Fiscal Impact Analysis of Carolina North: Briefing on Results

Presented by:

TischlerBise
Fiscal, Economic & Planning Consultants

March 31, 2009
Overview of Presentation

- Overview of scope
- Overview of fiscal impact analysis
- Major assumptions
- Fiscal impact results for Direct scenarios for each jurisdiction
- Fiscal impact results for Indirect scenarios for each jurisdiction
- Combined fiscal impact results for each jurisdiction
Overview of Scope of Work

- **Objective of the Fiscal Impact Analysis:** Provide *baseline analysis*

- **Process:**
  - Level of service interviews with jurisdictions
  - Develop model
  - Reported preliminary results
  - Further feedback on assumptions/refinement (e.g., trip estimates)
  - Deliver draft and final reports
  - Present findings

- **Implementation of Fiscal Impact Model:** Allows for further testing of “What If” scenarios
Overview of Fiscal Impact Analysis

- Cash flow to the public sector
  - Question: Are the revenues generated by growth enough to cover the costs from resulting service and facility demands?
- Reflects operating expenses and capital costs
- All revenues
- Revenues minus expenditures = net surplus or deficit
- Fiscal impact analysis is not revenue constrained
  - Expenditures projected to maintain current levels of service
  - Revenues projected on scenarios and formulas
  - Revenues and expenditures are projected separately
Economic Impact Analysis

- Reflects overall economy of the community
  - Residential: Primary factors are the construction phase and consumer spending
  - Nonresidential: Primary factors are job creation and real disposable income
- Focuses on short-term impacts
- May not acknowledge whether impacts are net new as opposed to a shift from current situation
- Impact on economy may not reflect local revenue streams
Carolina North Assumptions

- Analysis serves as a baseline analysis
- Adopted FY 2007-08 Budgets
- Current dollars are used
- Two sets of scenarios:
  - Two Direct Scenarios: Fiscal impact of a 15-year development program as provided by UNC
  - Two Indirect Scenarios: Fiscal impact of secondary growth due to Carolina North; based on current patterns as provided by UNC
- Current levels of services in each jurisdiction
Assumptions (cont’d)

- Key assumptions on Carolina North direct services
  - Town of Chapel Hill provides Fire
  - University provides Police
  - No new Town streets
- Schools: Operating and capital included in Orange County results
- Transit: Costs projected based on current levels of operations / infrastructure
  - Costs included in Chapel Hill and Carrboro results (cost to Carrboro is revenue to Chapel Hill)
- Capital expenditures reflect incremental costs to maintain current levels of service (i.e., the portion of the facility needed due to development)
Assumptions Detail

LEVEL OF SERVICE / COST & REVENUE ASSUMPTIONS

APPENDIX TO THE FISCAL IMPACT ANALYSIS OF PHASE I OF CAROLINA NORTH

University of North Carolina-Chapel Hill
Town of Chapel Hill, North Carolina
Town of Carrboro, North Carolina
Orange County, North Carolina

March 3, 2009

Prepared By:
TischlerBise
FISCAL IMPACT ANALYSIS
RESULTS: Direct Scenarios
Definition of DIRECT Impacts

- Fiscal impacts from 15-year Phase I Carolina North development program
- Revenues and costs generated to each jurisdiction only from development on-site
- Two scenarios modeled: inputs are housing units, nonresidential square footage, jobs
- No spin-off impacts included in direct results
### Scenarios: Residential Demand Factors (15-Year Total)

<table>
<thead>
<tr>
<th></th>
<th>Scenario 1</th>
<th>Scenario 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Residential</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing Units</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carolina North [1]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>University Housing (multifamily)</td>
<td>250</td>
<td>125</td>
</tr>
<tr>
<td>Private Housing (multifamily)</td>
<td>167</td>
<td>250</td>
</tr>
<tr>
<td><strong>Total Units</strong></td>
<td>417</td>
<td>375</td>
</tr>
<tr>
<td><strong>Population [2]</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chapel Hill</td>
<td>751</td>
<td>675</td>
</tr>
<tr>
<td>Carrboro</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other Orange County</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Orange County</td>
<td>751</td>
<td>675</td>
</tr>
<tr>
<td><strong>Public School Students [3]</strong></td>
<td>29</td>
<td>26</td>
</tr>
<tr>
<td>CHCCS</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>OCS</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

[1] UNC; located in Chapel Hill and Orange County  
[2] Based on average household size by type from Chapel Hill and U.S. Census; see Appendix  
[3] Based on student generation rates by type of housing unit from Orange County and TischlerBise; see Appendix.  
For example, for Carolina North Scenario 1, the formula is number of units (417 multifamily) x .07 students per multifamily unit = 29 students
### Scenarios: Nonresidential Demand Factors (15-Year Total)

<table>
<thead>
<tr>
<th>NONRESIDENTIAL</th>
<th>SCENARIO 1</th>
<th>SCENARIO 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Direct</td>
<td>Direct</td>
</tr>
<tr>
<td><strong>Projected Total Jobs at Carolina North [1]</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>University</td>
<td>2,725</td>
<td>2,725</td>
</tr>
<tr>
<td>Corporate Office Jobs</td>
<td>2,100</td>
<td>2,100</td>
</tr>
<tr>
<td>Retail Jobs</td>
<td>333</td>
<td>333</td>
</tr>
<tr>
<td><strong>TOTAL On-Site</strong></td>
<td>5,158</td>
<td>5,158</td>
</tr>
<tr>
<td><strong>Existing UNC Jobs Anticipated to Move to CN</strong></td>
<td>1,567</td>
<td>1,567</td>
</tr>
<tr>
<td><strong>Projected Direct New Jobs at Carolina North [2]</strong></td>
<td>3,591</td>
<td>3,591</td>
</tr>
</tbody>
</table>

[1] UNC; located in Chapel Hill and Orange County.
DIRECT Fiscal Impact Analysis Results

- Shown in two ways for each jurisdiction:
  - Annual net results — year-to-year revenues minus expenditures
  - Cumulative net results — total revenues minus total operating and capital costs over 15-year period

- Net fiscal impacts from new development only
DIRECT FISCAL RESULTS

Results-Chapel Hill Annual

Annual Net Fiscal Impacts-CHAPEL HILL
Scenario Comparisons: DIRECT IMPACTS

Carolina North Fiscal Impact Analysis

- Chapel Hill Scenario 1 (Direct)
- Chapel Hill Scenario 2 (Direct)
DIRECT FISCAL RESULTS

Results-Chapel Hill Cumulative

Cumulative (15-Year) Net Fiscal Impacts-CHAPEL HILL
Scenario Comparisons: DIRECT IMPACTS
Carolina North Fiscal Impact Analysis

Chapel Hill Scenario 1 (Direct)  Chapel Hill Scenario 2 (Direct)

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Expenditures</th>
<th>Net Fiscal Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>$11,775</td>
<td>$11,703</td>
<td>($11,703)</td>
</tr>
<tr>
<td>$23,478</td>
<td>$11,609</td>
<td>$11,887</td>
</tr>
<tr>
<td>$23,495</td>
<td>($11,887)</td>
<td>($15,000)</td>
</tr>
</tbody>
</table>

(X 1,000)
Key Findings: DIRECT Impacts to Chapel Hill

- Net deficits to the Town of Chapel Hill.
- Cumulative net deficit is almost $12 million, or approximately $800,000 average annual.
- New Fire station, apparatus, and operating impact accounts for 85 percent of deficit.
- Transit costs included in results; Carrboro’s share of cost is revenue to Chapel Hill.
- Analysis assumes Town Police will NOT be primary provider at Carolina North (traffic patrol costs included).
- Analysis assumes no new Town roads (Streets maintenance costs from increase in traffic are included).
DIRECT FISCAL RESULTS

Results - Orange County Annual

Annual Net Fiscal Impacts - ORANGE COUNTY
Scenario Comparisons: DIRECT IMPACTS
Carolina North Fiscal Impact Analysis

Orange County Scenario 1 (Direct)
Orange County Scenario 2 (Direct)
OC Scenario 1 plus CHCCS Special District Tax
OC Scenario 2 plus CHCCS Special District Tax
DIRECT FISCAL RESULTS

Results - Orange County Cumulative

Cumulative (15-Year) Net Fiscal Impacts - ORANGE COUNTY
Scenario Comparisons: DIRECT IMPACTS
Carolina North Fiscal Impact Analysis

- Orange County Scenario 1 (Direct)
  - Revenues: $19,882
  - Expenditures: $6,066
  - Net Fiscal Impact: $13,816

- Orange County Scenario 2 (Direct)
  - Revenues: $20,983
  - Expenditures: $4,558
  - Net Fiscal Impact: $16,425
DIRECT FISCAL RESULTS

Results-Orange County Cumulative with CHCCS Special District Tax

Cumulative (15-Year) Net Fiscal Impacts-ORANGE COUNTY with CHCCS Special District Tax
Scenario Comparisons: DIRECT IMPACTS
Carolina North Fiscal Impact Analysis

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Revenues (X 1,000)</th>
<th>Expenditures (X 1,000)</th>
<th>Net Fiscal Impact (X 1,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OC Scenario 1 plus CHCCS Special District Tax</td>
<td>$23,164</td>
<td>$6,066</td>
<td>$17,097</td>
</tr>
<tr>
<td>OC Scenario 2 plus CHCCS Special District Tax</td>
<td>$24,621</td>
<td>$4,558</td>
<td>$20,063</td>
</tr>
</tbody>
</table>
Key Findings: DIRECT Impacts to Orange County

- Net surpluses to Orange County.
- Cumulative net surplus of $13.8 million in Scenario 1 and $16.4 million in Scenario 2. Average annual $921,000 and $1.1 million.
- Scenario 2 produces better results due to fewer students and later timing of residential development.
- CHCCS Special District Tax improves results by over $3 million cumulatively.
- Results due to revenue structure and more nonresidential than residential development.
- Relatively low school costs due to multifamily units, with lower student generation rates in CHCCS.
Results-Carrboro Annual

Annual Net Fiscal Impacts-CARRBORO
Scenario Comparisons: DIRECT
Carolina North Fiscal Impact Analysis

- Carrboro Scenario 1 (Direct)
- Carrboro Scenario 2 (Direct)
Key Findings: DIRECT Impacts to Carrboro

- Cumulative net deficits of $782,000 in Scenario 1 and $755,000 in Scenario 2.
- Due to Town of Carrboro’s contribution to Transit costs
- No direct revenues generated
FISCAL IMPACT ANALYSIS
RESULTS: Indirect Scenarios
Definition of INDIRECT Impacts

- Fiscal impact of secondary, or spin-off, growth from 15-year Phase I Carolina North development
- Revenues and costs generated to each jurisdiction only from off-site growth
- Two scenarios modeled: Indirect development from each Carolina North scenario
- Inputs are housing units, nonresidential square footage, jobs
**INDIRECT FISCAL RESULTS**

### Scenarios: Residential Demand Factors (15-Year Total)

<table>
<thead>
<tr>
<th>RESIDENTIAL</th>
<th>SCENARIO 1</th>
<th>SCENARIO 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Housing Units</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated Indirect Housing Units by Jurisdiction [1]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chapel Hill</td>
<td>1,468</td>
<td>1,468</td>
</tr>
<tr>
<td>Carrboro</td>
<td>309</td>
<td>309</td>
</tr>
<tr>
<td>Other Orange County [2]</td>
<td>193</td>
<td>193</td>
</tr>
<tr>
<td>Orange County [3]</td>
<td>1,911</td>
<td>1,911</td>
</tr>
<tr>
<td><strong>Population [4]</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chapel Hill</td>
<td>3,024</td>
<td>3,024</td>
</tr>
<tr>
<td>Carrboro</td>
<td>743</td>
<td>743</td>
</tr>
<tr>
<td>Other Orange County</td>
<td>464</td>
<td>464</td>
</tr>
<tr>
<td>Orange County [3]</td>
<td>4,110</td>
<td>4,110</td>
</tr>
<tr>
<td><strong>Public School Students [5]</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHCCS</td>
<td>608</td>
<td>608</td>
</tr>
<tr>
<td>OCS</td>
<td>58</td>
<td>58</td>
</tr>
</tbody>
</table>

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[1] The Chesapeake Group; distribution based on current patterns of residences of UNC employees as reported by UNC.
[3] For Indirect impact, 4 percent of total Chapel Hill population is assumed to be outside of Orange County.
[4] Based on average household size by type from Chapel Hill and U.S. Census; see Appendix
[5] Based on student generation rates by type of housing unit from Orange County and TischlerBise; see Appendix.
## Scenarios: Nonresidential Demand Factors (15-Year Total)

### INDIRECT FISCAL RESULTS

<table>
<thead>
<tr>
<th>NONRESIDENTIAL</th>
<th>SCENARIO 1</th>
<th>SCENARIO 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Indirect</td>
<td>Indirect</td>
</tr>
<tr>
<td>Projected Indirect New Jobs (in Region) [1]</td>
<td>5,027</td>
<td>5,027</td>
</tr>
<tr>
<td>Estimated Jobs in Study Jurisdictions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chapel Hill</td>
<td>1,106</td>
<td>1,106</td>
</tr>
<tr>
<td>Carrboro</td>
<td>251</td>
<td>251</td>
</tr>
<tr>
<td>Other Orange County</td>
<td>251</td>
<td>251</td>
</tr>
<tr>
<td>Orange County [2]</td>
<td>1,564</td>
<td>1,564</td>
</tr>
</tbody>
</table>

[1] The Chesapeake Group; distribution based on current development patterns
[2] For Indirect impact, 4 percent of total Chapel Hill employment is assumed to be outside of Orange County.
INDIRECT Fiscal Impact Analysis Results

- Shown in two ways for each jurisdiction:
  - Annual net results — year-to-year revenues minus expenditures
  - Cumulative net results — total revenues minus total operating and capital costs over 15-year period
- Net fiscal impacts from new development only
Results-Chapel Hill Annual

Annual Net Fiscal Impacts-CHAPEL HILL
Scenario Comparisons: INDIRECT IMPACTS
Carolina North Fiscal Impact Analysis

(X $1,000)

($500)

$0

$500

$1,000

$1,500

$2,000

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

Chapel Hill Indirect of Scenario 1
Chapel Hill Indirect of Scenario 2
INDIRECT FISCAL RESULTS

Results - Chapel Hill Cumulative

Cumulative (15-Year) Net Fiscal Impacts - Chapel Hill
Scenario Comparisons: INDIRECT IMPACTS
Carolina North Fiscal Impact Analysis

- Chapel Hill Indirect of Scenario 1:
  - Revenues: $25,085
  - Expenditures: $16,323
  - Net Fiscal Impact: $8,762

- Chapel Hill Indirect of Scenario 2:
  - Revenues: $28,371
  - Expenditures: $17,452
  - Net Fiscal Impact: $10,920

TischlerBise
Key Findings: INDIRECT Impacts to Chapel Hill

- Net surpluses to the Town of Chapel Hill with early years producing net deficits.
- Cumulative net surpluses are almost $9 million (Scenario 1) and $11 million (Scenario 2)
- Scenario 2 assumes earlier nonresidential development thus generating higher overall revenues and costs
Results-Orange County Annual

Annual Net Fiscal Impacts-ORANGE COUNTY
Scenario Comparisons: INDIRECT IMPACTS
Carolina North Fiscal Impact Analysis

Orange County Indirect of Scenario 1
Orange County Indirect of Scenario 2
OC Indirect of Scenario 1 plus CHCCS Special District Tax
OC Indirect of Scenario 2 plus CHCCS Special District Tax
**Results - Orange County Cumulative**

### INDIRECT FISCAL RESULTS

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Orange County</th>
<th>Indirect of Scenario 1</th>
<th>Orange County</th>
<th>Indirect of Scenario 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$67,332</td>
<td>$56,069</td>
<td>$73,957</td>
<td>$60,213</td>
</tr>
<tr>
<td>Expenditures</td>
<td>$11,263</td>
<td>$13,744</td>
<td>$0</td>
<td>$13,744</td>
</tr>
<tr>
<td>Net Fiscal Impact</td>
<td>$56,069</td>
<td>$42,325</td>
<td>$60,213</td>
<td>$46,471</td>
</tr>
</tbody>
</table>

Results-Orange County Cumulative with CHCCS Special District Tax

Cumulative (15-Year) Net Fiscal Impacts-ORANGE COUNTY with CHCCS Special District Tax
Scenario Comparisons: INDIRECT IMPACTS
Carolina North Fiscal Impact Analysis

- OC Indirect of Scenario 1 plus CHCCS Special District Tax: $76,485
- OC Indirect of Scenario 2 plus CHCCS Special District Tax: $84,296

Revenues: $56,069, $20,415
Expenditures: $80,000, $60,213
Net Fiscal Impact: $24,083
Key Findings: INDIRECT Impacts to Orange County

- Net surpluses to Orange County starting in Year 6.
- Initial years produce net deficits due to school and other costs without commensurate revenues.
- Cumulative net surplus of $11.3 million in Scenario 1 and $13.7 million in Scenario 2. Average annual $751,000 and $916,000.
- CHCCS Special District Tax improves results by approximately $9 to $10 million cumulatively.
Results-Carrboro Annual

Annual Net Fiscal Impacts-CARRBORO
Scenario Comparisons: INDIRECT IMPACTS
Carolina North Fiscal Impact Analysis

Carrboro Indirect of Scenario 1
Carrboro Indirect of Scenario 2
Results-Carrboro Cumulative

Cumulative (15-Year) Net Fiscal Impacts-CARRBORO
Scenario Comparisons: INDIRECT IMPACTS
Carolina North Fiscal Impact Analysis

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Revenues (1000)</th>
<th>Expenditures (1000)</th>
<th>Net Fiscal Impact (1000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario 1</td>
<td>$7,375</td>
<td>$6,216</td>
<td>$1,160</td>
</tr>
<tr>
<td>Scenario 2</td>
<td>$8,368</td>
<td>$6,870</td>
<td>$1,498</td>
</tr>
</tbody>
</table>
Key Findings: INDIRECT Impacts to Carrboro

- Fiscally neutral or net deficits in first 5 years
- Annual net surpluses starting in Year 6.
- Cumulative net surpluses generated of $1.2 to $1.5 million
- Transit costs are projected reflecting Carrboro’s share of the cost
COMBINED FISCAL IMPACT ANALYSIS RESULTS:
Direct and Indirect Scenarios
COMBINED Fiscal Impact Analysis Results

- Fiscal impact results from Direct and Indirect scenarios added together
- Shown for each jurisdiction:
  - Cumulative net results — total revenues minus total operating and capital costs — over 15-year period for each scenario separately
- Net fiscal impacts from new development only
Results-Chapel Hill Scenario 1

Cumulative (15-Year) Net Fiscal Impacts-CHAPEL HILL
DIRECT and INDIRECT FISCAL IMPACTS: Scenario 1
Carolina North Fiscal Impact Analysis

Chapel Hill Direct
Revenue: $11,775
Expenditure: $11,703
Net Fiscal Impact: $72

Chapel Hill Indirect
Revenue: $25,085
Expenditure: $16,323
Net Fiscal Impact: $8,762

Chapel Hill Combined
Revenue: $36,860
Expenditure: $20,000
Net Fiscal Impact: $16,860

Total Combined Impact
Revenue: $39,801
Expenditure: $22,941
Net Fiscal Impact: $16,860
COMBINED FISCAL RESULTS

Results-Chapel Hill Scenario 2

Cumulative (15-Year) Net Fiscal Impacts-CHAPEL HILL DIRECT and INDIRECT FISCAL IMPACTS: Scenario 2
Carolina North Fiscal Impact Analysis
Key Findings: COMBINED Impacts to Chapel Hill

- Net deficits to the Town of Chapel Hill.
- Cumulative net deficit is $2.9 million in Scenario 1 and $967,000 in Scenario 2
  - Scenario 2 produces a smaller net deficit due to earlier nonresidential development at Carolina North producing earlier indirect development.
  - Revenues and costs are higher in Scenario 2.
- Net surpluses generated by indirect impacts are not sufficient to offset direct deficits
Results-Orange County Scenario 1

Cumulative (15-Year) Net Fiscal Impacts-ORANGE COUNTY
DIRECT and INDIRECT FISCAL IMPACTS: Scenario 1
Carolina North Fiscal Impact Analysis

Orange County Direct
- Revenues: $19,882
- Expenditures: $6,066
- Net Fiscal Impact: $13,816

Orange County Indirect
- Revenues: $67,332
- Expenditures: $56,069
- Net Fiscal Impact: $11,263

Orange County Combined Impact
- Revenues: $87,215
- Expenditures: $62,136
- Net Fiscal Impact: $25,079

(X 1,000)
Cumulative (15-Year) Net Fiscal Impacts—ORANGE COUNTY
DIRECT and INDIRECT FISCAL IMPACTS: Scenario 2
Carolina North Fiscal Impact Analysis

<table>
<thead>
<tr>
<th>Orange County Direct</th>
<th>Orange County Indirect</th>
<th>Orange County Combined Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues: $20,983</td>
<td>Expenditures: $16,425</td>
<td>Net Fiscal Impact: $64,771</td>
</tr>
<tr>
<td>Revenues: $4,556</td>
<td>Expenditures: $13,744</td>
<td>Net Fiscal Impact: $30,168</td>
</tr>
</tbody>
</table>

COMBINED FISCAL RESULTS
Key Findings: COMBINED Impacts to Orange County

- Net surpluses to Orange County.
- Cumulative net surplus of $25.1 million in Scenario 1 and $30.2 million in Scenario 2.
- Average annual $1.7 million (Scenario 1) and $2 million (Scenario 2)
- CHCCS Special District Tax improves results by approximately $12 to $14 million cumulatively
- Schools operating and capital comprise 75 percent of total expenditures; reflects incremental operating and capital costs
Results-Carrboro Scenario 1

Cumulative (15-Year) Net Fiscal Impacts-CARRBORO DIRECT and INDIRECT FISCAL IMPACTS: Scenario 1
Carolina North Fiscal Impact Analysis

<table>
<thead>
<tr>
<th>Carrboro Direct</th>
<th>Carrboro Indirect</th>
<th>Carrboro Combined Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>-1,000</td>
<td>1,160</td>
<td>5,000</td>
</tr>
<tr>
<td>0</td>
<td>6,216</td>
<td>6,998</td>
</tr>
<tr>
<td>782</td>
<td>$7,375</td>
<td>$7,375</td>
</tr>
<tr>
<td>0</td>
<td>$1,000</td>
<td>$2,000</td>
</tr>
</tbody>
</table>

(X 1,000)
Results-Carrboro Scenario 2
Key Findings: COMBINED Impacts to Carrboro

- Cumulative net surplus totals approximately $377,000 in Scenario 1 and $743,000 in Scenario 2.
- Average annual net surpluses are approximately $25,000 and $50,000 depending on scenario.
- Combined revenues are sufficient to cover the costs generated by the impacts for both scenarios with the second scenario producing slightly better results.
Overall Key Findings

- With the exception of the Town of Chapel Hill direct and combined impacts, the results indicate that revenue structures—majority property and sales taxes—are sufficient to cover the costs
- Property taxes account for largest share of revenue followed by sales taxes
  - To the extent property values fall and/or shifts to lower-priced housing and/or sales tax revenues do not recover to the level assumed in analysis, results will be affected
- Fiscal model will allow for sensitivity analyses of changing market conditions
Overall Key Findings

- To the extent State and other non-local funds remain flat or decrease, local obligations will increase and will affect the results. Or levels of service will decrease.
- The fiscal model can be used to integrate findings from other studies (traffic impact analysis).
- The indirect scenarios rely on the assumption that future development patterns will mirror current conditions. If this is not the case, indirect results will be affected. The fiscal model can assist in subsequent analysis.
APPENDIX: Supporting Material
Influencing Factors in Fiscal Impact Analysis: Revenue Structure & Service Provision

- Revenue structure
  - Sources
  - Distribution formulas
- Services provided
- Levels of service
- Infrastructure lifecycle
  - Existing capacities
- Characteristics of new development
  - Demographic
  - Socioeconomic
Case Examples: Overlap of Governmental Entities

Annual Net Impact-Residential Land Uses
Hempstead, New York

- Village
- School District

- $275
- ($187)
- $1,768

- $164
- ($82)

- $407

- ($1,000)
- ($500)
- $0
Case Examples: North Carolina Town

Annual Net Results - Combined Funds (Per Unit and Per 1,000 SF)
Town of Cary Prototype Fiscal Analysis
Case Examples: North Carolina City

Annual Net Results - Residential Prototypes
City of Wilson, NC Cost of Land Uses Fiscal Analysis
(Per Housing Unit)
### SCENARIO 1: Phasing Balanced/Housing Early

<table>
<thead>
<tr>
<th>Building</th>
<th>Total SF/Units</th>
<th>2011-2015</th>
<th>2016-2020</th>
<th>2021-2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centers and Institutes I</td>
<td>122,000</td>
<td>122,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Centers and Institutes II</td>
<td>100,000</td>
<td>100,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Centers and Institutes III</td>
<td>93,000</td>
<td></td>
<td></td>
<td>93,000</td>
</tr>
<tr>
<td>Innovation Center</td>
<td>85,000</td>
<td>85,000</td>
<td></td>
<td>150,000</td>
</tr>
<tr>
<td>Interdisciplinary Research Center</td>
<td>150,000</td>
<td></td>
<td></td>
<td>150,000</td>
</tr>
<tr>
<td>RENCI</td>
<td>170,000</td>
<td></td>
<td>170,000</td>
<td></td>
</tr>
<tr>
<td>School of Law</td>
<td>200,000</td>
<td>200,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>School of Public Health</td>
<td>155,000</td>
<td></td>
<td>155,000</td>
<td></td>
</tr>
<tr>
<td>UNC Health Care System</td>
<td>200,000</td>
<td></td>
<td></td>
<td>200,000</td>
</tr>
<tr>
<td>Carolina North Services Facility</td>
<td>75,000</td>
<td>25,000</td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal University SF</strong></td>
<td><strong>1,350,000</strong></td>
<td><strong>432,000</strong></td>
<td><strong>475,000</strong></td>
<td><strong>443,000</strong></td>
</tr>
<tr>
<td>Corporate Partners I</td>
<td>150,000</td>
<td></td>
<td>150,000</td>
<td></td>
</tr>
<tr>
<td>Corporate Partners II</td>
<td>128,000</td>
<td></td>
<td>128,000</td>
<td></td>
</tr>
<tr>
<td>Corporate Partners III</td>
<td>157,000</td>
<td></td>
<td></td>
<td>157,000</td>
</tr>
<tr>
<td>Corporate Partners IV</td>
<td>90,000</td>
<td></td>
<td></td>
<td>90,000</td>
</tr>
<tr>
<td><strong>Subtotal Corporate SF</strong></td>
<td><strong>525,000</strong></td>
<td><strong>150,000</strong></td>
<td><strong>128,000</strong></td>
<td><strong>247,000</strong></td>
</tr>
<tr>
<td>Services (retail)</td>
<td>100,000</td>
<td>25,000</td>
<td>50,000</td>
<td>25,000</td>
</tr>
<tr>
<td><strong>TOTAL SF (excluding housing)</strong></td>
<td><strong>1,975,000</strong></td>
<td><strong>607,000</strong></td>
<td><strong>653,000</strong></td>
<td><strong>715,000</strong></td>
</tr>
</tbody>
</table>

### Housing

<table>
<thead>
<tr>
<th>Housing Type</th>
<th>Total SF/Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing - University*</td>
<td>250 Units</td>
</tr>
<tr>
<td>Housing - Private**</td>
<td>167 Units</td>
</tr>
<tr>
<td>Total Housing Units</td>
<td>417 Units</td>
</tr>
<tr>
<td><strong>Total SF with Housing</strong></td>
<td><strong>2,475,500</strong></td>
</tr>
</tbody>
</table>

*Assumes graduate student housing owned by University and 1,000 square feet per unit

**Assumes average size of 1,500 square feet per unit and 25% can be considered workforce units
**SCENARIO 2: Faster Absorption/Less Graduate Student Housing/Later Housing**

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<tr>
<th>Building</th>
<th>Total SF/Units</th>
<th>2011-2015</th>
<th>2016-2020</th>
<th>2021-2025</th>
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<td>100,000</td>
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<td>50,000</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal University SF</strong></td>
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<td>475,000</td>
<td>443,000</td>
</tr>
<tr>
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<td>150,000</td>
<td>150,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Partners II</td>
<td>128,000</td>
<td></td>
<td>128,000</td>
<td></td>
</tr>
<tr>
<td>Corporate Partners III</td>
<td>97,000</td>
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<td>97,000</td>
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<tr>
<td>Corporate Partners IV</td>
<td>150,000</td>
<td></td>
<td></td>
<td>150,000</td>
</tr>
<tr>
<td><strong>Subtotal Corporate SF</strong></td>
<td>525,000</td>
<td>150,000</td>
<td>278,000</td>
<td>97,000</td>
</tr>
<tr>
<td>Services</td>
<td>100,000</td>
<td>25,000</td>
<td>50,000</td>
<td>25,000</td>
</tr>
<tr>
<td><strong>TOTAL SF (excluding housing)</strong></td>
<td>1,975,000</td>
<td>607,000</td>
<td>803,000</td>
<td>565,000</td>
</tr>
<tr>
<td>Housing - University*</td>
<td>125 Units</td>
<td>0 Units</td>
<td>62 Units</td>
<td>63 Units</td>
</tr>
<tr>
<td>Housing - Private**</td>
<td>250 Units</td>
<td>0 Units</td>
<td>125 Units</td>
<td>125 Units</td>
</tr>
<tr>
<td>Total Housing Units</td>
<td>375 Units</td>
<td>0 Units</td>
<td>187 Units</td>
<td>188 Units</td>
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<tr>
<td><strong>Total SF with Housing</strong></td>
<td>2,475,000</td>
<td>607,000</td>
<td>1,052,500</td>
<td>815,500</td>
</tr>
</tbody>
</table>

*Assumes graduate student housing owned by University and 1,000 square feet per unit

**Assumes average size of 1,500 square feet per unit and 25% can be considered workforce units
### Cost Assumptions-Snapshot

<table>
<thead>
<tr>
<th></th>
<th>Chapel Hill</th>
<th>Orange County</th>
<th>Carrboro</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Direct</td>
<td>Indirect</td>
<td>Direct</td>
</tr>
<tr>
<td><strong>General Government</strong></td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td><strong>Planning/Community Development</strong></td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td><strong>Public Works</strong></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Streets</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Building and Grounds Maint</td>
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<td>X</td>
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<tr>
<td>Engineering</td>
<td>X</td>
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<tr>
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<td>X</td>
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<tr>
<td>Solid Waste/Sanitation</td>
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</tr>
<tr>
<td><strong>Public Safety</strong></td>
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<td>X</td>
</tr>
<tr>
<td><strong>Chapel Hill and Carrboro</strong></td>
<td>X</td>
<td>X</td>
<td>See Sheriff</td>
</tr>
<tr>
<td>Police</td>
<td>X</td>
<td>X</td>
<td>See Sheriff</td>
</tr>
<tr>
<td>Fire/EMS</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td><strong>Orange County</strong></td>
<td></td>
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</tr>
<tr>
<td>Courts</td>
<td>na</td>
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<tr>
<td>Emergency Services-EMS</td>
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</tr>
<tr>
<td>Emergency Services-Other</td>
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<td>X</td>
</tr>
<tr>
<td>Sheriff</td>
<td>na</td>
<td>na</td>
<td>X</td>
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<tr>
<td><strong>Parks/Recreation</strong></td>
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<td></td>
<td>X</td>
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<tr>
<td><strong>Library</strong></td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td><strong>Transportation/Transit</strong></td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td><strong>Human Services</strong></td>
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<tr>
<td>Aging</td>
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<td>X</td>
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<tr>
<td>Health</td>
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<tr>
<td>Social Services</td>
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<td>X</td>
</tr>
<tr>
<td>Other</td>
<td>na</td>
<td>na</td>
<td>X</td>
</tr>
<tr>
<td><strong>Schools</strong></td>
<td></td>
<td></td>
<td>X (CHCCS)</td>
</tr>
</tbody>
</table>

*Note: “X” means there is an assumed impact on those services/facilities.*