Cost of Land Uses Fiscal Impact Analysis

Prepared for:

City of Wilson, North Carolina

February 4, 2008

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Table of Contents

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I. EXECUTIVE SUMMARY

TischlerBise is under contract with the City of Wilson to conduct a Cost of Land Use Study for new residential and nonresidential development. A Cost of Land Use Study examines the fiscal impact of prototypical land uses currently being developed in the City, or anticipated in the future. In this type of analysis, a "snapshot" approach is used that determines the costs and revenues for various land use prototypes in order to understand the fiscal effect each land use has independently on the City's budget. In other words, it seeks to answer the question, "What type of growth pays for itself?"

TischlerBise evaluated a total of eleven land use categories, six residential and five nonresidential. The six residential prototypes include: (1) Single Family-Detached Low Value, (2) Single Family-Detached Medium Value, (3) Single Family-Detached High Value, (4) Duplex-Rental, (5) Multifamily-Rental, and (6) Single Family Infill. The five nonresidential prototypes include: (1) Big Box Retail, (2) Community-Based Shopping Center, (3) Office, (4) Industrial, and (5) Hotel. These prototypes are described in more detail in Section II of this report.

Since this analysis focuses on the fiscal impact of selected residential and nonresidential prototypes without regard to geographic location, it relies on average costing. In some cases, the costs may be fixed. In other cases, costs are offset in whole or part by revenues from that particular service (e.g., court fines and fees are netted against municipal court expenditures). Furthermore, it is assumed that the City's enterprise funds are self-sufficient since the General Fund is not subsidizing their operations. However, two enterprise funds, Electric and Gas, transfer money into the General Fund. This transfer is accounted for in the General Fund and is determined based on certain variables listed in Section VII. Limitations to this approach are the reliance on average costing, particularly for one-time capital costs.

A. Cost and Revenue Assumptions

For this analysis, the net fiscal impacts for the residential and nonresidential land use prototypes have been determined by subtracting the costs necessary to serve these land uses from the revenues generated by each land use. The cost and revenue factors have been determined based on the FY2007-08 City of Wilson budget and *current levels of service*. Only those funds affected by new development were included in the analysis.

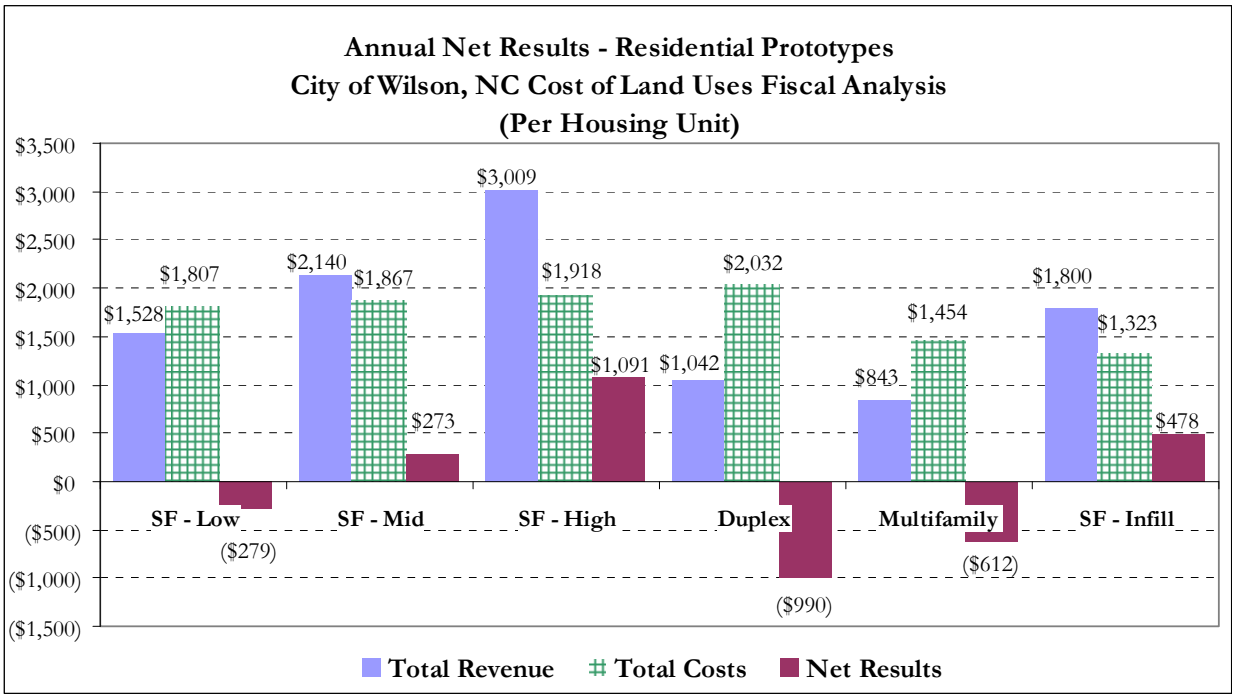
To derive the costs, revenues, and service levels, TischlerBise interviewed department staff and reviewed the current budget and other financial and demographic data. The result of this assessment and the methodologies used to determine costs and revenues are described throughout this document where appropriate.

B. Fiscal Impact Findings

1. Residential Land Use Prototypes

Major results from the Cost of Land Uses fiscal analysis are summarized below in Figures 1 and 2. It is important to note that the assumptions reflect *current* levels of service.

Figure 1: Annual Net Fiscal Results – Residential Land Use Prototypes



- Three of the six residential land uses included in the analysis generate net surpluses to the City;
- The SF high value residential land use prototype generates a surplus of $1,091 per unit annually. This is due to its high taxable value, which is 68% higher than the next prototype (SF mid value);
- The SF infill residential land use prototype generates a surplus of $478 per unit annually. This is due to: 1) the lowest capital expenditures of all the residential

prototypes ($7 compared to $214 for the SF high value); 2) no street construction or maintenance costs in the Public Services department; and 3) a sufficient amount of revenue generated from property taxes and sales taxes;

- Because it is assumed there is existing road capacity and existing economies of scale in terms of street maintenance costs, SF infill has no street construction or maintenance costs. Also, the SF infill has minimal capital expenditures because this type of housing is being constructed where services such as parks and recreation already exists. This explains its low total costs compared to other the other single family prototypes;

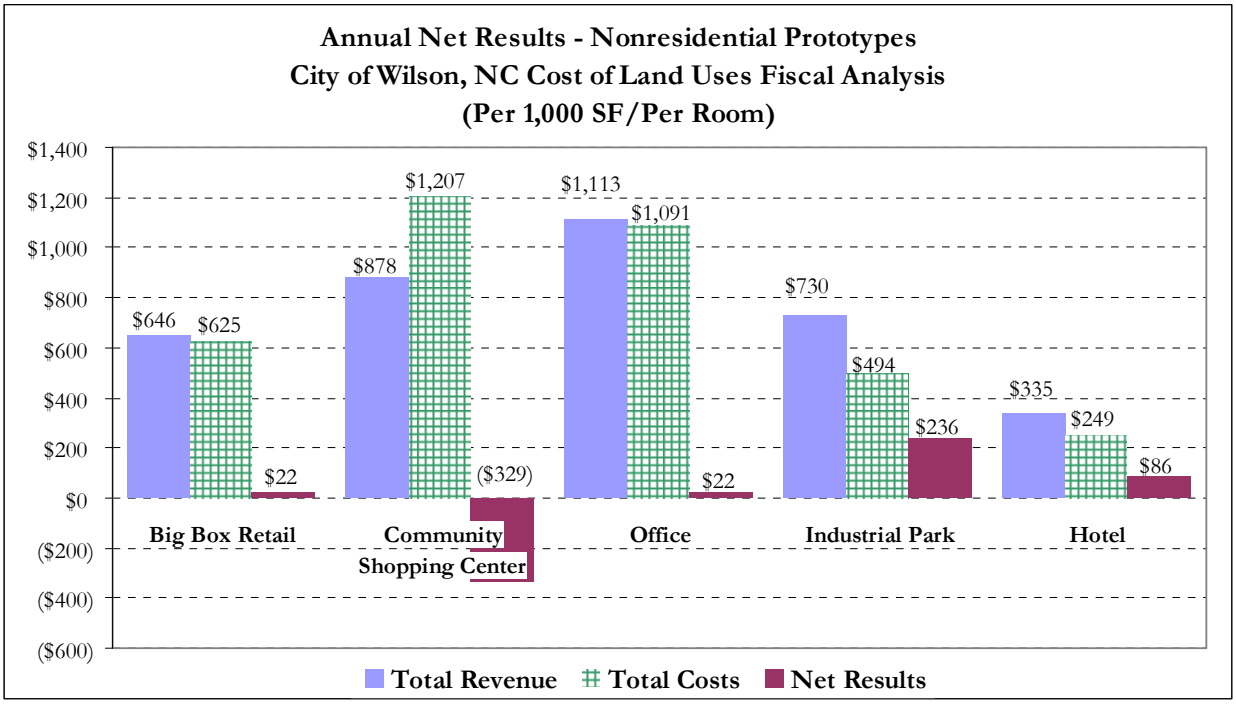
- The Duplex prototype generates the largest net deficit attributable to the highest operating and capital expenditures (predominately due to police and fire services) and the second lowest revenue generated per unit;

- The difference in costs between Duplex and Multifamily and the single family prototypes is due to persons per household as well as police and fire services, which are calculated on a per unit basis;

- Major variable revenue sources for residential prototypes are property taxes, utility franchise tax, residential solid waste fees, and the sales tax. Combined, these revenue sources comprise 77 to 86 percent of the General Fund revenue.

2. Nonresidential Land Use Prototypes

Figure 2: Annual Net Fiscal Results – Nonresidential Land Use Prototypes



- Four out of five of the nonresidential prototypes generate net surpluses;
- The Industrial Park prototype produces the highest net surplus because of revenue generated from property taxes, sales tax, and transfers from the Electric Fund. Also, this prototype has the second lowest operating costs and lowest capital expenditures.
- The Big Box Retail and Office prototypes produce net surplus of $22 per 1,000 square feet and can be considered fiscally neutral;
- The Office prototype has the highest assessed value but produces a marginal surplus due to relatively high costs particularly for police. Police costs are based on actual calls for service data to specific land uses;
- The Community Shopping Center generates the largest net deficits to the City at $329 per 1,000 square feet of floor area. The magnitude of the net deficit generated by this retail land use is primarily due to high operating costs for police and fire services. The police operating expenditures account for 68% of total costs (operating and capital);

- The Hotel prototype generates the second highest fire operating expenditure and the least overall revenue among the five nonresidential prototypes. However, because this prototypes generates considerably lower police operating costs this enables it to generate a net surplus of $86 per room. The Hotel prototype police costs are 77% lower then Industrial, which has the second lowest, and 95% lower than the Community Shopping Center, which has the highest police expenditures. If the Hotel prototype were analyzed on a per 1,000 square foot basis then it would have a higher net surplus then the Industrial prototype;

- The nonresidential prototypes are dependent upon four major sources of revenue, which are: property taxes, sales tax, Electric Fund transfer in, and Gas Fund transfer in. Together these four tax revenues account for approximately 86 to 95 percent of total revenue for the nonresidential prototypes;

C. Conclusions

The following major conclusions can be made from the analysis:

- These net deficits indicate the City's present revenue structure cannot provide current levels of service to certain types of new development without finding new revenue sources or raising existing rates;

- Given the bullet point above, the question raised by some interested parties may be, "if new growth does not pay its own way, why isn't the City facing huge budget shortfalls?" There are two reasons why this is not presently the case. First, this analysis evaluated the cost to the City of providing *existing* levels of service. Secondly, like virtually all jurisdictions, the City's budget is fiscally constrained on a year-to-year basis, meaning that service levels are determined largely by what the City can afford to fund. As a result, service levels for the City's various departments tend to fluctuate over time;

- Because of the average cost approach utilized in a Cost of Land Uses fiscal analysis, average household size and minimum lot frontage drive the overwhelming majority of costs for the residential prototypes, except for police and fire services. As a result, the single family prototypes with the larger household sizes and lot frontages (such as SF high value versus SF low value) generate greater costs. However, greater revenue accruing from property tax more than offsets the cost for the SF high value prototype and to a lesser extent, the SF mid value. Lower total costs offsets the smaller amount of property tax revenue generated from SF infill prototype;

- Ideally the City would want to attract SF high value land uses since these prototypes more than pay for the service costs they generate. Based on current demographics

the City has more SF low value development as well as a considerable amount of multifamily units, both producing net deficits. The surpluses generated from one SF high value unit could cover both deficits produced by the SF low value and multifamily units. While the City may not want to solely attract SF high value units due to land consumption and other development issues, these land use prototypes emphasize the importance of having a mixed housing supply so that high value units can cover the deficits generated by low value units;

- Four out of five nonresidential prototypes generate net surpluses or produce fiscally neutral results to the City largely because the revenue in the General Fund is heavily reliant on property tax, which account for 38 to 68 percent of all revenue. Another major source of revenue is sales tax. This revenue is distributed by the County based on the City's total assessed value within the County for residential and nonresidential development, not point of sale. Therefore retail uses, such as the Community Shopping Center prototype, does not cover its costs because its assessed value determines how much revenue the City receives and not total sales. The Big Box retail prototype is able to cover its costs because the number of employees per 1,000 square feet is almost 50% less compared to the Community Shopping Center prototype. In addition, retail uses generate substantially higher costs for public safety relative to other nonresidential land uses;

- To a certain extent, the City's property tax rate is artificially low due to the amount of revenue the General Fund receives in transfers from the Electric and Gas Funds. These transfers comprise 7.6% of total General Fund revenue;

- The minimal net surpluses for the Office prototype should not be viewed negatively. Employment in this sector provides residents with high wage jobs that allow many of them the ability to afford housing within the City;

- It is likely that the actual costs to serve these residential and nonresidential land uses are greater than the cost determined in this analysis. As discussed above, this is a limitation of the average cost approach that must be utilized in this type of evaluation. For example, as is the case in most cities across the country, the capital improvement plan and general operating budgets are fiscally constrained. That is, they do not fund the actual demand for services. Rather, they fund a level of service that can be afforded by the community. In addition, the cost to serve new development in the future is likely to be greater than the average cost of service today, even in constant dollars;

- It should be noted the City does not have dedicated revenue sources for capital projects, which account for more than 10% of all costs for residential prototypes, except SF infill where capital costs are minimal. If capital costs were excluded then net deficits for the SF low, Multifamily, and Duplex prototypes would be less and

there would be higher surpluses for the other three residential land uses. A dedicated capital revenue source would help to alleviate the City's current practice of using General Fund transfers to pay for capital projects and would allow for more money to be used to offset operating expenditures, especially for police, fire, and public services. As part of phase II of this assignment, TischlerBise will examine alternative financing techniques for the City.

- It is important to acknowledge that fiscal issues are only one concern when evaluating land uses, as virtually all communities will have contributors and recipients. Non-fiscal issues such as the environment, housing affordability, jobs/housing balance and quality of life must also be considered. The emphasis should be on achieving an appropriate mix of land uses.

II. PROTOTYPE LAND USES

The City of Wilson and TischlerBise developed six residential and five nonresidential land use prototypes to examine. The following sections outline the characteristics of the residential and nonresidential development prototypes analyzed in this study.

A. Residential Land Use Prototypes

Residential prototypes included in the study are shown in Figure 3. The prototypes are:

1. Single Family-Detached Low Value
2. Single Family-Detached Medium Value
3. Single Family-Detached High Value
4. Duplex-Rental
5. Multifamily-Rental
6. Single Family-Infill

The different prototypes are meant to represent the various types of residential development presently occurring in the City of Wilson. Figure 3 outlines the residential prototypes and their associated characteristics. The persons per household along with the average assessed values are shown in the table for each prototype. Assessed values are based on sample data from the County's Assessor's office. All single-family unit prototypes (SF-Low to SF-High and SF-Infill) have the same household size. Because there are four types of single family housing units the average square footage per housing prototype as well as minimum lot frontage is used to distinguish (where possible) between revenues and expenditures.

Persons per household were developed using U.S. Census 2000 data. "ITE Codes" and trip rates are from the Institute of Transportation Engineers, Trip Generation Manual, 2003. Vehicle trips have been adjusted to account for demand from residential development only. Minimum lot frontage, which is used for road expenditures, was developed by City staff. The square footage for each housing prototype is from the U.S. Department of Energy.

Figure 3: Residential Land Use Prototypes

Prototype	Persons Per Household (1)	Assessed Value per Unit (2)	Vehicle Trips Per Unit (3)	Trip Adjust. Factor	Minimum Lot Frontage (4)	Average SF (5)
SF - Low	2.64	$143,630	9.57	55%	92	1,200
SF - Mid	2.64	$257,050	9.57	55%	112	1,700
SF - High	2.64	$407,880	9.57	55%	129	3,700
Duplex - Rental	2.28	$75,061	5.86	55%	40	847
Multifamily - Rental	1.98	$54,911	6.59	55%	8	847
SF - Infill	2.64	$205,110	9.57	55%	0	847

(1) Based on 2000 Census data.
(2) Based on a sample of recent real estate data from Wilson County ITS Department.
(3) Based on ITE Trip Generation 7th Edition.
(4) Based on information provided by the City staff.
(5) Based on 2001 square footage data from U.S. Department of Energy

B. Nonresidential Land Use Prototypes

Nonresidential prototypes included in the study are shown in Figure 4. The prototypes are:

1. Big Box Retail
2. Community-based Shopping Center
3. Office
4. Industrial Park
5. Hotel

The nonresidential land uses represent the various types of nonresidential development presently occurring in the City of Wilson. The table below outlines the nonresidential prototypes and their associated characteristics. Assumptions for square feet per employee were developed using information from the Institute of Transportation Engineers and the Urban Land Institute (see Section III Demographic Assumptions for more information). Average assessed values per 1,000 square feet are based on a sample of assessments for recently constructed properties identified by Wilson County staff. Also, the Hotel prototype assessed value is based on a high rise hotel with three or more stories. ITE codes and trip rates are from the Institute of Transportation Engineers. Trip generation rates are adjusted to avoid double counting each trip at both the origin and destination points—thereby allocating the trip to the appropriate land use.

Figure 4: Nonresidential Land Use Prototypes

Prototype	Demand Unit	Employees Per Demand Unit (1)	Avg. Assessed Value Per Demand Unit (2)	Vehicle Trip Rate Per Demand Unit	Trip Adjust. Factor (3)
Big Box Retail	1,000 sf	1.29	$61,900	41.80	39%
Community-based Shopping Center	1,000 sf	2.50	$81,130	67.91	33%
Office	1,000 sf	4.15	$91,720	18.35	50%
Industrial Park	1,000 sf	2.31	$53,240	6.97	50%
Hotel	Per Room	0.44	$44,000	5.63	50%

(1) Based on ITE trip generation and ULI data.
(2) Based on a sample of assessment data from Wilson County ITS Department.
(3) Based on ITE Trip Generation 7th Edition.
(4) Derived from average retail sales from 2003 to 2005 from CAFR. Hotel assumes rental rate of $120 and 80% occupancy.

III. DEMOGRAPHIC ASSUMPTIONS

Current population, employment levels, residential and nonresidential vehicle trips, and nonresidential square footage are used to calculate unit costs and service level thresholds. The following current demographic and data factors are used, as obtained by the sources indicated.

A. Population and Housing Units

Figure 5 below summarizes the current housing units and population in the City of Wilson. These values are used to determine the residential cost and revenue factors summarized in the sections below. As shown in the figure, the number of housing units in the City of Wilson is estimated at 19,446. This estimate is based on the number of units contained in the 2000 U.S. Census and building permit activity since 2000. According to the US Census and a minor population projection, the current population is estimated at 47,876 persons.

Figure 5: 2007 Population and Housing Units

Residential	
Housing Units (1)	
Single Family (low, mid, high, infill)	12,414
Duplex	2,324
Multifamily	3,395
Other/Mobile Home	1,313
Total	***19,446***
Population (1)	***47,876***

(1) Based on 2000 U.S. Census and historical building permit information

B. Persons per Household

In order to determine persons per household for each of the residential prototypes, TischlerBise evaluated 2000 Census data. Figure 6 below summarizes household characteristic data in 2000.

Figure 6: Household Characteristics from 2000 Census

City of Wilson, NC

Units in	***Owner-Occupied***			***Renter-Occupied***			***Combined***		
Structure	Persons	Households	PPH	Persons	Households	PPH	Persons	Households	PPH
1-Detached	19,692	7,901	2.49	8,712	2,842	3.07	28,404	10,743	2.64
1-Attached	356	246	1.45	939	398	2.36	1,295	644	2.01
Two	94	57	1.65	4,548	1,975	2.30	4,642	2,032	2.28
3-4	28	28	1.00	2,744	1,330	2.06	2,772	1,358	2.04
5-9	104	51	2.04	2,266	1,063	2.13	2,370	1,114	2.13
10-19	47	18	2.61	450	226	1.99	497	244	2.04
20-49	18	9	2.00	184	93	1.98	202	102	1.98
50 or more	-	-	-	422	344	1.23	422	344	1.23
Mobile Homes	1,389	452	3.07	689	217	3.18	2,078	669	3.11
Other	-	-	-	-	-	-	-	-	-
Total	21,728	8,762	2.48	20,954	8,488	2.47	42,682	17,250	2.47

Source: 2000 US Census data from STF 3, H 32.

Based upon examination of the 2000 Census housing characteristic data and the description of the residential prototypes developed by the City and TischlerBise, household size assumptions were developed for each of the residential prototypes. These assumptions are summarized in Figure 7 below. There are no persons or households for SF infill because this a new category not recognized in the 2000 Census. Since the SF infill housing prototype is similar to the other single family housing types, the same persons per household of 2.64 will be used.

Figure 7: Household Size Assumptions for Residential Prototypes

Prototype	Persons	Households	PPH
SF - Low	28,404	10,743	2.64
SF - Mid	28,404	10,743	2.64
SF - High	28,404	10,743	2.64
Duplex - Rental	4,642	2,032	2.28
Multifamily - Rental	6,263	3,162	1.98
Other	3,373	1,313	2.57
SF - Infill	n/a	n/a	n/a

(1) Based on combined 1-Detached

(2) Based on combined Two Unit Dwelling

(3) Based on combined 10-19 and 20-49 Units

C. Employment and Nonresidential Building Area

Figure 8 below summarizes the current estimate of employment and nonresidential building area for each major category of nonresidential development in Wilson. Employment in the City is estimated at 26,161. Employment estimates are from data published by ESRI. The current estimate of 8.7 million square feet of nonresidential building area was derived using the employment estimates and the square footage per employee for retail from the ULI Dollars and Cents of Shopping Centers and for office and industrial from formulas using the Institute of Transportation Engineers (ITE) data.

Figure 8: 2007 Employment and Nonresidential Building Area

Nonresidential	
Nonresidential Square Footage (2)	
Retail	3,848,950
Office	2,058,313
Industrial	2,791,225
Total	***8,698,489***
Employment (3)	
Retail	10,997
Office	8,542
Industrial	6,442
Hotel	180
Total Employment	***26,161***

(2) Estimate obtained from ITE square feet per employee

(3) ESRI Business Summary Report 2007

D. Proportionate Share Factors

To allocate costs between residential and nonresidential development, TischlerBise recommends using the current ratio of population to non-resident workers. The recommended allocation is a variation of the population and jobs cost allocation method, with an adjustment to avoid double counting the estimated number of City of Wilson residents that also work within the City. According to 2000 census data, 13,042 Wilson residents worked within the City, or approximately 29% of the population. Applying this percentage to the 2007 population estimate of 47,876, yields an estimate of 14,061 residents that both live and work in Wilson in 2007. Deducting resident workers (14,061) from the total estimate of jobs in 2007 (26,161) leaves 12,100 non-resident workers. This approach allocates 80% of the cost to residential development and 20% to nonresidential development. These assumptions are shown in Figure 9.

Figure 9: Proportionate Share Factors

Estimated Residents in 2000 (1)	44,405	
City Residents Working in Wilson in 2000 (2)	13,042	**29%**
City Residents Working outside of Wilson in 2000 (2)	5,890	**13%**
Estimated Residents in 2007 (3)	47,876	
Estimated Employment in Wilson 2007 (4)	26,161	
2007 Estimate of Residents who Both Live and Work in Wilson	14,061	**29%**
2007 Estimate of Nonresident Workers	12,100	**25%**
Proportionate Share Factors		
Estimated Residents in 2007	47,876	**80%**
Nonresident Workers	12,100	**20%**
Total Daytime Population	59,976	**100%**

(1) From U.S. Census, 2000
(2) From U.S. Census, 2000, Table P27 from Summary File 3 (SF3), which indicated that 29% of the resident work force worked within the City. This percentage has been applied to the 2007 labor force data.
(3) Derived from US Census 2000 and 2006 Population Estimates
(4) Employment estimate from ESRI Business Summary Report, 2007

E. Building Area per Employee and ITE Trip Rates

The square feet per employee assumptions and corresponding vehicle trip rates from the Institute of Transportation Engineers are shown for each nonresidential prototype in Figure 10. The selected data associated with the nonresidential prototypes are highlighted in green.

Figure 10: Building Area per Employee and ITE Trips Rates

Land Use / Size	Demand Unit	Wkdy Trip Ends Per Dmd Unit*	Wkdy Trip Ends Per Employee*	Emp Per Dmd Unit**	Sq Ft Per Emp
Commercial / Shopping Center					
25K gross leasable area	1,000 Sq Ft	110.32	na	3.33	300
50K gross leasable area	1,000 Sq Ft	86.56	na	2.86	350
100K gross leasable area	1,000 Sq Ft	67.91	na	2.50	400
200K gross leasable area	1,000 Sq Ft	53.28	na	2.22	450
400K gross leasable area	1,000 Sq Ft	41.80	na	2.00	500
Big Box Retail	1,000 Sq Ft	41.80	na	1.29	773
General Office					
10K gross floor area	1,000 Sq Ft	22.66	5.06	4.48	223
25K gross floor area	1,000 Sq Ft	18.35	4.43	4.15	241
50K gross floor area	1,000 Sq Ft	15.65	4.00	3.91	256
100K gross floor area	1,000 Sq Ft	13.34	3.61	3.69	271
Industrial					
Business Park***	1,000 Sq Ft	12.76	4.04	3.16	317
Mini-Warehouse	1,000 Sq Ft	2.50	56.28	0.04	22,512
Warehousing	1,000 Sq Ft	4.96	3.89	1.28	784
Manufacturing	1,000 Sq Ft	3.82	2.13	1.79	558
Light Industrial	1,000 Sq Ft	6.97	3.02	2.31	433
Other Nonresidential					
Medical-Dental Office	1,000 Sq Ft	36.13	8.91	4.05	247
Nursing Home	bed	2.37	6.55	0.36	na
Hospital	1,000 Sq Ft	17.57	5.20	3.38	296
Day Care	student	4.48	28.13	0.16	na
High School	student	1.71	19.74	0.09	na
Elementary School	student	1.29	15.71	0.08	na
Elementary School	1,000 Sq Ft	14.49	15.71	0.92	1,084
Lodging	room	5.63	12.81	0.44	na

IV. GENERAL METHODOLOGY AND APPROACH

A Cost of Land Use Study examines the fiscal impact of prototypical land uses that are currently being developed in the City of Wilson. In this type of analysis, a "snapshot" approach is used that determines the costs and revenues for various land use prototypes in order to understand the fiscal effect each land use has independently on a jurisdiction's budget.

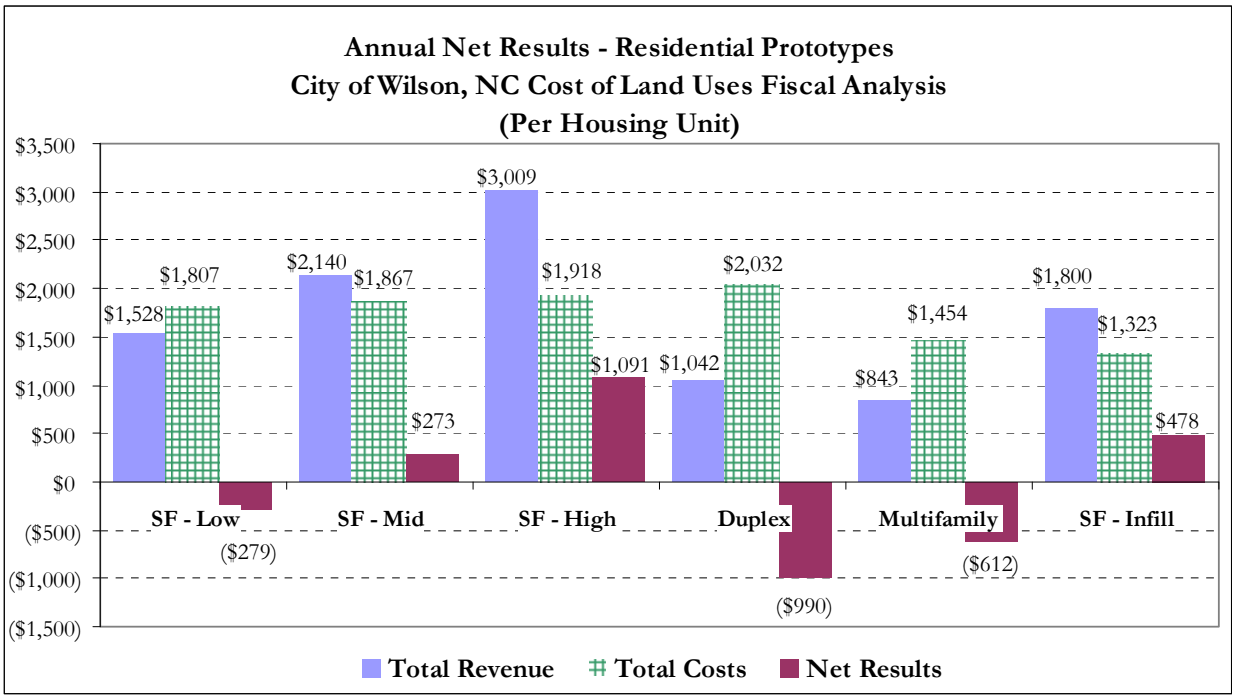
The cost and revenue factors have been determined based on the FY 2007-08 City budget. The analysis is based on *current levels of service*. Current levels of service represent the City's current level of spending for services and facilities. That is, assumptions made in the analysis are based on programs, services, requirements, and policies that are in place today.

The analysis includes the City's tax supported fund, the General Fund. Enterprise operations such as water and sewer are not included. However, the transfer of money from the Electric and Gas Funds into the General Fund was accounted for. Furthermore, only those revenues and costs *directly attributed* to the land use are assumed. Indirect, or spin-off, impacts are not included. Since this analysis focuses on the fiscal impact of selected residential and nonresidential prototypes without regard to geographic location, it relies on average costing. In some cases, the costs may be fixed. Limitations to this approach are the reliance on average costing, particularly for one-time capital costs.

V. FISCAL IMPACT RESULTS

The Cost of Land Use fiscal impact results are discussed in terms of annual net results for each land use prototype. The following two figures show net fiscal results by type of land use for residential development and nonresidential development. Results are shown per residential unit for residential land uses and per 1,000 square feet of floor area for all nonresidential land uses except hotel, which are shown per room in all figures. Data points above the $0 line represent net surpluses; data points below the $0 line represent net deficits. The annual net fiscal results for residential land use prototypes is shown below in Figure 11.

Figure 11: Annual Net Fiscal Results – Residential Land Use Prototypes



As shown above in Figure 11, the SF high value, SF mid value, and SF infill residential land use prototypes produce net surpluses to the City. The SF high value and SF mid value residential prototypes are able to yield a surplus due to a high taxable value, despite having a large household size. The SF high value produces a larger net surplus than the SF mid value because it generates 59 percent more property tax revenue due to a higher assessed value. The SF infill prototype is able to yield a surplus of $478 per unit due to no street construction and maintenance costs in the Public Services department, as well as no capital expenditures for parks and recreation, fire, and police. These costs savings occur because this type of housing will be constructed where the City already has these services in place. The capital expenditures for all the residential land use prototypes are between $7 (SF infill) and $226 (Duplex) per unit

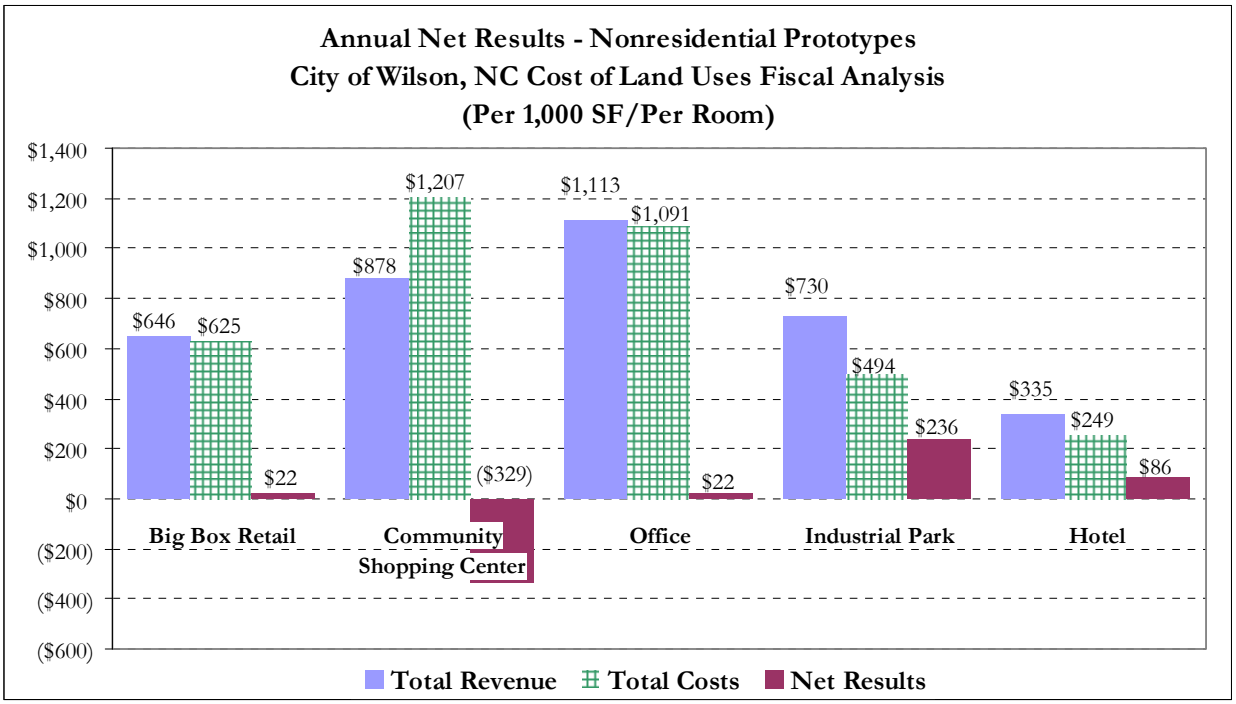
annually. Based on the total costs displayed in Figure 11 this means that most of the costs incurred by the City for the residential land use prototypes occur as a result of operating expenditures.

The Duplex prototype generates the largest net deficit at $990 per unit. There are three reasons why this prototype generates the largest net deficit: 1) the highest operating expenditures, which accounts for 89% of total operating and capital costs, 2) the highest capital costs, and 3) the second lowest revenue generated among the six residential prototypes. Police and fire operating expenditures are a major reason that this prototype incurs a large deficit. These two expenditures account for 56% of all operating expenditures. Also, these two expenditures under the Duplex prototype produce 54% more operating expenditures ($1,014) than the next highest prototype, which is Multifamily at $660. The Duplex prototype generates almost $2,000 less revenue than the SF high prototype while producing $110 more per unit in total costs compared to the same prototype. The Duplex prototype demonstrates the importance of property tax revenue to the City. With approximately one third to almost 70 percent of the City's *growth-related* revenue coming from property taxes, taxable value is a key indicator of the fiscal results. Average taxable values assumed for this analysis are shown previously in Figure 3.

Average household size is a major determining factor in the residential fiscal results as well, given that all but four of the projected revenues, all but two of the projected operating expenditures, and three out of five of the capital expenditures use persons per household that factors into the annual net results. Because a Cost of Land Uses Study is an average cost analysis, all variable residential expenditures with the exception of street construction and maintenance cost, police, and fire in the General Fund are generated on a per capita basis. Therefore, for some services, the four single family prototypes generate similar expenditures due to the same household size.

Figure 12 shows results for four of the nonresidential prototypes on a per 1,000 square foot basis and the Hotel nonresidential prototype on a per room basis. As Figure 12 indicates, the Industrial followed by the Hotel nonresidential land use prototypes generate a significant net surplus to the City. The Big Box Retail and Office nonresidential land uses produce a minimal surplus of $22 and could be considered fiscally neutral. The primary revenue that accrues to the City from all the nonresidential uses is property tax. Sales tax and transfers from the Electric fund also account for a significant amount of revenue. Capital costs are minimal and account for only 4% to 5% of total costs (operating and capital) for four of the nonresidential land use prototypes. Capital costs are small for the Hotel land use but account for 10% of total costs.

Figure 12: Annual Net Fiscal Results – Nonresidential Land Use Prototypes



The largest expenditure for four out of the five nonresidential prototypes (excluding Hotel) is police, which makes up 41 percent (Office and Industrial) to 71 percent (Big Box Retail and Community Shopping Center) of total operating expenditures. Police costs are based on actual calls for service for each prototype, shown in Figure 27. The percentage of Hotel related police calls is virtually non-existent compared to the other land uses. This small percentage compounded with a low employee per hotel unit produces the lowest police costs among the five nonresidential prototypes. The Community Shopping Center prototype generates large deficits due to the cost factor per job for police services, which is $327. The police service cost factor is multiplied by the employees per 1,000 square feet, which determines the prototype's demand on police services. Therefore, a prototype such as the Community Shopping Center with a high cost factor per employee and high number of employees per 1,000 square feet can generate a significant amount of police expenditures. The Big Box prototype generates a minimal net surplus despite having the same cost factors as the Community Shopping Center because of its low employees per 1,000 square feet, which is factored into all of the expenditures, including police and fire services.

The Office prototype is also able to generate a minimal surplus, despite having the second highest total costs, because of the property and sales tax revenue it generates. The Industrial prototype generates a substantial surplus because it is able to offset its costs with a low number of employees and vehicle trips generated per 1,000 square feet. Also, the prototype is able to generate sufficient revenue from property taxes and transfers into the General Fund from the

Electric Fund. Two-thirds of the operating expenditures for the Hotel prototype are for fire services; however, because of a very low cost for police services, this prototype is able to yield the second highest net surplus. If measured on a per 1,000 square foot basis, then the Hotel nonresidential land use would have the largest net surplus.

These net deficits (residential and nonresidential) indicate the City's present revenue structure cannot provide current levels of service to new development without finding new revenue sources or raising existing rates. This being the case, the question raised by some interested parties may be, "if new growth does not pay its own way, why isn't the City facing huge budget shortfalls now?" There are two reasons why this is not presently the case. First, this analysis evaluated the cost to the City providing *existing* levels. Secondly, like virtually all jurisdictions, the City's budget is fiscally constrained on a year-to-year basis, meaning the service levels are determined largely by what the City can afford to fund. As a result, service levels for the City's various departments tend to fluctuate over time. For example, a conscious decision may be made to increase levels of service in a particular area. In order to accomplish this, levels of service for one or more departments are decreased, as the City has many competing demands for a limited amount of revenue. This has been especially true for most local governments over the last decade as the number of unfunded mandates has increased, placing even more demand on limited public dollars.

VI. COST AND REVENUE DETAIL

A. Annual Revenue

Figure 13 below summarizes the annual General Fund revenue for each land use prototype. It is important to note that there are several revenues sources that are considered fixed relative to new growth.

Figure 13: Annual General Fund Revenue per Land Use Prototype

	RESIDENTIAL (Per Unit)						NONRESIDENTIAL (Per 1,000 SF)				Per Room
Revenue	SF - Low	SF - Mid	SF - High	Duplex	Multifamily	SF - Infill	Big Box Retail	Community Shopping Center	Office	Industrial Park	Hotel
Property Taxes - Current Year	$739.69	$1,323.81	$2,100.58	$386.56	$282.79	$1,056.32	$318.79	$417.82	$472.36	$274.19	$226.60
Property Taxes - Prior Year	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
One Cent Sales Tax	$84.55	$84.55	$84.55	$73.06	$63.34	$84.55	$37.38	$72.23	$119.90	$66.74	$12.71
Original Half Cent	$45.62	$45.62	$45.62	$39.42	$34.18	$45.62	$20.17	$38.97	$64.69	$36.01	$6.86
Additional Half Cent (1)	$45.22	$45.22	$45.22	$39.07	$33.88	$45.22	$19.99	$38.63	$64.13	$35.70	$6.80
Additional half Cent (2)	$38.85	$38.85	$38.85	$33.56	$29.10	$38.85	$17.17	$33.18	$55.08	$30.66	$5.84
Vehicle Rental Tax	$1.02	$1.02	$1.02	$0.89	$0.77	$1.02	$0.23	$0.45	$0.74	$0.41	$0.08
Utility Franchise Tax	$114.38	$114.38	$114.38	$98.83	$85.69	$114.38	$25.88	$50.02	$83.03	$46.22	$8.80
Telecommunications Tax	$19.23	$19.23	$19.23	$16.61	$14.40	$19.23	$4.35	$8.41	$13.96	$7.77	$1.48
Utility Franchise Tax - CATV	$17.81	$17.81	$17.81	$15.39	$13.34	$17.81	$4.03	$7.79	$12.93	$7.20	$1.37
Beer and Wine Excise Tax	$9.25	$9.25	$9.25	$7.99	$6.93	$9.25	$2.09	$4.04	$6.71	$3.74	$0.71
Powell Bill Funds	$89.14	$95.43	$100.78	$64.61	$47.63	$60.22	$0.00	$0.00	$0.00	$0.00	$0.00
ABC Store Profits	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Law Enforcement Forfeitures	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Grants	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Contributions from County	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Residential Solid Waste Fees	$165.68	$165.68	$165.68	$143.16	$124.12	$165.68	$0.00	$0.00	$0.00	$0.00	$0.00
Income from Recreation	$48.32	$48.32	$48.32	$41.75	$36.20	$48.32	$0.00	$0.00	$0.00	$0.00	$0.00
Fire Protection	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other Charges for Services	$20.25	$20.25	$20.25	$17.50	$15.17	$20.25	$4.58	$8.86	$14.70	$8.18	$1.56
Special Licenses	$20.69	$20.69	$20.69	$17.87	$15.50	$20.69	$4.68	$9.05	$15.02	$8.36	$1.59
Motor Vehicle Licenses	$10.18	$10.18	$10.18	$8.80	$7.63	$10.18	$0.00	$0.00	$0.00	$0.00	$0.00
Building Permits	$3.12	$3.12	$3.12	$2.70	$2.34	$3.12	$0.71	$1.36	$2.27	$1.26	$0.24
HVAC Permits	$1.24	$1.24	$1.24	$1.07	$0.93	$1.24	$0.28	$0.54	$0.90	$0.50	$0.10
Planning and Zoning Fees	$0.67	$0.67	$0.67	$0.57	$0.50	$0.67	$0.15	$0.29	$0.48	$0.27	$0.05
Plumbing Inspections	$0.57	$0.57	$0.57	$0.49	$0.42	$0.57	$0.13	$0.25	$0.41	$0.23	$0.04
Electrical Inspections	$0.68	$0.68	$0.68	$0.59	$0.51	$0.68	$0.15	$0.30	$0.49	$0.28	$0.05
Fire Inspections Fees	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other Permits and Charges	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Assessments	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Miscellaneous Income	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Investment Income	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Electric Fund Transfers In	$28.31	$40.11	$87.29	$17.27	$14.97	$19.98	$132.17	$132.17	$132.17	$149.11	$42.95
Gas Fund Transfers In	$23.57	$33.39	$72.67	$14.37	$12.46	$16.64	$53.37	$53.37	$53.37	$53.37	$17.35
Fund Balance Appropriated	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Encumberance Balance	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
TOTAL	**$1,528**	**$2,140**	**$3,009**	**$1,042**	**$843**	**$1,800**	**$646**	**$878**	**$1,113**	**$730**	**$335**

For residential development, the greatest revenue source for each of the prototypes is property taxes, which ranges from a low of 34% for all revenue for the Multifamily prototype to a high of 70% for the SF high value prototype. As is commonly understood, the value of a new home is therefore quite important in determining the fiscal outcome for residential land uses. The second largest revenue source generated by residential development is the four sales tax revenues (one cent sales tax, original half cent, additional half cent(1), and additional half cent

(2)). This revenue is distributed by the County to the City based on total assessed value (residential and nonresidential development) within the City, which means it is not point source. In other words the retail nonresidential land uses do not generate revenue for the City based on the total sales but based on assessed value. Residential development accounted for two thirds of total assessed value within the City in 2006. Since all the single family prototypes assume the same persons per household the revenue each one produces is the same. The third greatest revenue source generated by residential development is the residential solid waste fees followed by the utility franchise tax. These revenue sources are a function of persons per household in each prototype. Another revenue source of significance produced by the residential prototypes is the Powell Bill Funds, which is distributed based on population and road mileage in the City.

The single family prototypes generate the most revenue of all the prototypes. The SF high value prototype generates the largest amount of revenue at approximately $3,009 per unit annually. This revenue produced by the SF high value prototype is 40% more than the next prototype, which is SF mid value. The difference in the revenue generated by the SF high value prototype and the other single family prototypes that have the same persons per household is due to greater property tax revenue and to a lesser extent the Electric Fund and Gas Fund transfers into the General Fund.

The Electric and Gas funds use persons per household as well as the house size (square footage) of each prototype to generate revenue. The Powell Bill Fund uses persons per household and the minimum lot frontage to generate revenue. The varying lot frontages as shown in Figure 3 explain the difference in the amount of revenue the prototypes generate. All other revenue is the same due to each type of single family prototype assuming the same household size of 2.64 persons. The Duplex prototype generates the second lowest revenue at $1,042 per unit annually. The Multifamily prototype generates the least revenue at $843 per unit. This is the result of less property tax generated from lower taxable values, as well as smaller household sizes.

Property tax is the largest revenue source for nonresidential development. Therefore, the value of the nonresidential square footage is important in determining the fiscal outcome for these land uses. The Office prototype followed by the Community Shopping Center generate the most property tax revenue. The Hotel land use, which produces the smallest revenue of all five nonresidential prototypes, generates 68% of its revenue from property taxes. The four sales tax revenue lines (one cent sales tax, original half cent, additional half cent(1), and additional half cent (2)) generate the second highest revenue followed by the Electric Fund revenue and the Gas Fund transfer. These four revenues account for 86% to 95% of all revenue produced by the nonresidential prototypes.

The Office prototype generates the most revenue of all the nonresidential land uses at $1,113 due to property taxes as well as sales tax, which is a function of the number of employees per

1,000 square feet. The number of employees per 1,000 square feet for the Office prototype is considerably higher than the next prototype, Community Shopping Center. The Community Shopping Center land use prototypes generates $183 per 1,000 square feet or 21% of its total revenue from sales tax while the Big Box yields $95 per 1,000 square feet or 15% of its total revenue. The Big Box generates the second smallest total sales tax revenue due to its low number of employees per 1,000 square feet. Only, the Hotel prototype produces less sales tax revenue than the Big Box prototype at $32 per room or 10% of its total revenue. The Industrial prototype generates the third highest revenue of all the nonresidential prototypes due to the Electric Fund transfer in. The Industrial prototype uses more kilowatt hours (kwh) of electricity per 1,000 square feet based on usage information in the 2006 Comprehensive Annual Financial Report (CAFR). Sales tax revenue also helps the Industrial land use prototype produce the third highest revenue. The low taxable value and minimal amount of sales tax revenue for the Hotel prototype generates $335 per room, which is the lowest of all the nonresidential prototypes. If the Hotel prototype were assessed on a 1,000 square foot basis then it would generate the second highest revenue.

SUMMARY OF REVENUE BY MAJOR CATEGORY IN THE GENERAL FUND

Figure 14 below summarizes the annual revenue for each land use prototype by major category in the General Fund.

Figure 14: Summary of Annual Revenue by Fund

	RESIDENTIAL (Per Unit)						NONRESIDENTIAL (Per 1,000 SF)				Per Room
Revenue	SF - Low	SF - Mid	SF - High	Duplex	Multifamily	SF - Infill	Big Box Retail	Community Shopping Center	Office	Industrial Park	Hotel
Property Taxes	$740	$1,324	$2,101	$387	$283	$1,056	$319	$418	$472	$274	$227
Other Taxes	$215	$215	$215	$186	$161	$215	$95	$183	$305	$170	$32
Intergovernmental	$250	$256	$261	$203	$168	$221	$36	$70	$117	$65	$12
Sales/Charges for Services	$234	$234	$234	$202	$175	$234	$5	$9	$15	$8	$2
Licenses, Permits, Etc.	$37	$37	$37	$32	$28	$37	$6	$12	$20	$11	$2
Assessments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Miscellaneous Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Investment Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Interfund Transfers In	$52	$73	$160	$32	$27	$37	$186	$186	$186	$202	$60
Fund Balance Appropriated	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TOTAL	**$1,528**	**$2,140**	**$3,009**	**$1,042**	**$843**	**$1,800**	**$646**	**$878**	**$1,113**	**$730**	**$335**

B. Annual Operating Expenditures

Annual operating expenditures are summarized in Figure 15. As shown below, the largest expenditures are for police, public services, and fire.

Figure 15: Summary of Annual Operating Expenditures

	RESIDENTIAL (Per Unit)						NONRESIDENTIAL (Per 1,000 SF)				Per Room
Expenditures	SF - Low	SF - Mid	SF - High	Duplex	Multifamily	SF - Infill	Big Box Retail	Community Shopping Center	Office	Industrial Park	Hotel
Administrative Services	$113.20	$113.20	$113.20	$97.81	$84.80	$113.20	$19.86	$38.38	$63.72	$35.47	$6.76
Finance	$38.10	$38.10	$38.10	$32.92	$28.54	$38.10	$8.62	$16.66	$27.66	$15.39	$2.93
Information Technology Svcs.	$13.07	$13.07	$13.07	$11.29	$9.79	$13.07	$2.96	$5.72	$9.49	$5.28	$1.01
Human Resources	$16.48	$16.48	$16.48	$14.24	$12.35	$16.48	$3.73	$7.21	$11.97	$6.66	$1.27
Police	$284.81	$284.81	$284.81	$580.93	$297.40	$284.81	$428.89	$828.83	$423.07	$194.17	$44.79
Fire	$254.66	$254.66	$254.66	$433.47	$362.44	$254.66	$70.43	$136.10	$281.20	$95.06	$145.80
Planning and Development Svcs.	$88.06	$88.06	$88.06	$76.08	$65.97	$88.06	$14.68	$28.38	$47.10	$26.22	$4.99
Parks and Recreation	$242.47	$242.47	$242.47	$209.50	$181.64	$242.47	$0.00	$0.00	$0.00	$0.00	$0.00
Public Services	$541.62	$601.79	$652.94	$349.15	$222.45	$264.81	$52.94	$102.30	$169.82	$94.53	$18.00
Contingency	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Interfund Transfers Out	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
TOTAL	**$1,592**	**$1,653**	**$1,704**	**$1,805**	**$1,265**	**$1,316**	**$602**	**$1,164**	**$1,034**	**$473**	**$226**

The greatest operating expenditure for the single family residential prototypes, with the exception of the SF infill, is public services, followed by police, fire, and parks and recreation. Police is the highest operating expenditure for SF infill. Police and fire operating expenditures are highest for the Duplex and Multifamily prototypes followed by public services and parks and recreation.

The Duplex prototype generates the most operating expenses, at approximately $1,805 per unit annually. This is slightly higher than SF high value ($1,704), mid value ($1,653), and low value ($1,592). Higher operating expenditures for Duplex are due to police and fire services. Police services for the Duplex prototype are two times higher than they are for single family prototypes and fire services are 1.7 times higher. Despite the single family prototypes, assuming higher persons per household and 100% more public services operating costs (excluding SF infill), the cost of police and fire services, for the Duplex prototype, more than outweighs the higher costs generated by the single family prototypes in other departments.

The only difference in operating costs for the single family prototypes is in public services. The public services department handles the street construction and maintenance expenditure, which accounts for 45% (SF low value) to 53% (SF high value) of operating costs for this department. Costs are greatest for the SF high value prototype because it has the highest minimum lot frontage, the driving factor for this expenditure. The SF infill prototype has no expenditures related to street construction and maintenance because this type of housing is being constructed where streets already exist. This allows the SF infill to generate the second least amount of operating expenditures of all the residential prototypes at $1,316 per unit. Generating the least amount of operating expenditures per unit is the Multifamily prototype at $1,265 per unit. This is the result of a smaller household size and minimum lot frontage. Police and fire operating

expenditures are greater than the single family prototypes and account for slightly over half of the Multifamily prototype's total operating expenditures.

For nonresidential development, the greatest expenditures are for police, fire, and public services. The Community Shopping Center retail prototype and Office prototype generate the greatest expenditures of $1,164 and $1,034 per 1,000 square feet, respectively. The Community Shopping Center operating expenditures are due mainly to police services, which account for 71% of this prototype's total costs. The Big Box retail prototype also has 71% of its total costs due to police services, however the total costs are lower because of fewer employees per 1,000 square feet (1.29 for Big Box compared to 2.50 for the Community Shopping Center), which is one of the driving factors for operating expenditures. The Industrial prototype generates annual operating expenditures of $470 per 1,000 square feet followed by the Hotel prototype at $226 per room. The Hotel prototype generates higher expenditures for fire services than the Industrial prototype, however due to its extremely low employees per room (0.44) this keeps the total operating expenditures from being significantly higher. The Hotel prototype has the least amount of police expenditures among the five nonresidential prototypes because of a very lost cost factor per employee. It should be noted the Hotel has a different demand unit than the other prototypes. If the Hotel prototype was measured on a per 1,000 square foot basis then it would have higher operating costs than the Big Box Retail and Industrial Park prototypes because it is determined that the average hotel room size is approximately 325 square feet.

C. Annualized Capital Expenditures

Annual capital expenditures are summarized below in Figure 16. As shown below, the largest expenditures are parks and recreation and fire for residential and fire and police for nonresidential.

Figure 16: Summary of Annualized Capital Expenditures

	RESIDENTIAL (Per Unit)						NONRESIDENTIAL (per 1,000 SF)				Per Room
Expenditure	SF-Low	SF-Mid	SF-High	Duplex	Multifamily	SF-Infill	Big Box Retail	Community Shopping Center	Office	Industrial	Hotel
Administrative Services	$3.02	$3.02	$3.02	$2.61	$2.26	$3.02	$0.37	$0.72	$1.20	$0.67	$0.13
Police	$7.20	$7.20	$7.20	$14.68	$7.52	$0.00	$10.84	$20.95	$10.69	$4.91	$1.13
Fire	$39.25	$39.25	$39.25	$66.80	$55.86	$0.00	$10.85	$20.97	$43.34	$14.65	$22.47
Parks and Recreation	$160.50	$160.50	$160.50	$138.68	$120.24	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Public Services	$4.13	$4.13	$4.13	$3.57	$3.10	$4.13	$0.51	$0.99	$1.64	$0.91	$0.17
TOTAL	**$214**	**$214**	**$214**	**$226**	**$189**	**$7**	**$23**	**$44**	**$57**	**$21**	**$24**

There is no difference in capital costs for the single family housing prototypes, except SF infill, because persons per household for these prototypes are the same. The SF infill has no capital costs associated with police, fire, and parks and recreation because these services are already provided in areas of the City where this type of housing will be constructed. Each capital expenditure category for the residential land uses utilizes persons per household to allocate

costs, therefore, only Duplex and Multifamily have different capital costs because the persons per household is different. The Duplex prototype generates the most costs per unit at $226, with parks and recreation making up more than 60% of total capital costs. Despite having the second highest persons per household, the Duplex prototype generates the most capital costs due to expenditures for police and fire, which are a function of calls for service. Calls for service for police are double the cost of the next highest prototype, single family prototypes. Also, Duplex has the highest cost for fire services. Single family prototypes generate the next greatest expenditures at $214 per unit annually. The Multifamily prototype produces capital expenditures of $189 per unit. The SF infill generates the least capital expenditures of $7 per unit.

For nonresidential development, the greatest capital expenditures are for fire. The nonresidential prototypes use vehicle trips and employees per 1,000 square feet to calculate costs, except for police and fire expenditures. Calls for service for police and fire multiplied by the number of employees per 1,000 square feet or per room are used to differentiate costs among the nonresidential land use prototypes. The Office prototype generates the most capital expenditures at $57 per 1,000 square feet. This is do to fire capital expenditures, which account for 76% of all capital costs for this prototype. Fire and police capital expenditures make up most of the capital expenditures for nonresidential prototypes, from a low of 93% for Industrial to a high of 99% for Hotel. Nonresidential vehicle trips have little impact on the total capital costs for nonresidential prototypes. Following the Office prototype capital expenditures are Community Shopping Center ($44 per 1,000 square feet), Hotel ($24 per room), Big Box ($23 per 1,000 square feet), and Industrial ($21 per 1,000 square feet). The Industrial prototype's low expenditures are due to its low share of calls for service for police and fire. The Big Box prototype has low capital expenditures because of its low employees per 1,000 square feet (1.29). If the hotel prototype was measured with a demand unit of 1,000 square feet it would generate the highest capital expenditure among all the nonresidential prototypes.

VII. COST AND REVENUE ASSUMPTIONS

Net fiscal impacts for residential and nonresidential land use prototypes have been determined by subtracting the costs necessary to serve these land uses from the revenues generated by each land use. The cost and revenue factors are based on the Fiscal Year 2007-08 City of Wilson budget and current levels of service. Current levels of service represent the City's current level of spending for services and facilities. That is, assumptions made in the analysis are based on programs, services, requirements, and policies that are in place today.

A. Revenue

GENERAL FUND

Figure 17 below summarizes the General Fund revenue sources, the allocation methodology, the proportionate share attributable to residential and nonresidential land uses, as well as the revenue factors.

Figure 17: Summary of General Fund Revenue and Fiscal Factors

Revenue Category	FY 2008 Amount	Percent of Total	Allocation Methodology	Residential Share	Nonresidential Share	Residential Divisor	Nonresidential Divisor	Residential Prototype Factor	Nonresidential Prototype Factor
Property Taxes - Current Year	$15,832,050	40.55%	Custom	N/A	N/A	N/A	N/A	Custom Table	Custom Table
Property Taxes - Prior Year	$608,110	1.56%	Fixed	N/A	N/A	N/A	N/A	NA	NA
One Cent Sales Tax	$2,286,910	5.86%	Custom	$1,531,077	$755,833	47,876	26,161	$31.98	$28.89
Original Half Cent	$1,233,860	3.16%	Custom	$826,064	$407,796	47,876	26,161	$17.25	$15.59
Additional Half Cent (1)	$1,223,140	3.13%	Custom	$818,887	$404,253	47,876	26,161	$17.10	$15.45
Additional half Cent (2)	$1,050,660	2.69%	Custom	$703,413	$347,247	47,876	26,161	$14.69	$13.27
Vehicle Rental Tax	$23,240	0.06%	Population and Jobs	$18,552	$4,688	47,876	26,161	$0.39	$0.18
Utility Franchise Tax	$2,594,560	6.65%	Population and Jobs	$2,071,130	$523,430	47,876	26,161	$43.26	$20.01
Telecommunications Tax	$436,170	1.12%	Population and Jobs	$348,176	$87,994	47,876	26,161	$7.27	$3.36
Utility Franchise Tax - CATV	$404,040	1.03%	Population and Jobs	$322,528	$81,512	47,876	26,161	$6.74	$3.12
Beer and Wine Excise Tax	$209,770	0.54%	Population and Jobs	$167,451	$42,319	47,876	26,161	$3.50	$1.62
Powell Bill Funds	$1,454,010	3.72%	Custom	N/A	N/A	N/A	N/A	Custom Table	Custom Table
ABC Store Profits	$36,900	0.09%	Fixed	N/A	N/A	N/A	N/A	NA	NA
Law Enforcement Forfeitures	$0	0.00%	Fixed	N/A	N/A	N/A	N/A	NA	NA
Grants	$0	0.00%	Fixed	N/A	N/A	N/A	N/A	NA	NA
Contributions from County	$160,200	0.41%	Fixed	N/A	N/A	N/A	N/A	NA	NA
Residential Solid Waste Fees	$3,000,160	7.68%	Population	$3,000,160	N/A	47,876	N/A	$62.67	N/A
Income from Recreation	$875,020	2.24%	Population	$875,020	N/A	47,876	N/A	$18.28	N/A
Fire Protection	$24,630	0.06%	Fixed	N/A	N/A	N/A	N/A	NA	NA
Other Charges for Services	$459,450	1.18%	Population and Jobs	$366,760	$92,690	47,876	26,161	$7.66	$3.54
Special Licenses	$469,240	1.20%	Population and Jobs	$374,575	$94,665	47,876	26,161	$7.82	$3.62
Motor Vehicle Licenses	$184,320	0.47%	Population	$184,320	N/A	47,876	N/A	$3.85	N/A
Building Permits	$354,000	0.91%	Population and Jobs	$282,584	$71,416	47,876	26,161	$5.90	$2.73
HVAC Permits	$140,950	0.36%	Population and Jobs	$112,515	$28,435	47,876	26,161	$2.35	$1.09
Planning and Zoning Fees	$75,440	0.19%	Population and Jobs	$60,221	$15,219	47,876	26,161	$1.26	$0.58
Plumbing Inspections	$64,110	0.16%	Population and Jobs	$51,176	$12,934	47,876	26,161	$1.07	$0.49
Electrical Inspections	$77,250	0.20%	Population and Jobs	$61,665	$15,585	47,876	26,161	$1.29	$0.60
Fire Inspections Fees	$4,290	0.01%	Fixed	N/A	N/A	N/A	N/A	NA	NA
Other Permits and Charges	$35,520	0.09%	Fixed	N/A	N/A	N/A	N/A	NA	NA
Assessments	$49,630	0.13%	Fixed	N/A	N/A	N/A	N/A	NA	NA
Miscellaneous Income	$231,530	0.59%	Fixed	N/A	N/A	N/A	N/A	NA	NA
Investment Income	$310,480	0.80%	Fixed	N/A	N/A	N/A	N/A	NA	NA
Electric Fund Transfers In	$1,923,170	4.93%	Custom	N/A	N/A	N/A	N/A	Custom Table	Custom Table
Gas Fund Transfers In	$1,068,860	2.74%	Custom	N/A	N/A	N/A	N/A	Custom Table	Custom Table
Fund Balance Appropriated	$2,143,360	5.49%	Fixed	N/A	N/A	N/A	N/A	NA	NA
Encumberance Balance	$0	0.00%	Fixed	N/A	N/A	N/A	N/A	NA	NA
TOTAL	**$39,045,030**	**100.00%**							

As shown above in Figure 17, the major General Fund revenue source is property tax followed by residential solid waste fees, utility franchise fee, and the one cent sales tax. However, if the sales tax revenue (one cent sales tax, original half cent, additional half cent (1), and additional half cent (2)) are added together, then sales tax is the second largest source of revenue for the City, at 15 percent. The property tax alone accounts for 40 percent of the total General Fund revenue. The other three revenue sources along with the property tax revenue account for 60 percent of the total General Fund revenue. If all four sales tax revenues are included then these seven revenue sources account for 70 percent of the total General Fund revenue. As Figure 17 indicates, property taxes, Powell bill fund, Electric Fund transfers in, and Gas Fund transfers in were calculated using a custom table. Also, using a customize table are the four sales tax revenues. A percentage distribution based on total assessed value was used to differentiate sales tax revenue for residential and nonresidential land uses. The City does participate in the Powell bill fund meaning that it receives revenue from this fund based on its share of population and road mileage relative to other jurisdictions in the state.

Property tax for each land use prototype was determined using assessed value information obtained from the Wilson County ITS Department, which was then multiplied by the tax rate of $0.515 per $100 of assessed value. Property tax generated by each prototype is shown below in Figure 18.

Figure 18: Property Tax by Land Use Prototype

Property Tax - Current Year **Prototype**	**Taxable Value (1)**	**Geneeral Fund 0.515**
Residential (Per Unit)		
SF - Low	$143,630	$740
SF - Mid	$257,050	$1,324
SF - High	$407,880	$2,101
Duplex - Rental	$75,061	$387
Multifamily	$54,911	$283
SF - Infill	$205,110	$1,056
Nonresidential (Per 1,000 SF)		
Big Box Retail	$61,900	$319
Community-based Shopping Center	$81,130	$418
Office	$91,720	$472
Industrial Park	$53,240	$274
Hotel	$44,000	$227

(1) Based on assessed valuation data provided by Wilson County, NC.

Sales tax distribution for each land use prototype was determined using total assessed value for residential and nonresidential land uses in the City. Based on the total assessed value it was determined that two-thirds of sales tax revenue was attributable to residential land uses and the remainder from nonresidential development.

Figure 19: Sales Tax Distribution for Residential and Nonresidential Development

Sales Tax **Land Use**	**Assessed Values**	**% Share**
Residential Property	$1,863,920,384	67%
Nonresidential Property	$920,144,366	33%
Total	**$2,784,064,750**	

Powell bill fund revenue was determined using two factors for residential prototypes only. The Powell fund uses the population in a jurisdiction as well as city road mileage to determine the amount of money a locality will receive from the state. The population component accounts for 75 percent of the calculation and the road mileage makes up the remaining 25 percent. The total revenue from the Powell bill fund was distributed accordingly among the two components and then factored into the revenue for the prototypes using persons per household for the population portion and minimum lot frontage for the road miles share of the revenue source. The demand factors per component for the residential prototypes are shown in Figure 20.

Figure 20: Powell Bill Fund Revenue Residential Demand Factors

Powell Bill Fund **Component Factors**	**Residential Divisor**	**% Share**	**Demand Factor**
Road Miles	219	25%	$1,659.83
Population	47,876	75%	$22.78

Electric Fund and Gas Fund transfers were projected for the General Fund revenue, since these enterprise funds help mitigate expenditures in the General Fund. The usage amounts per day and number of customers by type were provided by Wilson Energy. For the residential prototypes the Electric and Gas Funds use persons per household and the average square foot per housing unit by type to determine the revenue generated. The nonresidential prototypes were separated into commercial and industrial users for the Electric Fund. The cost per demand unit is multiplied by 1,000 in order to obtain revenue per 1,000 square feet. The Gas Fund uses a similar approach, however the nonresidential prototypes are not distinguished by commercial and industrial. The Hotel prototypes assumes the commercial demand factor for the Electric Fund and the nonresidential demand factor for the Gas Fund but is multiplied by 325 instead of 1,000. This is done because it was determined that the average hotel room is 325 square feet. The Hotel prototype uses a per room demand factor instead of 1,000 square feet. The demand factors for residential and nonresidential by fund are shown in Figure 21.

Figure 21: Electric and Gas Fund Demand Factors for Residential and Nonresidential

ELECTRIC FUND

Customer Type	Avg. Daily Usage (kwh)	Number of Customer	Total kwh per Day	Total kwh per Year	Distribution %	Demand Factor Res (persons)	Demand Factor Nonres (SF)	Total $ FY 2008 Budget	$ per Demand Factor
Residential	32	20,066	642,112	234,370,880	38%	47,876		$726,226	$15.17
Commercial	330	3,207	1,058,310	251,969,056	41%		5,811,010	$780,756	$0.13
Industrial				134,314,094	22%		1,987,481	$416,188	$0.21
Total			**1,700,422**	**620,654,030**	**100%**			**$1,923,170**	

GAS FUND

Customer Type	Avg. Daily Usage (ccf)	Number of Customers	Total ccf per Day	Total ccf per Year	Distribution %	Demand Factor Res (persons)	Demand Factor Nonres (SF)	Total $ FY 2008 Budget	$ per Demand Factor
Residential	123	12,500	1,537,500	561,187,500	57%	47,876		$604,627	$12.63
Nonresidential	1,134	1,041	1,180,494	430,880,310	43%		7,798,491	$464,233	$0.06
Total			**2,717,994**	**992,067,810**	**100%**			**$1,068,860**	

B. Operating Expenditures

The sections below summarize the operating expenditure factors by major category. As discussed previously in Section III, TischlerBise allocated costs between residential and nonresidential development using the current ratio of population to non-resident workers in order to avoid double counting the estimated number of residents that both live and work within the City of Wilson. Also, twenty out of the 28 departments have "Recovered Costs" in their operating budget, which means these departments are offsetting expenditures through revenues or from other funds. To account for recovered costs, this expenditure line item is also projected based on the same methodology that is used to project the other line items in the departments. Since this line item is negative, it reduces total departmental expenditures by the amount of recovered revenue.

ADMINISTRATIVE SERVICES

Figure 22 below summarizes FY2007-08 operating expenditures for Administrative Services. Figure 22 also summarizes the cost allocation methodology, the proportionate share attributable to residential and nonresidential land uses, as well as the resulting cost factors.

Figure 22: Summary of Administrative Services Expenditures and Fiscal Factors

Expenditure Category	FY 2008 Amount	Percent of Total	Allocation Methodology	Adj. Factor	Residential Share	Nonres. Share	Residential Divisor	Nonres. Divisor	Residential Cost Factor	Nonres. Cost Factor
Mayor and Council	***$71,980***	**0.18%**								
Personnel Services	$55,060	0.14%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Operating	$88,900	0.23%	Population	100%	$88,900	N/A	47,876	N/A	$1.86	N/A
Recovered Costs	($71,980)	-0.18%	Population	100%	($71,980)	N/A	47,876	N/A	($1.50)	N/A
Capital Outlay	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Administration	***$379,140***	**0.97%**								
Personnel Services	$643,780	1.65%	Population and Jobs	100%	$513,903	$129,877	47,876	26,161	$10.73	$4.96
Operating	$114,500	0.29%	Population and Jobs	100%	$91,401	$23,099	47,876	26,161	$1.91	$0.88
Recovered Costs	($379,140)	-0.97%	Population and Jobs	100%	($302,652)	($76,488)	47,876	26,161	($6.32)	($2.92)
Capital Outlay	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
City Attorney	***$112,500***	**0.29%**								
Personnel Services	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Operating	$225,000	0.58%	Population	100%	$225,000	N/A	47,876	N/A	$4.70	N/A
Recovered Costs	($112,500)	-0.29%	Population	100%	($112,500)	N/A	47,876	N/A	($2.35)	N/A
Capital Outlay	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Public Affairs	***$122,810***	**0.31%**								
Personnel Services	$88,990	0.23%	Population	100%	$88,990	N/A	47,876	N/A	$1.86	N/A
Operating	$279,450	0.72%	Population	100%	$279,450	N/A	47,876	N/A	$5.84	N/A
Recovered Costs	($245,630)	-0.63%	Population	100%	($245,630)	N/A	47,876	N/A	($5.13)	N/A
Capital Outlay	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Creative and Print Services	***$89,040***	**0.23%**								
Personnel Services	$162,910	0.42%	Population and Jobs	100%	$130,044	$32,866	47,876	26,161	$2.72	$1.26
Operating	$135,170	0.35%	Population and Jobs	100%	$107,901	$27,269	47,876	26,161	$2.25	$1.04
Recovered Costs	($209,040)	-0.54%	Population and Jobs	100%	($166,868)	($42,172)	47,876	26,161	($3.49)	($1.61)
Capital Outlay	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Facility Services	***$287,180***	**0.74%**								
Personnel Services	$289,830	0.74%	Population and Jobs	100%	$231,359	$58,471	47,876	26,161	$4.83	$2.24
Operating	$284,540	0.73%	Population and Jobs	100%	$227,137	$57,403	47,876	26,161	$4.74	$2.19
Recovered Costs	($287,190)	-0.74%	Population and Jobs	100%	($229,252)	($57,938)	47,876	26,161	($4.79)	($2.21)
Capital Outlay	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Public Service	***$1,235,580***	**3.16%**								
Personnel Services	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Operating	$1,692,330	4.33%	Population and Jobs	100%	$1,350,917	$341,413	47,876	26,161	$28.22	$13.05
Recovered Costs	($456,750)	-1.17%	Population and Jobs	100%	($364,605)	($92,145)	47,876	26,161	($7.62)	($3.52)
Capital Outlay	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Debt Service	***$145,440***	**0.37%**								
Personnel Services	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Operating	$317,410	0.81%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Recovered Costs	($171,970)	-0.44%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Capital Outlay	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Intergovernmental Projects	***$67,760***	**0.17%**								
Personnel Services	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Operating	$67,760	0.17%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Recovered Costs	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Capital Outlay	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Human Relations	***$208,240***	**0.53%**								
Personnel Services	$198,490	0.51%	Population	100%	$198,490	N/A	47,876	N/A	$4.15	N/A
Operating	$79,170	0.20%	Population	100%	$79,170	N/A	47,876	N/A	$1.65	N/A
Recovered Costs	($69,420)	-0.18%	Population	100%	($69,420)	N/A	47,876	N/A	($1.45)	N/A
Capital Outlay	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A

FINANCIAL INFORMATION SERVICES

Figure 23 below summarizes FY2007-08 operating expenditures for Financial Information Services. Figure 23 also summarizes the cost allocation methodology, the proportionate share attributable to residential and nonresidential land uses, as well as the resulting cost factors.

Figure 23: Summary of Financial Information Services Expenditures and Fiscal Factors

Expenditure Category	FY 2008 Amount	Percent of Total	Allocation Methodology	Adj. Factor	Residential Share	Nonres. Share	Residential Divisor	Nonres. Divisor	Residential Cost Factor	Nonres. Cost Factor
Admin and Accounting	***$571,400***	**1.46%**								
Personnel Services	$931,090	2.38%	Population and Jobs	100%	$743,251	$187,839	47,876	26,161	$15.52	$7.18
Operating	$211,720	0.54%	Population and Jobs	100%	$169,007	$42,713	47,876	26,161	$3.53	$1.63
Recovered Costs	($571,410)	-1.46%	Population and Jobs	100%	($456,133)	($115,277)	47,876	26,161	($9.53)	($4.41)
Capital Outlay	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Purchasing and Warehouse	***$187,540***	**0.48%**								
Personnel Services	$370,630	0.95%	Population and Jobs	100%	$295,859	$74,771	47,876	26,161	$6.18	$2.86
Operating	$98,220	0.25%	Population and Jobs	100%	$78,405	$19,815	47,876	26,161	$1.64	$0.76
Recovered Costs	($281,310)	-0.72%	Population and Jobs	100%	($224,558)	($56,752)	47,876	26,161	($4.69)	($2.17)
Capital Outlay	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Bill, Coll., and Cust. Svc	***$140,280***	**0.36%**								
Personnel Services	$2,028,120	5.19%	Population and Jobs	100%	$1,618,964	$409,156	47,876	26,161	$33.82	$15.64
Operating	$742,420	1.90%	Population and Jobs	100%	$592,643	$149,777	47,876	26,161	$12.38	$5.73
Recovered Costs	($2,665,260)	-6.83%	Population and Jobs	100%	($2,127,567)	($537,693)	47,876	26,161	($44.44)	($20.55)
Capital Outlay	$35,000	0.09%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A

INFORMATION TECHNOLOGY SERVICES

Figure 24 below summarizes FY2007-08 operating expenditures for Information Technology Services. Figure 24 also summarizes the cost allocation methodology, the proportionate share attributable to residential and nonresidential land uses, as well as the resulting cost factors.

Figure 24: Summary of Information Technology Services Expenditures and Fiscal Factors

Expenditure Category	FY 2008 Amount	Percent of Total	Allocation Methodology	Adj. Factor	Residential Share	Nonres. Share	Residential Divisor	Nonres. Divisor	Residential Cost Factor	Nonres. Cost Factor
Information Tech. Services	***$364,810***	**0.93%**								
Personnel Services	$1,079,260	2.76%	Population and Jobs	100%	$861,529	$217,731	47,876	26,161	$18.00	$8.32
Operating	$1,221,490	3.13%	Population and Jobs	100%	$975,065	$246,425	47,876	26,161	$20.37	$9.42
Recovered Costs	($2,004,310)	-5.13%	Population and Jobs	100%	($1,599,958)	($404,352)	47,876	26,161	($33.42)	($15.46)
Capital Outlay	$68,370	0.18%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A

HUMAN RESOURCES

Figure 25 below summarizes FY2007-08 operating expenditures for Human Resources. Figure 25 also summarizes the cost allocation methodology, the proportionate share attributable to residential and nonresidential land uses, as well as the resulting cost factors.

Figure 25: Summary of Human Resources Expenditures and Fiscal Factors

Expenditure Category	FY 2008 Amount	Percent of Total	Allocation Methodology	Adj. Factor	Residential Share	Nonres. Share	Residential Divisor	Nonres. Divisor	Residential Cost Factor	Nonres. Cost Factor
Human Resources Admin.	***$377,900***	**0.97%**								
Personnel Services	$470,640	1.21%	Population and Jobs	100%	$375,692	$94,948	47,876	26,161	$7.85	$3.63
Operating	$155,200	0.40%	Population and Jobs	100%	$123,890	$31,310	47,876	26,161	$2.59	$1.20
Recovered Costs	($251,940)	-0.65%	Population and Jobs	100%	($201,113)	($50,827)	47,876	26,161	($4.20)	($1.94)
Capital Outlay	$4,000	0.01%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A

POLICE

Figure 26 below summarizes FY2007-08 operating expenditures for Police. Figure 26 also summarizes the cost allocation methodology, the proportionate share attributable to residential and nonresidential land uses, as well as the resulting cost factors.

Figure 26: Summary of Police Expenditures and Fiscal Factors

Expenditure Category	FY 2008 Amount	Percent of Total	Allocation Methodology	Adj. Factor	Residential Share	Nonres. Share	Residential Divisor	Nonres. Divisor	Residential Cost Factor	Nonres. Cost Factor
Police	***$11,135,210***	**28.52%**								
Personnel Services	$8,662,060	22.18%	Custom	100%	N/A	N/A	N/A	N/A	Custom Table	Custom Table
Operating	$2,442,120	6.25%	Custom	100%	N/A	N/A	N/A	N/A	Custom Table	Custom Table
Recovered Costs	($143,620)	-0.37%	Custom	100%	N/A	N/A	N/A	N/A	Custom Table	Custom Table
Capital Outlay	$174,650	0.45%	Custom	100%	N/A	N/A	N/A	N/A	Custom Table	Custom Table

As shown above in Figure 26, a custom methodology is used to allocate costs for police based on an analysis of calls for service. Figure 27 below contains information pertaining to calls for service for police. The table summarizes the percentage of calls for service for residential land uses by type and nonresidential land uses by type. Call data provided by the City is allocated to land use categories in order to determine proportionate cost shares. These proportionate cost shares for each land use are then compared to the appropriate demand base to determine the cost factor to be used in the fiscal analysis.

Figure 27: Police Allocation Methodology

Growth-Related Police Department Expenditures					**$11,135,210**
Calls by Land Use	**Calls**	**%**	**Share of Costs**	**2007 Demand Units**	**Cost Factor**
Single Family Residential	13,699	32%	$3,535,630	12,414 Units	$284.81
Duplex	5,231	12%	$1,350,090	2,324 Units	$580.93
Multifamily	3,912	9%	$1,009,664	3,395 Units	$297.40
Other Residential	633	1%	$163,374	1,313 Units	$124.43
Commerical	14,126	33%	$3,645,837	10,997 Jobs	$331.53
Office	3,374	8%	$870,809	8,542 Jobs	$101.94
Industrial	2,098	5%	$541,481	6,442 Jobs	$84.05
Hotel [1]	71	0%	$18,325	180 Jobs	$101.80
Total	**43,144**	**100%**	**$11,135,210**		

[1] Calls are for high rise hotels, 3 stories or greater.

FIRE

Figure 28 below summarizes FY2007-08 operating expenditures for Fire. Figure 28 also summarizes the cost allocation methodology, the proportionate share attributable to residential and nonresidential land uses, as well as the resulting cost factors.

Figure 28: Summary of Public Works Expenditures and Fiscal Factors

Expenditure Category	FY 2008 Amount	Percent of Total	Allocation Methodology	Adj. Factor	Residential Share	Nonres. Share	Residential Divisor	Nonres. Divisor	Residential Cost Factor	Nonres. Cost Factor
Fire	***$6,998,610***	**17.92%**								
Personnel Services	$5,941,320	15.22%	Custom	100%	N/A	N/A	N/A	N/A	Custom Table	Custom Table
Operating	$1,044,350	2.67%	Custom	100%	N/A	N/A	N/A	N/A	Custom Table	Custom Table
Recovered Costs	($297,060)	-0.76%	Custom	100%	N/A	N/A	N/A	N/A	Custom Table	Custom Table
Capital Outlay	$310,000	0.79%	Custom	100%	N/A	N/A	N/A	N/A	Custom Table	Custom Table

As shown above in Figure 28, a custom methodology is used to allocate costs for fire based on an analysis of calls for service. Figure 29 below contains information pertaining to calls for service for fire. The table summarizes the percentage of calls for service for residential land uses by type and nonresidential land uses by type. Call data provided by the City is allocated to land use categories in order to determine proportionate cost share. These proportionate cost shares for each land use are then compared to the appropriate demand base to determine the cost factor to be used in the fiscal analysis.

Figure 29: Fire Allocation Methodology

Growth-Related Fire Department Expenditures					**$6,998,610**
Calls by Land Use	**Calls**	**%**	**Share of Costs**	**2007 Demand Units**	**Cost Factor**
Single Family Residential	1,431	45%	$3,161,304	12,414 Units	$254.66
Duplex	456	14%	$1,007,376	2,324 Units	$433.47
Multifamily	557	18%	$1,230,501	3,395 Units	$362.44
Other Residential	44	1%	$97,203	1,313 Units	$74.03
Commerical	271	9%	$598,682	10,997 Jobs	$54.44
Office	262	8%	$578,799	8,542 Jobs	$67.76
Industrial	120	4%	$265,099	6,442 Jobs	$41.15
Hotel	27	1%	$59,647	180 Jobs	$331.37
Total	**3,168**	**100%**	**$6,998,610**		

PLANNING AND DEVELOPMENT SERVICES

Figure 30 below summarizes FY2007-08 operating expenditures for Planning and Development Services. Figure 30 also summarizes the cost allocation methodology, the proportionate share attributable to residential and nonresidential land uses, as well as the resulting cost factors.

Figure 30: Summary of Planning and Development Services Expenditures and Fiscal Factors

Expenditure Category	FY 2008 Amount	Percent of Total	Allocation Methodology	Adj. Factor	Residential Share	Nonres. Share	Residential Divisor	Nonres. Divisor	Residential Cost Factor	Nonres. Cost Factor
Planning	***$718,770***	**1.84%**								
Personnel Services	$557,850	1.43%	Population and Jobs	100%	$445,309	$112,541	47,876	26,161	$9.30	$4.30
Operating	$192,830	0.49%	Population and Jobs	100%	$153,928	$38,902	47,876	26,161	$3.22	$1.49
Recovered Costs	($38,410)	-0.10%	Population and Jobs	100%	($30,661)	($7,749)	47,876	26,161	($0.64)	($0.30)
Capital Outlay	$6,500	0.02%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Construction Services	***$500,200***	**1.28%**								
Personnel Services	$515,640	1.32%	Population and Jobs	100%	$411,614	$104,026	47,876	26,161	$8.60	$3.98
Operating	$74,990	0.19%	Population and Jobs	100%	$59,861	$15,129	47,876	26,161	$1.25	$0.58
Recovered Costs	($125,050)	-0.32%	Population and Jobs	100%	($99,822)	($25,228)	47,876	26,161	($2.09)	($0.96)
Capital Outlay	$34,620	0.09%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Land Development	***$294,000***	**0.75%**								
Personnel Services	$266,800	0.68%	Population and Jobs	100%	$212,975	$53,825	47,876	26,161	$4.45	$2.06
Operating	$27,200	0.07%	Population and Jobs	100%	$21,713	$5,487	47,876	26,161	$0.45	$0.21
Recovered Costs	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Capital Outlay	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Neighborhood Improvement	***$419,580***	**1.07%**								
Personnel Services	$270,320	0.69%	Population	100%	$270,320	N/A	47,876	N/A	$5.65	N/A
Operating	$149,260	0.38%	Population	100%	$149,260	N/A	47,876	N/A	$3.12	N/A
Recovered Costs	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Capital Outlay	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A

PARKS AND RECREATION

Figure 31 below summarizes FY2007-08 operating expenditures for Parks and Recreation. Figure 31 also summarizes the cost allocation methodology, the proportionate share attributable to residential and nonresidential land uses, as well as the resulting cost factors. There are no costs associated with nonresidential land uses for this department since the services are predominately for residents.

Figure 31: Summary of Parks and Recreation Expenditures and Fiscal Factors

Expenditure Category	FY 2008 Amount	Percent of Total	Allocation Methodology	Adj. Factor	Residential Share	Nonres. Share	Residential Divisor	Nonres. Divisor	Residential Cost Factor	Nonres. Cost Factor
Recreation	***$2,004,360***	**5.13%**								
Personnel Services	$1,345,480	3.45%	Population	100%	$1,345,480	N/A	47,876	N/A	$28.10	N/A
Operating	$658,880	1.69%	Population	100%	$658,880	N/A	47,876	N/A	$13.76	N/A
Recovered Costs	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Capital Outlay	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Parks	***$1,666,890***	**4.27%**								
Personnel Services	$714,260	1.83%	Population	100%	$714,260	N/A	47,876	N/A	$14.92	N/A
Operating	$919,630	2.36%	Population	100%	$919,630	N/A	47,876	N/A	$19.21	N/A
Recovered Costs	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Capital Outlay	$33,000	0.08%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Reservoirs	***$78,930***	**0.20%**								
Personnel Services	$56,930	0.15%	Population	100%	$56,930	N/A	47,876	N/A	$1.19	N/A
Operating	$22,000	0.06%	Population	100%	$22,000	N/A	47,876	N/A	$0.46	N/A
Recovered Costs	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Capital Outlay	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Wedgewood Golf Course	***$761,570***	**1.95%**								
Personnel Services	$385,630	0.99%	Population	100%	$385,630	N/A	47,876	N/A	$8.05	N/A
Operating	$287,740	0.74%	Population	100%	$287,740	N/A	47,876	N/A	$6.01	N/A
Recovered Costs	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Capital Outlay	$88,200	0.23%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A

PUBLIC SERVICES

Figure 32 below summarizes FY2007-08 operating expenditures for Public Services. Figure 32 also summarizes the cost allocation methodology, the proportionate share attributable to residential and nonresidential land uses, as well as the resulting cost factors.

Figure 32: Summary of Public Services Expenditures and Fiscal Factors

Expenditure Category	FY 2008 Amount	Percent of Total	Allocation Methodology	Adj. Factor	Residential Share	Nonres. Share	Residential Divisor	Nonres. Divisor	Residential Cost Factor	Nonres. Cost Factor
PS - Admin and Engineering	***$937,410***	**2.40%**								
Personnel Services	$476,750	1.22%	Population and Jobs	100%	$380,570	$96,180	47,876	26,161	$7.95	$3.68
Operating	$780,280	2.00%	Population and Jobs	100%	$622,865	$157,415	47,876	26,161	$13.01	$6.02
Recovered Costs	($337,420)	-0.86%	Population and Jobs	100%	($269,348)	($68,072)	47,876	26,161	($5.63)	($2.60)
Capital Outlay	$17,800	0.05%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Street Const. and Maintenance	***$3,681,130***	**9.43%**								
Personnel Services	$1,355,810	3.47%	Road Miles	100%	N/A	N/A	219	219	$6,190.91	$6,190.91
Operating	$2,123,320	5.44%	Road Miles	100%	N/A	N/A	219	219	$9,695.53	$9,695.53
Recovered Costs	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Capital Outlay	$202,000	0.52%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Environmental Services	***$4,502,220***	**11.53%**								
Personnel Services	$1,968,490	5.04%	Population and Jobs	100%	$1,571,364	$397,126	47,876	26,161	$32.82	$15.18
Operating	$2,391,230	6.12%	Population and Jobs	100%	$1,908,820	$482,410	47,876	26,161	$39.87	$18.44
Recovered Costs	($168,500)	-0.43%	Population and Jobs	100%	($134,507)	($33,993)	47,876	26,161	($2.81)	($1.30)
Capital Outlay	$311,000	0.80%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Fleet Maintenance	***$217,010***	**0.56%**								
Personnel Services	$998,520	2.56%	Population and Jobs	100%	$797,077	$201,443	47,876	26,161	$16.65	$7.70
Operating	$539,500	1.38%	Population and Jobs	100%	$430,661	$108,839	47,876	26,161	$9.00	$4.16
Recovered Costs	($1,342,510)	-3.44%	Population and Jobs	100%	($1,071,670)	($270,840)	47,876	26,161	($22.38)	($10.35)
Capital Outlay	$21,500	0.06%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Parking and Traffic	***$559,230***	**1.43%**								
Personnel Services	$282,140	0.72%	Population	100%	$282,140	N/A	47,876	N/A	$5.89	N/A
Operating	$277,090	0.71%	Population	100%	$277,090	N/A	47,876	N/A	$5.79	N/A
Recovered Costs	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Capital Outlay	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A

CONTINGENCY

Figure 33 below summarizes FY2007-08 operating expenditures for Contingencies. Figure 33 also summarizes the cost allocation methodology, the proportionate share attributable to residential and nonresidential land uses, as well as the resulting cost factors. This expenditure is fixed because additional costs may or may not arise depending on what occurs in the fiscal year.

Figure 33: Summary of Contingency Expenditures and Fiscal Factors

Expenditure Category	FY 2008 Amount	Percent of Total	Allocation Methodology	Adj. Factor	Residential Share	Nonres. Share	Residential Divisor	Nonres. Divisor	Residential Cost Factor	Nonres. Cost Factor
Contingency	***$50,000***	**0.13%**								
Personnel Services	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Operating	$50,000	0.13%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Recovered Costs	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Capital Outlay	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A

INTERFUND TRANSFERS OUT

Figure 34 below summarizes FY2007-08 operating expenditures for Interfund Transfers Out. Figure 34 also summarizes the cost allocation methodology, the proportionate share attributable

to residential and nonresidential land uses, as well as the resulting cost factors. This expenditure is fixed because money is being transferred out and therefore is not associated with general fund expenditures.

Figure 34: Summary of Interfund Transfers Out Expenditures and Fiscal Factors

Expenditure Category	FY 2008 Amount	Percent of Total	Allocation Methodology	Adj. Factor	Residential Share	Nonres. Share	Residential Divisor	Nonres. Divisor	Residential Cost Factor	Nonres. Cost Factor
Interfund Transfers Out	***$158,580***	**0.41%**								
Personnel Services	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Operating	$158,580	0.41%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Recovered Costs	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A
Capital Outlay	$0	0.00%	Fixed	100%	N/A	N/A	N/A	N/A	N/A	N/A

C. Capital Expenditures

Figure 35 shows the capital expenditures allocation methodologies used in this analysis. Capital expenditures included in the analysis are:

- Administrative Services
- Police
- Fire
- Parks and Recreation
- Public Services

Costs for capital facilities are projected using an incremental method, based on average annual expenditures from the current Capital Improvement Plan. Administrative and Public Service expenditures are allocated based population and jobs. Capital expenditures for Police and Fire are allocated to residential and nonresidential development based on proportionate share of residential and nonresidential demand discussed previously under operating expenditures. Parks and Recreation capital expenditures are allocated to population.

Figure 35: Annualized General Fund Capital Expenditure Allocation Methodologies

	Per Capita	Per Housing Unit	Per Job	Per Nonres Trip
Administrative Services	X		X	
Police		X		X
Fire		X		X
Parks and Recreation	X			
Public Services	X		X	