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**A FISCAL IMPACT ANALYSIS
OF THE
MEADOWVIEW DEVELOPMENT**

PREPARED FOR

THE DEVELOPERS -
COMMUNITY PROPERTIES, INC.

■

PREPARED BY

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A FISCAL IMPACT ANALYSIS OF THE MEADOWVIEW DEVELOPMENT

1. INTRODUCTION

This study evaluates the fiscal impacts of the proposed Meadowview development on the Chatham County government and the Chatham County Board of Education. This analysis is intended to provide Chatham County and the Chatham County Board of Education with detailed information that will help them evaluate the impacts the development will have on the community. This information will help the County and the School Board plan for changes in the demand for services that will occur over the project's buildout.

2. PROJECT DESCRIPTION

Meadowview is a single-family home community planned for development on 793 acres of land in northeastern Chatham County. The development consists of 715 lots and features neighborhood amenities such as a pool, clubhouse, multi-sport courts, mini-parks, and a playground. Home prices are expected to average approximately \$420,000.

Community Properties, Inc will develop the project.. The development team of Robert D. Swain, Thomas L. Fonville, Frank L. Robuck, and John C. Morisey (the "Developers") has been active in residential real estate development in the Triangle North Carolina market for the past 30 years. Mr. Fonville, Mr. Morisey and Mr. Robuck are the owners of Fonville Morisey Realty, one of the fifty largest residential brokerage firms in the United States. Together, the team has developed many luxury home neighborhoods in the Triangle area, including Swans Mill, Wyndfall, Barrington, Kensington and Faircroft.

The Developers have estimated an absorption rate of, on average, 48 dwelling units per year resulting in a buildout period of 15 years.

3. EXECUTIVE SUMMARY

The Meadowview project will increase the residential real estate tax base of Chatham County by \$300 million. As outlined in the accompanying analysis, it is clear that the Meadowview project will have a positive net fiscal impact on the Chatham County government and the Chatham County School Board. *As seen in Table 1, the net present value of the stream of annual surpluses at expanded service levels during the buildout period is \$1.6 million, assuming a discount rate of 6%.*

The following summary of revenues and expenditures at the time of the Meadowview buildout also clearly shows the positive fiscal impacts of the proposed development on Chatham County and the Chatham County Board of Education.

CHATHAM COUNTY GENERAL FUND ANNUAL FISCAL IMPACT OF MEADOWVIEW AT BUILDOUT		
INCREMENTAL REVENUES		
PROPERTY TAXES	\$2,005,592	
SALES TAXES	<u>298,643</u>	
TOTAL INCREMENTAL REVENUES		\$2,304,235
INCREMENTAL EXPENDITURES		
CHATHAM COUNTY	\$ 670,195	
CHATHAM COUNTY SCHOOLS		
OPERATING	667,635	
DEBT SERVICE - CAPITAL	<u>413,722</u>	
TOTAL INCREMENTAL EXPENDITURES		<u>1,751,552</u>
ANNUAL INCREMENTAL BENEFIT AT EXISTING SERVICE LEVELS		552,683
INCREMENTAL COUNTY EXPENDITURES WITH EXPANDED SERVICES		<u>189,147</u>
ANNUAL INCREMENTAL BENEFIT, EXPANDED SERVICE LEVELS		<u>\$ 363,536</u>

4. FISCAL IMPACTS ON THE CHATHAM COUNTY GENERAL FUND

REVENUE IMPACTS

The impacts of Meadowview on the revenues of the Chatham County government are outlined in this section. The primary County revenues generated by the Meadowview project will be property taxes, sales taxes and impact fees.

The estimated revenues from all sources, generated over the 15-year buildout of the project's development, are provided in Table 1. Annual County revenues grow from \$155,000 in Year 1 to over \$2.3 million a year in the fifteenth year. Table 2 provides a detailed analysis of all County revenues from Meadowview at the development's buildout.

As seen in Table 2, the residential property values in Meadowview are expected to increase by \$300 million at buildout. Annual residential property taxes will be \$1.9 million and property taxes from vehicles owned by Meadowview residents are estimated to be \$107,000 per year.

Meadowview will also generate considerable economic activity that will result in increased sales tax collections for Chatham County government. It is estimated that sales taxes will increase by \$299,000 a year at the time of the development's buildout. As seen in Tables 2 and 2A, these sales taxes will be generated by Articles 39, 40, 42 and 44 collections.

In addition to property taxes, the project will generate substantial revenues from impact fees. The County's current impact fee of \$2,900 per dwelling unit will generate \$2,073,500 for school construction over the project's 15-year buildout period. Table 15 provides a description of fees and costs for new school construction as a result of the Meadowview project.

ONE TIME REVENUES TO CHATHAM COUNTY

SCHOOL IMPACT FEES	<u>\$2,073,500</u>
RECREATION EXACTION FEES	<u>\$ 327,000</u>

TABLE 1

**MEADOWVIEW - FISCAL IMPACT ANALYSIS - CHATHAM COUNTY
BUILDOUT ANALYSIS - PAGE 1**

	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Annual Residential Sales	\$ 300,300,000	\$ 20,160,000	\$ 20,160,000	\$ 20,160,000	\$ 20,160,000	\$ 20,160,000	\$ 20,160,000	\$ 20,160,000	\$ 20,160,000	\$ 20,160,000
Annual Unit Sales	715	48	48	48	48	48	48	48	48	48
Cumulative Residential Sales	\$ 300,300,000	\$ 20,160,000	\$ 40,320,000	\$ 60,480,000	\$ 80,640,000	\$ 100,800,000	\$ 120,960,000	\$ 141,120,000	\$ 161,280,000	\$ 181,440,000
Cumulative # of Units	715	48	96	144	192	240	288	336	384	432
Per Capita Revenues:										
Property Taxes	\$	1,135.64	\$ 1,135.64	\$ 1,135.64	\$ 1,135.64	\$ 1,135.64	\$ 1,135.64	\$ 1,135.64	\$ 1,135.64	\$ 1,135.64
Sales Taxes		169.10	169.10	169.10	169.10	169.10	169.10	169.10	169.10	169.10
Total Revenues - Per Capita	\$	1,304.74	\$ 1,304.74	\$ 1,304.74	\$ 1,304.74	\$ 1,304.74	\$ 1,304.74	\$ 1,304.74	\$ 1,304.74	\$ 1,304.74
Per Capita Expenditures:										
Direct Expenditures Per Capita at Existing Service Levels, including Public School Operating Costs	\$	757.53	\$ 757.53	\$ 757.53	\$ 757.53	\$ 757.53	\$ 757.53	\$ 757.53	\$ 757.53	\$ 757.53
School Capital Debt Service - Per Capita		234.26	234.26	234.26	234.26	234.26	234.26	234.26	234.26	234.26
Expanded Service Levels Per Capita		107.10	107.10	107.10	107.10	107.10	107.10	107.10	107.10	107.10
Total Expenditures - Per Capita		1,098.89	1,098.89	1,098.89	1,098.89	1,098.89	1,098.89	1,098.89	1,098.89	1,098.89
Per Capita Surplus	\$	205.85	\$ 205.85	\$ 205.85	\$ 205.85	\$ 205.85	\$ 205.85	\$ 205.85	\$ 205.85	\$ 205.85
Buildout Analysis:										
Revenues:										
Revenues	\$	154,690	\$ 309,380	\$ 464,069	\$ 618,759	\$ 773,449	\$ 928,139	\$ 1,082,829	\$ 1,237,519	\$ 1,392,208
Total Revenues		154,690	309,380	464,069	618,759	773,449	928,139	1,082,829	1,237,519	1,392,208
Expenditures:										
Expenditures at Existing Service Levels	\$	89,812	\$ 179,625	\$ 269,437	\$ 359,249	\$ 449,062	\$ 538,874	\$ 628,687	\$ 718,499	\$ 808,311
School Capital Debt Service		27,774	55,549	83,323	111,097	138,872	166,646	194,420	222,195	249,969
Total Expenditures	\$	117,587	\$ 235,173	\$ 352,760	\$ 470,347	\$ 587,934	\$ 705,520	\$ 823,107	\$ 940,694	\$ 1,058,280
Net Surplus at Existing Service Levels	\$	37,103	\$ 74,206	\$ 111,309	\$ 148,412	\$ 185,516	\$ 222,619	\$ 259,722	\$ 296,825	\$ 333,928
Expenditures at Expanded Service Levels		12,698	25,396	38,094	50,792	63,490	76,188	88,886	101,584	114,282
Net Surplus with Expanded Service Levels	\$	24,405	\$ 48,810	\$ 73,215	\$ 97,620	\$ 122,026	\$ 146,431	\$ 170,836	\$ 195,241	\$ 219,646
Cumulative Net Surplus at Expanded Service Levels - Net Present Value (NPV) with Discount Rate of 6%	\$	1,638,211								
Expected New Residents	1,766	119	237	356	474	593	711	830	948	1,067
Public School Students	286	19	19	19	19	19	19	19	19	19
Cumulative Public School Students	286	19	38	58	77	96	115	134	154	173

TABLE 1

MEADOWVIEW - FISCAL IMPACT ANALYSIS - CHATHAM COUNTY
BUILDOUT ANALYSIS - PAGE 2

Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
\$ 20,160,000	\$ 19,740,000	\$ 19,740,000	\$ 19,740,000	\$ 19,740,000	\$ 19,740,000
48	47	47	47	47	47
\$ 201,600,000	\$ 221,340,000	\$ 241,080,000	\$ 260,820,000	\$ 280,560,000	\$ 300,300,000
480	527	574	621	668	715
\$ 1,135.64	\$ 1,135.64	\$ 1,135.64	\$ 1,135.64	\$ 1,135.64	\$ 1,135.64
169.10	169.10	169.10	169.10	169.10	169.10
\$ 1,304.74	\$ 1,304.74	\$ 1,304.74	\$ 1,304.74	\$ 1,304.74	\$ 1,304.74
\$ 757.53	\$ 757.53	\$ 757.53	\$ 757.53	\$ 757.53	\$ 757.53
234.26	234.26	234.26	234.26	234.26	234.26
107.10	107.10	107.10	107.10	107.10	107.10
1,098.89	1,098.89	1,098.89	1,098.89	1,098.89	1,098.89
\$ 205.85	\$ 205.85	\$ 205.85	\$ 205.85	\$ 205.85	\$ 205.85
\$ 1,546,899	\$ 1,698,366	\$ 1,849,833	\$ 2,001,301	\$ 2,152,768	\$ 2,304,235
1,546,899	1,698,366	1,849,833	2,001,301	2,152,768	2,304,235
\$ 898,124	\$ 986,065	\$ 1,074,006	\$ 1,161,947	\$ 1,249,889	\$ 1,337,830
277,743	304,939	332,135	359,331	386,526	413,722
\$ 1,175,867	\$ 1,291,004	\$ 1,406,141	\$ 1,521,278	\$ 1,636,415	\$ 1,751,552
\$ 371,033	\$ 407,363	\$ 443,693	\$ 480,023	\$ 516,353	\$ 552,683
126,980	139,413	151,847	164,280	176,714	189,147
\$ 244,053	\$ 267,950	\$ 291,847	\$ 315,743	\$ 339,640	\$ 363,536
1,186	1,302	1,418	1,534	1,650	1,766
19	19	19	19	19	19
192	211	230	248	267	286

TABLE 2

**MEADOWVIEW - FISCAL IMPACT ANALYSIS
CHATHAM COUNTY TAX REVENUE**

Residential Property Taxes:

Residential tax base	\$ 300,300,000
Tax rate	0.6464%
Collection %	97.78%

Total estimated residential property taxes	<u><u>\$ 1,898,046</u></u>
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Motor Vehicle Property Taxes:

Average motor vehicle value per household, based on Federal Reserve Bulletin survey	\$ 26,350
# of Households	715
Motor vehicle tax base	18,840,250
Tax rate	0.6464%
Collection %	88.31%

Total estimated motor vehicle property taxes	<u><u>\$ 107,546</u></u>
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Total Property Tax Revenues	<u><u>\$ 2,005,592</u></u>
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Article 39 Sales Tax:

Residential tax base	\$ 300,300,000
# of households	715
Average value	420,000
Earnings multiple	2.90
Estimated household earnings	\$ 145,000
Estimated % of earnings for Chatham County purchases	10.98%
Estimated Meadowview Chatham County Purchases	\$ 11,384,230
Article 39 Sales Tax Rate	1.00%

Article 39 Sales Tax	<u><u>\$ 113,842</u></u>
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Note: Qualifying sales tax purchases limited to food, gas and oil, household supplies and incidentals.

Articles 40 and 42 Sales Taxes:

Estimated Meadowview Population	1,766
FY04 Per Capita Rate - Table 2A	\$ 71.67
	<u><u>\$ 126,580</u></u>

Article 44 Sales Tax:

Estimated Meadowview Population	1,766
FY04 Per Capita Rate - Table 2A	\$ 32.97
	<u><u>\$ 58,221</u></u>

Total Sales Tax Revenues	<u><u>\$ 298,642</u></u>
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Total Tax Revenues	<u><u>\$ 2,304,235</u></u>
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TABLE 2A

**MEADOWVIEW - FISCAL IMPACT ANALYSIS
EXPANDED ANALYSIS OF SALES TAX ALLOCATIONS**

Source: NC Department of Revenue Local Government Distributions and Reimbursements:

Chatham County	Article 40 1/2%	Article 42 1/2%	Article 39 1%	Article 44 1/2%	Total	Population
July 2003	\$ 141,567	\$ 140,422	\$ 151,141	\$ 87,659	\$ 520,789	2,267
August 2003	191,192	189,893	225,646	133,624	740,355	2,307
September 2003	199,843	198,694	210,014	131,881	740,432	2,307
October 2003	166,943	165,564	206,496	123,844	662,847	2,307
November 2003	156,932	155,732	221,471	118,358	652,493	2,307
December 2003	171,545	170,063	284,772	139,923	766,303	2,307
January 2004	207,449	206,313	277,099	155,240	846,101	2,307
February 2004	159,383	158,235	215,510	119,588	652,716	2,307
March 2004	158,953	157,570	256,843	126,300	699,666	2,307
April 2004	172,902	171,824	241,606	131,100	717,432	2,307
May 2004	189,081	187,713	298,016	146,246	821,056	2,307
June 2004	197,686	197,686	290,791	155,069	841,232	2,307
	\$ 2,113,476	\$ 2,099,709	\$ 2,879,405	\$ 1,568,832	\$ 8,661,422	
Per Capita	\$ 916.11	\$ 910.15	\$ 680.03		\$ 1,826.26	
Total Articles 40 and 42					\$ 1,826.26	
North Carolina:						
July 2003						Population
Total Distributed Ad Valorem Basis	\$ 11,313,919	\$ 11,127,100	\$ 24,870,979	\$ 8,773,310	\$ 56,085,308	
Total Distributed Per Capita Basis	15,248,288	15,031,748	28,253,007	11,524,904	70,057,947	6,747,021
Total Distributed For Both	\$ 26,562,207	\$ 26,158,848	\$ 53,123,986	\$ 20,298,214	\$ 126,143,255	
August 2003						
Total Distributed Ad Valorem Basis	\$ 15,048,766	\$ 14,852,293	\$ 34,718,334	\$ 14,768,795	\$ 79,388,188	
Total Distributed Per Capita Basis	20,253,382	20,046,497	35,885,674	17,342,468	93,528,021	6,881,322
Total Distributed For Both	\$ 35,302,148	\$ 34,898,790	\$ 70,604,008	\$ 32,111,263	\$ 172,916,209	
September 2003						
Total Distributed Ad Valorem Basis	\$ 15,729,672	\$ 15,537,686	\$ 35,354,908	\$ 14,959,163	\$ 81,581,429	
Total Distributed Per Capita Basis	21,156,953	20,945,580	38,418,119	17,751,638	98,272,290	6,876,219
Total Distributed For Both	\$ 36,886,625	\$ 36,483,266	\$ 73,773,027	\$ 32,710,801	\$ 179,853,719	
October 2003						
Total Distributed Ad Valorem Basis	\$ 13,140,145	\$ 12,945,126	\$ 30,116,427	\$ 13,388,170	\$ 69,589,868	
Total Distributed Per Capita Basis	17,673,950	17,465,611	31,525,952	15,695,337	82,360,850	6,876,219
Total Distributed For Both	\$ 30,814,095	\$ 30,410,737	\$ 61,642,379	\$ 29,083,507	\$ 151,950,718	
November 2003						
Total Distributed Ad Valorem Basis	\$ 12,352,137	\$ 12,137,294	\$ 36,989,505	\$ 13,708,699	\$ 75,187,635	
Total Distributed Per Capita Basis	16,614,051	16,425,535	33,783,925	14,967,521	81,791,032	6,876,219
Total Distributed For Both	\$ 28,966,188	\$ 28,562,829	\$ 70,773,430	\$ 28,676,220	\$ 156,978,667	
December 2003						
Total Distributed Ad Valorem Basis	\$ 13,502,382	\$ 13,309,344	\$ 36,628,241	\$ 14,356,030	\$ 77,795,997	
Total Distributed Per Capita Basis	18,161,171	17,950,737	40,028,407	17,206,877	93,347,192	6,876,219
Total Distributed For Both	\$ 31,663,553	\$ 31,260,081	\$ 76,656,648	\$ 31,562,907	\$ 171,143,189	
January 2004						
Total Distributed Ad Valorem Basis	\$ 16,328,361	\$ 16,133,272	\$ 44,569,300	\$ 17,490,835	\$ 94,521,768	
Total Distributed Per Capita Basis	21,962,210	21,753,827	47,460,405	20,687,697	111,864,139	6,876,219
Total Distributed For Both	\$ 38,290,571	\$ 37,887,099	\$ 92,029,705	\$ 38,178,532	\$ 206,385,907	
February 2004						
Total Distributed Ad Valorem Basis	\$ 12,545,110	\$ 12,351,184	\$ 34,296,096	\$ 13,412,754	\$ 72,605,144	
Total Distributed Per Capita Basis	16,873,607	16,664,060	36,748,211	15,919,640	86,205,518	6,876,219
Total Distributed For Both	\$ 29,418,717	\$ 29,015,244	\$ 71,044,307	\$ 29,332,394	\$ 158,810,662	
March 2004						
Total Distributed Ad Valorem Basis	\$ 12,511,230	\$ 12,320,796	\$ 34,419,409	\$ 13,416,933	\$ 72,668,368	
Total Distributed Per Capita Basis	16,828,038	16,615,001	38,255,727	16,051,557	87,750,323	
Total Distributed For Both	\$ 29,339,268	\$ 28,935,797	\$ 72,675,136	\$ 29,468,490	\$ 160,418,691	6,876,219
April 2004						
Total Distributed Ad Valorem Basis	\$ 13,609,164	\$ 13,417,499	\$ 38,796,077	\$ 14,565,906	\$ 80,388,646	
Total Distributed Per Capita Basis	\$ 18,304,797	\$ 18,092,990	\$ 42,865,978	\$ 17,377,081	\$ 96,640,846	
Total Distributed For Both	\$ 31,913,961	\$ 31,510,489	\$ 81,662,055	\$ 31,942,987	\$ 177,029,492	6,876,219
May 2004						
Total Distributed Ad Valorem Basis	\$ 15,691,609	\$ 15,482,526	\$ 43,985,521	\$ 16,827,973	\$ 91,987,629	
Total Distributed Per Capita Basis	\$ 19,208,691	\$ 19,014,302	\$ 41,639,963	\$ 17,629,568	\$ 97,492,524	
Total Distributed For Both	\$ 34,900,300	\$ 34,496,828	\$ 85,625,484	\$ 34,457,541	\$ 189,480,153	6,576,200
June 2004						
Total Distributed Ad Valorem Basis	\$ 16,405,688	\$ 16,405,688	\$ 44,080,411	\$ 17,339,176	\$ 94,230,963	
Total Distributed Per Capita Basis	\$ 20,082,822	\$ 20,082,822	\$ 45,325,030	\$ 19,109,170	\$ 104,599,844	
Total Distributed For Both	\$ 36,488,510	\$ 36,488,510	\$ 89,405,441	\$ 36,448,346	\$ 198,830,807	6,576,200
Total	\$ 238,773,648	\$ 236,494,398	\$	\$ 218,602,634		
Per Capita	\$ 34.72	\$ 34.39	\$	\$ 31.79		
Total Articles 40 and 42 Per Capita					\$ 69.12	
State of North Carolina Population						
	6,576,200					
Meadowview Population						
	1,766					
Chatham County Population Before Meadowview		Article 40	Article 42	Article 44	Total	
Chatham County	52,582					
Cary	35					
Goldston	331					
Pittsboro	2,307	\$ 1,909,187	\$ 1,890,963	\$ 1,747,904	\$ 5,548,053	
Siler City	7,407					
Total	<u>62,662</u>					
Chatham County Population After Meadowview						
Chatham County	54,348					
Cary	35					
Goldston	331					
Pittsboro	2,307	\$ 1,972,780	\$ 1,953,949	\$ 1,806,125	\$ 5,732,854	
Siler City	7,407					
Total	<u>64,428</u>					
Net Sales Tax Attributable to Meadowview		\$ 63,593	\$ 62,986	\$ 58,221	\$ 184,801	
Sales Tax Per Capita - Meadowview		\$ 36.01	\$ 35.67	\$ 32.97		

EXPENDITURE IMPACTS

Along with the substantial revenue impacts generated by Meadowview, there will be increased demands on the County and the School Board to meet the needs of the residents of the development. This section of the report describes Meadowview impacts on the expenditures required of Chatham County government to meet those needs.

In general, the expenditure analysis assumes the existing levels of service currently provided by Chatham County will be provided to all Meadowview citizens. In discussions with County staff and officials, it was deemed appropriate to evaluate impacts on certain County expenditures and departments on a marginal cost basis, including capital as well as operating impacts. The following departments were analyzed using a marginal cost approach:

Public Safety	Human Services
Public Schools - Operating and Capital	North Chatham Fire District
Capital Improvements Program	Emergency Medical Services

The analysis estimates the additional costs of the services to the County by major department. Table 3 estimates the annual costs at existing service levels to the County by department at Meadowview's buildout. These estimates are based on a modified marginal cost approach including per capita costs calculated from the County's FY2004-05 budget. Additional detail of the impact on individual departments is provided in Tables 4 – 15A. Incremental departmental costs presented on Tables 1, 3 and 10 have been increased by 3.5%, the index recommended by County officials to approximate the 2005-06 budget.

EXISTING SERVICE LEVELS

As seen in Table 3, at Meadowview's buildout it is estimated that the County's cost of providing services will increase by approximately \$670,000 per year, as adjusted by the 3.5% index. Major components of this increase include additional Human Services costs of \$171,000, and additional Public Safety costs of \$242,000 that are primarily due to the demands on emergency medical services (EMS) and the Sheriff's department.

EXPANDED SERVICE LEVELS

In an effort to provide additional information for the County, this analysis also estimates the costs to the County if the County were to increase the level of services to residents in Chatham County above those supported in the 2004-05 Budget. The County may need or want to raise the level of service of various departments. In an effort to anticipate some of the additional costs if the County decided to raise the level of service to all County residents, we estimated the cost of increasing the level of service in the Public Safety department and implementing the County's entire Capital Improvements Program (CIP). Section 8 provides a description of these increased service levels.

The costs of these expanded levels of service are shown in Table 10. The total annual costs of these expanded service levels are estimated to be \$189,000 more than those estimated at the existing level of service. These cost increases are primarily associated with an expansion in emergency medical services (Table 9A) and public safety (Table 9B).

CHATHAM COUNTY'S CAPITAL IMPROVEMENT PROGRAM (CIP)

In addition to the potential impact of the County choosing to raise the level of services countywide, the County is also considering a Capital Improvements Program that includes a total of approximately \$35 million in new projects. The entire proposed 2005-2010 CIP is provided in Table 11 and outlines the projects recommended for funding.

County officials have estimated that recreation exaction fees for the Meadowview project will be \$327,000. After applying appropriate exaction fee credits against the CIP projects, annual CIP expenditures of about \$115,000 are allocable to Meadowview residents at buildout (Table 11).

As seen in Table 10, even at these expanded levels of service and including the County CIP, the net fiscal surplus to Chatham County at Meadowview's buildout is positive.. At buildout, the County is expected to receive a net surplus above costs of approximately \$364,000 per year.

TABLE 3

**MEADOWVIEW - FISCAL IMPACT ANALYSIS
CHATHAM COUNTY ANNUAL FISCAL IMPACT - AT BUILDOUT
AT EXISTING SERVICE LEVELS**

Incremental Tax Revenues:**Property Taxes**

Residential	\$ 1,898,046	
Motor Vehicle	107,546	
Total Property Taxes		\$ 2,005,592

Sales Taxes

Article 39	\$ 113,842	
Articles 40 and 42	126,580	
Article 44	58,221	
Total Sales Taxes		298,643

Total Incremental Tax Revenues **\$ 2,304,235**

Incremental Expenditures at Existing Service Levels:**Chatham County Government**

Administration	\$ 123,967	
Education, Culture, and Recreation (excluding schools)	56,249	
General Government	37,698	
Human Services	164,945	
Natural Resource Management	30,812	
Public Safety	233,860	
Total Chatham County Government Incremental Expenditures		\$ 647,531

Chatham County Schools Operating Costs 645,058

Total Incremental Operating Expenditures at Existing Service Levels 1,292,589

Index Applied to Total Incremental Expenditures to

Approximate 2005-06 Budget **3.50%** **1,337,830**

Incremental Capital Costs:**Chatham County Schools - Annual Debt Service**

School Facilities	399,204	
School Transportation	14,518	<u>413,722</u>

Total Incremental Expenditures at Existing Service Levels **1,751,552**

Incremental Surplus at Existing Service Levels **\$ 552,683**

TABLE 4

**MEADOWVIEW - FISCAL IMPACT ANALYSIS
ANALYSIS OF CHATHAM COUNTY FY05 BUDGET
ADMINISTRATION SUMMARY**

	Buildings & Grounds	County Attorney	County Manager	Court Facilities	Finance Office	Fleet Management	General Services	Information Technology	Total
Expenditures:									
Salaries	\$ 207,382	\$ -	\$ 243,966	\$ -	\$ 320,892	\$ 59,482	\$ -	\$ 307,140	\$ 1,138,862
Other personnel costs	104,966	-	67,045	-	96,906	24,296	-	92,941	386,154
Operating	712,820	62,500	56,642	57,500	109,268	27,607	321,762	174,367	1,522,466
Public assistance, grants, and special programs	-	-	-	-	-	-	13,500	-	13,500
Debt	122,029	-	-	-	-	-	-	-	122,029
Transfers	-	-	-	-	-	-	500,000	-	500,000
Capital outlay	-	-	-	-	65,000	141,995	146,000	10,000	362,995
Total expenditures	\$ 1,147,197	\$ 62,500	\$ 367,653	\$ 57,500	\$ 592,066	\$ 253,380	\$ 981,262	\$ 584,448	\$ 4,046,006
Revenues:									
Fees and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-	-	-
Sales & service	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Fund balance	-	-	-	-	-	-	-	-	-
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net cost - excluding sales and property taxes	\$ 1,147,197	\$ 62,500	\$ 367,653	\$ 57,500	\$ 592,066	\$ 253,380	\$ 981,262	\$ 584,448	\$ 4,046,006
FTE's	8.00	-	4.00	-	7.00	2.00	-	7.00	28.00
Chatham County Population	57,640	57,640	57,640	57,640	57,640	57,640	57,640	57,640	57,640
Chatham County Per Capita Net Cost	\$ 19.90	\$ 1.08	\$ 6.38	\$ 1.00	\$ 10.27	\$ 4.40	\$ 17.02	\$ 10.14	\$ 70.19
Estimated Marginal County Costs For Meadowview:									
Estimated Meadowview Population	1,766	1,766	1,766	1,766	1,766	1,766	1,766	1,766	1,766
Marginal Operating Costs	\$ 35,149	\$ 1,915	\$ 11,265	\$ 1,762	\$ 18,141	\$ 7,763	\$ 30,065	\$ 17,907	\$ 123,967
Additional FTE's Anticipated	0.25	-	0.12	-	0.21	0.06	-	0.21	0.86
Total Anticipated FTE's	8.25	-	4.12	-	7.21	2.06	-	7.21	28.86

FTE = Full-time equivalent personnel

TABLE 5

**MEADOWVIEW - FISCAL IMPACT ANALYSIS
ANALYSIS OF CHATHAM COUNTY FY05 BUDGET
EDUCATION, CULTURE AND RECREATION SUMMARY**

	Central Carolina Comm. Coll.	Chatham County Schools	Cooperative Extension Service	Library	Recreation Department	Total	Total Excluding Schools
Expenditures:							
Salaries	\$ -	\$ -	\$ -	291,056	\$ 91,933	\$ 382,989	\$ 382,989
Other personnel costs	-	-	-	117,316	61,357	178,673	178,673
Operating	314,124	17,972,623	259,257	336,558	40,842	18,923,404	950,781
Public assistance, grants, and special programs	48,620	2,740,148	3,600	4,000	135,928	2,932,296	192,148
Debt	73,913	-	-	-	-	73,913	73,913
Transfers	-	-	-	-	-	-	-
Capital outlay	200,000	-	-	1,000	-	201,000	201,000
Total expenditures	\$ 636,657	\$ 20,712,771	\$ 262,857	\$ 749,930	\$ 330,060	\$ 22,692,275	\$ 1,979,504
Revenues:							
Fees and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants	-	-	-	134,000	-	134,000	134,000
Interest	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-
Sales & service	-	-	-	20,000	31,000	51,000	51,000
Transfers	-	504,172	-	-	-	504,172	-
Fund balance	-	-	-	-	-	-	-
Total revenues	\$ -	\$ 504,172	\$ -	\$ 154,000	\$ 31,000	\$ 689,172	\$ 185,000
Net cost - excluding sales and property taxes	\$ 636,657	\$ 20,208,599	\$ 262,857	\$ 595,930	\$ 299,060	\$ 22,003,103	\$ 1,794,504
FTE's	-	-	-	9.00	2.50	11.50	11.50
Chatham County Population	57,640	57,640	57,640	57,640	57,640	57,640	57,640
Less Siler City, provides recreation services					(7,002)		
Adjusted Population					50,638		
Chatham County Per Capita Net Cost	\$ 11.05	\$ 350.60	\$ 4.56	\$ 10.34	\$ 5.91	\$ 382.45	\$ 31.85
Estimated Marginal County Costs For Meadowview:							
Estimated Meadowview Population	1,766	1,766	1,766	1,766	1,766	1,766	1,766
Marginal Operating Costs	\$ 19,507	\$ 619,178	\$ 8,054	\$ 18,259	\$ 10,430	\$ 675,428	\$ 56,249
Additional FTE's Anticipated	-	-	-	0.28	0.09	0.36	0.36
Total Anticipated FTE's	-	-	-	9.28	2.59	11.86	11.86

FTE = Full-time equivalent personnel

Chatham County Schools Fund Balance Transfers:

According to the FY05 Budget, the Board of Commissioners approved \$761,009 in additional funding over the recommended budget. \$322,465 for mobile classrooms is funded through a transfer from Impact Fee Reserve. \$256,837 is a one-time special appropriation funded by unanticipated State school capital funding in FY04, and \$181,707 one-time special appropriation funded through a transfer from School Capital Reserve for a net cost of \$256,837.

TABLE 6

**MEADOWVIEW - FISCAL IMPACT ANALYSIS
ANALYSIS OF CHATHAM COUNTY FY05 BUDGET
GENERAL GOVERNMENT SUMMARY**

	Elections	Governing Board	Register of Deeds	Tax Administration	Tax - Land Records	Tax - Revaluation	Total
Expenditures:							
Salaries	\$ 68,852	\$ 141,793	\$ 201,954	\$ 292,292	\$ 66,699	\$ 133,147	\$ 904,737
Other personnel costs	55,122	81,842	90,433	98,841	23,368	59,383	408,989
Operating	111,936	79,898	124,476	182,450	9,747	129,964	638,471
Public assistance, grants, and special programs	-	-	-	-	-	-	-
Debt	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Capital outlay	4,680	-	-	-	-	-	4,680
Total expenditures	\$ 240,590	\$ 303,533	\$ 416,863	\$ 573,583	\$ 99,814	\$ 322,494	\$ 1,956,877
Revenues:							
Fees and permits	\$ -	\$ -	\$ 365,000	\$ -	\$ -	\$ -	\$ 365,000
Grants	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Miscellaneous	-	-	350,000	(10,000)	-	-	340,000
Other taxes	-	-	-	-	-	-	-
Sales & service	-	-	-	21,500	-	-	21,500
Transfers	-	-	-	-	-	-	-
Fund balance	-	-	-	-	-	-	-
Total revenues	\$ -	\$ -	\$ 715,000	\$ 11,500	\$ -	\$ -	\$ 726,500
Net cost - excluding sales and property taxes	\$ 240,590	\$ 303,533	\$ (298,137)	\$ 562,083	\$ 99,814	\$ 322,494	\$ 1,230,377
FTE's	2.00	7.00	6.00	8.00	2.00	4.00	29.00
Chatham County Population	57,640	57,640	57,640	57,640	57,640	57,640	57,640
Chatham County Per Capita Net Cost	\$ 4.17	\$ 5.27	\$ (5.17)	\$ 9.75	\$ 1.73	\$ 5.59	\$ 21.35
Estimated Marginal County Costs For Meadowview:							
Estimated Meadowview Population	1,766	1,766	1,766	1,766	1,766	1,766	1,766
Marginal Operating Costs	\$ 7,372	\$ 9,300	\$ (9,135)	\$ 17,222	\$ 3,058	\$ 9,881	\$ 37,698
Additional FTE's Anticipated	0.06	0.21	0.18	0.25	0.06	0.12	0.89
Total Anticipated FTE's	2.06	7.21	6.18	8.25	2.06	4.12	29.89

FTE = Full-time equivalent personnel

TABLE 7

**MEADOWVIEW - FISCAL IMPACT ANALYSIS
ANALYSIS OF CHATHAM COUNTY FY05 BUDGET
HUMAN SERVICES SUMMARY**

	Council on Aging	Health Administration	Health - Comm. Promotion and Advocacy	Family Resource Center	Family Outreach Support	Health Preparedness & Surveillance	Health Preventive Services	Human Service Agencies	OPC Mental Health Area Program	Social Services	Total
Expenditures:											
Salaries	\$ 91,259	\$ 188,297	\$ 453,092	\$ 46,533	\$ 475,812	\$ 261,100	\$ 941,613	\$ -	\$ -	\$ 2,380,259	\$ 4,837,965
Other personnel costs	27,638	56,374	149,727	14,008	165,484	87,456	331,741	-	-	834,941	1,667,369
Operating	472,553	49,283	45,235	3,500	31,630	15,999	413,039	251,562	518,554	593,851	2,395,206
Public assistance, grants and special programs	-	-	187,525	-	50,094	55,088	14,437	-	-	5,358,665	5,665,809
Debt	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	12,400	-	-	-	12,400
Total expenditures	\$ 591,450	\$ 293,954	\$ 835,579	\$ 64,041	\$ 723,020	\$ 419,643	\$ 1,713,230	\$ 251,562	\$ 518,554	\$ 9,167,716	\$ 14,578,749
Revenues:											
Fees and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants	-	17,708	-	-	290,359	107,111	285,673	-	8,000	4,486,187	5,195,038
Interest	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	449,374	-	-	-	-	-	-	-	449,374
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-	-	-	-	-
Sales & service	-	-	20,300	-	243,450	3,000	510,960	-	-	20,000	797,710
Transfers	-	-	-	-	-	-	-	-	-	-	-
Fund balance	-	-	-	-	-	-	-	-	-	-	-
Total revenues	\$ -	\$ 17,708	\$ 469,674	\$ -	\$ 533,809	\$ 110,111	\$ 796,633	\$ -	\$ 8,000	\$ 4,506,187	\$ 6,442,122
Net cost - excluding sales and property taxes	\$ 591,450	\$ 276,246	\$ 365,905	\$ 64,041	\$ 189,211	\$ 309,532	\$ 916,597	\$ 251,562	\$ 510,554	\$ 4,661,529	\$ 8,136,627
FTE's	2.00	4.00	13.35	1.00	14.15	5.75	26.80	-	-	67.25	134.30
Net Chatham County Non-Income Dependent Programs, per Chatham County officials	\$ 591,450	\$ 276,246	\$ 365,905	\$ 64,041	\$ 189,211	\$ 309,532	\$ 916,597	\$ 251,562	\$ 510,554	\$ 1,908,340	\$ 5,383,438
Chatham County Population	57,640	57,640	57,640	57,640	57,640	57,640	57,640	57,640	57,640	57,640	57,640
Chatham County Per Capita Net Cost	\$ 10.26	\$ 4.79	\$ 6.35	\$ 1.11	\$ 3.28	\$ 5.37	\$ 15.90	\$ 4.36	\$ 8.86	\$ 33.11	\$ 93.40
FTE's - Non-Income Dependent Programs	2.00	4.00	13.35	1.00	14.15	5.75	26.80	-	-	27.53	94.58
Estimated Marginal County Costs For Meadowview:											
Estimated Meadowview Population	1,766	1,766	1,766	1,766	1,766	1,766	1,766	1,766	1,766	1,766	1,766
Marginal Operating Costs	\$ 18,122	\$ 8,464	\$ 11,211	\$ 1,962	\$ 5,797	\$ 9,484	\$ 28,084	\$ 7,708	\$ 15,643	\$ 58,470	\$ 164,945
Additional FTE's Anticipated	0.06	0.12	0.41	0.03	0.43	0.18	0.82	-	-	0.84	2.90
Total Anticipated FTE's	2.06	4.12	13.76	1.03	14.58	5.93	27.62	-	-	68.09	137.20

FTE = Full-time equivalent personnel

TABLE 8

**MEADOWVIEW - FISCAL IMPACT ANALYSIS
ANALYSIS OF CHATHAM COUNTY FY05 BUDGET
NATURAL RESOURCE MANAGEMENT SUMMARY**

	Central Permitting	Economic Development	Environmental Health	Inspections	Planning Department	Pittsboro- Siler City CVB	Public Works Transfers	Sedimentation & Erosion Control	Soil & Water Conservation District	Total
Expenditures:										
Salaries	\$ 143,489	\$ -	\$ 536,189	\$ 355,288	\$ 216,247	\$ 47,584	\$ -	\$ 37,172	\$ 119,042	\$ 1,455,011
Other personnel costs	49,264	164,891	168,763	114,616	69,012	14,130	-	12,322	39,682	632,680
Operating	35,275	-	69,605	61,985	32,816	24,662	-	11,075	16,347	251,765
Public assistance, grants and special programs	-	-	2,000	-	-	-	-	-	-	2,000
Debt	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	500,000	-	-	500,000
** Transfers excluded per Chatham County, no marginal costs anticipated	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	20,000	40,800	-	-	(500,000)	-	-	(500,000)
	-	-	-	-	-	-	-	14,000	-	74,800
Total expenditures	\$ 228,028	\$ 164,891	\$ 796,557	\$ 572,689	\$ 318,075	\$ 86,376	\$ -	\$ 74,569	\$ 175,071	\$ 2,416,256
Revenues:										
Fees and permits	\$ -	\$ -	\$ -	\$ 800,878	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 800,878
Grants	-	-	8,250	-	-	-	-	29,826	37,000	75,076
Interest	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	1,500	1,500
Other taxes	-	-	-	-	-	86,377	-	-	-	86,377
Sales & service	-	-	356,840	-	45,000	-	-	44,743	200	446,783
Transfers	-	-	-	-	-	-	-	-	-	-
Fund balance	-	-	-	-	-	-	-	-	-	-
Total revenues	\$ -	\$ -	\$ 365,090	\$ 800,878	\$ 45,000	\$ 86,377	\$ -	\$ 74,569	\$ 38,700	\$ 1,410,614
Net cost - excluding sales and property taxes	\$ 228,028	\$ 164,891	\$ 431,467	\$ (228,189)	\$ 273,075	\$ (1)	\$ -	\$ -	\$ 136,371	\$ 1,005,642
FTE's	4.00	-	13.00	8.00	5.00	1.00	-	1.00	3.00	35.00
Chatham County Population	57,640	57,640	57,640	57,640	57,640	57,640	57,640	57,640	57,640	57,640
Chatham County Per Capita Net Cost	\$ 3.96	\$ 2.86	\$ 7.49	\$ (3.96)	\$ 4.74	\$ (0.00)	\$ -	\$ -	\$ 2.37	\$ 17.45
Estimated Marginal County Costs For Meadowview:										
Estimated Meadowview Population	1,766	1,766	1,766	1,766	1,766	1,766	1,766	1,766	1,766	1,766
Marginal Operating Costs	\$ 6,987	\$ 5,052	\$ 13,220	\$ (6,992)	\$ 8,367	\$ (0)	\$ -	\$ -	\$ 4,178	\$ 30,812
Additional FTE's Anticipated	0.12	-	0.40	0.25	0.15	0.03	-	0.03	0.09	1.07
Total Anticipated FTE's	4.12	-	13.40	8.25	5.15	1.03	-	1.03	3.09	36.07

FTE = Full-time equivalent personnel

TABLE 9

**MEADOWVIEW - FISCAL IMPACT ANALYSIS
ANALYSIS OF CHATHAM COUNTY FY05 BUDGET
PUBLIC SAFETY SUMMARY**

	Court- Related Programs	EMS	Emergency Operations	Emergency Telecom	Fire Marshal	Animal Control	Sheriff's Office	Sheriff - Jail	Total
Expenditures:									
Salaries	\$ 167,372	\$ -	\$ 116,381	\$ 388,221	\$ 133,376	\$ 175,307	\$ 2,103,890	\$ 433,064	\$ 3,517,611
Other personnel costs	48,551	-	38,759	278,378	48,746	86,070	860,880	202,597	1,563,981
Operating	201,149	1,439,318	199,923	102,496	19,535	66,958	474,062	203,902	2,707,343
Public assistance, grants and special programs	74,679	-	28,000	-	-	-	-	-	102,679
Debt	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	45,418	23,500	290,000	-	358,918
Total expenditures	\$ 491,751	\$ 1,439,318	\$ 383,063	\$ 769,095	\$ 247,075	\$ 351,835	\$ 3,728,832	\$ 839,563	\$ 8,250,532
Revenues:									
Fees and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000	\$ -	\$ 9,000
Grants	321,313	-	44,912	-	-	1,800	120,404	30,020	518,449
Interest	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-	-	-
Sales & service	-	-	-	-	45,000	28,500	13,900	3,000	90,400
Transfers	-	-	-	-	-	-	-	-	-
Fund balance	-	-	-	-	-	-	-	-	-
Total revenues	\$ 321,313	\$ -	\$ 44,912	\$ -	\$ 45,000	\$ 30,300	\$ 143,304	\$ 33,020	\$ 617,849
Net cost - excluding sales and property taxes	\$ 170,438	\$ 1,439,318	\$ 338,151	\$ 769,095	\$ 202,075	\$ 321,535	\$ 3,585,528	\$ 806,543	\$ 7,632,683
FTE's	5.25	-	3.00	12.00	3.00	6.00	62.00	16.00	107.25
Chatham County Population	57,640	57,640	57,640	57,640	57,640	57,640	57,640	57,640	57,640
Chatham County Per Capita Net Cost	\$ 2.96	\$ 24.97	\$ 5.87	\$ 13.34	\$ 3.51	\$ 5.58	\$ 62.21	\$ 13.99	\$ 132.42
Estimated Marginal County Costs For Meadowview:									
Estimated Meadowview Population	1,766	1,766	1,766	1,766	1,766	1,766	1,766	1,766	1,766
Marginal Operating Costs	\$ 5,222	\$ 44,100	\$ 10,361	\$ 23,565	\$ 6,191	\$ 9,852	\$ 109,858	\$ 24,712	\$ 233,860
Adjusted Marginal Costs	\$ 5,222	\$ 44,100	\$ 10,361	\$ 23,565	\$ 6,191	\$ 9,852	\$ 109,858	\$ 24,712	\$ 233,860
Additional FTE's Anticipated	0.16	-	0.09	0.37	0.09	0.18	1.90	0.49	3.29
Total Antipated FTE's	5.41	-	3.09	12.37	3.09	6.18	63.90	16.49	110.54
FTE = Full-time equivalent personnel									

TABLE 9A

**MEADOWVIEW - FISCAL IMPACT ANALYSIS
ANALYSIS OF CHATHAM COUNTY FY05 BUDGET
EXPANDED ANALYSIS OF EMS**

Assumptions:

Estimated cost of new EMS Base	\$	275,000	Financing Terms:	
Annual Debt Service for EMS Base	\$	62,275	Interest Rate	5.00%
Population Served		10,000		
Debt Service Allocation to Meadowview	\$	10,998		
Annual operating cost of EMS Unit	\$	192,000	Term - in years	5
# of Units Needed		2		
Total EMS Units Annual Operating Cost	\$	384,000		
Population Served		10,000		
Annual EMS Units Operating Cost Allocated to Meadowview	\$	67,816		

**EMS
Operating**

Expenditures:

Salaries		
Other personnel costs	\$	-
Operating		-
Public assistance		1,439,318
Debt		-
Transfers		-
Capital outlay		-
		-
Total expenditures		

\$ 1,439,318

Revenues:

Fees and permits		
Grants	\$	-
Interest		-
Intergovernmental		-
Miscellaneous		-
Other taxes		-
Sales & service		-
Transfers		-
Fund balance		-
		-
Total revenues		

\$ -

Net cost - excluding sales and property taxes

\$ 1,439,318

Estimated Costs Assuming Per Capita Approach:

Chatham County Population		57,640
Chatham County Per Capita Net Cost	\$	24.97
Estimated Marginal County Costs For Meadowview:		
Estimated Meadowview Population		1,766
Marginal Operating Costs	\$	44,100

Estimated Costs Assuming Increased Levels of Service:

Per Capita Allocation of Transfer to Capital Reserve	\$	-
Annual debt service for new EMS base		10,998
Annual operating costs of new EMS unit:		67,816
Total Anticipated Costs	\$	78,814
Additional Annual Costs Related to Increased Levels of Service	\$	34,715

TABLE 9B

**MEADOWVIEW - FISCAL IMPACT ANALYSIS
ANALYSIS OF CHATHAM COUNTY FY05 BUDGET
EXPANDED PUBLIC SAFETY ANALYSIS**

FY05 Departmental Budget - Net Costs:	FY05 Requested	FY05 Approved
Central Permitting - Fire Marshal	\$ 261,848	\$ 202,075
Health - Animal Control	349,435	321,535
Sheriff's Department - Law Enforcement	4,683,105	3,585,528
Sheriff's Department - Jail	905,657	806,543
Total	<u>\$ 6,200,045</u>	<u>\$ 4,915,681</u>
Chatham County Population	57,640	57,640
Chatham County Per Capita Net Cost	\$ 107.57	\$ 85.28
Estimated Marginal County Costs for Meadowview - Expanded Services:		
Estimated Meadowview Population	1,766	1,766
Marginal Operating Costs - Expanded Services	<u>\$ 189,965</u>	<u>\$ 150,613</u>
Expanded Service Cost Differential Allocated to Meadowview	<u>\$ 39,352</u>	

TABLE 10

MEADOWVIEW - FISCAL IMPACT ANALYSIS
CHATHAM COUNTY ANNUAL FISCAL IMPACT - AT BUILDOUT
AT EXPANDED SERVICE LEVELS

Incremental Tax Revenues:**Property Taxes**

Residential	\$ 1,898,046	
Motor Vehicle	107,546	
Total Property Taxes		\$ 2,005,592

Sales Taxes

Article 39	\$ 113,842	
Articles 40 and 42	126,580	
Article 44	58,221	
Total Sales Taxes		298,643
Total Incremental Tax Revenues		\$ 2,304,235

Incremental Expenditures at Existing Service Levels:**Chatham County Government**

Administration	\$ 123,967	
Education, Culture, and Recreation (excluding schools)	56,249	
General Government	37,698	
Human Services	164,945	
Natural Resource Management	30,812	
Public Safety	233,860	
Total Chatham County Government Incremental Expenditures		\$ 647,531

Chatham County Schools Operating Costs

	645,058
Total Incremental Operating Expenditures at Existing Service Levels	1,292,589

Index Applied to Total Incremental Expenditures to

Approximate 2005-06 Budget	3.50%	1,337,830
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Incremental Capital Costs:**Chatham County Schools - Annual Debt Service**

School Facilities	399,204	
School Transportation	14,518	413,722

Total Incremental Expenditures at Existing Service Levels	1,751,552
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Incremental Surplus at Existing Service Levels	\$ 552,683
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Expanded Service Level Expenditures:**Public Safety:**

Emergency Medical Services	\$ 34,715	
Public Safety	39,352	
Total Public Safety		\$ 74,067

Contribution to Countywide CIP Program (net of exaction fees):	\$ 115,080
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Total Expanded Service Level Expenditures	189,147
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Annual Incremental Surplus at Expanded Service Levels	\$ 363,536
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MEADOWVIEW - FISCAL IMPACT ANALYSIS
CHATHAM COUNTY 2005 - 2010 CAPITAL IMPROVEMENTS PROGRAM

Recreation Exaction Fee per lot	\$ 457
Total number of lots	715
Total Recreation Exaction Fees	<u>\$ 326,755</u>

TABLE 12

**MEADOWVIEW - FISCAL IMPACT ANALYSIS
CHATHAM COUNTY POPULATION AND HOUSEHOLD ESTIMATES**

Chatham County Population as Reported to N. C. State Treasurer:

As of July 1	Reported Population	Annual Change	%	Cumulative Change	%	# of Units	
1997	45,130						
1998	45,938	808	1.79%	808	1.79%		
1999	47,264	1,326	2.89%	2,134	4.73%		
2000	49,588	2,324	4.92%	4,458	9.88%	19,741	U. S. Census
2001	50,954	1,366	2.75%	5,824	12.90%	20,285	Estimated
2002	52,582	1,628	3.20%	7,452	16.51%	20,933	Estimated
Average growth during period		1,490	3.11%				

Projected Population Based on Growth Trend Over the Last Five Years:

				# of Units	
2003	54,217	1,635	3.11%	21,584	Estimated
2004	55,902	1,685	3.11%	22,255	Estimated
2005	57,640	1,738	3.11%	22,946	Estimated

U. S. Census Bureau:

Population 2000	49,329
2001 Estimate	51,645
Percentage Change	4.70%

Northwood School District

Per 1999 Master Plan Study:		23,300
Estimated	2000	24,024
Using	2001	24,771
Percentage	2002	25,541
Calculated	2003	26,335
Above	2004	27,154
	2005	27,998

5. FISCAL IMPACTS ON THE CHATHAM COUNTY SCHOOLS

Estimates of the increased costs incurred by the Chatham County Board of Education from Meadowview for operations and capital needs are described in this section. These costs are based on the School District's FY 2004-05 Budget [increased by the 3.5% index previously described] and the projections of capital costs. The costs to the District will primarily be driven by the number of students generated by the new residents of Meadowview.

A critical assumption in the analysis is the estimate of the Student Generation Rate (SGR). In 1996, the County contracted with Tischler & Associates, Inc. (TA) to provide analysis of the impacts on schools in Chatham County. TA's report estimates student generation rates (SGR) for various types of housing and provides the County with an estimate of the appropriate impact fees necessary to offset the costs of new residents to the school system.

TA's 1996 report uses data from the 1990 Census. The study incorporates methodologies that are frequently used in the industry. It should be noted that as of the 2000 Census, the average student per housing unit in Chatham County has not changed substantially from that estimated by TA using 1990 data. According to the more recent 2000 Census data, the average SGR for Chatham County was equal to .37. That is on average, there were 37 school-aged children attending public schools in Chatham County for every 100 dwelling units in the County. This rate is very similar to the SGRs estimated by TA in the 1996 report.

The following analysis assumes an SGR of .40 meaning that for every 100 new dwelling units in Meadowview, there will be 40 more students generated in the School District. This rate is slightly above the rate indicated in the 2000 Census and quite similar to the single-family dwelling unit rate estimated by Tischler & Associates in 1996. The Chatham County School Superintendent also considered a SGR of .40 appropriate. The SGR rate included in this study is further supported by a report published on June 21, 2004 by the Operations Research and Education Laboratory at North Carolina State University entitled *Chatham County School Integrated Planning for School and Community (IPSAC)- Land Use Study*¹. The baseline analysis of this study indicates the current SGR in Chatham County Schools is .322 to .363. Furthermore, the study projects the SGR for proposed subdivisions within the County will range from .2759 to .3232.

The estimated SGR of .40 is also supported by a report, *Student Generation Rate (SGR) Analysis –Estimating Briar Chapel Impacts on Chatham County Schools*², published on June 8, 2004. This study analyzed 2000 Census data at the block group level focusing on

¹ Operations Research and Education Laboratory Institute for Transportation Research and Education, North Carolina State University, Chatham County Schools Integrated Planning for School and Community Land Use Study Report, June 21, 2004, pages 17 – 21.

² Published by Harry W. Miley, Jr., Ph.D., President of Miley & Associates, Inc. and David J. Cowen, Ph.D., Professor and Chairman of the Department of Geography, University of South Carolina, Columbia, SC, June 8, 2004, pages 7 – 10.

the median value of the housing units and the number of school-aged children attending public schools. The study revealed SGRs of .34 to .44 for block group totals with housing values ranging from \$250,000 to \$770,800. The study area included applicable block groups from Chatham County as well as the eight surrounding counties.

Based on an SGR of .40, it is estimated that Meadowview will have 286 new students enrolled in Chatham County Schools at the development's buildout. Approximately 136 of these students will be at the elementary grade level. Of the remainder, 64 will be new middle school students and 86 will be new high school students. The derivation of these new students by type of school is shown in Table 13.

As shown in Table 14, these 286 new Meadowview students will cost the District approximately \$668,000 in annual operating expenses. The estimate is based on a per student operating cost of \$2,334.

In addition to these operating costs to the District, there will be additional capital costs required for these new students. Based on current estimates of capital costs provided by Shuller, Ferris Lindstrom & Associates, architects for the District, it is estimated that the District will incur capital costs of approximately \$7.6 million to accommodate the 286 new students. The capital costs by type of school are shown in Table 15. However, these capital costs will be partially offset by impact fees of \$2,900 per dwelling unit. Therefore, the District will receive a total of \$2,073,500 of offsetting revenues (Table 15), resulting in a net capital cost of \$5.5 million. The annual debt service for the \$5.5 million is estimated to be \$399,000.

As described in the Methodology section, all revenues and expenditures are based on constant 2005 dollars, and the analysis includes no inflation during the project's buildout. This approach is based on the assumption that over the buildout period, both revenues and expenditures will rise proportionately, and therefore, inflation will have little if any affect on the net results of the analysis. A constant dollar approach is commonly used in fiscal impact analysis since many local governments do not have the resources necessary to adequately perform the sophisticated financial modeling required to produce credible alternative assumptions. The constant dollar assumption applies to all estimates in this analysis, including: property values, incomes, sales, County revenues and expenditures and School District operating and capital expenditures. Therefore school construction costs are based on current estimates.

TABLE 13

**MEADOWVIEW - FISCAL IMPACT ANALYSIS
CHATHAM COUNTY SCHOOLS - STUDENT GENERATION RATE**

Source: 1996 Chatham County Public School Impact Fee Report - Tischler and Associates, Inc.

Adjusted Public School Students Per Household

	Elementary	Middle	High	Total
Single Family	0.19	0.09	0.12	0.40
Multifamily	0.08	0.02	0.04	0.15
Mobile Homes & Other	0.19	0.09	0.09	0.37
ALL TYPES	0.17	0.08	0.09	0.33

Meadowview Public School Students

	Elementary	Middle	High	Total
Single Family	135.9	64.4	85.8	286
Total	136	64	86	286

TABLE 14

**MEADOWVIEW - FISCAL IMPACT ANALYSIS
ANALYSIS OF CHATHAM COUNTY FY05 BUDGET
CHATHAM COUNTY SCHOOLS OPERATING COSTS**

Expenditures:	
Salaries	\$ -
Other personnel costs	-
Operating	17,972,623
Public assistance	-
Debt	2,740,148
Transfers	-
Capital outlay	-
Less Debt - New School Debt Service Evaluated Separately	<u>(2,740,148)</u>
Total expenditures	<u>\$ 17,972,623</u>
Revenues:	
Fees and permits	\$ -
Grants	-
Interest	-
Intergovernmental	-
Miscellaneous	-
Other taxes	-
Sales & service	-
Transfers	504,172
Fund balance	<u>-</u>
Total revenues	<u>\$ 504,172</u>
Net cost - excluding sales and property taxes	<u>\$ 17,468,451</u>
 Chatham County Public School Enrollment	 7,745
Chatham County Per Student Net Cost	\$ 2,255.45
Estimated Marginal County Costs For Meadowview:	
Estimated Meadowview Public School Students	<u>286</u>
Marginal Operating Costs	<u>\$ 645,058</u>
Index Applied to Total Incremental Expenditures to Approximate 2005-06 Budget	3.50%
Marginal Operating Costs Adjusted to Approximate 2005-06 Budget	<u>\$ 667,635</u>
Marginal Operating Costs Per Student	<u>\$ 2,334.39</u>

TABLE 15

**MEADOWVIEW - FISCAL IMPACT ANALYSIS
CHATHAM COUNTY SCHOOLS - CAPITAL COSTS**

<u>Based on Current Estimates</u>	<u>Elementary</u>	<u>Middle</u>	<u>High School</u>	
Land - unimproved acreage	\$ 400,000	\$ 800,000	\$ 1,200,000	
Building, sitework, furnishings and equipment	14,817,015	16,030,687	37,941,413	
Technology costs	296,340	320,614	758,828	
Total Cost	15,513,355	17,151,301	39,900,241	
Student Capacity	700	650	1,200	
Capital Cost per Student	\$ 22,162	\$ 26,387	\$ 33,250	
<u>Meadowview Public School Students</u>	<u>136</u>	<u>64</u>	<u>86</u>	<u>Total</u>
				<u>286</u>
Capital Costs Allocable to Meadowview	\$ 3,010,699	\$ 1,697,979	\$ 2,852,867	\$ 7,561,545
Less:				
Impact Fees	\$ -	\$ -	\$ -	\$ -
	984,913	466,538	622,050	2,073,500
	984,913	466,538	622,050	2,073,500
Net Chatham County School Capital Cost Attributable to Meadowview	\$ 2,025,787	\$ 1,231,441	\$ 2,230,817	\$ 5,488,045
Annual Debt Service	\$ 147,357	\$ 89,576	\$ 162,271	\$ 399,204

Capital Costs Estimates Above Compared to 1996 Public School Impact Fee Report by Tischler and Associates, Inc.

<u>Level of Service</u>	<u>K - 8</u>	<u>High School</u>	<u>Total</u>
Building Sq. Ft. Per Student	113	163	
Net Local Capital Cost Per Sq. Ft.	\$ 102.19	\$ 107.19	
Capital Cost Per Student	\$ 11,547	\$ 17,472	
Estimated Meadowview Students	200	86	286
Estimated Capital Costs	\$ 2,311,803	\$ 1,499,095	\$ 3,810,899

Conclusion: To more realistically project capital costs for Chatham County Schools, the approach above, which utilizes more current construction cost information, will be used in lieu of the capital cost estimates included in the 1996 Tischler report.

Chatham County School Transportation Capital Costs

Meadowview Estimated Enrollment	286
Chatham County School bus ridership rate	49%
Estimated Meadowview Bus Riders	140
School Bus Capacity	60
New School Buses Required	2.34
Cost of New School Bus	70,000
Annual Debt Service Per School Bus	\$ 20,201
Total Debt Service for Meadowview Buses	\$ 188,735
Amortization Period - State Replaces Bus in Year	13
Annual School Bus Transportation Capital Cost	\$ 14,518

TABLE 15A

**MEADOWVIEW - FISCAL IMPACT ANALYSIS
CHATHAM COUNTY SCHOOLS - CAPITAL COSTS
EXPANDED ANALYSIS**

**NC. PROTOTYPE SCHOOL DESIGN CLEARINGHOUSE
COSTS OF RECENT PROJECTS**

Monday, September 13, 2004

											(1) Inflation Factor to Adjust Historical Costs to Current Cost	Inflation Adjusted Total Cost	Inflation Adjusted Cost per Pupil
Monday, September 13, 2004													
DSP NO.	ADMINISTRATIVE UNIT	SCHOOL	DATE	AREA (s.f.)	COST	TOTAL COST	ADM	COST PER PUPIL	Square Footage Per Pupil				
ELEMENTARY													
Meadowview - Estimated cost excluding land, furnishings, design/administration			0K-05	2005	95,000	\$ 10,964,591	\$ 10,964,591	700	\$ 15,664	136	1.00	\$ 10,964,591	\$ 15,664
340-4437	Forsyth County	Middle Fork Elem	0K-05	1/21/2004	77,283	\$ 6,545,000	\$ 6,545,000	740	\$ 8,845	104	1.12	\$ 7,330,400	\$ 9,906
800-4450	Rowan-Salisbury	West Rowan ES	0K-05	3/4/2004	84,458	\$ 8,021,406	\$ 8,021,406	700	\$ 11,459	121	1.08	\$ 8,663,118	\$ 12,376
740-4337	Pitt County	Forlines Road Elem	0K-05	2/18/2004	81,087	\$ 8,317,022	\$ 8,317,022	675	\$ 12,322	120	1.10	\$ 9,148,724	\$ 13,554
290-4453	Davidson County	Ledford Elem	0K-05	2/17/2004	75,597	\$ 8,587,000	\$ 8,587,000	650	\$ 13,211	116	1.10	\$ 9,445,700	\$ 14,532
900-4468	Union County	Kensington Elem	0K-05	6/8/2004	77,491	\$ 9,038,350	\$ 9,038,350	750	\$ 12,051	103	1.05	\$ 9,490,268	\$ 12,654
TOTAL 2003 PROJECTS			0K-05	2003		\$ 106,378,674	\$ 106,378,674	9,166	\$ 11,606		1.14	\$ 121,271,688	\$ 13,231
MIDDLE													
Meadowview - Estimated cost excluding land, furnishings, design/administration			06-08	2005	99,000	\$ 11,862,708	\$ 11,862,708	650	\$ 18,250	152	1.00	\$ 11,862,708	\$ 18,250
750-4454	Polk County	Polk County MS	06-08	3/2/2004	106,438	\$ 11,121,952	\$ 11,121,952	650	\$ 17,111	164	1.08	\$ 12,011,708	\$ 18,480
280-4435	Dare County	Manteo MS	06-08	3/25/2004	91,879	\$ 12,534,500	\$ 13,550,000	450	\$ 27,854	204	1.08	\$ 14,634,000	\$ 32,520
TOTAL 2003 PROJECTS			06-08	2003		\$ 54,946,432	\$ 54,946,432	4,175	\$ 13,161		1.14	\$ 62,638,932	\$ 15,003
HIGH SCHOOL													
Meadowview - Estimated cost excluding land, furnishings, design/administration			09-12	2005	225,000	\$ 28,076,646	\$ 28,076,646	1,200	\$ 23,397	188	1.00	\$ 28,076,646	\$ 23,397
180-4456	Catawba County	New Maiden HS	09-12	5/26/2004	250,000	\$ 27,493,881	\$ 27,493,881	1,000	\$ 27,494	250	1.05	\$ 28,868,575	\$ 28,869
920-4433	Wake County	Panther Creek HS	09-12	3/11/2004	275,900	\$ 32,136,113	\$ 32,136,113	1,600	\$ 20,085	172	1.08	\$ 34,707,002	\$ 21,692
920-4441	Wake County	New H5 HS/Holly Springs	09-12	2/12/2004	272,751	\$ 33,132,000	\$ 33,132,000	1,600	\$ 20,708	170	1.10	\$ 36,445,200	\$ 22,778
600-4442	Mecklenburg County	Ardrey Kell HS	09-12	6/3/2004	301,602	\$ 34,649,340	\$ 36,612,800	2,000	\$ 17,325	151	1.05	\$ 38,443,440	\$ 19,222
TOTAL 2003 PROJECTS			09-12	2003		\$ 83,834,609	\$ 83,834,609	4,600	\$ 18,225		1.14	\$ 95,571,454	\$ 20,776

The projected Meadowview school building costs have been adjusted by 74% to exclude furnishings and design/administration costs for appropriate comparison.

(1) Historical Costs adjustment is February 2005 costs based on US Department of Labor, Bureau of Labor Statistics, Producers Price Index, Construction Materials, March 2005
Inflation factor is from project date to February 2005 index.

6. FISCAL IMPACTS ON THE CHATHAM COUNTY SPECIAL REVENUE AND ENTERPRISE FUNDS

Tables 16 – 17 reflect the impacts of Meadowview on the North Chatham Fire District and the Waste Management Fund.

North Chatham Fire District – Table 16

Based on a 0.06% tax rate, annual revenues at buildout are expected to be \$176,000. Estimated expenses attributable to Meadowview residents are \$97,000 thereby producing a net annual surplus of \$79,000.

Utility Fund

Heater Utilities, Inc will provide water and wastewater services. Therefore, a separate analysis of the Utility Fund is not necessary.

Waste Management Fund – Table 17

The residents of Meadowview are assumed to have trash and recycling services provided through private contractors. A net annual surplus of \$35,000 is expected for this fund.

TABLE 16

**MEADOWVIEW - FISCAL IMPACT ANALYSIS
ANALYSIS OF CHATHAM COUNTY FY05 BUDGET
NORTH CHATHAM FIRE DISTRICT - SPECIAL REVENUE FUND**

Incremental Revenue:

Property Tax Base:

Residential	\$ 300,300,000
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North Chatham Fire Tax Rate	0.0600%
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Collection %	<u>97.78%</u>
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Incremental Fire Department Revenue	\$ 176,180
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Incremental Expenditures:**Estimated Operating Costs:**

Annual operating budget of a station with three full-time personnel per Deputy Fire Chief	\$ 360,000
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Estimated Capital Costs:

	Cost
New station	\$ 325,000
New fire engine	329,000
New aerial truck with 75' ladder	500,000
Total Capital Costs	<u>\$ 1,154,000</u>

Annual debt service - 5% for five years	<u>261,329</u>
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Total Annual Cost	\$ 621,329
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Estimated population served - per Deputy Fire Chief	11,250
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Estimated Meadowview Population	<u>1,766</u>
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Estimated Annual Cost Allocated to Meadowview	<u>\$ 97,538</u>
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Incremental Fire Department Expenditures	<u>97,538</u>
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Annual Net Surplus	<u>\$ 78,642</u>
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TABLE 17

**MEADOWVIEW - FISCAL IMPACT ANALYSIS
ANALYSIS OF CHATHAM COUNTY FY05 BUDGET
WASTE MANAGEMENT - ENTERPRISE FUND**

Incremental Availability Fee Revenue:

Annual Availability Fee	\$	81.00	
# of Meadowview Households		715	
Annual Availability Fee Revenue			\$ 57,915

Incremental Expenditures:**Per Household Cost Estimates Provided by Chatham County Staff**

Garbage	\$	10.97	
Recyclables		7.25	
White goods		2.10	
Scrap tires		0.84	
Administration		7.50	
HHW		2.89	
Costs Per Household	\$	31.55	
# of Meadowview Households		715	
Annual Expenditures			22,558
 Annual Net Surplus	 \$	 35,357	

SENSITIVITY ANALYSIS

This fiscal impact analysis of the Meadowview development incorporates several critical assumptions. These assumptions include (1) the number of persons per household (2) the number of public school-aged children per household and (3) the average housing unit value.

According to the 2000 Census, the average number of persons per household in Chatham County was 2.47. The statewide rate of 2.49 compares favorably to the Chatham County persons per household rate of 2.47, according to the 2000 Census. Therefore the County rate was deemed appropriate for this analysis.

The estimated student generation rate of .40 is consistent with the 1996 study prepared by Tischler & Associates, Inc. and is considered reasonable by the Chatham County School Superintendent. Furthermore, a rate of .40 is actually higher than the rate for proposed developments published on June 21, 2004 by the Operations Research and Education Laboratory at North Carolina State University entitled *Chatham County School Integrated Planning for School and Community (IPSAC)- Land Use Study*. In addition, the rate is further supported by the June 8, 2004 report published by Harry W. Miley, Jr., Ph.D. and David J. Cowen, Ph.D., *Student Generation Rate (SGR) Analysis –Estimating Briar Chapel Impacts on Chatham County Schools*.

The housing prices and absorption rates are based on projections by the development team who has been active in residential real estate developments in the Triangle North Carolina market for the past 30 years. To date, 212 lots have been sold in Chapel Ridge, sister development to Meadowview, with home prices expected to average \$555,000. In comparison, the estimated Meadowview home price of \$420,000 reflects the differential for the golf course sites offered in Chapel Ridge. However, if the average Meadowview unit sales price were to deviate 6% from the assumed average unit sales price [average unit sales price of \$395,000 instead of the assumed average unit sales price of \$420,000], the net annual surplus at expanded service levels at buildout would be \$250,000 compared to the anticipated \$364,000.

Additional consideration was also given to the new school facility cost assumptions. Data from the Chatham County School Board and the North Carolina Department of Public Instruction - Prototype School Design Clearinghouse (Table 15A) was used to evaluate the reasonableness of the school capital cost estimates. Based on the Construction Materials component of the US Bureau of Labor Statistics (BLS) Producers' Price Index (PPI), construction materials have increased by 10.0% from February 2004 to February 2005 and by 14.0% from the average 2003 levels to February 2005 (latest data available). The historical construction costs presented in Table 15A have been adjusted by the appropriate increase in the BLS PPI "Construction Materials" component from the date of construction to February 2005. As seen in Table 15A, the new school construction costs assumed in this analysis are substantially above the actual project costs in North Carolina even after the historical costs have been adjusted for inflation.

8. METHODOLOGY AND ASSUMPTIONS

The objective of fiscal impact analysis is to estimate the financial impacts of a development or land use change on the revenues and expenditures of the government units affected by the development. The analysis evaluates the fiscal characteristics of the proposed development and is designed to help local governments measure the estimated difference between anticipated revenues and the related costs of the new development.

There are several acceptable methods for conducting fiscal impact analyses. The simplest and most often used is the pure per capita technique. Options range to the more costly case study oriented approach that relies exclusively on interviews with local government officials and staff. Furthermore, there are two basic approaches used to project the costs of local government services related to new development – average costing and marginal costing. Average costing is more straightforward, less expensive and tends to be the more common approach for smaller governmental units. When applying average costing, local government costs attributable to new development are allocated according to the average cost per unit of service in the current population times the number of units related to the proposed development. This approach does not take into account excess or deficient capacity. Furthermore, it assumes stable costs of future municipal services. In comparison, marginal costing requires an in-depth analysis of capacities present in the services currently provided by local government. In many cases, analysts use a combination of the various approaches in order to more accurately evaluate the impacts on local government.

A modified per capita, case-study type approach was used to estimate the costs and revenues associated with the proposed Meadowview development. This approach was considered to be the most fiscally conservative method since it assumes that (1) 100% of government costs vary according to population changes and (2) all government services are currently provided at full capacity. Projected governmental expenditures in this report are most likely overstated because during personal interviews Chatham County officials indicated that certain departmental budgets will be more modestly affected by the Meadowview development than projected in this report.

Each of the following Chatham County departments was subject to further analysis based on an assessment that indicated these budgets and the related services had increased sensitivity to the proposed development. Marginal costs associated with the demand identified for new and/or increased levels of service were estimated and are reflected in the accompanying report.

Public Safety

Public Schools – Operating and Capital

North Chatham Fire District

Human Services

Emergency Medical Services

Capital Improvements Program

In general, the impacts are identified on an annual basis and are then summarized at the time of the project's buildout. All revenues and expenditures are based on constant 2005 dollars, and the analysis includes no inflation during the project's buildout. This

approach is based on the assumption that over the buildout period, both revenues and expenditures will rise proportionately, and therefore, inflation will have little if any affect on the net results of the analysis. A constant dollar approach is commonly used in fiscal impact analysis since many local governments do not have the resources necessary to adequately perform the sophisticated financial modeling required to produce credible alternative assumptions. The constant dollar assumption applies to all estimates in this analysis, including: property values, incomes, sales, County revenues and expenditures and School District operating and capital expenditures.

CHATHAM COUNTY REVENUE PROJECTIONS – REPORT TABLES 2 AND 2A

PROPERTY TAX REVENUES

The estimates for Chatham County General Fund revenues are based on property taxes generated by the improvements on homes owned by the residents living in Meadowview. The property tax rate for the County is assumed to be constant throughout the buildout period and is equal to the existing rate of 0.6464%. It is assumed that the property tax collection rate is constant throughout the period and is equal to the County's budgeted rate of 97.78%.

The average dwelling unit included in the analysis is valued at \$420,000 and is based on the weighted average value of all 715 units. It is assumed that there are 2.47 persons per household (2000 Census for Chatham County, North Carolina) resulting in an estimated population in Meadowview of 1,766. The Developers estimate the absorption rate to be, on average, 48 units per year with a corresponding buildout period of 15 years.

IMPACT FEES

All dwelling units are assumed to pay the required school impact fee of \$2,900. These fees are paid at time of construction. The County's Planning Department estimated the recreation exaction fee to be \$457 per lot.

CHATHAM COUNTY EXPENDITURE PROJECTIONS

EXISTING SERVICE LEVELS – REPORT TABLES 4 – 9

It is assumed that all Chatham County services will be provided in the future at the existing levels of service currently provided by Chatham County to all citizens living in the County. In discussions with County officials, it was deemed appropriate to evaluate impacts on certain County expenditures and departments on a marginal cost basis, including capital as well as operating impacts. All County operating expenditures are estimated on a net cost basis, consistent with the official County Budget Report. The budget data are from the current FY 2004-05 County Budget. The County's current population is estimated at 57,640 and is calculated on Table 12 by extrapolating the County's reported population and associated growth trends since 1997. Total department budgets are computed on a per capita basis based on the County's existing residents.

This per capita cost is then multiplied by the number of anticipated residents in Meadowview to estimate the total cost of providing that particular service to Meadowview. Table 3 provides a summary of these departmental impacts.

Human Service costs on Table 7 reflect a per capita allocation of all Council on Aging and Health Department net costs. County staff provided the estimated net costs associated with non-income dependent programs of the Department of Social Service.

EXPANDED SERVICE LEVELS AND CAPITAL IMPROVEMENTS – REPORT TABLES 9A, 9B AND 11

The expenditure estimates are based on the assumption that the County will maintain the existing level of service to the residents of Meadowview as currently provided to all residents living in Chatham County. This assumption is relaxed in the Report to determine the costs to the County if certain County services are increased in the future relative to what they are today. Table 10 provides a summary of these departmental impacts and the resulting positive net surplus to the County's general fund of \$364,000 per year at the project's buildout. As described below, County officials indicated that expanded service levels should be estimated for certain Public Safety costs in order for the County to maintain adequate levels of service to Meadowview residents.

PUBLIC SAFETY – Table 9A, Expanded Analysis of Emergency Medical Services, projects the additional costs necessary to accommodate annual debt service for an EMS base as well as to operate two EMS units. The worksheet also allocates these costs proportionately to Meadowview residents.

Based on discussions with County officials, the FY05 Requested Budgets reflect a more appropriate level of service for those Public Safety departments identified in Table 9B, Expanded Public Safety Analysis. The allocable difference between the Requested and the Approved budgets is shown as an expanded level of service cost.

TABLE A-1

MEADOWVIEW - FISCAL IMPACT ANALYSIS
SOURCE DATA

			Color Index
Input			
Calculated in Table A-1			
Calculated in Another Table			
			MEADOWVIEW -
			FISCAL IMPACT ANALYSIS
Meadowview		Information Source	
Project Name		Meadowview	
Total Acreage	793.046	Developer	
Total Units	715	Table A-2	
Affordable Housing Units	-	Developer	
Rental Apartments	-	Developer	
Townhomes	-	Developer	
Single Family	715	Developer	
Total Units - Excluding Affordable Housing	715	Developer	
Average unit sales value	\$ 420,000	Table A-2	
Residential tax base	\$ 300,300,000		
Commercial office sq footage	-	Developer	
Commercial office tax value per sq ft	\$ 130	ADVANTIS	
Commercial office tax base	\$ -		
Commercial office/retail sq footage	-	Developer	
Commercial office/retail tax value per sq ft	\$ 100	ADVANTIS	
Commercial office/retail tax base	\$ -		
Commercial Buildout - Year 4	0%	Developer	
Commercial Buildout - Year 5	0%	Developer	
Commercial Buildout - Year 6	0%	Developer	
Commercial Buildout - Year 7	0%	Developer	
Projected population	1,766	Based on 2000 U. S. Census	
Absorption rate - residential units per year	47.67	Developer	
Build-out period - in years	15.00	Developer	
Discount Rate	6.00%	Estimated	
Chatham County			
Fiscal Year (FYxx)		FY05	
County		Chatham	
Current County Population under Study	57,640	Extrapolated from NC Treasurer Reports, Table 13	
Persons Per Household	2.47	2000 U.S. Census	
Northwood School District Estimated Population	27,998	Extrapolated from Chatham County Reports	
Siler City Population	7,002	Chatham Co. NC website	
Pittsboro Population	2,236	Chatham Co. NC website	
Goldston Population	319	2000 U.S. Census	
Center Township - excluding Pittsboro	3,701	2000 U.S. Census	
Haw River Township	1,215	2000 U.S. Census	
Cape Fear Township	1,170	2000 U.S. Census	
Population served by existing North Chatham Fire Station	11,250	Deputy Chief - North Chatham Fire Department	
Population served by North Chatham Fire District	18,500	Deputy Chief - North Chatham Fire Department	
Current ratio of deputies per 1,000 population	1.30	Chatham County Sheriff	
Norm area county ratio of deputies per 1,000 population	1.80	Chatham County Sheriff	
Target ratio of deputies per 1,000 population	2.30	Chatham County Sheriff - rate for other area municipalities	
Population factor	1,000	Chatham County Sheriff	
Ad Valorem Tax Rates:			
Commercial	0.6464%	Chatham County FY 05 Budget	
Commercial collection %	97.78%	Chatham County FY 05 Budget	
Residential	0.6464%	Chatham County FY 05 Budget	
Residential collection %	97.78%	Chatham County FY 05 Budget	
Motor vehicle	0.6464%	Chatham County FY 05 Budget	
Motor vehicle collection %	88.31%	Chatham County FY 05 Budget	
North Chatham Fire District Rate	0.06%	Chatham County FY 05 Budget	
Article 39 Sales Tax Rate	1.0%	Chatham County FY 05 Budget	
Article 44 Point of Sale	0.25%	Chatham County Officials	
Assumptions for Sales Tax Calculations:			
Earnings multiple	2.90	North Carolina Department of Commerce, Weighted Average	
Estimated household earnings	\$ 145,000	Chatham, Orange, Wake and Durham Counties 1st Qtr 2004 Trends	
Survey Category - Median Value of Motor Vehicle Holdings	\$ 26,350	Calculated Based on Earnings Multiple	
		Federal Reserve Bulletin - 2001 Survey of Consumer Finances	
FY04 Articles 40 and 42 Sales Taxes	\$ -	Chatham County FY 05 Budget	
FY04 Article 44 Sales Tax	\$ -	Chatham County FY 05 Budget	
FY04 Article 40 and 42 Sales Tax Per Capita - Chatham Co.	\$ 63.64	NC Department of Revenue - Sales and Use Tax Distributions	
FY04 Article 44 Sales Tax Per Capita - Chatham Co.	\$ 28.35	NC Department of Revenue - Sales and Use Tax Distributions	
FY04 Article 40 and 42 Sales Tax Per Capita - NC	\$ 64.18	NC Department of Revenue - Sales and Use Tax Distributions	
FY04 Article 44 Sales Tax Per Capita - NC	\$ 28.60	NC Department of Revenue - Sales and Use Tax Distributions	

FRB Survey of Average Household Expenditures:

TABLE A-1

MEADOWVIEW - FISCAL IMPACT ANALYSIS
SOURCE DATA

Total Applicable Household Expenditures	\$ 15,922	Federal Reserve Bulletin - 2002 Consumer Expenditure Report
% of earnings for purchases in Chatham County	10.98%	
Estimated Square Footage Northeast Library	23,000	Chatham County 2005 - 2009 Capital Improvements Program
Occupied Housing Units - Chatham County	19,741	2000 U.S. Census
Total Housing Units - Chatham County	21,358	2000 U.S. Census
Capital Improvements FY05 Operating Revenue Funding	\$ 346,000	Chatham County FY 05 Budget
Social Service Non-Income Dependent Programs	\$ 1,908,340	Chatham County Officials
Total Household Water Customers	4,802	Chatham County Officials
Average Monthly Household Water Bill for North Chatham Customers	\$ 44.21	Chatham County Officials
Water Plant Expansion Capacity - in gallons per day	2,000,000	Chatham County Officials
Average Gallons Per Day Per Household	400	Chatham County Officials
Waste Management Annual Household Availability Fee	\$ 81.00	Chatham County Officials
% of Waste Management Budget Allocated to Non-Disposal Costs	69.00%	Chatham County FY 05 Budget
Recreation Exaction Fee - Per Lot	\$ 457	Chatham County Officials
New Single Family Dwelling Inspection Fees - over 1200 square feet:	\$ 375	Chatham County FY 05 Budget
plus the following rate per square foot	\$ 0.25	Chatham County FY 05 Budget
Square footage rate threshold	1,000	Chatham County FY 05 Budget
2005-06 Budget Adjustment Factor	3.50%	Chatham County Officials

Chatham County Schools

Chatham County Public School Enrollment:		
Chatham County Public Schools	7,350	Projected Enrollment FY05 - Chatham County School
Charter School Students	395	Projected Enrollment FY05 - Chatham County Schools
Total Chatham County Public School Enrollment	7,745	
Public School Student Generation Rates:		
Single Family	0.40	Tischler and Associates, Inc.
Multifamily	0.15	Tischler and Associates, Inc.
Mobile Home and Other	0.37	Tischler and Associates, Inc.
All Other	0.33	Tischler and Associates, Inc.
Meadowview Public School Students	286	Table 13
School Impact Fee	\$ 2,900	Chatham County Officials
Capital Financing		
School Bond Interest Rate	5.25%	Chatham County Officials
School Bond Term - in years	25	Chatham County Officials
Elementary School Capital Costs:		
Unimproved Land - 20 Acres at \$20,000 per acre	\$ 400,000	Estimated Based on Recent Comparables
Building, sitework, furnishings and equipment - estimated current cost	14,817,015	Shuller, Ferris, Lindstrom & Associates, Architects
Technology costs	296,340	Estimated at 2% of construction budget benchmark
Total Elementary School Capital Costs	\$ 15,513,355	
Capacity	700	Shuller, Ferris, Lindstrom & Associates, Architects
Capital Cost per Public Elementary School Student	\$ 22,162	
Facility Square Footage	\$ 95,000	Shuller, Ferris, Lindstrom & Associates, Architects
Middle School Capital Costs:		
Unimproved Land - 40 Acres at \$20,000 per acre	\$ 800,000	Estimated Based on Recent Comparables
Building, sitework, furnishings and equipment - estimated current cost	16,030,687	Shuller, Ferris, Lindstrom & Associates, Architects
Technology costs	320,614	Estimated at 2% of construction budget benchmark
Total Middle School Capital Costs	\$ 17,151,301	
Capacity	650	
Capital Cost per Public Middle School School Student	\$ 26,387	
Facility Square Footage	\$ 99,000	Shuller, Ferris, Lindstrom & Associates, Architects
High School Capital Costs:		
Unimproved Land - 60 Acres at \$20,000 per acre	\$ 1,200,000	Estimated Based on Recent Comparables
Building, sitework, furnishings and equipment - estimated current cost	37,941,413	Shuller, Ferris, Lindstrom & Associates, Architects
Technology costs	758,828	Estimated at 2% of construction budget benchmark
Total High School Capital Costs	\$ 39,900,241	
Capacity	1,200	Shuller, Ferris, Lindstrom & Associates, Architects
Capital Cost per Public High School Student	\$ 33,250	
Facility Square Footage	\$ 225,000	Shuller, Ferris, Lindstrom & Associates, Architects
School Transportation Costs		
Percentage of Chatham County Students Riding Buses	49%	NC Department of Public Instruction
School Bus Capacity	60	Chatham County Schools
Cost of New Bus	\$ 70,000	Chatham County Schools
Lease Financing - term in years	4	Chatham County Schools
Lease Financing - interest rate	6.00%	Chatham County Schools
Bus replaced by State in year	13	Chatham County Schools

TABLE A-2

MEADOWVIEW - FISCAL IMPACT ANALYSIS
SUMMARY OF HOUSING TYPES, PRICE RANGES AND HOUSING VALUES
BASED ON MASTER PLAN

Lot Type	Average Unit Price	# of Units	Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Single Family Homes	\$ 420,000	715	\$ 300,300,000								
Units				48	48	48	48	48	48	48	48
Total Annual Closings				\$ 20,160,000	\$ 20,160,000	\$ 20,160,000	\$ 20,160,000	\$ 20,160,000	\$ 20,160,000	\$ 20,160,000	\$ 20,160,000
			\$ 300,300,000	20,160,000	20,160,000	20,160,000	20,160,000	20,160,000	20,160,000	20,160,000	20,160,000
Total Units				48	96	144	192	240	288	336	384
				20,160,000	40,320,000	60,480,000	80,640,000	100,800,000	120,960,000	141,120,000	161,280,000
				Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Total
				48	48	47	47	47	47	47	715
				\$ 20,160,000	\$ 20,160,000	\$ 19,740,000	\$ 19,740,000	\$ 19,740,000	\$ 19,740,000	\$ 19,740,000	\$ 300,300,000
			715 \$ 300,300,000	20,160,000	20,160,000	19,740,000	19,740,000	19,740,000	19,740,000	19,740,000	300,300,000
				432	480	527	574	621	668	715	715
			\$ 420,000	181,440,000	201,600,000	221,340,000	241,080,000	260,820,000	280,560,000	300,300,000	300,300,000