



APPLIED ECONOMICS

FISCAL IMPACTS OF AED NORTH AND SOUTH ANNEXATION





Project Description

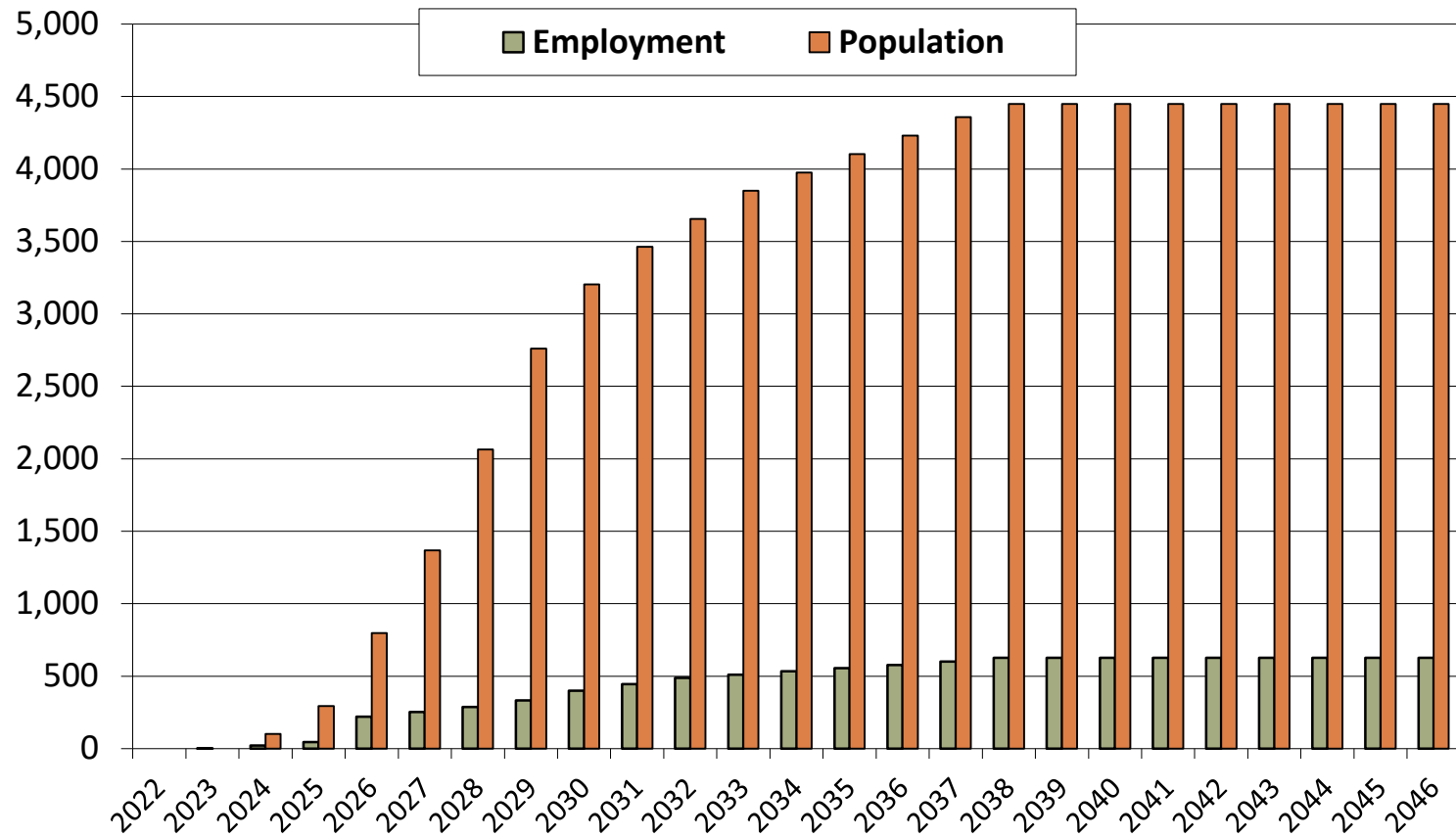
- Combination of AED South (801 acres) and AED North (1,621 acres)
- Proposed land uses
 - Resort Hotel – 91 acres
 - Industrial Transition– 38 acres
 - General Industrial – 156 acres
 - Municipal/Civic – 20 acres
 - Single Family Medium Density – 571 acres
 - Manufactured Housing – 88 acres*
 - Multi-Family Medium Density – 80 acres
 - Vacant – Airport Impact (399 acres), Open Space (503 acres), Point of Rocks Preserve (474 acres)
- Analysis shows annual impacts over 25 years from 2022 to 2046



Projected Absorption

- Projected absorption by phase provided by developer with input from Planning Division
 - ▣ Residential 2023-2037
 - ▣ General Industrial/Industrial Transition 2023-2037
 - ▣ Resort 2025
- Annual impacts were scaled within these time periods
- Analysis assumes all land full absorbed by 2037

Cumulative Population & Employment Impacts





Capital Improvements

- No capital cost to City, no capital improvement costs included in fiscal impact
- 48 lane miles of new collector and arterial streets included for city maintenance in fiscal model
- Lane miles are added incrementally along with other development
- 3 new acres of developed public park space included for maintenance
- \$75 per acre annual maintenance for Point of Rocks Preserve

Fiscal Impacts

- Includes general fund, water and wastewater operating funds, streets fund
- Revenue and expenditures rates based on current and past city budgets
- Revenues based on assessed value, taxable sales and leases, new construction activity, population and employment
- Expenditure rates based on population, employment, street lane miles, construction activity, city staff size, level of projected water/wastewater use
- Rates developed for existing city and then applied to the development projected for the annexation area

Fiscal Impact Results

Year	General Fund	Water Fund	Wastewater Fund	Streets Fund	TOT* Fund	Net Impact All Funds	Cum Impact All Funds
2022	\$1,985	\$0	\$0	\$0	\$0	\$1,985	\$1,985
2023	\$21,318	\$0	\$0	\$38,158	\$0	\$59,476	\$61,461
2024	\$83,611	\$4,335	\$3,013	\$101,680	\$0	\$192,639	\$254,100
2025	\$407,439	\$4,964	\$4,577	\$423,322	\$0	\$840,302	\$1,094,402
2026	\$396,503	\$30,684	\$49,753	\$457,105	\$66,270	\$1,000,315	\$2,094,718
2027	\$549,901	\$40,997	\$67,038	\$585,020	\$68,302	\$1,311,259	\$3,405,977
2028	\$569,949	\$54,131	\$88,345	\$611,516	\$70,397	\$1,394,337	\$4,800,314
2029	\$386,102	\$65,663	\$95,000	\$439,475	\$72,557	\$1,058,796	\$5,859,110
2030	\$328,706	\$43,303	\$69,794	\$386,590	\$74,783	\$903,175	\$6,762,285
2031	\$341,741	\$48,274	\$72,764	\$395,999	\$77,078	\$935,855	\$7,698,140
2032	\$318,720	\$52,122	\$75,220	\$371,367	\$79,444	\$896,873	\$8,595,013
2033	\$329,356	\$56,448	\$78,049	\$377,186	\$81,883	\$922,922	\$9,517,935
2034	\$334,308	\$59,449	\$80,194	\$378,849	\$84,398	\$937,197	\$10,455,133
2035	\$339,254	\$62,520	\$82,382	\$380,456	\$86,990	\$951,602	\$11,406,735
2036	\$344,301	\$65,670	\$84,617	(\$172,644)	\$89,663	\$411,607	\$11,818,342
2037	\$324,946	\$68,900	\$86,901	(\$182,950)	\$92,418	\$390,216	\$12,208,558
2038	\$205,168	\$71,399	\$88,792	(\$188,081)	\$95,259	\$272,536	\$12,481,095
2039	\$218,350	\$72,478	\$90,127	(\$190,903)	\$98,188	\$288,239	\$12,769,334
2040	\$221,442	\$73,565	\$91,478	(\$193,766)	\$101,208	\$293,926	\$13,063,260
2041	\$224,528	\$74,668	\$92,851	(\$196,673)	\$104,321	\$299,695	\$13,362,956
2042	\$227,661	\$75,788	\$94,243	(\$199,623)	\$107,531	\$305,600	\$13,668,556
2043	\$230,840	\$76,925	\$95,657	(\$202,617)	\$110,840	\$311,645	\$13,980,201
2044	\$234,067	\$78,079	\$97,092	(\$205,656)	\$114,252	\$317,834	\$14,298,036
2045	\$237,343	\$79,250	\$98,548	(\$208,741)	\$117,771	\$324,171	\$14,622,206
2046	\$240,668	\$80,439	\$100,026	(\$211,872)	\$121,398	\$330,659	\$14,952,865
Total	\$7,118,209	\$1,340,050	\$1,786,461	\$2,793,197	\$1,914,949	\$14,952,865	\$14,952,865
NPV	\$5,574,981	\$980,679	\$1,320,040	\$2,743,147	\$1,402,026	\$12,020,873	na

Note: NPV based on interest rate of 2 percent.

*TOT = Transient Occupancy Tax



Fiscal Impact Results

- ***Moderate positive impact over the long term based on projected development pattern***
- **General Fund** – mostly driven by sales tax and state shared revenues. Higher net impact during construction due to sales tax. Permanent increase in 2026 due to resort.
- **Water and Wastewater Funds** – small positive impacts throughout the period based on projected water usage and typical production/distribution costs. Note that no capital improvements were included in these funds.
- **Streets Fund** – Positive through 2035 due to dedicated sales tax revenues. Impacts turn negative after tax sunsets in 2036. Alternate source of funding for street maintenance will be required.
- **TOT Fund** – Positive impacts through the period. Expenditures for tourism and parks/recreation are scaled to bed tax revenues.

Non-Quantifiable Impacts

- Important for City to have influence over the placement of uses within the annexation to protect the airport from encroachment
- Preserve Point of Rocks and adjacent land and trails
- Marketable industrial sites for future economic development
- Mix of housing with some rental and lower priced options for future workforce
- Unique eco-friendly resort concept