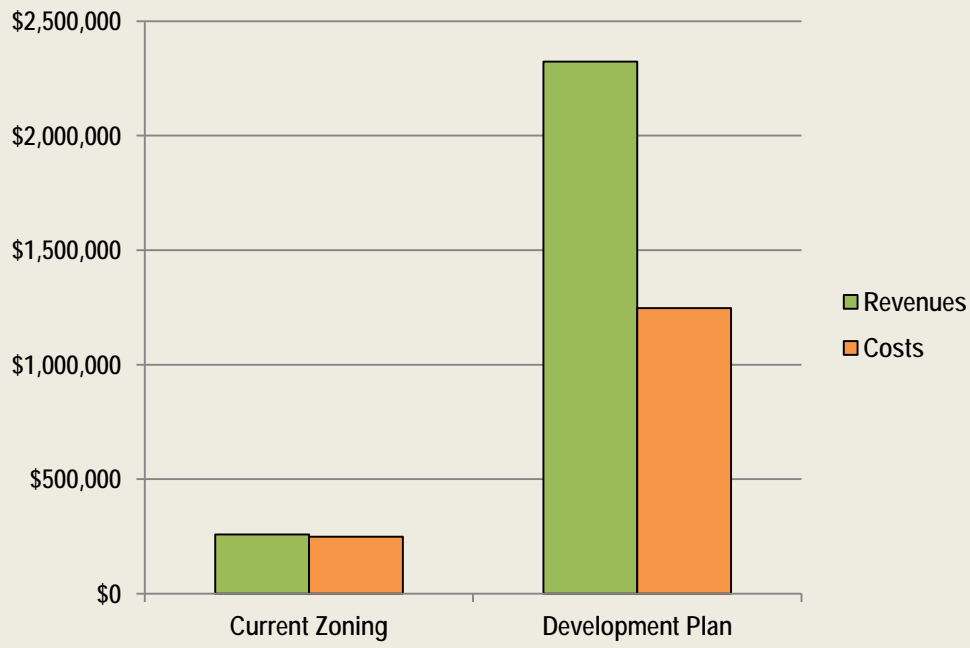
	FY14 Population 60,250	2014-15 Adopted	Cost per Capita	Population increase		
				186	1,279	
	Budget	Capita	Current Zoning	Development Plan		
General Government						
Mayor/Council	\$ 417,068	\$ 7	1,285	8,852		
Manager/CaPA	2,504,747	42	7,718	53,159		
Human Resource Dev't	1,468,795	24	4,526	31,173		
Finance	1,822,728	30	5,616	38,684		
Technology Solutions	1,428,111	24	4,400	30,309		
Town Attorney	308,660	5	951	6,551		
Non-Departmental	4,876,951	81	15,027	103,505		
Subtotal	\$ 12,827,060	\$ 213	\$ 39,524	\$ 272,232		
			-	-		
			-	-		
Environment & Development						
Planning	\$ 1,524,108	\$ 25	4,696	32,347		
Inspections	1,071,537	18	3,302	22,741		
Public Works	12,085,686	201	37,240	256,497		
Subtotal	\$ 14,681,331	\$ 244	\$ 45,238	\$ 311,585		
			-	-		
			-	-		
Public Safety						
Police	\$ 13,201,831	\$ 219	40,679	280,186		
Fire	8,432,438	140	25,983	178,964		
Subtotal	\$ 21,634,269	\$ 359	\$ 66,662	\$ 459,149		
			-	-		
			-	-		
Leisure						
Parks and Recreation	\$ 6,401,924	\$ 106	19,726	135,870		
Library	2,729,416	45	8,410	57,927		
Subtotal	\$ 9,131,340	\$ 152	\$ 28,137	\$ 193,797		
			-	-		
			-	-		
General Fund Total	\$ 58,274,000	\$ 967	179,561	1,236,763		
			-	-		
Per-capita Capital		\$ 127	23,652	162,905		
			-	-		
Total Per Capita		\$ 1,095	\$ 203,213	\$ 1,399,668		

Capital Investment Ratio

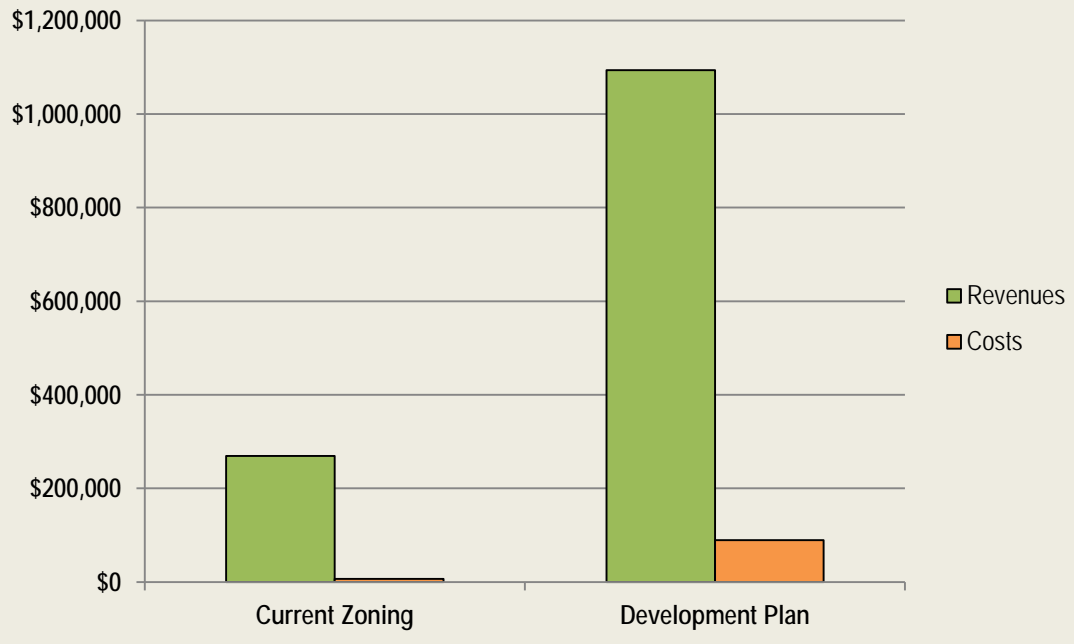
	FY15	FY14	FY13	FY12	FY11	5yr Average
Pay-go (included above)	\$ 849,856	\$ 828,500	\$ 650,000	\$ 509,824	\$ 1,237,800	\$ 815,196
Debt Service	6,860,809	7,404,742	7,289,854	6,760,930	6,549,000	6,973,067
Total Capital Investment	7,710,665	8,233,242	7,939,854	7,270,754	7,786,800	7,788,263
Town Budget	57,424,144	53,960,000	51,914,000	50,030,176	51,366,200	52,938,904

Ratio Operational to Capital 0.13

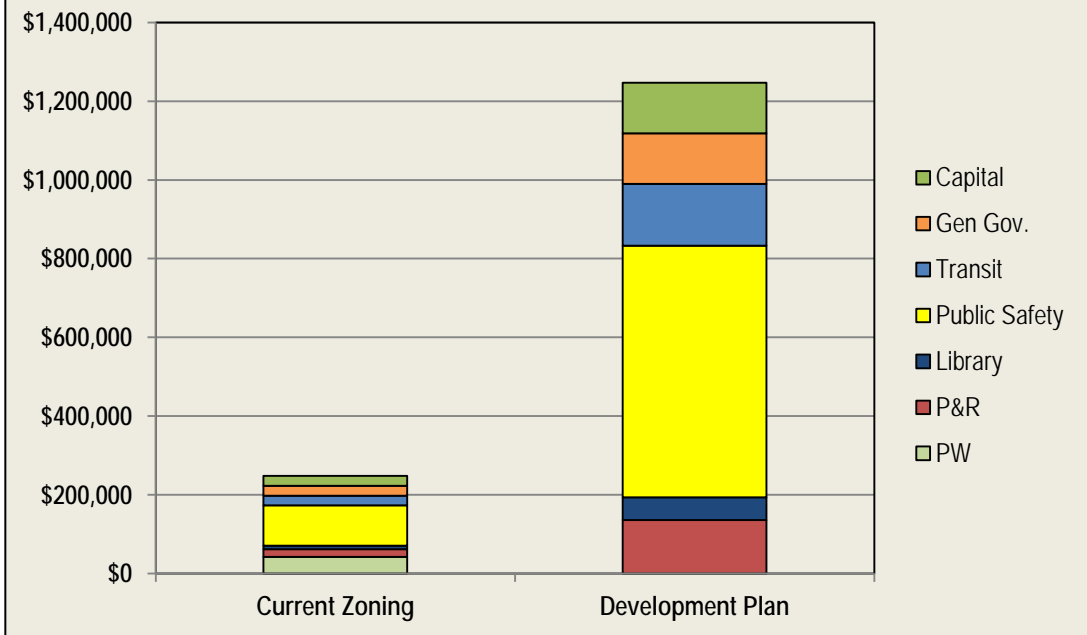
Annual Revenue versus Cost



One-time Revenue versus Cost



Annual Town Costs



Annual Town Costs

	Current Zoning	Development Plan
Capital	25,622	128,666
Gen Gov.	25,622	128,666
Transit	24,065	157,217
Public Safety	102,693	638,721
Library	8,410	57,927
P&R	19,726	135,870
PW	42,200	-
Total:	\$ 248,339	\$ 1,247,066