



# TOWN OF CHAPEL HILL NORTH CAROLINA

## MEMORANDUM

**TO:** Roger L. Stancil, Town Manager

**FROM:** Kenneth C. Pennoyer, Business Management Director  
Brandon Howell, Budget Analyst

**SUBJECT:** Obey Creek Project Preliminary Fiscal Impact Report

**DATE:** October 30, 2014

### **Adjustments/Corrections to Preliminary Fiscal Analysis:**

During our review of the calculations used in the fiscal analysis presented October 1, 2014 we identified the following two calculations that needed to be corrected.

1. The Transit Fund tax rate and the Debt Fund tax rate were inadvertently switched. The Transit Fund tax should be 5.1 cents and the Debt Fund tax should be 8.5 cents. Because the three parts of the property taxes are combined to estimate the total revenues at build-out, this does not affect the Town revenues versus cost comparison. However this does change the amount of the incremental new property taxes available for Transit services described on page. Instead of \$261,000 that amount would now be estimated as \$157,000. Also, because this number is used as a “placeholder” for additional Transit costs, that number also declines.
2. Our estimation of one-time costs associated with Planning and Inspections for the Development Master Plan scenario of \$10,000, was not consistent with the calculation used for the Ephesus Fordham project. For Ephesus Fordham it was estimated that additional costs for inspections over the course of the 2.8 million square foot multi-phase build-out would be an additional \$170,000. A proportional cost for Obey Creek, based on square footage consistent with the Ephesus Fordham calculation, would be about \$90,000 rather than \$10,000. This additional one-time cost is reflected in the following revenue/cost schedule.
3. Fire Services costs have been adjusted to reflect a shorter financing period (higher annual cost) for fire apparatus acquisition.
4. General Government and Capital – Debt Service costs are calculated as a percentage of total cost and therefore went up slightly reflecting the increase in overall annual estimated cost.
5. Property tax numbers for both scenarios are slightly different due to differences in rounding of square footage values from the original calculation.

### **Obey Creek Fiscal Impact Template**

Two versions of the spreadsheet used to calculate the Obey Creek Fiscal Impact Values will be posted on the Town’s website. The first is a “live” version that can accept changes. The second is a PDF format version for those who may have trouble viewing Excel spreadsheets on their mobile devices.

*Revised October 30, 2014*

**OBEY CREEK DEVELOPMENT Town Revenue/Cost Comparison**

Current Zoning	Revenues	Costs	Variance
<b><u>REVENUES</u></b>			
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		
<b><u>Costs</u></b>			
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	
<b>Total Annual</b>	<b>\$ 259,178</b>	<b>\$ 248,339</b>	<b>\$ 10,839</b>
<b>Total (One-time)</b>	<b>\$ 269,285</b>	<b>\$ 6,500</b>	<b>\$ 262,785</b>

Development Plan	Revenues	Costs	Variance
<b><u>REVENUES</u></b>			
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		
<b><u>Costs</u></b>			
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	
<b>Total Annual</b>	<b>\$ 2,323,774</b>	<b>\$ 1,247,066</b>	<b>\$ 1,076,708</b>
<b>Total (One-time)</b>	<b>\$ 1,093,750</b>	<b>\$ 89,727</b>	<b>\$ 1,004,023</b>