

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

General Framework

- 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

<i>Type Residential</i>	<i>Buildout # of Units</i>	<i>Buildout Population</i>	<i>Buildout Students</i>	<i>Mkt. Val. Per DU [1]</i>	<i>Assessed Val. per DU (at 70%) [2]</i>
R1 Multifamily-Independent Living	200	381	0	\$250,000	\$175,000
R2 Multifamily-Rental	1,904	3,625	333	\$150,000	\$105,000
R3 Multifamily-Condos	1,037	1,974	181	\$175,000	\$122,500
R4 Single Family Attached (For Sale)	624	1,188	124	\$175,000	\$122,500
R5 Single Family Urban Detached	245	680	82	\$350,000	\$245,000
Total	4,010	7,847	720		

<i>Nonresidential</i>	<i>Buildout Sq. Ft.</i>	<i>Buildout Jobs</i>	<i>Mkt. Val. Per Sq. Ft. [1]</i>	<i>Assd Val. Per Sq. Ft. [2]</i>
NR1 Civic	128,000	98	\$0	\$0
NR2 Retail	85,000	170	\$190	\$133
NR3 Office	640,000	2,122	\$165	\$116
Total	853,000	2,390		

Parking Garage (Spaces)	1,230
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[1] Winstanley Enterprises; Town of Windsor

[2] Assessed value at 70% of market value

Note: Development program as of March 25, 2011

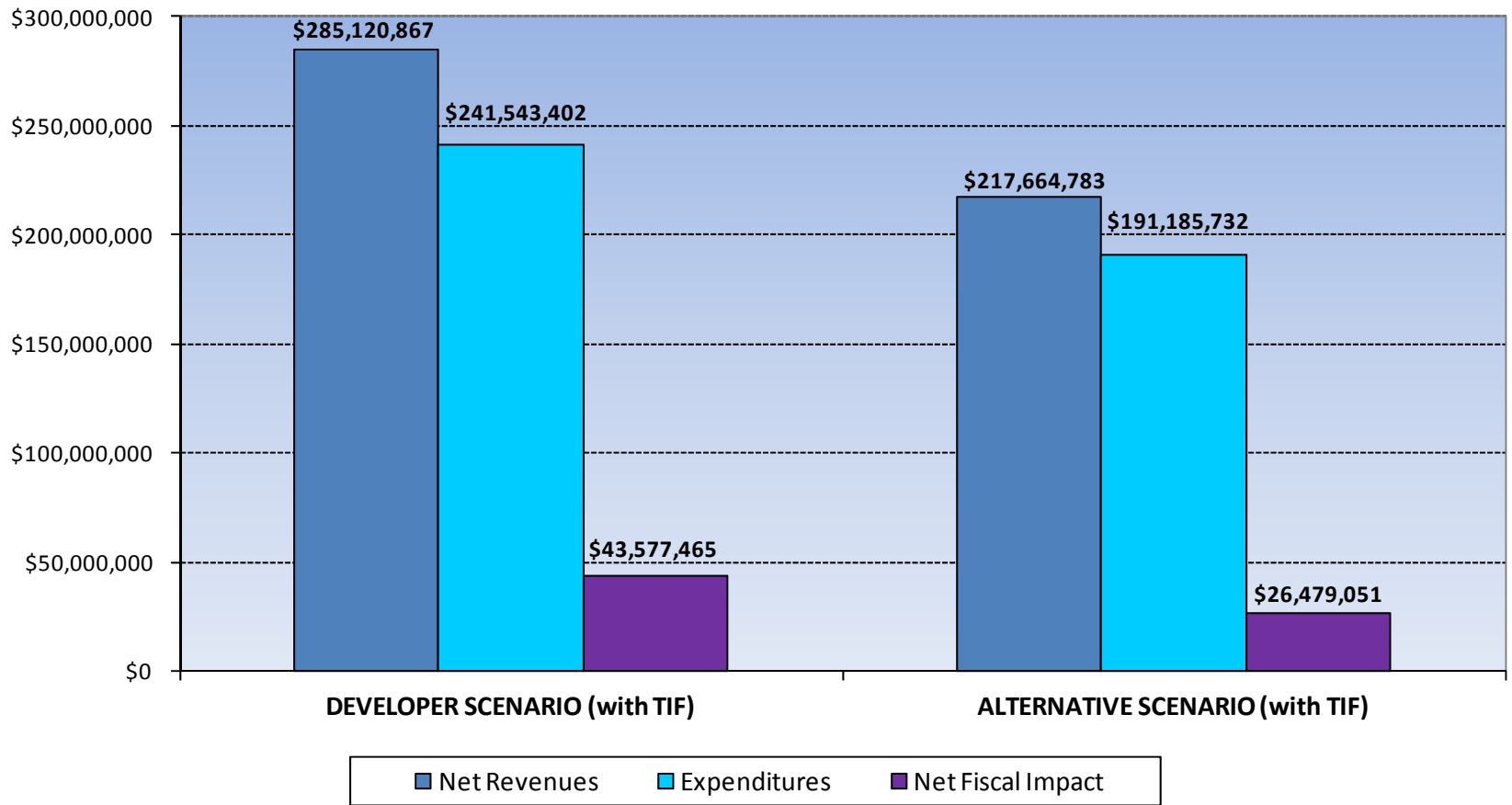
Sources: Winstanley Enterprises; TischlerBise

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

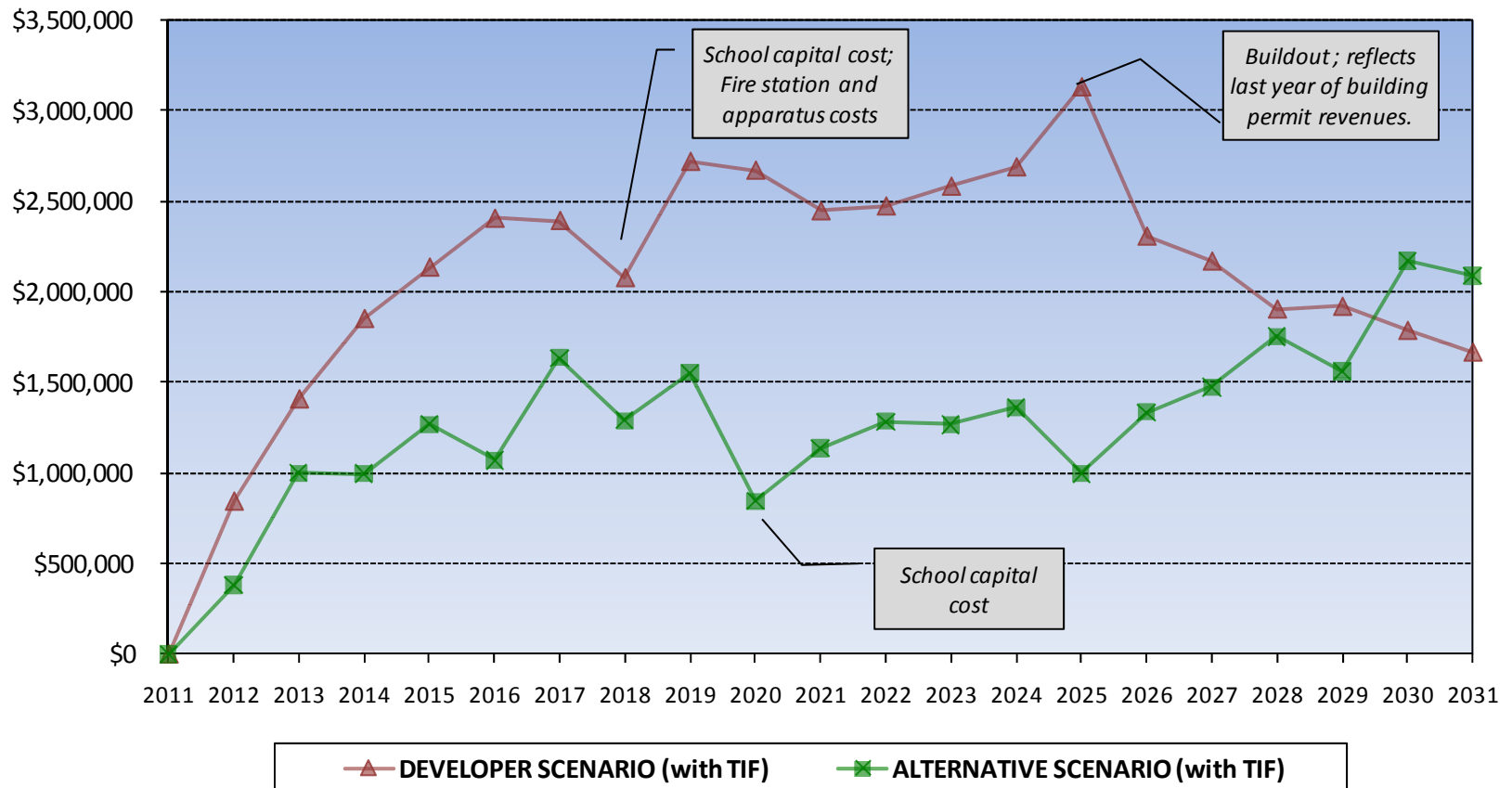


Cumulative (20-Year) Fiscal Impact Results

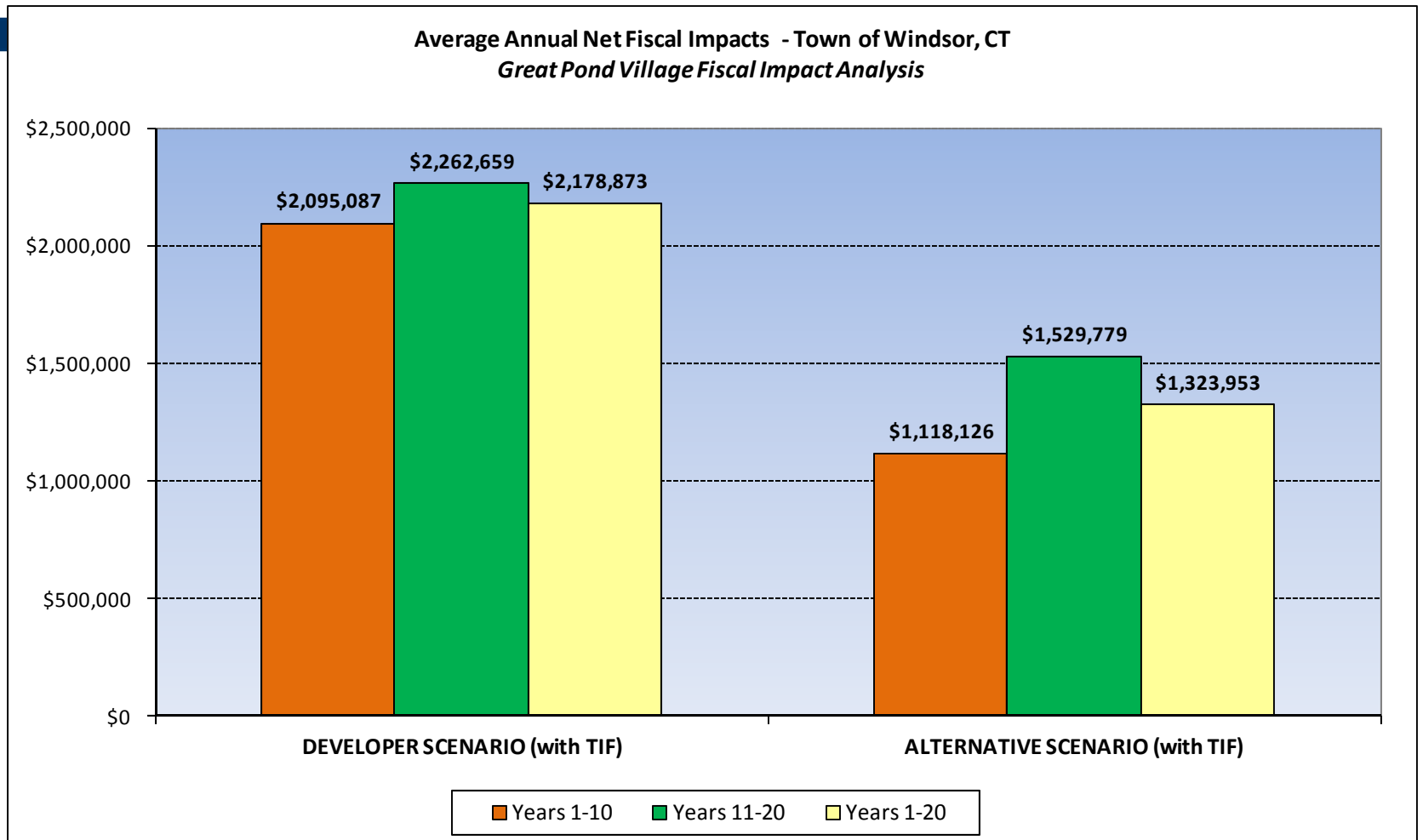
Cumulative Net Fiscal Results Town of Windsor, CT Great Pond Village		
Category	SCENARIO	
	DEVELOPER SCENARIO: Buildout by Year 14	ALTERNATIVE SCENARIO: Buildout by Year 20
REVENUES		
Total Revenues from Great Pond Village	\$296,982,643	\$229,526,558
Less Existing Property Tax Revenue	\$11,861,776	\$11,861,776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

Annual Fiscal Impact Results

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

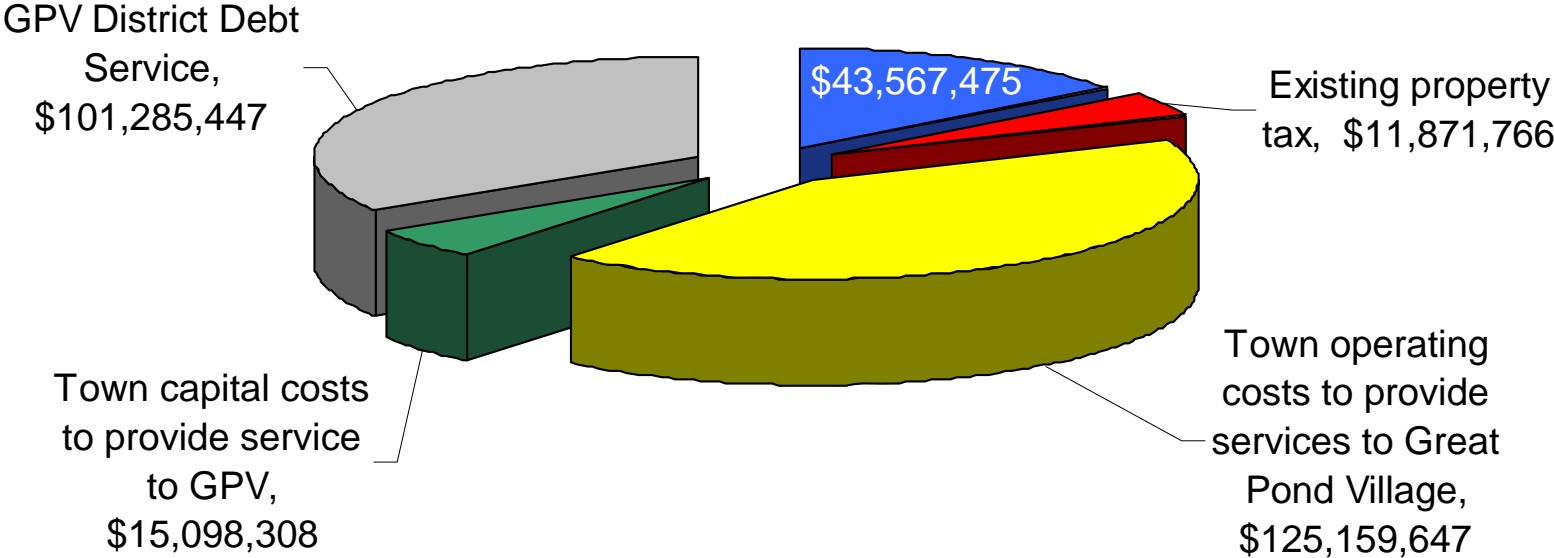


Average Annual Fiscal Impact Results



The bottom line

Total Estimated Revenue from Great Pond Village



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?