

Fiscal Impact Analysis of Great Pond Village

Town of Windsor, Connecticut

Presentation to:

Windsor Town Council

Windsor Town Planning & Zoning

May 11, 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

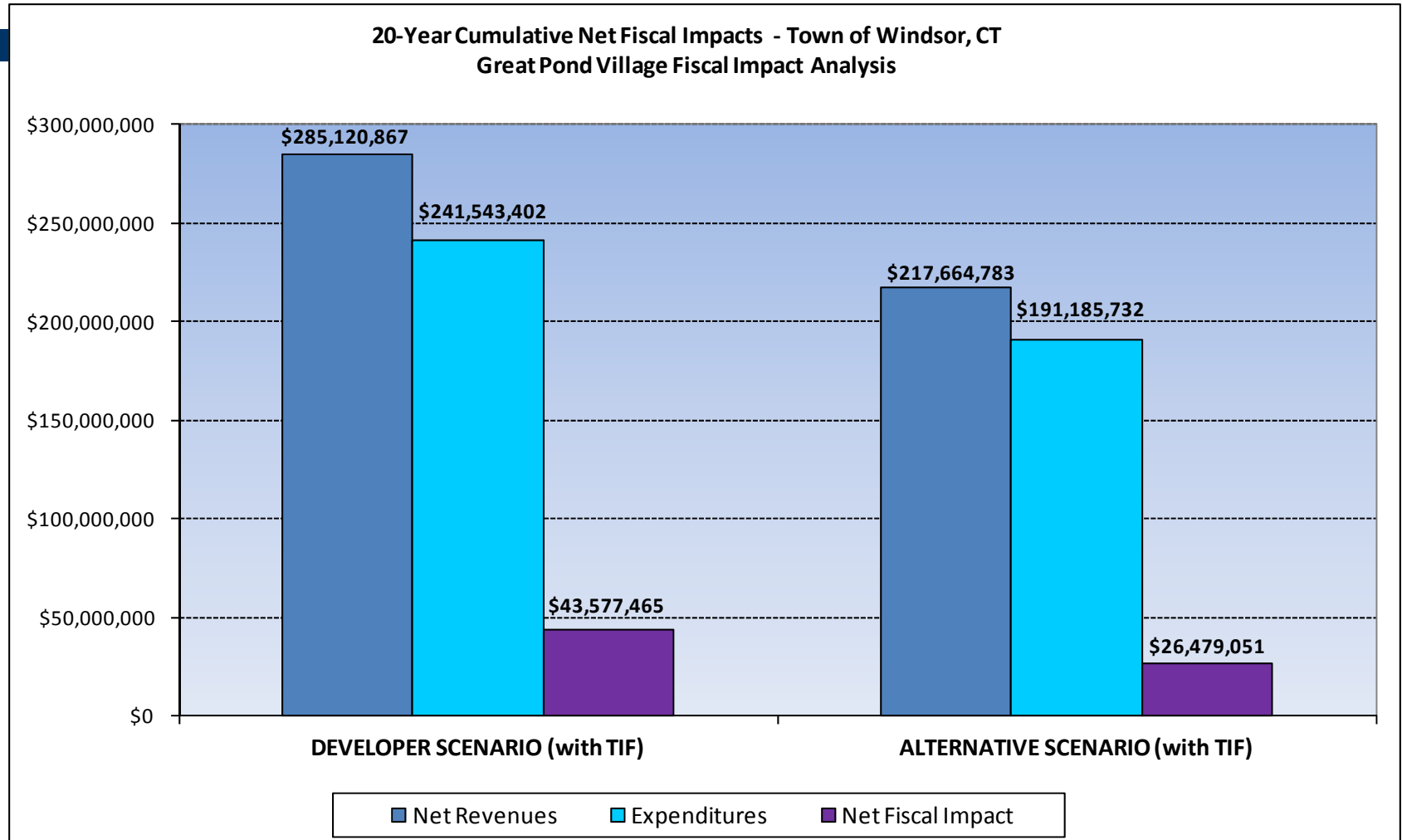
Note: Development program as of March 25, 2011

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).

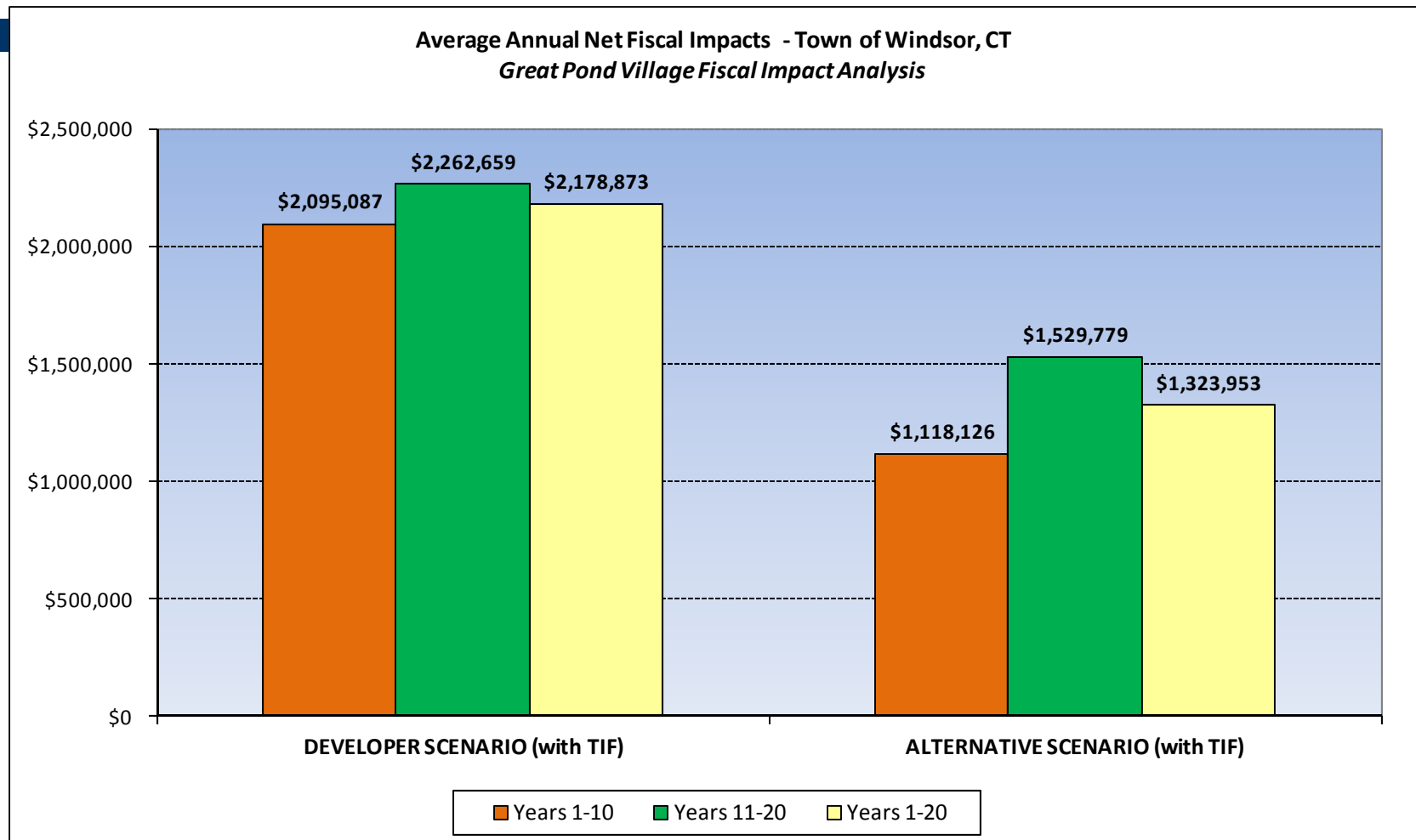
Cumulative (20-Year) Fiscal Impact Results



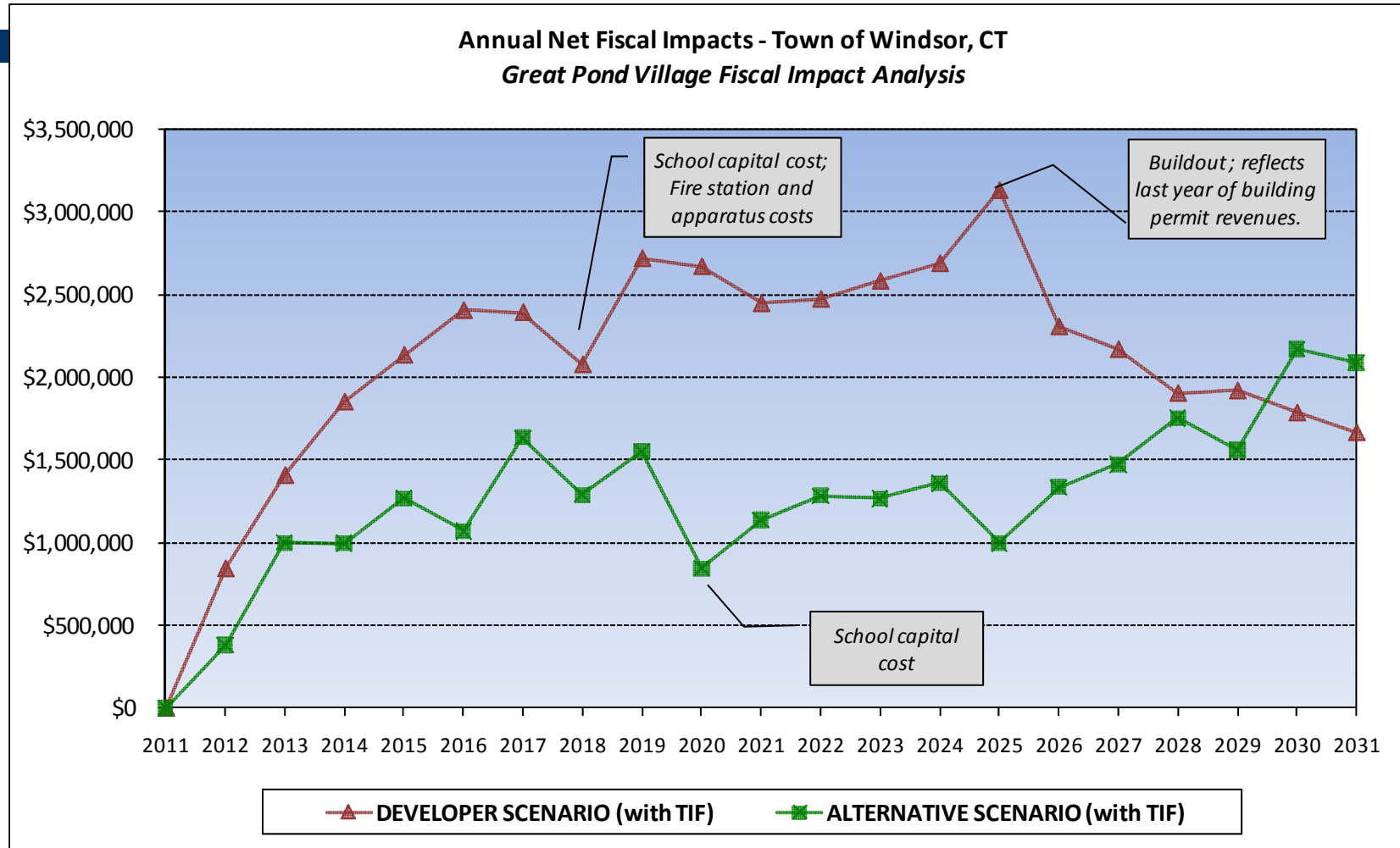
Cumulative (20-Year) Fiscal Impact Results

Cumulative Net Fiscal Results <i>Town of Windsor, CT</i> 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

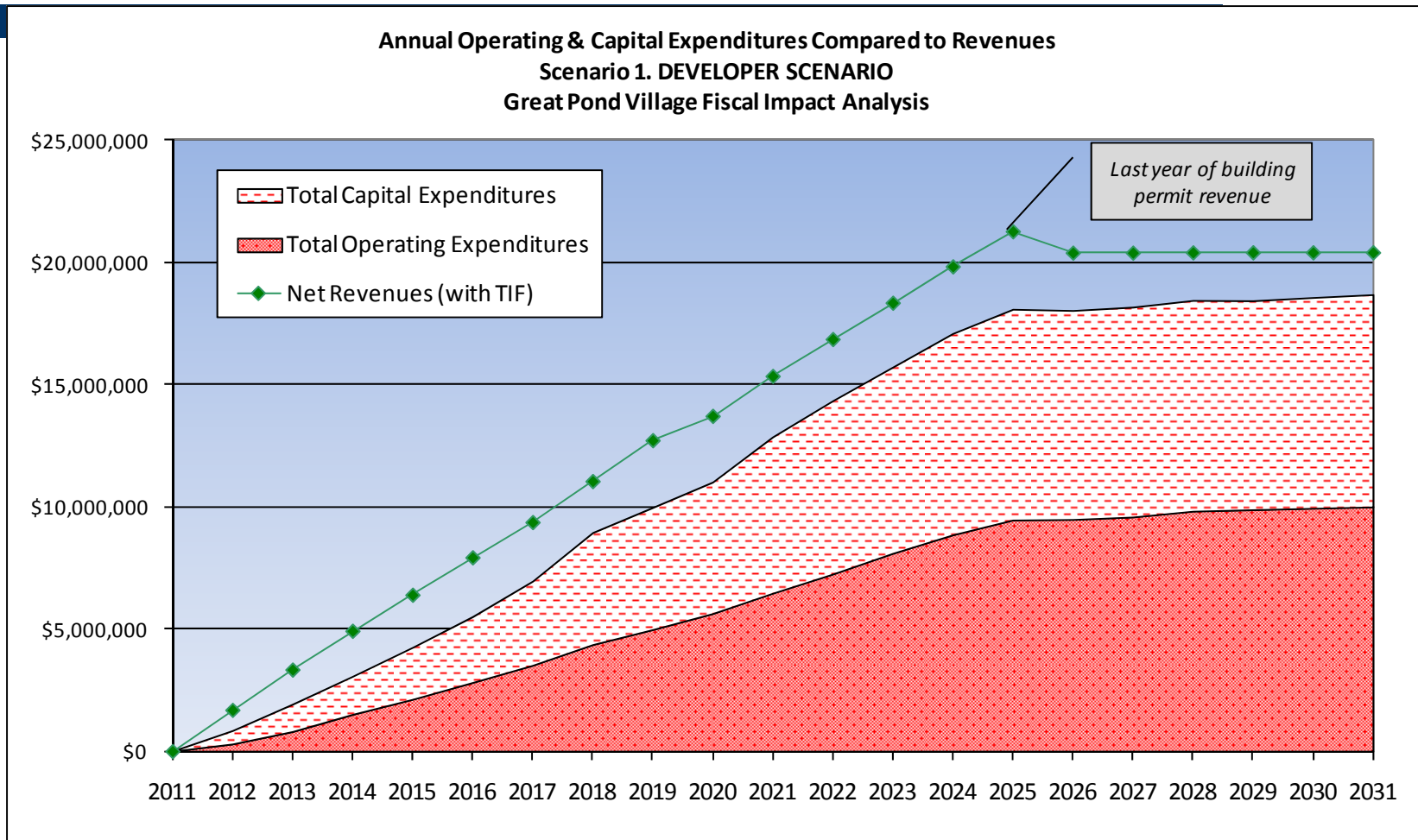
Average Annual Fiscal Impact Results



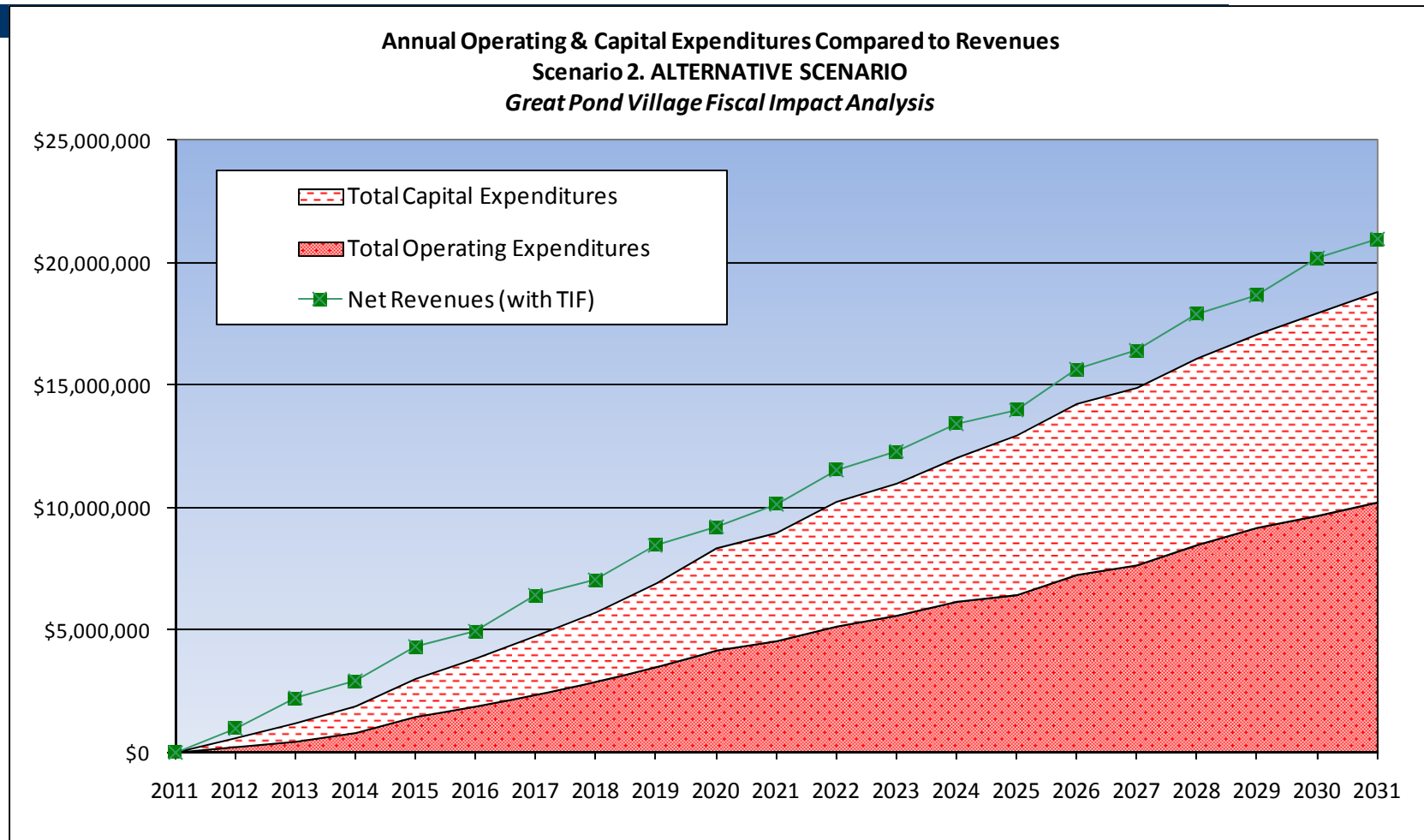
Annual Fiscal Impact Results



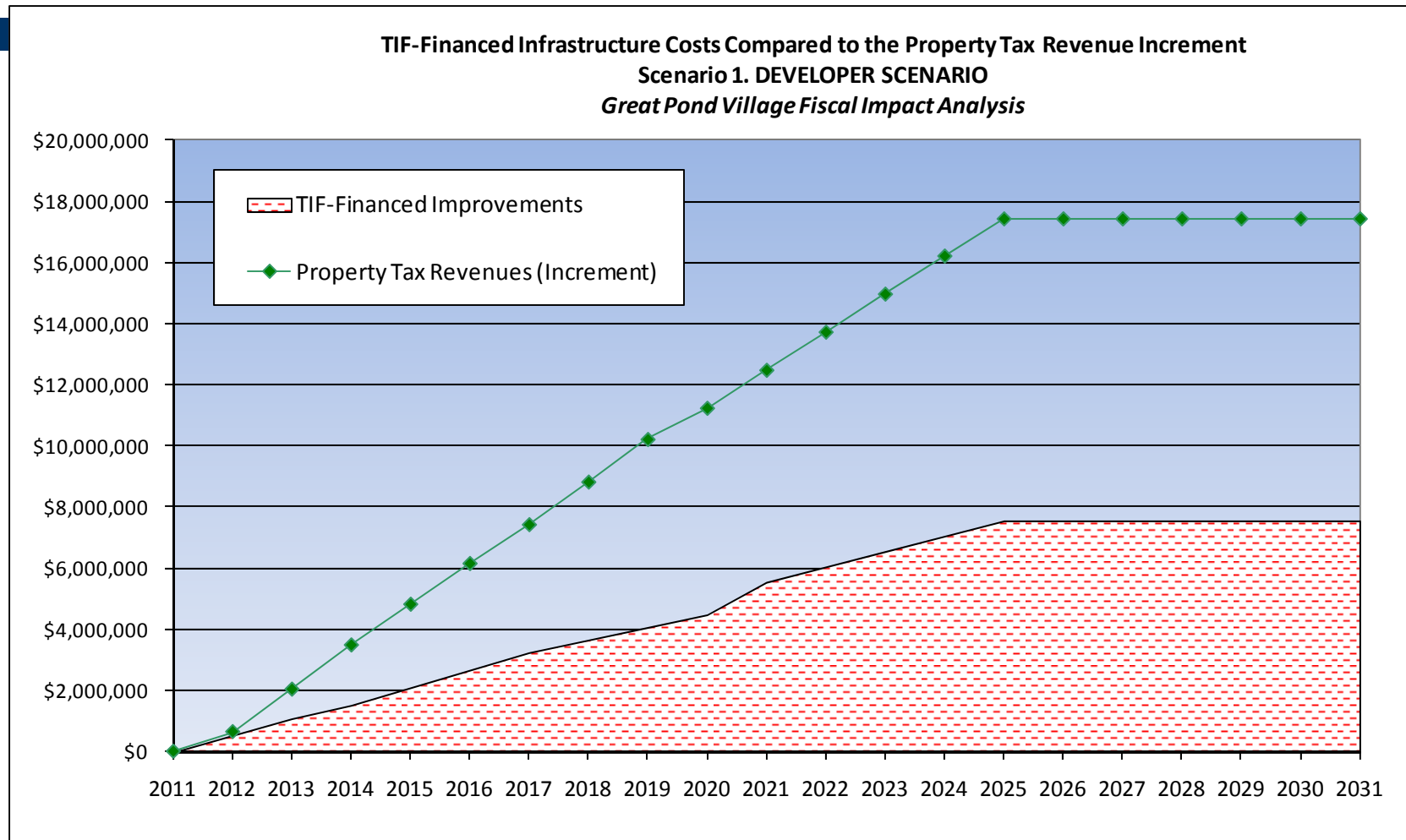
Annual Net Revenues Compared to Operating and Capital Costs: *Developer Scenario*



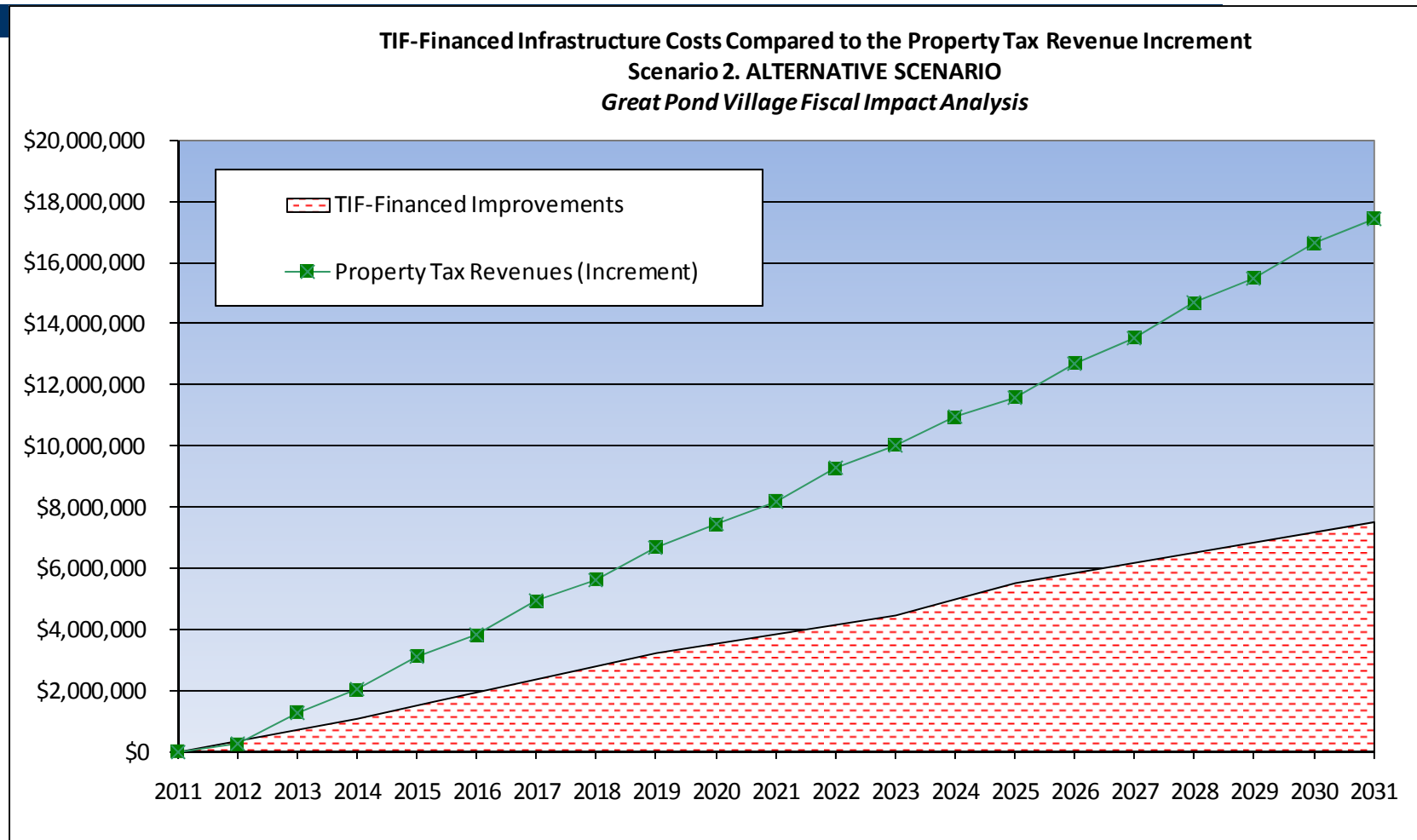
Annual Net Revenues Compared to Operating and Capital Costs: *Alternative Scenario*



TIF Analysis: *Developer Scenario*



TIF Analysis: *Alternative Scenario*



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?

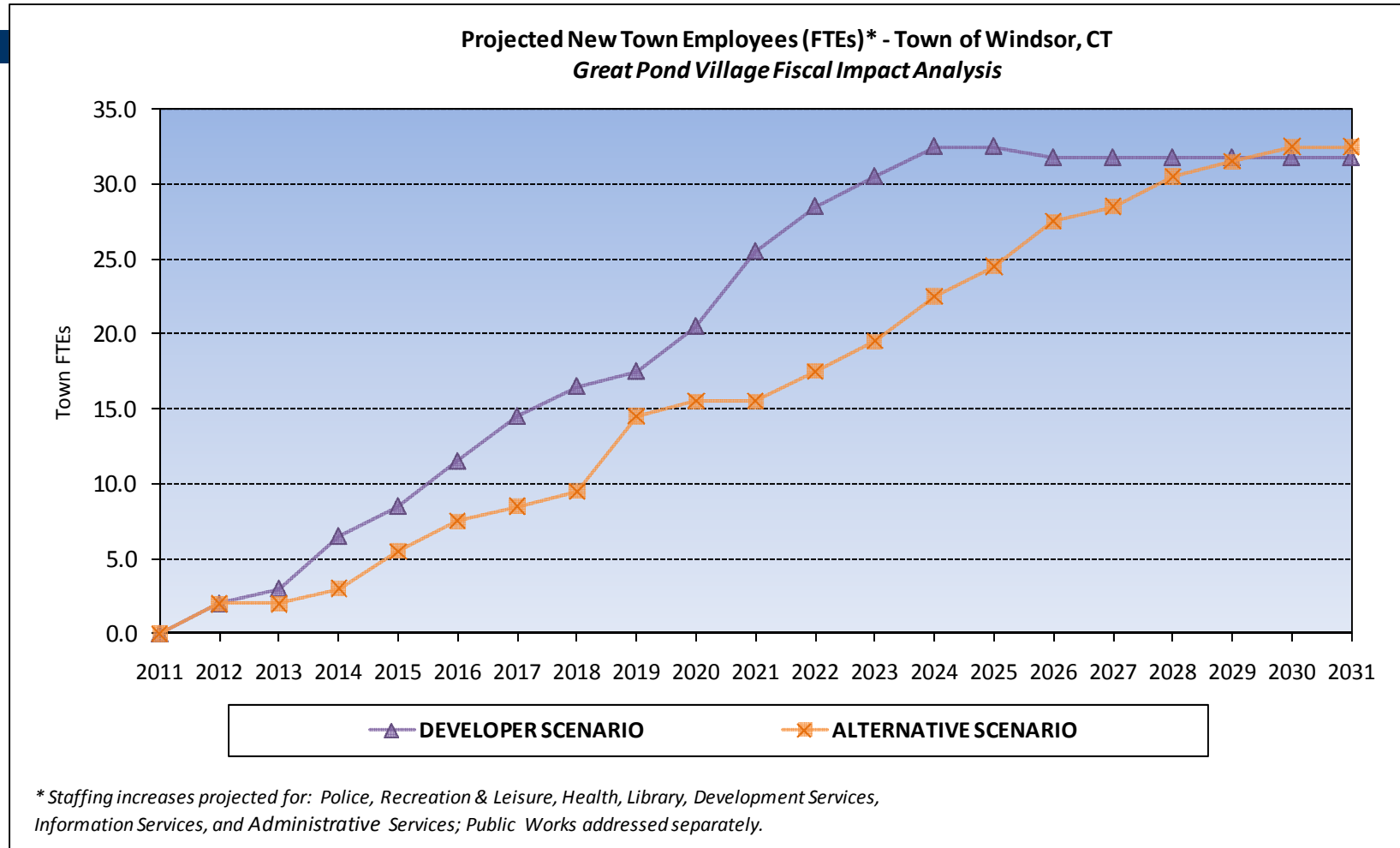
Supporting Slides

- Operating impacts
- Capital impacts

Projected Operating Impacts

Cumulative Operating Expenditures Town of Windsor, CT Great Pond Village				
Category	SCENARIO			
	DEVELOPER SCENARIO: Buildout by Year 14	%	ALTERNATIVE SCENARIO: Buildout by Year 20	%
Schools	\$77,823,657	62%	\$60,892,818	62%
Town Support For Education	\$2,524,512	2%	\$1,947,828	2%
Safety Services: Police	\$14,303,739	11%	\$10,605,804	11%
Safety Services: Fire and Rescue	\$1,807,506	1%	\$1,444,238	1%
Safety Services: Ambulance	\$159,640	0%	\$123,361	0%
Recreation and Leisure	\$5,416,865	4%	\$4,006,145	4%
Human Services	\$184,495	0%	\$146,331	0%
Health Services	\$1,446,940	1%	\$1,167,761	1%
Library Services	\$1,626,946	1%	\$1,231,836	1%
Development Services	\$5,476,058	4%	\$5,371,729	5%
Community Development	\$0	0%	\$0	0%
Public Works	\$6,083,129	5%	\$4,774,105	5%
Information Services	\$791,311	1%	\$656,905	1%
Administrative Services	\$2,827,905	2%	\$2,382,939	2%
General Government	\$1,150,597	1%	\$881,892	1%
General Services	\$3,536,346	3%	\$2,772,040	3%
GRAND TOTAL OPERATING EXPENDITURES	\$125,159,647	100%	\$98,405,733	100%

Projected New Town Employees due to GPV



Projected Capital Impacts

Cumulative Capital Expenditures <i>Town of Windsor, CT</i> Great Pond Village				
Category	SCENARIO			
	DEVELOPER SCENARIO: Buildout by Year 14	%	ALTERNATIVE SCENARIO: Buildout by Year 20	%
TOWN CAPITAL NEEDS				
Schools	\$8,582,454	57%	\$7,007,291	59%
Police	\$1,262,965	8%	\$1,013,850	9%
Ambulance	\$375,000	2%	\$250,000	2%
Fire	\$4,285,757	28%	\$3,061,255	26%
Roads, Vehicles & Equipment	\$592,133	4%	\$491,994	4%
<i>SUBTOTAL TOWN CAPITAL COSTS</i>	<i>\$15,098,308</i>	<i>100%</i>	<i>\$11,824,389</i>	<i>100%</i>
DEVELOPMENT INFRASTRUCTURE SUMMARY				
Phase 1	\$21,339,442	21%	\$20,792,277	26%
Phase 2	\$7,875,884	8%	\$7,438,335	9%
Phase 3	\$27,413,802	27%	\$24,843,758	31%
Phase 4	\$16,035,870	16%	\$12,952,049	16%
Phase 5	\$11,643,254	11%	\$7,938,583	10%
Phase 6-9	\$16,977,196	17%	\$6,990,610	9%
<i>SUBTOTAL DEVELOPMENT INFRASTRUCTURE COSTS</i>	<i>\$101,285,447</i>	<i>100%</i>	<i>\$80,955,610</i>	<i>100%</i>
<i>GRAND TOTAL CAPITAL COSTS</i>	<i>\$116,383,755</i>		<i>\$92,779,999</i>	

Projected New DPW Employees due to GPV

PUBLIC WORKS FTE EMPLOYEE PROJECTION <i>Town of Windsor, CT</i> Great Pond Village		
Category	SCENARIO	
	DEVELOPER SCENARIO: Buildout by Year 14	ALTERNATIVE SCENARIO: Buildout by Year 20
Public Works Annual Operating Costs from GPV in Year 20	\$883,120	\$765,342
<i>Percent Personnel Costs*</i>	53.4%	53.4%
Estimated Amount for Personnel	\$471,636	\$408,735
Average Personnel Cost per FTE*	\$84,064	\$84,064
<i>Estimated Number of New FTEs (in Year 20)</i>	5.6	4.9