

Obey Creek Financial Analysis for Transit costs based on Trip Generation Analysis

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Transit Trip Generation

The revised Transit costs are based on the trip generation data developed by HNTB shown in the following table:

Table 1. Comparison of Potential Obey Creek Ridership to Projected 2022 NS Route Boardings

Northbound NS Route	Obey Creek Riders	2022 Projected NS Boarding Totals	Overall Total	Obey Creek% of Total Boardings
AM Peak Hour	43	239	282	15%
Noon Peak Hour	42	110	152	28%
PM Peak Hour	114	275	389	29%
Daily	1282	2,288	3570	36%
Southbound NS Route	Obey Creek Riders	2022 Projected NS Boarding Totals	Overall Total	Obey Creek% of Total Boardings
AM Peak Hour	67	302	369	18%
Noon Peak Hour	44	136	180	24%
PM Peak Hour	97	254	351	28%
Daily	1282	2,199	3481	37%

Cost to Provide Transit Service

Chapel Hill Transit staff used the trip generation numbers shown above to develop annual cost estimates for meeting service demand for the proposed new development. The following table shows the estimated annual cost to provide Transit service for the “original development plan” at full build-out. This estimate assumes future bus purchases will be financed and the cost spread over the useful life.

Equivalent Number of:		Annual Expense Per	Total Annual Expense
Buses =	3	\$ 60,000	\$ 180,000
FT Personnel =	3.5	55,000	192,500
Additional Costs (20% of above expenses)		23,000	74,500
Total Projected Costs			\$ 447,000

Financial Analysis Update

The following table shows the estimated revenues and costs associated with the proposed Obey Creek development for both the Original Development Plan (1,148,830 [typo] 1,478,830 sq. ft.) and the

Minimum Development Scenario (680,000sq. ft.) updated using the transit costs calculated above. For the Minimum Development Scenario transit costs were pro-rated based on the difference in square footage.

	Original Development Plan	Minimum Development Scenario
Total Square Footage	1,478,830	680,000
Projected Value	\$ 299,781,580	\$ 14,293,999
Residential Units	673	250
Annual Revenues		
Property Tax	\$ 1,641,031	\$ 761,396
Sales Tax	651,979	398,545
Other	30,764	30,764
Total	\$ 2,323,774	\$ 1,190,705
Annual Costs		
Public Works	\$ 30,764	\$ 30,764
Leisure	193,797	71,990
Public Safety	638,721	271,424
Transit*	477,000	219,336
Other	257,332	108,313
Total	\$ 1,597,614	\$ 701,827
Annual Net	\$ 726,160	\$ 488,877
One Time Costs	\$ 89,727	\$ 41,259
One Time Revenues	\$ 1,093,750	\$ 502,931
* Transit costs based on meeting demand calculated in trip generation analysis		

Based on the preceding analysis (using updated transit costs based on trip generation data) revenues are projected to exceed the cost of extending services by a significant margin for both development scenarios as depicted in the following graph.

Annual Revenue versus Cost

For both scenarios

