




MEMORANDUM

TO: Rebecca Ragsdale, Senior Planner

FROM: Steven A. Allshouse, Fiscal Impact Analyst 

DATE: November 26, 2007

RE: **Fiscal Impact Analysis of ZTA 07-05 (Downtown Crozet)**

I analyzed two separate scenarios for the property in question. The first scenario involved the maximum *new* development that could take place under *existing* zoning, while the second scenario involved the *new* development that would occur if the County approved the *proposed* zoning text amendment. The results of impacts generated by the *non-residential* portions of these two scenarios appear in the attached "Budget Summary – Current Zoning" and "Budget Summary – Proposed Zoning" documents. Discussion of the *residential* impacts is included in the text and final figures.

In the case of the first scenario I assumed that 169,375 square feet of retail space, 169,375 square feet of taxable office space, and one single family detached residence (SFD) would be built. For the sake of simplicity, I assumed that this new space would be built all in one year. The Cost Revenue Impact Model (CRIM) estimates that, after build-out, the type and level of *non-residential* development that could take place under existing zoning would result in the following net *annual* fiscal impact:

Fiscal Impact – Current Zoning

Property Taxes	\$514,000
Other Revenues	660,000
Total Revenues	\$1,174,000
School Expenditures	(\$0)
County Govt. Expenditures	(\$570,000)
Total Expenditures	(\$570,000)
Net Annual Fiscal Impact	\$604,000

In terms of the annual impact that the development of 169,375 square feet of retail space and 169,375 square feet of taxable office space would have on the County's capital costs, CRIM estimates the following annual post build-out result:

CIP Impact -- Current Zoning

Schools CF Pay-As-You-Go	(\$0)
Schools CF Debt Service	(\$0)
Total Schools CIP Impact	(\$0)
County CF Pay-As-You-Go	(\$102,000)
County CF Debt Service	(\$303,000)
Total Cty. Govt. CIP Impact	(\$405,000)
Net Annual CIP Impact	(\$405,000)

Note that these CIP figures are included in the fiscal impact numbers listed on the previous page. (The \$405,000 in capital costs is part of the \$570,000 in the estimated total annual expenditures resulting from the development of the retail and taxable office space in this scenario). These CIP numbers are presented separately to highlight the magnitude of the capital costs that would be associated with such development.

In a twenty year time frame the cumulative net fiscal impact of the development of 169,375 square feet of retail space and 169,375 square feet of taxable office space would equal *positive* \$12,030,000 as shown on the second page of the CRIM printout. From this figure, however, the amount of \$17,500 should be *subtracted*. This latter figure represents the proffer equivalent of one single family detached residence that could be built *by-right* on one of the parcels under consideration, but which would not achieve any stated public policy goal of the County and for which the County would *not* receive proffers that would offset the capital costs generated by the construction of the SFD. The total twenty year net fiscal impact of the current zoning scenario, then, comes to *positive* \$12,012,500.

The second scenario that I ran involved the construction of 373,314 square feet of retail space, 373,314 of taxable office space, 187 multifamily (MF) dwelling units (of which 28 would fall into the "affordable" category), and 62 single family attached/townhouse/condominium (SFA/TH) dwelling units (of which 9 would fall into the "affordable" category). For the sake of simplicity I assumed, once again, that the development would be completed in one year. CRIM estimates that, after build-out, the *non-residential* component of this scenario would have the net *annual* fiscal impact shown on the next page.

Fiscal Impact -- Proposed Zoning

Property Taxes	\$1,131,000
Other Revenues	1,456,000
Total Revenues	\$2,587,000
School Expenditures	(\$0)
County Govt. Expenditures	(\$1,256,000)
Total Expenditures	(\$1,256,000)
Net Annual Fiscal Impact	(\$1,331,000)

As for the impact of the *non-residential* side of this proposed development on the County of Albemarle's capital costs, CRIM estimated the following *annual* post build-out result:

CIP Impact -- Proposed Zoning

Schools CF Pay-As-You-Go	(\$0)
Schools CF Debt Service	(\$0)
Total Schools CIP Impact	(\$0)
County CF Pay-As-You-Go	(\$224,000)
County CF Debt Service	(\$669,000)
Total Cty. Govt. CIP Impact	(\$893,000)
Net Annual CIP Impact	(\$893,000)

Again, these CIP numbers are included in the total annual expenditures of \$1,256,000 shown above, and are presented separately to illustrate the relative magnitude of capital costs.

In a twenty year time frame the cumulative net fiscal impact of the development of 373,314 square feet of retail space and 373,314 square feet of taxable office space would equal positive \$26,515,000 as shown in the printout. As a result of the proposed rezoning, however, many dwelling units could be built for which the County would incur capital costs, and for which the County normally would expect proffers but, because of the nature of the rezoning, the County would not receive any proffers. These dwelling units include 159 MF's and 53 SFA/TH's. The total dollar value of the "lost" proffer amounts associated with these dwelling units comes to $(159 \times \$12,400) + (53 \times \$11,900) = \$2,602,300$. Subtracting this last dollar amount from \$26,515,000 renders a total twenty year net fiscal impact of positive \$23,912,700.

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The numbers generated by the two scenarios indicate that, if the County approved ZTA 07-05, the *differential* total net fiscal impact would be \$23,912,700 - \$12,012,500 = \$11,900,200. This last number means that, in a twenty year period, the County would be \$11,900,200 *better off* approving ZTA 07-05 than not approving the proposed zoning.

Note: When deciding whether or not to approve a proposed rezoning, Albemarle takes into consideration a number of issues other than just the proposed zoning's fiscal impact. These issues include, but are not necessarily limited to, transportation impacts and environmental well-being.

SAA/saa

	13 2021	14 2022	15 2023	16 2024	17 2025	18 2026	19 2027	20 2028
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
256	256	256	256	256	256	256	256	256
0	0	0	0	0	0	0	0	0
257	257	257	257	257	257	257	257	257
\$513	\$513	\$513	\$513	\$513	\$513	\$513	\$513	\$513
3	3	3	3	3	3	3	3	3
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
449	449	449	449	449	449	449	449	449
0	0	0	0	0	0	0	0	0
61	61	61	61	61	61	61	61	61
76	76	76	76	76	76	76	76	76
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
14	14	14	14	14	14	14	14	14
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
5	5	5	5	5	5	5	5	5
14	14	14	14	14	14	14	14	14
0	0	0	0	0	0	0	0	0
39	39	39	39	39	39	39	39	39
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
\$660	\$660	\$660	\$660	\$660	\$660	\$660	\$660	\$660
\$1,173	\$1,173	\$1,173	\$1,173	\$1,173	\$1,173	\$1,173	\$1,173	\$1,173
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72	\$72
\$92	\$92	\$92	\$92	\$92	\$92	\$92	\$92	\$92
\$102	\$102	\$102	\$102	\$102	\$102	\$102	\$102	\$102
\$303	\$303	\$303	\$303	\$303	\$303	\$303	\$303	\$303
\$570	\$570	\$570	\$570	\$570	\$570	\$570	\$570	\$570
\$570	\$570	\$570	\$570	\$570	\$570	\$570	\$570	\$570
\$604	\$604	\$604	\$604	\$604	\$604	\$604	\$604	\$604
\$7,804	\$8,408	\$5,011	\$8,616	\$10,219	\$10,822	\$11,426	\$12,030	\$12,634

Budget Summary -- Proposed Zoning (Downtown Crozet)

(Values in \$1000's)
REVENUES

Year =>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
PROP TAXES													
Residential Real	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Nonresidential Real	564	564	564	564	564	564	564	564	564	564	564	564	564
Res Personal Prop	0	0	0	0	0	0	0	0	0	0	0	0	0
Nonres Personal Prop	567	567	567	567	567	567	567	567	567	567	567	567	567
Property Taxes	\$1,131	\$1,131	\$1,131	\$1,131	\$1,131	\$1,131	\$1,131	\$1,131	\$1,131	\$1,131	\$1,131	\$1,131	\$1,131
Subtotal													
OTHER													
1 Ut. Consumption Tax	6	6	6	6	6	6	6	6	6	6	6	6	6
2 Pers Prop Tax-Resid	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Pers Prop Tax-Nonres	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Mach & Tools Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Sales & Use Tax	991	991	991	991	991	991	991	991	991	991	991	991	991
6 Cons Util Tax-Resid	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Cons Util Tax-Nonres	134	134	134	134	134	134	134	134	134	134	134	134	134
8 BPOL Taxes	166	166	166	166	166	166	166	166	166	166	166	166	166
9 Util Co Licenses	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Motor Vehicle Licenses	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Permits & Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Fines & Forfeitures	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Charges for Services	30	30	30	30	30	30	30	30	30	30	30	30	30
14 State Aid	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Categorical Aid-Federal	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Hotel/Motel Room Tax	11	11	11	11	11	11	11	11	11	11	11	11	11
17 Delinquent RE/Penalties	31	31	31	31	31	31	31	31	31	31	31	31	31
18 State Aid to Schools	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Meals Tax	86	86	86	86	86	86	86	86	86	86	86	86	86
20 ANNUAL REVENUES													
21 SF Detached	0	0	0	0	0	0	0	0	0	0	0	0	0
22 SF Attached/TH	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Multifamily	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Mobile Homes	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal:	\$1,455	\$1,455	\$1,455	\$1,455	\$1,455	\$1,455	\$1,455	\$1,455	\$1,455	\$1,455	\$1,455	\$1,455	\$1,455
Other Revenues													
TOTAL ADDITIONAL ANNUAL REVENUES	\$2,586	\$2,586	\$2,586	\$2,586	\$2,586	\$2,586	\$2,586	\$2,586	\$2,586	\$2,586	\$2,586	\$2,586	\$2,586
EXPENSES													
SCHOOLS													
Operating Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staff Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CF Pay-As-You-Go	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CF Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, SCHOOLS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
COUNTY GOVT.													
Operating Costs	\$255	\$159	\$159	\$159	\$159	\$159	\$159	\$159	\$159	\$159	\$159	\$159	\$159
Staff Costs	\$203	\$203	\$203	\$203	\$203	\$203	\$203	\$203	\$203	\$203	\$203	\$203	\$203
CF Pay-As-You-Go	\$224	\$224	\$224	\$224	\$224	\$224	\$224	\$224	\$224	\$224	\$224	\$224	\$224
CF Debt Service	\$669	\$669	\$669	\$669	\$669	\$669	\$669	\$669	\$669	\$669	\$669	\$669	\$669
SUBTOTAL, COUNTY	\$1,351	\$1,256	\$1,256	\$1,256	\$1,256	\$1,256	\$1,256	\$1,256	\$1,256	\$1,256	\$1,256	\$1,256	\$1,256
TOTAL ADDITIONAL ANNUAL COSTS	\$1,351	\$1,256	\$1,256	\$1,256	\$1,256	\$1,256	\$1,256	\$1,256	\$1,256	\$1,256	\$1,256	\$1,256	\$1,256
NET FISCAL IMPACT													
Annual	\$1,235	\$1,331	\$1,331	\$1,331	\$1,331	\$1,331	\$1,331	\$1,331	\$1,331	\$1,331	\$1,331	\$1,331	\$1,331
Cumulative	\$1,235	\$2,565	\$3,896	\$5,226	\$6,557	\$7,887	\$9,218	\$10,548	\$11,879	\$13,209	\$14,540	\$15,870	\$17,201

	13 2021	14 2022	15 2023	16 2024	17 2025	18 2026	19 2027	20 2028
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
564	564	564	564	564	564	564	564	564
0	0	0	0	0	0	0	0	0
567	567	567	567	567	567	567	567	567
\$1,131	\$1,131	\$1,131	\$1,131	\$1,131	\$1,131	\$1,131	\$1,131	\$1,131
6	6	6	6	6	6	6	6	6
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
991	991	991	991	991	991	991	991	991
0	0	0	0	0	0	0	0	0
134	134	134	134	134	134	134	134	134
166	166	166	166	166	166	166	166	166
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
30	30	30	30	30	30	30	30	30
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
11	11	11	11	11	11	11	11	11
31	31	31	31	31	31	31	31	31
0	0	0	0	0	0	0	0	0
86	86	86	86	86	86	86	86	86
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
\$1,455	\$1,455	\$1,455	\$1,455	\$1,455	\$1,455	\$1,455	\$1,455	\$1,455
\$2,586	\$2,586	\$2,586	\$2,586	\$2,586	\$2,586	\$2,586	\$2,586	\$2,586
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$159	\$159	\$159	\$159	\$159	\$159	\$159	\$159	\$159
\$203	\$203	\$203	\$203	\$203	\$203	\$203	\$203	\$203
\$224	\$224	\$224	\$224	\$224	\$224	\$224	\$224	\$224
\$669	\$669	\$669	\$669	\$669	\$669	\$669	\$669	\$669
\$1,256	\$1,256	\$1,256	\$1,256	\$1,256	\$1,256	\$1,256	\$1,256	\$1,256
\$1,256	\$1,256	\$1,256	\$1,256	\$1,256	\$1,256	\$1,256	\$1,256	\$1,256
\$1,331	\$1,331	\$1,331	\$1,331	\$1,331	\$1,331	\$1,331	\$1,331	\$1,331
\$17,201	\$18,531	\$19,862	\$21,192	\$22,523	\$23,853	\$25,184	\$26,515	\$27,846