Fiscal Impact Analysis of Great Pond Village

Town of Windsor, Connecticut

August 22, 2011
Presentation Overview

- Introduction
- Fiscal Impact Analysis and Study Overview
- Major Assumptions
- Summary Results and Major Findings
- Wrap-Up
TischlerBise, Inc.

- Fiscal, economic, and planning consultants
- National Practice
- Fiscal Impact Evaluations (600+)
- Impact Fees (700+)
- Infrastructure Needs & Revenue Strategies
- Utility Rate Studies
- User Fees
- Cost Allocation Plans
- Public and Private Sector Experience

*TischlerBise is the only national firm focused exclusively on cost of growth and revenue enhancement issues.*
What is Fiscal Impact Analysis?

- Cash flow to the public sector
  - Are the revenues generated by development enough to cover the service and facility costs to serve the development?
- Evaluates operating expenses and capital costs and revenues
  - Non-Enterprise Funds
- Revenues minus expenditures = net surplus or net deficit
Fiscal Impact Analysis Differs from an Economic Impact Analysis

- **Economic Impact Analysis:**
  - Evaluates impact on overall economy of a community — *new dollars circulating locally*
    - Residential impacts: Primary factors are the construction phase and consumer spending
    - Nonresidential impacts: Primary factors are job creation and real disposable income

- **Fiscal Impact Analysis**
  - Impact on local government fiscal condition (*revenues and costs to the government*) due to new development
A fiscal impact analysis is not intended as a budget-forecasting document
  - Revenues and expenditures are projected separately—analysis is not “revenue constrained”
  - Unlike annual budget that needs to be balanced with revenues available

Fiscal analysis determines the direct costs and revenues from development

Allows testing of “what if” scenarios

Fiscal condition is one element to consider in land use policy
Great Pond Village Fiscal Impact Analysis

- Conducted meetings and follow-up with staff
  - Town budget, services, capital improvements
- Obtained development program from developer; worked with Town staff to develop alternative scenario
- Developed fiscal model to:
  - Evaluate Great Pond Village’s overall fiscal impact
  - Identify infrastructure needs
  - Evaluate feasibility of Tax Increment Financing
  - Examine operating impact (staff and operating costs)
- Prepared report on findings & present findings
The Study’s Basic Assumptions

- Assumes current budget (FY2011) and levels of service
- Includes operating and capital costs for Town, Schools, and on-site infrastructure.
- Includes General Fund and Special Revenue Funds that support operating departments
- Two scenarios evaluated:
  - *Developer’s Scenario* proposed as of March 25, 2011
  - *Alternative Scenario* slower development pace
### Development Program

<table>
<thead>
<tr>
<th>Type</th>
<th>Residential</th>
<th>Nonresidential</th>
<th>Parking Garage (Spaces)</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1 Multifamily-Independent Living</td>
<td>200</td>
<td>381</td>
<td>0</td>
</tr>
<tr>
<td>R2 Multifamily-Rental</td>
<td>1,904</td>
<td>3,625</td>
<td>333</td>
</tr>
<tr>
<td>R3 Multifamily-Condos</td>
<td>1,037</td>
<td>1,974</td>
<td>181</td>
</tr>
<tr>
<td>R4 Single Family Attached (For Sale)</td>
<td>624</td>
<td>1,188</td>
<td>124</td>
</tr>
<tr>
<td>R5 Single Family Urban Detached</td>
<td>245</td>
<td>680</td>
<td>82</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,010</strong></td>
<td><strong>7,847</strong></td>
<td><strong>720</strong></td>
</tr>
</tbody>
</table>

Notes:

[1] Winstanley Enterprises; Town of Windsor

[2] Assessed value at 70% of market value

Note: Development program as of March 25, 2011

Sources: Winstanley Enterprises; TischlerBise
Scenario Development Assumptions

- **Scenario 1 (Developer Scenario):**
  - Approximately 300 housing units per year (residential buildout by year 14).
  - Nonresidential development assumed to be fully built out by year 11 (retail by year 6; office by year 8; civic by year 11).

- **Scenario 2 (Alternative Scenario): Slower pace**
  - Approximately 200 housing units per year (residential buildout by year 20).
  - Nonresidential development assumed to be built out by year 19 (retail by year 8; office by year 19; civic by year 15).
Cumulative (20-Year) Fiscal Impact Results

20-Year Cumulative Net Fiscal Impacts - Town of Windsor, CT
Great Pond Village Fiscal Impact Analysis

- DEVELOPER SCENARIO (with TIF)
  - Net Revenues: $285,120,867
  - Expenditures: $241,543,402
  - Net Fiscal Impact: $43,577,465

- ALTERNATIVE SCENARIO (with TIF)
  - Net Revenues: $217,664,783
  - Expenditures: $191,185,732
  - Net Fiscal Impact: $26,479,051
# Cumulative (20-Year) Fiscal Impact Results

### Town of Windsor, CT

Great Pond Village

<table>
<thead>
<tr>
<th>Category</th>
<th>DEVELOPER SCENARIO: Buildout by Year 14</th>
<th>ALTERNATIVE SCENARIO: Buildout by Year 20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Revenues from Great Pond Village</td>
<td>$296,982,643</td>
<td>$229,526,558</td>
</tr>
<tr>
<td>Less Existing Property Tax Revenue</td>
<td>$11,861,776</td>
<td>$11,861,776</td>
</tr>
<tr>
<td><strong>Total Net Revenues (less existing tax base)</strong></td>
<td>$285,120,867</td>
<td>$217,664,783</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expenditures</td>
<td>$125,159,647</td>
<td>$98,405,733</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>$116,383,755</td>
<td>$92,779,999</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$241,543,402</td>
<td>$191,185,732</td>
</tr>
<tr>
<td><strong>CUMULATIVE NET FISCAL IMPACT</strong></td>
<td>$43,577,465</td>
<td>$26,479,051</td>
</tr>
</tbody>
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Annual Fiscal Impact Results

Annual Net Fiscal Impacts - Town of Windsor, CT
Great Pond Village Fiscal Impact Analysis

School capital cost; Fire station and apparatus costs

Buildout; reflects last year of building permit revenues.

School capital cost

DEVELOPER SCENARIO (with TIF)  ALTERNATIVE SCENARIO (with TIF)
Average Annual Fiscal Impact Results

Average Annual Net Fiscal Impacts - Town of Windsor, CT
Great Pond Village Fiscal Impact Analysis

DEVELOPER SCENARIO (with TIF)
- Years 1-10: $2,095,087
- Years 11-20: $2,262,659
- Years 1-20: $2,095,087

ALTERNATIVE SCENARIO (with TIF)
- Years 1-10: $1,118,126
- Years 11-20: $1,529,779
- Years 1-20: $1,529,779

### Years 1-10
- Developer Scenario: $2,095,087
- Alternative Scenario: $1,118,126

### Years 11-20
- Developer Scenario: $2,262,659
- Alternative Scenario: $1,529,779

### Years 1-20
- Developer Scenario: $2,095,087
- Alternative Scenario: $1,529,779

TischlerBise
Fiscal, Economic & Planning Consultants

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The bottom line

Total Estimated Revenue from Great Pond Village

- GPV District Debt Service, $101,285,447
- Existing property tax, $11,871,766
- Town capital costs to provide service to GPV, $15,098,308
- Town operating costs to provide services to Great Pond Village, $125,159,647

$43,567,475
Major Findings and Results

- Revenues generated from the Great Pond Village development **are sufficient** to cover operating and capital expenses to serve the development.
- Fiscal surpluses are generated under both scenarios tested.
- Tax Increment Financing: Incremental property tax revenue **is sufficient** to finance the developer’s proposed infrastructure as presented.
Major Findings and Results (cont’d)

- Operating impacts for future Town-maintained infrastructure is included
  - For improvements identified as being maintained by another entity (e.g., home owners assn.), operating costs are NOT included

- Projected revenues are sufficient to pay for capital improvements—both on-site as proposed by developer and Town capital improvements
  - Largest Town projected capital costs are schools, fire, and police
Wrap-Up

- Discussion
- Questions?