TischlerBise

- 30-year national practice
- Fiscal impact evaluations
- Impact fees
- Capital improvement programming
- Infrastructure needs and financing alternatives
- Fiscal software
North Carolina Experience

- Cary
- Creedmoor
- Durham
- Greenville
- Holly Springs
- Jacksonville
- Nags Head
- Wilmington
- Wilson
- Cabarrus County

- Camden County
- Catawba County
- Chatham County
- Currituck County
- Davie County
- Guilford County
- New Hanover County
- Orange County
- Wake County
Overview of Scope of Work

- Fiscal Impact Analysis of Carolina North, Phase I, on Chapel Hill, Carrboro, and Orange County
  - **Direct** fiscal impacts from Carolina North development
  - **Indirect** fiscal impacts from growth due to CN
  - Also: Evaluate alternative financing tools and implement fiscal impact model

- **Process:**
  - Level of Service Interviews with Jurisdictions
  - Review Assumptions
  - Develop Model
  - Report Preliminary Results
  - Further Feedback on Assumptions/Refinement
  - Deliver Report
Purpose of Presentation

- Overview of study / status
- Outline of assumptions
- Preliminary results
- Further discussion on refinement of assumptions
- Continued review over summer . . . Draft report issued late August / September
What is Fiscal Impact Analysis?

- Cash flow to the public sector
  - Are the revenues generated by new growth enough to cover the resulting service and facility demands?
- Reflects operating expenses and capital costs
- All revenues
- Revenues minus expenditures = net surplus or deficit
Fiscal Impact vs. Revenue Forecasting

- Municipal budgeting is primarily “revenue driven”
  - Revenue forecast is used to establish spending target
- Fiscal impact analysis is not revenue constrained
  - Forecast expenses needed to maintain current levels of service (LOS)
  - Revenues and expenditures are projected separately
### Scenarios: Residential Assumptions

<table>
<thead>
<tr>
<th></th>
<th>SCENARIO 1</th>
<th></th>
<th>SCENARIO 2</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Direct</td>
<td>Indirect</td>
<td>Direct</td>
<td>Indirect</td>
</tr>
<tr>
<td><strong>Housing Units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>University Housing (MF)</td>
<td>250</td>
<td></td>
<td>125</td>
<td></td>
</tr>
<tr>
<td>Private Housing (MF)</td>
<td>167</td>
<td></td>
<td>250</td>
<td></td>
</tr>
<tr>
<td>Total Units</td>
<td>417</td>
<td>1,970</td>
<td>375</td>
<td>1,970</td>
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<tr>
<td><strong>Population</strong>*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chapel Hill</td>
<td>751</td>
<td>3,024</td>
<td>675</td>
<td>3,024</td>
</tr>
<tr>
<td>Carrboro</td>
<td>0</td>
<td>743</td>
<td>0</td>
<td>743</td>
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<tr>
<td>Other Orange County</td>
<td>751</td>
<td>464</td>
<td>675</td>
<td>464</td>
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<tr>
<td><strong>Public School Students</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHCCS</td>
<td>29</td>
<td>608</td>
<td>26</td>
<td>608</td>
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<tr>
<td>OCS</td>
<td>0</td>
<td>58</td>
<td>0</td>
<td>58</td>
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</table>

* Based on average household size by type from Chapel Hill and U.S. Census

** Based on student generation rates from TischlerBise Impact Fee Study for Orange County (2008)
## Scenarios: Nonresidential Assumptions

### Projected Total Jobs at Carolina North***

<table>
<thead>
<tr>
<th></th>
<th>SCENARIO 1</th>
<th>SCENARIO 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>University</strong></td>
<td>2,725</td>
<td>2,725</td>
</tr>
<tr>
<td><strong>Corporate Office Jobs</strong></td>
<td>2,100</td>
<td>2,100</td>
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<tr>
<td><strong>Retail Jobs</strong></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</strong></td>
<td>1,567</td>
<td>1,567</td>
</tr>
</tbody>
</table>

### Projected Direct New Jobs at Carolina North

- **SCENARIO 1**: 3,591
- **SCENARIO 2**: 3,591

### Projected Indirect New Jobs (in Region)****

<table>
<thead>
<tr>
<th></th>
<th>SCENARIO 1</th>
<th>SCENARIO 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Estimated Jobs in Study Jurisdictions</strong></td>
<td>5,027</td>
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<tr>
<td><strong>Chapel Hill</strong></td>
<td>1,106</td>
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<tr>
<td><strong>Carrboro</strong></td>
<td>251</td>
<td>251</td>
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<tr>
<td><strong>Other Orange County</strong></td>
<td>251</td>
<td>251</td>
</tr>
</tbody>
</table>

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*** UNC

**** The Chesapeake Group

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9
Assumptions and Caveats

- Adopted FY 2007-08 Budgets
- Current dollars are used
- Mostly average cost-hybrid — operating and capital
- Current revenue structure and rates (exception is Sales Tax Article 44)
- Most costs projected based on *net increase* in employment—no “backfill” of vacated space is included
- Location of spin-off growth due to Carolina North (*indirect* impact) is based on current patterns as provided by UNC
Assumptions and Caveats (cont’d)

- Capital expenditures reflect *local* share of costs
- Schools: Operating and capital included in Orange County totals
  - CHCCS Special District Tax is modeled but not included in totals herein
  - UNC future school site dedication is *not* calculated in results
- Transit: Cost estimated based on current operations and infrastructure
  - Potential changes in infrastructure requirements (e.g., BRT) from Transit Plan not yet integrated
  - Further refinement can be done (i.e., route specific analysis)
Revenues-Chapel Hill

- **Direct**
  - Property tax from Corporate Partners and Private Housing improvements —to General Fund and Transit Fund
  - Other variable revenues
    - State-Shared—Sales tax, Powell Bill
    - Development-Related Permits and Fees (one-time)
Revenues-Chapel Hill (cont’d)

- Indirect
  - Property tax from residential and nonresidential development
    - General Fund
    - Transit Fund
  - State-shared (sales tax, Powell Bill)
  - Other variable revenues (increase due to population or employment growth)
Revenues-Orange County

- **Direct**
  - Property tax from Corporate Partners and Private Housing improvements—to General Fund and CHCCS Special District
  - Sales taxes (per capita and point of delivery)
    - Article 42 change to point of delivery
    - Article 44 fixed
  - Impact fees for CHCCS District
  - Other variable revenues on per capita or employee
Revenues-Orange County (cont’d)

- Indirect
  - Property tax from residential and nonresidential development
  - Sales tax: per capita and point of delivery as appropriate
  - Impact Fees to both Districts
  - Other variable revenues (increase due to population or employment growth)
Revenues-Carrboro

- No Direct revenues assumed
- Indirect
  - Property tax from residential and nonresidential development
  - State shared (sales tax, Powell Bill)
  - Other variable revenues (increase due to population or employment growth)
## Cost Assumptions - Overview

<table>
<thead>
<tr>
<th></th>
<th>Chapel Hill</th>
<th></th>
<th>Orange County</th>
<th></th>
<th>Carrboro</th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Direct</td>
<td>Indirect</td>
<td>Direct</td>
<td>Indirect</td>
<td>Direct</td>
<td>Indirect</td>
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<tr>
<td>General Government</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Planning/Community Development</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
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<tr>
<td>Public Works</td>
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<tr>
<td>Streets</td>
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<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>Inspections</td>
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<td>X</td>
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<tr>
<td>Solid Waste/Sanitation</td>
<td>X</td>
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<td></td>
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<tr>
<td>Public Safety</td>
<td></td>
<td></td>
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<tr>
<td><strong>Chapel Hill and Carrboro</strong></td>
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<td></td>
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<tr>
<td>Police</td>
<td>X (traffic)</td>
<td>X</td>
<td>X</td>
<td></td>
<td>See Sheriff</td>
<td>See Sheriff</td>
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<tr>
<td>Fire/EMS</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
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<tr>
<td><strong>Orange County</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Courts</td>
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<td>na</td>
<td>X</td>
<td>X</td>
<td>na</td>
<td>na</td>
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<tr>
<td>Emergency Services-EMS</td>
<td>na</td>
<td>na</td>
<td>X</td>
<td></td>
<td>na</td>
<td>na</td>
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<tr>
<td>Emergency Services-911</td>
<td>na</td>
<td>na</td>
<td>X</td>
<td>X</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Sheriff</td>
<td>na</td>
<td>na</td>
<td>X</td>
<td>X</td>
<td>na</td>
<td>na</td>
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<td>Parks/Recreation</td>
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<td>X</td>
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<td></td>
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<td>Library</td>
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<td>Transportation/Transit</td>
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<td>Human Services</td>
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<td>X</td>
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<td>Health</td>
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<td>X</td>
<td>X</td>
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<td>X</td>
<td></td>
<td>na</td>
<td>na</td>
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<tr>
<td>Other</td>
<td>na</td>
<td>na</td>
<td>X</td>
<td></td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Schools</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>X (CHCCS)</td>
<td>X (CHCCS &amp; OCS)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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
- Net fiscal impacts from new development only
- Results shown for Scenario 1 — Direct and Indirect; Scenario 2 results are slightly better for Chapel Hill and County due to more private residential units
Results-Chapel Hill Annual

Annual Net Fiscal Impacts-CHAPEL HILL
DIRECT and INDIRECT FISCAL IMPACTS: Scenario 1
Carolina North Fiscal Impact Analysis

Chapel Hill Direct
Chapel Hill Indirect
Chapel Hill Combined Impact
Results-Orange County Annual

Annual Net Fiscal Impacts-ORANGE COUNTY
DIRECT and INDIRECT FISCAL IMPACTS: Scenario 1
Carolina North Fiscal Impact Analysis

Orange County Direct  Orange County Indirect  Orange County Combined Impact

TischlerBise
Public Economics & Planning Consultants
Results - Chapel Hill Cumulative

Cumulative (20-Year) Net Fiscal Impacts - CHAPEL HILL
DIRECT and INDIRECT FISCAL IMPACTS: Scenario 1
Carolina North Fiscal Impact Analysis

Chapel Hill Direct  Chapel Hill Indirect  Chapel Hill Combined Impact

Revenues  Expenditures  Net Fiscal Impact

$18,007  $34,743  $42,210  $23,330  $18,881  $60,217  $58,073

($16,736)  ($2,145)  $2,145

($30,000)  ($20,000)  ($10,000)  $0  $10,000  $20,000  $30,000  $40,000  $50,000  $60,000  $70,000
Results-Chapel Hill Cumulative: Scenario 2
Results-Orange County Cumulative

Cumulative (20-Year) Net Fiscal Impacts - ORANGE COUNTY
DIRECT and INDIRECT FISCAL IMPACTS: Scenario 1
Carolina North Fiscal Impact Analysis

Orange County Direct  Orange County Indirect  Orange County Combined Impact

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Expenditures</th>
<th>Net Fiscal Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>$33,572</td>
<td>$26,295</td>
<td>$7,277</td>
</tr>
<tr>
<td>$99,564</td>
<td>$71,005</td>
<td>$28,560</td>
</tr>
<tr>
<td>$133,137</td>
<td></td>
<td>$78,282</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$54,855</td>
</tr>
</tbody>
</table>

(X 1,000)
Results-Carrboro Cumulative

Cumulative (20-Year) Net Fiscal Impacts-CARRBORO
DIRECT and INDIRECT FISCAL IMPACTS: Scenario 1
Carolina North Fiscal Impact Analysis

- Carrboro Direct
- Carrboro Indirect
- Carrboro Combined Impact

Revenues Expenditures Net Fiscal Impact

$12,676 $9,162 $3,514

$0 $0 $0

$12,676 $0 $12,676

$14,000 $12,000 $10,000 $8,000 $6,000 $4,000 $2,000 $0

X 1,000

(20-Year)
Results - All Jurisdictions: Combined Cumulative

Cumulative Net Fiscal Impacts - ALL JURISDICTIONS
COMBINED FISCAL IMPACTS: Scenario 1
Carolina North Fiscal Impact Analysis

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Revenues (x 1000)</th>
<th>Expenditures (x 1000)</th>
<th>Net Fiscal Impact (x 1000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapel Hill</td>
<td>$60,217</td>
<td>$58,073</td>
<td>$2,145</td>
</tr>
<tr>
<td>Orange County</td>
<td>$133,137</td>
<td>$78,292</td>
<td>$54,855</td>
</tr>
<tr>
<td>Carrboro</td>
<td>$12,676</td>
<td>$9,162</td>
<td>$3,514</td>
</tr>
</tbody>
</table>
Next Steps

- TischlerBise issues level of service assumption document
- Review by jurisdictions
- Refinement of data as necessary and agreed upon
- Finalize model
- Issue draft report