



**FISCAL IMPACTS OF  
THE WEST AIRPORT TRIANGLE  
ANNEXATION AREA  
ON THE CITY OF PRESCOTT**

**MAY 2013**

**TABLE OF CONTENTS**

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EXECUTIVE SUMMARY ..... 1

1.0 INTRODUCTION ..... 2

    1.1 General Approach ..... 2

    1.2 Report Organization ..... 2

    1.3 Non-Quantifiable Impacts ..... 3

2.0 METHODOLOGY ..... 4

    2.1 Development Characteristics ..... 4

    2.2 Fiscal Assumptions ..... 7

3.0 IMPACT RESULTS ..... 9

    3.1 Fiscal Impact Results ..... 9

    3.2 Summary ..... 11

APPENDICES ..... 13

    Appendix A – Development Impact Assumptions ..... 14

    Appendix B – Fiscal Impact Assumptions ..... 16

    Appendix C – Detailed Fiscal Results ..... 19

# EXECUTIVE SUMMARY

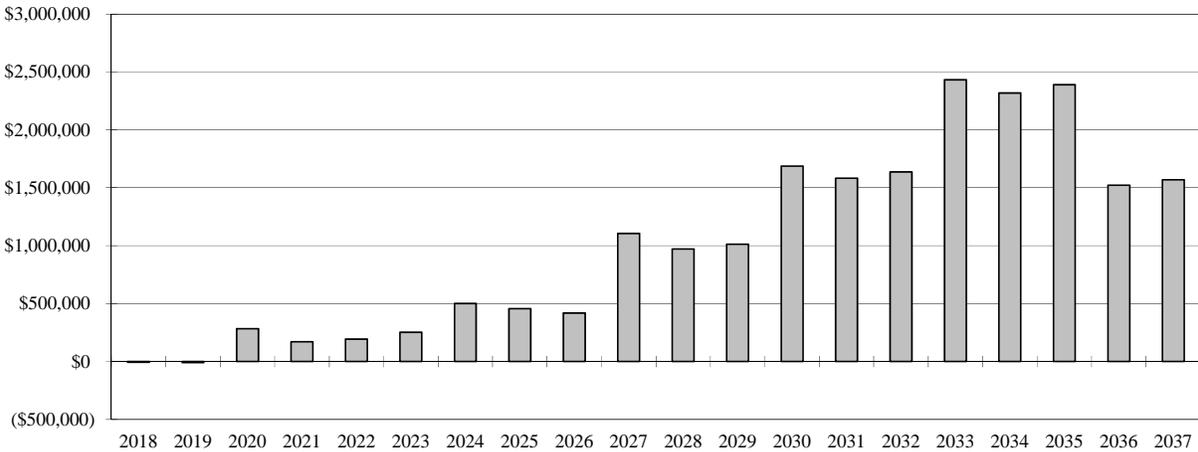
This analysis demonstrates the potential socioeconomic and fiscal impacts of the proposed West Airport Triangle Annexation Area on the City of Prescott. The annexation includes a 247 acre undeveloped area that is located just west of the airport area on the west side of State Route 89 north of Pioneer Parkway. Future development plans may include a youth sports complex in Phase I complemented by a mix of commercial and industrial uses in Phase II.

The fiscal impacts include the General Fund, Water Fund, Wastewater Fund, Transient Occupancy Tax Fund, and the Streets Fund. The analysis covers a 25 year period from 2013 to 2037, during which about 98 percent of the land would be developed. A detailed cost benefit analysis is required by the City of Prescott for all annexations greater than 250 acres; however the same approach is being applied to this annexation of lesser size.

The proposed land uses for the annexation area includes 62 acres of community retail, 62 acres of general industrial, 15 acres of hotel; 104 acres of sports facilities and dorms, and 4 acres of open space. Development is expected to begin by 2020 with the first phase of the youth sports complex and the hotel that are projected to build out in six years. The retail and industrial space in Phase II would begin to develop in 2027 and continue through 2037.

Overall, for the funds included in this analysis, the annexation would have a combined positive net present value impact of \$8.8 million over the 25 year period. The General Fund, Water and Wastewater Operating Funds, Transient Occupancy Tax Fund and Streets Fund all have positive net present value impacts individually over the 25 year period. However, the Streets Fund shows negative annual impacts from 2018 through 2022 when new streets are added for maintenance but there is no sales tax revenue to offset those costs. The Streets Fund is also negative after 2035 when the dedicated Streets Sales Tax sunsets.

**FIGURE 1**  
**ANNUAL NET FISCAL IMPACTS\***  
**BASELINE SCENARIO**  
**WEST AIRPORT TRIANGLE ANNEXATION AREA**



\*Impacts include General Fund, Water, Wastewater, Transient Occupancy and Streets Funds.

# ***1.0 INTRODUCTION***

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This analysis demonstrates the potential socioeconomic and fiscal impacts of the West Airport Triangle Annexation on the City of Prescott. The annexation would include a total of 247 gross acres located west of the airport area on the west side of State Route 89 north of Pioneer Parkway in Yavapai County. The proposed annexation will include a mix of nonresidential and recreational uses with 62 acres of community retail, 62 acres of industrial, 15 acres of hotel, 104 acres of sports facilities and dormitories and 4 acres of open space. Projected development in the area could increase the current amount of employment in the city by about 1,600.

The impact analysis for the West Airport Triangle Annexation covers a 25 year time period from 2013 through 2037. Development is projected to begin in 2020 and continue through the remainder of the 25 year period. Phase I with the Youth Sports Complex and hotel is projected to develop between 2020 and 2025. Phase II is projected to begin in 2027 with industrial development continuing through 2037. Assumptions regarding phasing and absorption were developed by Applied Economics and the City of Prescott.

The information and observations contained in this report are based on our present knowledge of the components of development, and of the current socioeconomic and fiscal conditions of the affected areas. Projections made in this report are based on hypothetical assumptions and current public finance policies. However, even if the assumptions outlined in this report were to occur, there will usually be differences between the projections and the actual results because events and circumstances frequently do not occur as expected. This analysis is based on the best available information and is intended to determine the fiscal impact of the proposed annexation. All dollar figures should be interpreted as order of magnitude estimates only. In no way will Applied Economics be held responsible or have any liability or be subject to damages as a result of this analysis. This report may be used only for the purposes that it was intended.

## **1.1 General Approach**

The impact assessment includes revenues and expenditures associated with new development in the annexation area. The analysis includes operating impacts only. All projected capital costs associated with water and wastewater improvements and streets would be paid by the developer. The operating funds that would be impacted by this annexation include the General Fund, Water and Wastewater Operating Funds, Transient Occupancy Tax and the Streets Fund. All data is shown in constant dollars based on an annual inflation rate of 2 percent.

The basic approach for the analysis is to determine the level and character of existing and future development (measured in non-residential square footage, employment, road miles, etc.), and then to model the revenues and expenditures likely to be associated with that development. Current and historical budgets for the city were reviewed to identify revenue and expenditure line items that would be impacted by the annexation. Once identified, each line item was analyzed to identify a socioeconomic factor that could be used to predict a corresponding impact for the annexation area. For example, road miles are a good indicator of the cost of street maintenance. Therefore, by knowing the number of new road miles in the annexation area at any point in time, one could estimate the related costs in the traffic and street maintenance departments. Many of the services provided by the city are utilized by both residents and businesses, thus population and employment are drivers for a number of revenue and expenditure items.

## **1.2 Report Organization**

The balance of this report is divided into two sections. Section 2.0 details the methodology and assumptions used in calculating the development characteristics and the fiscal assumptions used to develop the model. Section 3.0 presents the results of the fiscal impact calculations for the annexation area on an annual basis over the 25 year analysis period. Detailed tables on the socioeconomic and fiscal impact results are included in the appendices following Section 3.0.

### **1.3 Non-Quantifiable Impacts**

As with any proposed annexation or development project, the West Airport Triangle Annexation may include both favorable and contrary impacts that cannot be quantified in this fiscal analysis. This broader range of socioeconomic impacts that should be considered in the final review of this prospective annexation include quality of life, new job creation, additional shopping and recreational opportunities and synergy for additional development in the airport area. No specific aggravating factors have been identified at this time that are not already quantified in the analysis.

In terms of non-quantifiable benefits, this annexation with its proposed mix of nonresidential land uses would allow the city to protect the airport from residential encroachment, which is very important to the long term viability of commercial air service. This annexation area would also provide marketable industrial sites for economic development in Prescott, both in terms of expansion sites for existing businesses as well as sites for new businesses from outside of Prescott. Finally, the annexation would expand the range of sports facilities available in the region for tournaments, youth sports camps and other special events.

## 2.0 METHODOLOGY

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This chapter describes the methodology and assumptions used in developing the fiscal impact model and the absorption projections.

### 2.1 Development Characteristics

The socioeconomic impacts of the annexation area can be described in terms of employment, square footage, assessed value, taxable sales, construction expenditures and street miles, based on assumptions about the development and the level of growth that could be expected to occur on an annual basis over the 25 year period. The absorption rates used in this analysis are based on information developed by Applied Economics and the City of Prescott.

A conceptual plan exists for the Youth Sports Complex but there are no specific plans for the remainder of the area. However, specific land use designations must be applied in order to accurately project the fiscal impacts. The land use mix shown in this analysis is based on input from the city as well as research performed by Applied Economics on similar sports facilities. The following sections briefly describe the other assumptions used to estimate each of the major characteristics of the proposed annexation.

**Youth Sports Complex.** Based on the conceptual plan and details of similar facilities in Arizona, the annexation area could include 94 acres of sports facilities plus 10 acres of dormitory space. This layout would include a 58,000 square foot indoor training facility, a small concession area, 8 outdoor soccer fields, 10 tennis courts, a basketball arena, and 8 softball fields. The dormitory space could house approximately 100 students. It is envisioned that the dormitory space would be used during the school year by resident athletes in training and during the summer for youth sports camps. The sports complex is expected to develop between 2020 and 2025 (Figure 2). The sports complex is modeled after the Grande Sports Academy in Casa Grande, but is slightly larger to better fit the acreage designated for this use.

The Youth Sports Complex would generate a small amount of taxable sales through concessions and field rentals. The concession area is assumed to be 2,500 square feet and would be open during weekend tournaments only for about 8 months per year. Based on taxable sales of \$300 per square foot, adjusted for the 18 percent of the time that the facility would be open, this would result in annual taxable sales of about \$131,500. In addition, there would be taxable revenues from field rentals. Based on all-day tournament rental rates of \$3,800 per day for 18 fields at Reach 11 in Phoenix, it is estimated that the 16 soccer and softball fields at the Youth Sports Complex could generate rental revenue of \$121,600 per year during the 8 month tournament season when the facility was not being used for sports camps.

**Hotel Development.** In order to support the tournaments and other events at the Youth Sports Complex, Phase I would include a 220 room hotel on 15 acres. The hotel has been sized to fit the capacity of the sports facilities. The hotel is projected to develop in 2024. It could support an estimated 100,000 square feet and 200 jobs. Assuming average room rates of \$125 per night and a 53 percent occupancy rate, based on current figures for Yavapai County from the Arizona Office of Tourism, the hotel could generate \$6.1 million per year in taxable sales. This would result in sales tax revenues to the General Fund as well as Transient Occupancy Tax Fund revenues. Assessed value associated with the hotel portion of the development is estimated at \$16.8 million by 2037.

**Commercial Development.** Phase II of the West Triangle Annexation would include 62 acres of commercial development. It is assumed that the commercial development would be 65 percent retail and 35 percent service (non-sales tax generating) uses. The commercial development is projected to begin in 2027 and build out by 2033. This area could support about 400,000 square feet and 400 jobs at build out (Figure 3). These employment estimates are based on the number of acres by land use, floor-area ratios (the ratio of building area to land area), occupancy rates and per employee square footage requirements (Figure 4). Assessed value associated with the commercial component of the development is estimated at \$65.6 million by 2037. The mix of retail versus non-retail uses in this annexation area is particularly significant to the fiscal impact. Retail development generates taxable sales which currently make up

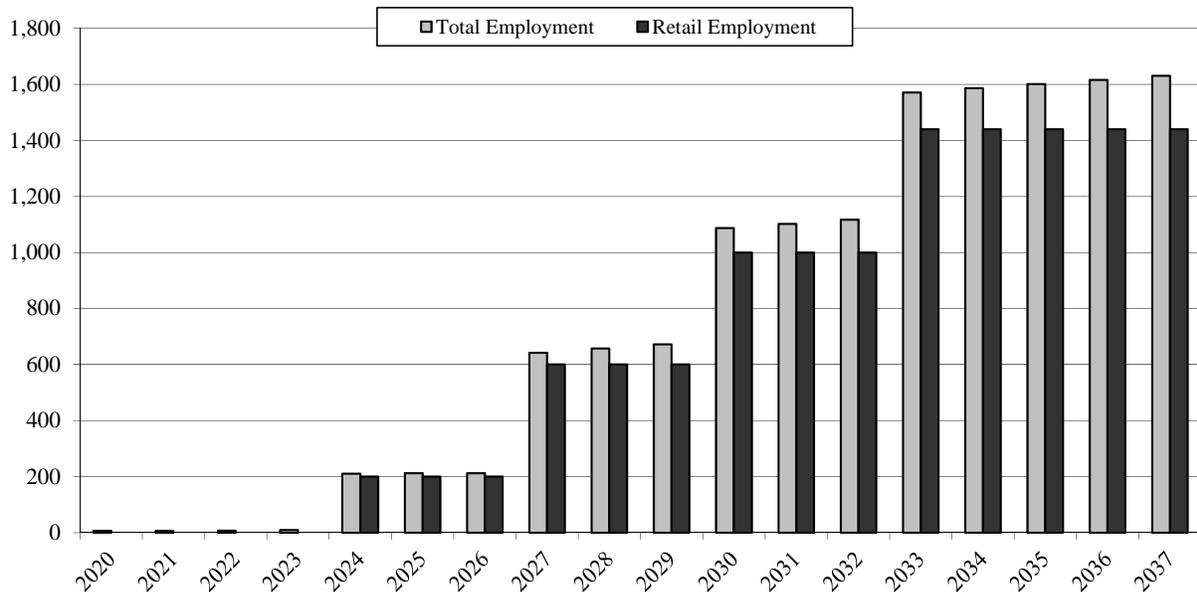
about 45 percent of total city General Fund revenues. The commercial development would create an estimated of \$116.7 million in taxable sales per year by 2037. In addition to supporting General Fund services, these taxable sales also help to fund streets operations.

**Industrial Development.** In addition to the Youth Sports Complex and other commercial development, the annexation area is expected to include about 62 acres of industrial uses (classified as general industrial). Industrial development is projected to begin in 2027 and continue through the end of the period in 2037. Industrial development generally has a much slower timeline than commercial development and there is a significant amount of other industrial land available in the airport area. The industrial part of the annexation area could support an estimated 288,000 square feet and 180 new jobs by 2037. Assessed value associated with the industrial portion of the development is estimated at \$38.9 million by 2037.

**FIGURE 2  
ABSORPTION ASSUMPTIONS  
WEST AIRPORT TRIANGLE**

Land Use	Total Acres	Cumulative Developed Acres																		
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	
<b>Youth Sports Complex</b>																				
Sports Facilities	94.00	52.00	57.00	57.00	69.00	81.50	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	
Dorms (112 rooms)	10.00	0.00	0.00	5.00	5.00	5.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Hotel (220 rooms)	15.00	0.00	0.00	0.00	0.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	
<b>Industrial</b>																				
General Industrial	62.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	15.00	20.00	25.00	30.00	35.00	40.00	45.00	50.00	55.00	60.00	
<b>Commercial</b>																				
Community Retail	62.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.00	20.00	20.00	40.00	40.00	40.00	62.00	62.00	62.00	62.00	62.00	
<b>Other</b>																				
Open Space	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	
<b>Vacant-Developable</b>	<b>247.00</b>	<b>191.00</b>	<b>186.00</b>	<b>181.00</b>	<b>169.00</b>	<b>141.50</b>	<b>124.00</b>	<b>124.00</b>	<b>94.00</b>	<b>89.00</b>	<b>84.00</b>	<b>59.00</b>	<b>54.00</b>	<b>49.00</b>	<b>22.00</b>	<b>17.00</b>	<b>12.00</b>	<b>7.00</b>	<b>2.00</b>	
<b>Total New Lane Milk</b>	<b>0.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>6.13</b>	<b>6.13</b>	<b>6.13</b>	<b>6.13</b>	<b>6.13</b>	<b>6.13</b>	<b>6.13</b>	<b>6.13</b>	<b>6.13</b>	<b>6.13</b>	<b>6.13</b>	<b>6.13</b>	<b>6.13</b>	<b>6.13</b>	<b>6.13</b>	

**FIGURE 3  
CUMULATIVE EMPLOYMENT IMPACTS**



**FIGURE 4  
DEVELOPMENT ASSUMPTIONS**

<b>Land Use</b>	<b>Square Feet per Employee</b>	<b>Floor Area Ratio</b>	<b>Occupancy</b>	<b>Taxable Sales per Sq Ft</b>	<b>Retail Share</b>	<b>Construction Cost</b>	<b>Annual Lease</b>	<b>Percent Leased</b>
<b>Phase I - Youth Sports Complex</b>						<b>Per Sq Ft</b>		
Sports Facilities	8000	0.02	100%	\$9.25	19%	\$231.00	\$34.74	4%
Dorms (112 rooms)	8000	0.04	100%	\$0.00	0%	\$119.00	\$2.80	100%
Hotel (220 rooms)	500	0.20	53%	\$0.00	0%	\$88.56	\$91.25	100%
<b>Phase II</b>								
Community Retail	300	0.20	93%	\$300.00	65%	\$74.00	\$13.00	100%
Industrial	1500	0.14	93%	\$0.00	0%	\$76.50	\$7.00	50%
<b>Vacant</b>						<b>Value Per Acre</b>		
All	0	na	na	na		\$109	na	na

Source: R.S. Means, Building Construction Cost Data, 2012; Loopnet.com (Lease Rate); Urban Land Institute, "Dollars and Cents of Shopping Centers," (Taxable Sales); Yavapai County Assessor, 2013 (Land Value).

**Other Assumptions**

Inflation Rate for Revenues and Expenditures	2.00%
Effective Long Term Interest Rate	1.00%
Effective Long Term Borrowing Rate	5.00%
Net Present Value Rate	4.50%

Source: City of Prescott Finance Department, 2013.

**2.2 Fiscal Assumptions**

The fiscal model created to assess the impacts of the West Airport Triangle Annexation Area was based on current and historical budgets for the City of Prescott. Historical trends were analyzed for the 2008-09 fiscal year through the 2012-13 fiscal year. Revenue and expenditure line items in the General Fund, Water, Wastewater, Transient Occupancy and Streets Funds were included since these funds will be most impacted by the annexation. The Solid Waste Fund is also noted in the city's cost benefit analysis guidelines; however, this fund is not impacted by the types of land uses proposed for the West Triangle Annexation.

In order to create the model, several years of historical budget information and socioeconomic data were collected. Various drivers were tested for each of the revenue and expenditure items in the model. In this way, consistent rates were developed that could be applied to the socioeconomic data for the proposed annexation area. In many cases an average of rates over the past several years was used. However, some revenue and expenditure items increased at rates that were less consistent over time, or experienced permanent increases or decreases due to operational or other changes. In these cases, rates from more current budget years were used to accurately reflect current conditions.

Many of the revenue and expenditure line items are driven by population, or by "service population", which includes both population and employment. This is because many of the services provided by the City, as well as the various types of revenues that local governments depend on, are proportional to the number of people living and working there. In some cases, population may be weighted more heavily than employment since some services are used proportionally more by residents. Although there is no population associated with this annexation, current citywide population and employment are used as a basis for developing the rates that can then be applied to projected employment in the annexation area.

Major line items that are not driven by population or employment include property tax which is a function of assessed value; sales tax which is a function of retail square footage, retail share, sales per square foot,

lease rates per square foot and occupancy rates; and a variety of building and planning permits and service charges that are a function of annual construction costs. On the expenditure side, community development is a function of annual construction value and population. Street operations are a function of the number of street lane miles added. Human resources, insurance, budget and finance and administrative services are a function of city staff size.

Water sales, wastewater usage charges, connection fees and meter reading revenues as well as wastewater treatment plant and wastewater treatment expenditures are based on the number of connections and level of water usage. In order to estimate the projected number of connections in the annexation area, citywide data on the number of water and wastewater connections by customer class was collected from the 2008 Water and Wastewater Rate and Impact Fee Study. For nonresidential customers, the number of connections was compared to current employment in the city to estimate the rate of nonresidential connections per employee. This rate was then applied to employment in the annexation area to estimate the number of nonresidential water and wastewater connections. Additionally, information on water use and wastewater generation per gross square foot and per acre from the 2013 Carollo North Airport Area Water and Wastewater Master Plan was used to estimate water and wastewater service charges for the annexation area. Production, distribution and alternative water charges in the Water Operating Fund are based on a share of costs per account by customer class.

The Transient Occupancy Tax Fund includes taxes on hotel room rentals at a rate of 2 percent. There are also audit penalties and interest that are modeled as a percent of occupancy tax revenues. Expenditures in this fund include tourism promotion expenditures that are approximately equal to tax revenues since these revenues are restricted for this purpose.

The model also incorporates assumptions about future inflation. All revenues and expenditures are inflated at a rate of 2 percent annually including property tax and sales tax revenues. The inflation rate was provided by the City Finance Director. If there is a positive cumulative net impact, interest will accrue in each fund at a rate of 1 percent per year times the cumulative net impact. Conversely, if there is a negative cumulative net impact, finance charges will accrue at a rate of 5 percent per year.

In addition to the budget data, the fiscal analysis also includes capital improvements schedules (Figure 5). Based on Table 1.1 in the North Airport Area Water and Wastewater Master Plan and input from the City Public Works Director, annual expenditures for required capital improvements related to street, water and wastewater were calculated. The city is not obligated to fund any on-site or off-site street or utility improvements; however the city may facilitate infrastructure financing through various means in the future to enable development. The estimated water, wastewater, and street capital costs shown in Figure 5 are the developer's responsibility *and are not included in the fiscal impact*. However, the new street miles are included in the calculations of street maintenance expenditures.

The final item to be considered is land dedication for right of way and other infrastructure, the value of which has not been included in this analysis. The value of this land is not available to offset costs to the City associated with the annexation; hence it has not been included in the analysis.

**FIGURE 5  
CAPITAL IMPROVEMENT SCHEDULES**

<u>Fund/Project</u>	<u>Total</u>	<u>2018</u>	<u>2023</u>	<u>2028</u>	<u>2033</u>	<u>Developer's Share*</u>
<b>Water System Impact</b>						
Water Line Extension	\$2,227,000	\$0	\$759,000	\$1,468,000	\$0	100%
<b>Wastewater Impact</b>						
Sewer Line Extension	\$95,000	\$0	\$0	\$95,000	\$0	100%
<b>Internal Street Improvements</b>	<b>\$7,218,588</b>	<b>\$5,877,679</b>	<b>\$1,340,909</b>	<b>\$0</b>	<b>\$0</b>	100%
Willow Creek Road Interim (8,800')	\$5,877,679	\$5,877,679	\$0	\$0	\$0	100%
Perkins Drive West of SR89 (2000')	\$1,340,909	\$0	\$1,340,909	\$0	\$0	100%
<b>New Lane Miles</b>	6.13	5.00	1.13	0.00	0.00	
<b>Annual Total Capital Improvements</b>	<b>\$9,540,588</b>	<b>\$5,877,679</b>	<b>\$2,099,909</b>	<b>\$1,563,000</b>	<b>\$0</b>	100%

Source: City of Prescott Public Works; Carollo Engineers, Technical Memorandum No. 1 North Airport Area Water and Wastewater Master Plan, February 2013.

\*Cost estimates shown in table represent developer's share.

## 3.0 *IMPACT RESULTS*

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### 3.1 Fiscal Impact Results

This chapter describes the results of the fiscal impact analysis by fund. Overall, for the funds included in this analysis the West Airport Triangle Annexation would have a positive net present value impact of \$13.5 million over the 25 year period.<sup>1</sup> Detailed impact results are shown in the appendix.

The **General Fund** shows a positive impact throughout the modeling period, given the significant amount of retail development in the annexation area. The annual net impacts in 2013 to 2021 reflect the property taxes based on the current assessed value of the land. Development of Phase I begins in 2020 and impacts range from \$9,000 to \$108,000 from 2020 to 2026 (Figure 6). There are significant non-recurring construction sales tax revenues during this period. From 2027 forward, there are additional construction sales tax revenues that cause larger positive impacts in selected years. However, retail sales also increase annually through the remainder of the period as the commercial area develops and the hotel starts generating sales taxes. By 2037, annual sales tax revenues are about \$1.3 million, including retail and hotel sales. Sales taxes are by far the most significant source of revenues to the General Fund throughout the 25 year period. By comparison, General Fund property tax revenues account for only about \$71,000 per year by 2037, based on the City's share of property tax revenues from the approximately \$157.1 million in taxable assessed value generated by the annexation area. Note that a large amount of acreage is devoted to outdoor sports facilities that do not generate a significant amount of assessed value. Over the 25 year period, the West Airport Triangle Annexation Area would have a cumulative *net present value* impact of \$3.0 million in the General Fund.

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<sup>1</sup> The net present value calculations use a discount rate of 2.0 percent.

**FIGURE 6**  
**SUMMARY OF ANNUAL NET IMPACTS BY FUND**  
**WEST AIRPORT TRIANGLE ANNEXATION**

Year	General Fund	Water Fund	Wastewater Fund	Streets Fund	Transient Occ Fund	Net Impact All Funds	Cum Impact All Funds
2013	\$9	\$0	\$0	\$0	\$0	\$9	\$9
2014	\$9	\$0	\$0	\$0	\$0	\$9	\$17
2015	\$9	\$0	\$0	\$0	\$0	\$9	\$26
2016	\$9	\$0	\$0	\$0	\$0	\$9	\$35
2017	\$9	\$0	\$0	\$0	\$0	\$9	\$44
2018	\$9	\$0	\$0	(\$7,095)	\$0	(\$7,086)	(\$7,042)
2019	\$10	\$0	\$0	(\$7,592)	\$0	(\$7,583)	(\$14,624)
2020	\$80,125	\$73,879	\$71,694	\$57,196	\$0	\$282,895	\$268,271
2021	\$8,892	\$81,551	\$80,719	(\$172)	\$0	\$170,989	\$439,260
2022	\$14,227	\$89,445	\$90,302	(\$108)	\$0	\$193,866	\$633,125
2023	\$26,648	\$107,360	\$110,552	\$7,504	\$0	\$252,064	\$885,190
2024	\$107,577	\$142,546	\$144,851	\$101,467	\$5,785	\$502,226	\$1,387,416
2025	\$57,110	\$162,825	\$175,228	\$55,854	\$6,030	\$457,046	\$1,844,462
2026	\$34,892	\$164,116	\$180,617	\$32,536	\$6,284	\$418,446	\$2,262,908
2027	\$345,525	\$200,969	\$216,938	\$336,450	\$6,550	\$1,106,432	\$3,369,340
2028	\$271,466	\$195,983	\$229,725	\$267,972	\$6,828	\$971,974	\$4,341,314
2029	\$285,162	\$203,418	\$244,747	\$272,808	\$7,117	\$1,013,252	\$5,354,566
2030	\$592,845	\$231,719	\$279,452	\$575,514	\$7,418	\$1,686,948	\$7,041,514
2031	\$534,686	\$225,996	\$295,094	\$520,002	\$7,733	\$1,583,511	\$8,625,025
2032	\$553,514	\$232,961	\$313,079	\$529,848	\$8,062	\$1,637,464	\$10,262,489
2033	\$918,624	\$261,785	\$355,871	\$887,494	\$8,404	\$2,432,177	\$12,694,666
2034	\$854,915	\$253,318	\$374,554	\$827,066	\$8,762	\$2,318,615	\$15,013,281
2035	\$882,314	\$259,636	\$395,969	\$843,023	\$9,135	\$2,390,077	\$17,403,358
2036	\$900,563	\$265,921	\$418,173	(\$72,186)	\$9,524	\$1,521,995	\$18,925,353
2037	\$919,125	\$272,171	\$441,188	(\$74,191)	\$9,931	\$1,568,223	\$20,493,576
<b>Total</b>	<b>\$7,388,273</b>	<b>\$3,425,598</b>	<b>\$4,418,752</b>	<b>\$5,153,389</b>	<b>\$107,564</b>	<b>\$20,493,576</b>	<b>\$20,493,576</b>
<b>NPV</b>	<b>\$3,008,445</b>	<b>\$1,568,993</b>	<b>\$1,958,027</b>	<b>\$2,206,309</b>	<b>\$46,985</b>	<b>\$8,788,759</b>	<b>\$8,788,759</b>

The **Water Fund** shows a moderate positive impact throughout the period. This fund includes water operations as well as alternative water. Water-related impact fees are not included in this fund. Water revenues were modeled based on the estimated number of connections, projected water use by land use and the current water fee schedule. However, the number of connections and usage levels could vary depending on the exact nature of future development in this area. Production and distribution expenditures are modeled based on average cost per nonresidential account. There were no specific capital improvements allocated to this fund. The net present value impact in the water fund over 25 years is \$1.6 million.

The **Wastewater Fund** is similar to the Water Fund in terms of the structure. User charges are based on projected water use by land use, adjusted downward by 20 percent to represent wastewater flow. Expenditures are based on the number of connections by type. There were no specific capital improvements allocated to this fund. The results for this fund show a modest positive result with a net present value impact over 25 year of \$2.0 million.

The **Streets Fund** shows a positive net present value impact over the 25 year period, although annual impacts are negative prior to 2023 and after 2035. New streets are projected between 2018 and 2023 however, there are no revenues prior to 2023 to offset the cost of street maintenance. The primary revenue source in the Streets Fund is a 3/4 percent sales tax that is scheduled to sunset in 2035.<sup>2</sup> The

<sup>2</sup> This dedicated sales tax will be reduced from the current rate of 1 percent to ¾ percent through 2035. It is assumed the tax will sunset at that time.

retail component of the proposed development could generate approximately \$913,000 per year in sales tax revenues to the Streets Fund by 2035. This money is intended to cover the cost of street improvement projects, of which there are none scheduled for the West Airport Triangle. The Streets Fund also includes Highway User Revenue Funds to be used for street maintenance that are distributed based on population, however none of these revenues are included for this nonresidential annexation. The development in the West Airport Triangle area would generate a small amount of street light fees to help offset the cost of street light maintenance. There would also be about 6.13 miles of new streets within the annexation area that would increase streets operations expenditures that are normally offset by HURF revenues, hence the negative annual impacts. The resulting net present value impact in the Streets Fund over the 25 year period is \$2.2 million.

The Transient Occupancy Tax Fund shows a positive net present value of \$74,000 over the 25 year period. This fund is intended to capture occupancy tax revenues generated by the hotel which are estimated at \$250,000 per year by 2037. These revenues are restricted for use in tourism promotion activities. Tourism expenditures in this fund are approximately equal to revenues in each year.

### **3.2 Summary**

Over the long term, the West Airport Triangle Annexation would have a sizeable positive impact on the city, based on the assumptions used in this analysis. Since this area would be exclusively nonresidential, the on-going demands on city services are much less than for residential development. Additionally, the proposed development plan includes a fair amount of retail and hotel development that would generate enough sales tax revenue to create a positive impact in the General Fund, Transient Occupancy Tax Fund and the Streets Fund. The Water and Wastewater Operating Funds would also have modest positive impacts. The Streets Fund would yield a positive annual net impact during the period in which sales tax revenues are available but small negative impacts before and after that period. Over the long term, the mix of land uses in the proposed annexation area would be fiscally sustainable provided that a long term revenue source could be identified to cover the small increase in street maintenance costs.

## ***APPENDICES***

**APPENDIX A  
SOCIOECONOMIC IMPACTS  
WEST AIRPORT TRIANGLE**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Housing Units	-	-	-	-	-	-	-	-	-	-	-	-	-
Population	-	-	-	-	-	-	-	-	-	-	-	-	-
Employment (Non-Construction)	-	-	-	-	-	-	-	6	7	7	9	210	212
Retail Square Feet	0	0	0	0	0	0	0	0	0	0	0	100,000	100,000
Police Officers	0	0	0	0	0	0	0	0	0	0	0	0	0
City Full Time Equivalents	0	0	0	0	0	0	0	0	0	0	0	1	1
Taxable Sales (millions)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.15	\$0.16	\$0.18	\$0.21	\$6.26	\$6.43
Taxable Construction (millions)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8.58	\$0.84	\$0.86	\$2.10	\$9.39	\$3.19
Assessed Value (millions)	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$12.96	\$14.51	\$16.15	\$19.83
City Maintained Park Acres	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
City Maintained Road Lane Miles	0.0	0.0	0.0	0.0	0.0	5.0	5.0	5.0	5.0	5.0	6.1	6.1	6.1

Sources: Applied Economics, 2013.

Note: City FTE's are based on a rate of 0.00375 per (population \* 2 + employment). This is equivalent to 75% of the citywide average rate over the past 3 years to account for the difference in marginal increases versus average increases in overall staffing based on growth. Police officers are based on a rate of 0.0006 per (population \* 2 + employment). This is equivalent to the citywide average rate over the past 3 years.

**APPENDIX A  
SOCIOECONOMIC IMPACTS  
WEST AIRPORT TRIANGLE**

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Housing Units	-	-	-	-	-	-	-	-	-	-	-	-
Population	-	-	-	-	-	-	-	-	-	-	-	-
Employment (Non-Construction)	212	642	657	672	1,087	1,102	1,117	1,571	1,586	1,601	1,616	1,631
Retail Square Feet	100,000	229,032	229,032	229,032	358,065	358,065	358,065	500,000	500,000	500,000	500,000	500,000
Police Officers	0	0	0	0	1	1	1	1	1	1	1	1
City FTEs	1	2	2	3	4	4	4	6	6	6	6	6
Taxable Sales (millions)	\$6.56	\$37.56	\$38.30	\$39.06	\$72.60	\$74.05	\$75.52	\$115.28	\$117.58	\$119.92	\$122.31	\$124.75
Taxable Construction (millions)	\$0.00	\$11.34	\$1.61	\$1.64	\$10.36	\$1.70	\$1.74	\$11.92	\$1.81	\$1.85	\$1.88	\$1.92
Assessed Value (millions)	\$37.14	\$43.19	\$44.05	\$68.29	\$72.89	\$77.70	\$101.84	\$107.49	\$113.40	\$143.00	\$149.90	\$157.10
City Maintained Park Acres	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
City Maintained Road Lane Miles	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1

Sources: Applied Economics, 2013.

**APPENDIX B  
FISCAL IMPACT ASSUMPTIONS\***

<b>GENERAL FUND</b>	<b>Rate</b>	<b>Basis</b>
<b>REVENUES</b>		
<b>Local Taxes</b>		
Property Tax	0.1978%	Net assessed value
Sales Tax	1.00%	taxable sales and rentals + 65% construction cost
Utility Franchises	\$26.869	service population (population + employment)
<b>Licenses and Permits</b>		
Building Permits & Plan Checks	\$0.0003	new construction
Animal Licenses	\$0.6670	population
Other Licenses	\$0.3790	service population
<b>Intergovernmental Revenues</b>		
State Sales Tax	\$83.620	population (updated in Census year only)
Urban Sharing	\$102.139	population (updated in Census year only)
Auto Lieu Tax	\$54.019	population
Library	18.18%	library expenditures
<b>Charges for Services</b>		
Animal Control	\$0.075	population
Plan Reviews, Inspections, Filing Fees	\$0.00022	new construction value
Fire Department Fees	\$0.00008	new construction value
Library and Recreation Fees	\$13.257	population
<b>Fines and Forfeitures</b>		
Animal Control Fines	\$0.125	population
Court Fines	\$0.768	service pop (pop*2) (25% of citywide rate)
Library Fines	\$1.154	population
<b>Miscellaneous</b>		
Interest	1.00%	previous years net impact
Other Revenues	na	not modeled
<b>EXPENDITURES</b>		
Mayor and Council	na	not modeled
City Clerk	\$0.790	service population (pop*2)
City Court	\$0.911	service pop (pop*3) (25% of citywide rate)
City Manager	\$1.165	service population (pop*2)
Public Communications/Comm Access	\$1.559	population
Legal	\$2.023	service population (pop*2)
Economic Enterprises	\$19.536	per new job
Insurance & Retirements	\$1,138.858	city FTE employees
Budget & Finance	\$827.563	city FTE employees
Community Development	\$0.00107	new construction value
	\$3.343	service population (pop*2)
Park Maintenance	\$1,181.579	park acres
Recreation & Library	\$81.767	population
Police	\$169,547.497	police officers
Fire	\$68.058	service population (pop*2)
Regional Communications	\$22.374	service population (pop*2)

**APPENDIX B  
FISCAL IMPACT ASSUMPTIONS\***

<b>WATER FUND</b>	<b>Rate</b>	<b>Basis</b>
<b>REVENUES</b>		
Water Sales	\$4.40 per thousand gallons plus \$19.70 per connection per month	usage (gallons) new connections
Connection Fees	\$318.480	previous years net impact
Interest	1.00%	service population
Misc	\$0.866	not impacted
Effluent Recharge Fee	\$0.000	water sales
Alternative Water Source Fees	12.49%	
<b>EXPENDITURES</b>		
Water Utility Billing	1.65%	water sales
Meter Reading	\$23.743	connections
Water Utilities Administration	49.56%	prod/dist expenditures
Water Production	50% * \$521.336	50% of cost per nonresidential account
Water Distribution	20% * \$521.336	20% of cost per nonresidential account
Alternative Water	30% * \$521.336	30% of cost per nonresidential account
Water Improvements	na	schedule
<b>WASTEWATER FUND</b>		
<b>REVENUES</b>		
User Charges	\$5.18 per gallon plus \$20.21 per connection per month	usage (gallons)
Interest	1.00%	previous years net impact
Plan Reviews and Inspection Fees	\$0.00001	new construction value
Wastewater Connections	\$33.789	new connections (new units)
<b>EXPENDITURES</b>		
Administration and Legal	101.67%	share of operating expenses
Wastewater Treatment Plant	\$109.79 * (330.02%*retail/service connections) + (132.33%*office connections)	weighted connections (share of volume/share of connections)
Wastewater Collection	\$82.42 * (330.02%*retail/service connections) + (132.33%*office connections)	weighted connections (share of volume/share of connections)
Wastewater Improvements	na	schedule

**APPENDIX B  
FISCAL IMPACT ASSUMPTIONS\***

<b>STREETS FUND</b>	<b>Rate</b>	<b>Basis</b>
<b>REVENUES</b>		
Highway User Revenue Funds	\$72.059	population
Street Light Fee	\$3.677	service population
Intergovernmental/Partnering	28.75%	highway user revenue funds
Engineering Inspection Fees	\$27.909	street centerline miles
Interest	1.00%	previous years net impact
Sales Tax	0.75%	taxable sales through 2035
Build America Bond Subsidy		not impacted
<b>EXPENDITURES</b>		
Streets Projects	na	schedule
Streets Operations	service pop+\$1313.23 per lane mile	service population (pop*2) and lane miles
Open Space Projects	\$12,046.583	publicly maintained open space acres
Transportation Services	\$22.832	population
Finance Cost	5.00%	previous year net impact

<b>TRANSIENT OCCUPANCY TAX FUND</b>	<b>Rate</b>	<b>Basis</b>
<b>REVENUES</b>		
Transient Occupancy Tax	2.00%	hotel room revenues
Audits, Penalties, Interest	\$0.003	TOT revenues
<b>EXPENDITURES</b>		
Tourism Promotion	96.47%	percent of TOT revenues

*\*Note that all rates are subject to 2 percent annual inflation.*

**APPENDIX C-1  
ANNUAL FISCAL IMPACT  
GENERAL FUND  
WEST AIRPORT TRIANGLE**

Revenues/Expenditures	2013		2014		2015		2016
<b>REVENUES</b>	<b>\$</b>	<b>9</b>	<b>\$</b>	<b>9</b>	<b>\$</b>	<b>9</b>	<b>9</b>
<b>Local Taxes</b>							
Property Tax	\$	9	\$	9	\$	9	9
Sales Tax	\$	-	\$	-	\$	-	-
Utility Franchises	\$	-	\$	-	\$	-	-
<b>Licenses and Permits</b>							
Building Permits & Plan Checks	\$	-	\$	-	\$	-	-
Animal Licenses	\$	-	\$	-	\$	-	-
Other Licenses	\$	-	\$	-	\$	-	-
<b>Intergovernmental Revenues</b>							
State Sales Tax	\$	-	\$	-	\$	-	-
Urban Sharing	\$	-	\$	-	\$	-	-
Auto Lieu Tax	\$	-	\$	-	\$	-	-
Library	\$	-	\$	-	\$	-	-
<b>Charges for Services</b>							
Animal Control	\$	-	\$	-	\$	-	-
Plan Reviews, Inspections, Filing Fees	\$	-	\$	-	\$	-	-
Fire Department Fees	\$	-	\$	-	\$	-	-
Library and Recreation Fees	\$	-	\$	-	\$	-	-
<b>Fines and Forfeitures</b>							
Code Enforcement							
Animal Control Fines	\$	-	\$	-	\$	-	-
Court Fines	\$	-	\$	-	\$	-	-
Library Fines	\$	-	\$	-	\$	-	-
<b>Miscellaneous</b>							
Interest	\$	-	\$	0	\$	0	0
Other Revenues	\$	-	\$	-	\$	-	-
<b>EXPENDITURES</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>-</b>
Mayor and Council	\$	-	\$	-	\$	-	-
City Clerk	\$	-	\$	-	\$	-	-
City Court	\$	-	\$	-	\$	-	-
City Manager	\$	-	\$	-	\$	-	-
Public Communications/Comm Access	\$	-	\$	-	\$	-	-
Legal	\$	-	\$	-	\$	-	-
Economic Enterprises	\$	-	\$	-	\$	-	-
Insurance & Retirements	\$	-	\$	-	\$	-	-
Budget & Finance	\$	-	\$	-	\$	-	-
Community Development	\$	-	\$	-	\$	-	-
Park Maintenance	\$	-	\$	-	\$	-	-
Recreation & Library	\$	-	\$	-	\$	-	-
Police	\$	-	\$	-	\$	-	-
Fire	\$	-	\$	-	\$	-	-
Regional Communications	\$	-	\$	-	\$	-	-
<b>ANNUAL NET IMPACT</b>	<b>\$</b>	<b>9</b>	<b>\$</b>	<b>9</b>	<b>\$</b>	<b>9</b>	<b>9</b>
<b>as percent of revenue</b>		100.0%		100.0%		100.0%	100.0%
<b>25 year NPV :</b>							<b>\$3,008,445</b>

Source: Applied Economics, 2013.

**APPENDIX C-1  
ANNUAL FISCAL IMPACT  
GENERAL FUND  
WEST AIRPORT TRIANGLE**

Revenues/Expenditures	2017	2018	2019	2020	2021
<b>REVENUES</b>	<b>\$ 9</b>	<b>\$ 9</b>	<b>\$ 10</b>	<b>\$ 95,868</b>	<b>\$ 11,929</b>
<b>Local Taxes</b>					
Property Tax	\$ 9	\$ 9	\$ 9	\$ 10	\$ 10
Sales Tax	\$ -	\$ -	\$ -	\$ 87,307	\$ 10,061
Utility Franchises	\$ -	\$ -	\$ -	\$ 192	\$ 215
<b>Licenses and Permits</b>					
Building Permits & Plan Checks	\$ -	\$ -	\$ -	\$ 3,959	\$ 396
Animal Licenses	\$ -	\$ -	\$ -	\$ -	\$ -
Other Licenses	\$ -	\$ -	\$ -	\$ 3	\$ 3
<b>Intergovernmental Revenues</b>					
State Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Urban Sharing	\$ -	\$ -	\$ -	\$ -	\$ -
Auto Lieu Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Library	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Charges for Services</b>					
Animal Control	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Reviews, Inspections, Filing Fee	\$ -	\$ -	\$ -	\$ 3,306	\$ 331
Fire Department Fees	\$ -	\$ -	\$ -	\$ 1,086	\$ 107
Library and Recreation Fees	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fines and Forfeitures</b>					
Code Enforcement					
Animal Control Fines	\$ -	\$ -	\$ -	\$ -	\$ -
Court Fines	\$ -	\$ -	\$ -	\$ 5	\$ 6
Library Fines	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Miscellaneous</b>					
Interest	\$ 0	\$ 0	\$ 0	\$ 0	\$ 801
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,743</b>	<b>\$ 3,037</b>
Mayor and Council	\$ -	\$ -	\$ -	\$ -	\$ -
City Clerk	\$ -	\$ -	\$ -	\$ 6	\$ 6
City Court	\$ -	\$ -	\$ -	\$ 7	\$ 7
City Manager	\$ -	\$ -	\$ -	\$ 8	\$ 9
Public Communications/Comm Access	\$ -	\$ -	\$ -	\$ -	\$ -
Legal	\$ -	\$ -	\$ -	\$ 14	\$ 16
Economic Enterprises	\$ -	\$ -	\$ -	\$ 140	\$ 14
Insurance & Retirements	\$ -	\$ -	\$ -	\$ 31	\$ 34
Budget & Finance	\$ -	\$ -	\$ -	\$ 22	\$ 25
Community Development	\$ -	\$ -	\$ -	\$ 14,160	\$ 1,413
Park Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -
Recreation & Library	\$ -	\$ -	\$ -	\$ -	\$ -
Police	\$ -	\$ -	\$ -	\$ 730	\$ 816
Fire	\$ -	\$ -	\$ -	\$ 486	\$ 544
Regional Communications	\$ -	\$ -	\$ -	\$ 139	\$ 153
<b>ANNUAL NET IMPACT</b>	<b>\$ 9</b>	<b>\$ 9</b>	<b>\$ 10</b>	<b>\$ 80,125</b>	<b>\$ 8,892</b>
<b>as percent of revenue</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>83.6%</b>	<b>74.5%</b>
<b>25 year NPV :</b>					

Source: Applied Economics, 2013.

**APPENDIX C-1  
ANNUAL FISCAL IMPACT  
GENERAL FUND  
WEST AIRPORT TRIANGLE**

Revenues/Expenditures	2022	2023	2024	2025	2026
<b>REVENUES</b>	<b>\$ 17,469</b>	<b>\$ 32,347</b>	<b>\$ 181,262</b>	<b>\$ 117,248</b>	<b>\$ 90,727</b>
<b>Local Taxes</b>					
Property Tax	\$ 5,893	\$ 6,600	\$ 7,344	\$ 9,020	\$ 16,893
Sales Tax	\$ 10,373	\$ 23,149	\$ 156,530	\$ 96,220	\$ 65,564
Utility Franchises	\$ 238	\$ 290	\$ 7,027	\$ 7,239	\$ 7,384
<b>Licenses and Permits</b>					
Building Permits & Plan Checks	\$ 412	\$ 1,029	\$ 4,689	\$ 1,624	\$ -
Animal Licenses	\$ -	\$ -	\$ -	\$ -	\$ -
Other Licenses	\$ 3	\$ 4	\$ 99	\$ 102	\$ 104
<b>Intergovernmental Revenues</b>					
State Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Urban Sharing	\$ -	\$ -	\$ -	\$ -	\$ -
Auto Lieu Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Library	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Charges for Services</b>					
Animal Control	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Reviews, Inspections, Filing Fee	\$ 344	\$ 859	\$ 3,916	\$ 1,356	\$ -
Fire Department Fees	\$ 109	\$ 266	\$ 1,189	\$ 404	\$ -
Library and Recreation Fees	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fines and Forfeitures</b>					
Code Enforcement					
Animal Control Fines	\$ -	\$ -	\$ -	\$ -	\$ -
Court Fines	\$ 7	\$ 8	\$ 201	\$ 207	\$ 211
Library Fines	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Miscellaneous</b>					
Interest	\$ 89	\$ 142	\$ 266	\$ 1,076	\$ 571
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	<b>\$ 3,241</b>	<b>\$ 5,699</b>	<b>\$ 73,685</b>	<b>\$ 60,138</b>	<b>\$ 55,835</b>
Mayor and Council	\$ -	\$ -	\$ -	\$ -	\$ -
City Clerk	\$ 7	\$ 9	\$ 207	\$ 213	\$ 217
City Court	\$ 8	\$ 10	\$ 238	\$ 246	\$ 250
City Manager	\$ 10	\$ 13	\$ 305	\$ 314	\$ 320
Public Communications/Comm Access	\$ -	\$ -	\$ -	\$ -	\$ -
Legal	\$ 18	\$ 22	\$ 529	\$ 545	\$ 556
Economic Enterprises	\$ 14	\$ 34	\$ 4,895	\$ 52	\$ -
Insurance & Retirements	\$ 38	\$ 46	\$ 1,118	\$ 1,152	\$ 1,175
Budget & Finance	\$ 28	\$ 34	\$ 812	\$ 837	\$ 854
Community Development	\$ 1,444	\$ 3,498	\$ 16,344	\$ 6,153	\$ 919
Park Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -
Recreation & Library	\$ -	\$ -	\$ -	\$ -	\$ -
Police	\$ 906	\$ 1,103	\$ 26,732	\$ 27,537	\$ 28,088
Fire	\$ 603	\$ 734	\$ 17,800	\$ 18,336	\$ 18,703
Regional Communications	\$ 166	\$ 198	\$ 4,706	\$ 4,753	\$ 4,753
<b>ANNUAL NET IMPACT</b>	<b>\$ 14,227</b>	<b>\$ 26,648</b>	<b>\$ 107,577</b>	<b>\$ 57,110</b>	<b>\$ 34,892</b>
<b>as percent of revenue</b>	<b>81.4%</b>	<b>82.4%</b>	<b>59.3%</b>	<b>48.7%</b>	<b>38.5%</b>
<b>25 year NPV :</b>					

Source: Applied Economics, 2013.

**APPENDIX C-1  
ANNUAL FISCAL IMPACT  
GENERAL FUND  
WEST AIRPORT TRIANGLE**

Revenues/Expenditures	2027	2028	2029	2030	2031
<b>REVENUES</b>	<b>\$ 545,152</b>	<b>\$ 449,152</b>	<b>\$ 468,499</b>	<b>\$ 920,299</b>	<b>\$ 844,912</b>
<b>Local Taxes</b>					
Property Tax	\$ 19,644	\$ 20,037	\$ 31,066	\$ 33,159	\$ 35,349
Sales Tax	\$ 488,956	\$ 399,086	\$ 407,008	\$ 829,646	\$ 757,539
Utility Franchises	\$ 22,769	\$ 23,762	\$ 24,786	\$ 40,891	\$ 42,280
<b>Licenses and Permits</b>					
Building Permits & Plan Checks	\$ 6,009	\$ 868	\$ 903	\$ 5,827	\$ 978
Animal Licenses	\$ -	\$ -	\$ -	\$ -	\$ -
Other Licenses	\$ 321	\$ 335	\$ 350	\$ 577	\$ 596
<b>Intergovernmental Revenues</b>					
State Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Urban Sharing	\$ -	\$ -	\$ -	\$ -	\$ -
Auto Lieu Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Library	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Charges for Services</b>					
Animal Control	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Reviews, Inspections, Filing Fee	\$ 5,018	\$ 725	\$ 754	\$ 4,866	\$ 817
Fire Department Fees	\$ 1,435	\$ 203	\$ 207	\$ 1,312	\$ 216
Library and Recreation Fees	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fines and Forfeitures</b>					
Code Enforcement					
Animal Control Fines	\$ -	\$ -	\$ -	\$ -	\$ -
Court Fines	\$ 651	\$ 680	\$ 709	\$ 1,169	\$ 1,209
Library Fines	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Miscellaneous</b>					
Interest	\$ 349	\$ 3,455	\$ 2,715	\$ 2,852	\$ 5,928
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	<b>\$ 199,627</b>	<b>\$ 177,686</b>	<b>\$ 183,337</b>	<b>\$ 327,454</b>	<b>\$ 310,227</b>
Mayor and Council	\$ -	\$ -	\$ -	\$ -	\$ -
City Clerk	\$ 670	\$ 699	\$ 729	\$ 1,202	\$ 1,243
City Court	\$ 772	\$ 806	\$ 841	\$ 1,387	\$ 1,434
City Manager	\$ 987	\$ 1,031	\$ 1,075	\$ 1,773	\$ 1,834
Public Communications/Comm Access	\$ -	\$ -	\$ -	\$ -	\$ -
Legal	\$ 1,714	\$ 1,789	\$ 1,866	\$ 3,078	\$ 3,183
Economic Enterprises	\$ 11,078	\$ 391	\$ 399	\$ 11,349	\$ 415
Insurance & Retirements	\$ 3,622	\$ 3,780	\$ 3,943	\$ 6,505	\$ 6,726
Budget & Finance	\$ 2,632	\$ 2,747	\$ 2,865	\$ 4,727	\$ 4,887
Community Development	\$ 21,512	\$ 5,602	\$ 5,783	\$ 22,157	\$ 8,068
Park Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -
Recreation & Library	\$ -	\$ -	\$ -	\$ -	\$ -
Police	\$ 84,602	\$ 87,317	\$ 90,107	\$ 150,221	\$ 154,312
Fire	\$ 57,670	\$ 58,823	\$ 60,695	\$ 100,736	\$ 103,474
Regional Communications	\$ 14,369	\$ 14,702	\$ 15,035	\$ 24,317	\$ 24,650
<b>ANNUAL NET IMPACT</b>	<b>\$ 345,525</b>	<b>\$ 271,466</b>	<b>\$ 285,162</b>	<b>\$ 592,845</b>	<b>\$ 534,686</b>
<b>as percent of revenue</b>	<b>63.4%</b>	<b>60.4%</b>	<b>60.9%</b>	<b>64.4%</b>	<b>63.3%</b>
<b>25 year NPV :</b>					

Source: Applied Economics, 2013.

**APPENDIX C-1  
ANNUAL FISCAL IMPACT  
GENERAL FUND  
WEST AIRPORT TRIANGLE**

Revenues/Expenditures	2032	2033	2034	2035	2036	2037
<b>REVENUES</b>	<b>\$ 871,969</b>	<b>\$ 1,406,370</b>	<b>\$ 1,324,243</b>	<b>\$ 1,362,968</b>	<b>\$ 1,392,811</b>	<b>\$ 1,423,238</b>
<b>Local Taxes</b>						
Property Tax	\$ 46,330	\$ 48,902	\$ 51,587	\$ 65,054	\$ 68,196	\$ 71,470
Sales Tax	\$ 772,630	\$ 1,271,948	\$ 1,193,856	\$ 1,217,673	\$ 1,241,966	\$ 1,266,745
Utility Franchises	\$ 43,708	\$ 62,745	\$ 64,605	\$ 66,516	\$ 68,476	\$ 70,489
<b>Licenses and Permits</b>						
Building Permits & Plan Checks	\$ 1,017	\$ 7,112	\$ 1,101	\$ 1,146	\$ 1,192	\$ 1,240
Animal Licenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Licenses	\$ 617	\$ 885	\$ 911	\$ 938	\$ 966	\$ 994
<b>Intergovernmental Revenues</b>						
State Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Urban Sharing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Auto Lieu Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Library	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Charges for Services</b>						
Animal Control	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Reviews, Inspections, Filing Fee	\$ 850	\$ 5,940	\$ 920	\$ 957	\$ 995	\$ 1,036
Fire Department Fees	\$ 220	\$ 1,509	\$ 229	\$ 234	\$ 238	\$ 243
Library and Recreation Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fines and Forfeitures</b>						
Code Enforcement						
Animal Control Fines	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Court Fines	\$ 1,250	\$ 1,794	\$ 1,848	\$ 1,902	\$ 1,958	\$ 2,016
Library Fines	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Miscellaneous</b>						
Interest	\$ 5,347	\$ 5,535	\$ 9,186	\$ 8,549	\$ 8,823	\$ 9,006
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	<b>\$ 318,455</b>	<b>\$ 487,746</b>	<b>\$ 469,328</b>	<b>\$ 480,655</b>	<b>\$ 492,248</b>	<b>\$ 504,114</b>
Mayor and Council	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Clerk	\$ 1,285	\$ 1,845	\$ 1,900	\$ 1,956	\$ 2,014	\$ 2,073
City Court	\$ 1,483	\$ 2,128	\$ 2,191	\$ 2,256	\$ 2,323	\$ 2,391
City Manager	\$ 1,896	\$ 2,721	\$ 2,802	\$ 2,885	\$ 2,970	\$ 3,057
Public Communications/Comm Access	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal	\$ 3,290	\$ 4,723	\$ 4,863	\$ 5,007	\$ 5,155	\$ 5,306
Economic Enterprises	\$ 423	\$ 13,205	\$ 441	\$ 449	\$ 458	\$ 468
Insurance & Retirements	\$ 6,953	\$ 9,981	\$ 10,277	\$ 10,581	\$ 10,893	\$ 11,213
Budget & Finance	\$ 5,053	\$ 7,253	\$ 7,468	\$ 7,689	\$ 7,916	\$ 8,148
Community Development	\$ 8,302	\$ 27,439	\$ 11,017	\$ 11,314	\$ 11,619	\$ 11,932
Park Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recreation & Library	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Police	\$ 158,506	\$ 229,632	\$ 235,377	\$ 241,260	\$ 247,285	\$ 253,453
Fire	\$ 106,281	\$ 153,657	\$ 157,497	\$ 161,430	\$ 165,457	\$ 169,580
Regional Communications	\$ 24,983	\$ 35,161	\$ 35,494	\$ 35,827	\$ 36,159	\$ 36,492
<b>ANNUAL NET IMPACT as percent of revenue</b>	<b>\$ 553,514 63.5%</b>	<b>\$ 918,624 65.3%</b>	<b>\$ 854,915 64.6%</b>	<b>\$ 882,314 64.7%</b>	<b>\$ 900,563 64.7%</b>	<b>\$ 919,125 64.6%</b>
<b>25 year NPV :</b>						

Source: Applied Economics, 2013.

**APPENDIX C-2  
ANNUAL FISCAL IMPACT  
WEST AIRPORT TRIANGLE**

**WATER FUND**

Revenues/Expenditures		2013	2014	2015	2016	2017	2018	2019	2020	
<b>REVENUES</b>	\$	-	\$	-	\$	-	\$	-	\$	<b>75,353</b>
Water Sales	\$	-	\$	-	\$	-	\$	-	\$	66,835
Connection Fees	\$	-	\$	-	\$	-	\$	-	\$	163
Interest	\$	-	\$	-	\$	-	\$	-	\$	-
Misc	\$	-	\$	-	\$	-	\$	-	\$	6
Alternative Water Source Fees	\$	-	\$	-	\$	-	\$	-	\$	8,349
<b>EXPENDITURES</b>	\$	-	\$	-	\$	-	\$	-	\$	<b>1,474</b>
Water Utility Billing	\$	-	\$	-	\$	-	\$	-	\$	1,101
Meter Reading	\$	-	\$	-	\$	-	\$	-	\$	12
Water Utilities Administration	\$	-	\$	-	\$	-	\$	-	\$	119
Water Production	\$	-	\$	-	\$	-	\$	-	\$	134
Water Distribution	\$	-	\$	-	\$	-	\$	-	\$	54
Alternative Water	\$	-	\$	-	\$	-	\$	-	\$	54
Water Improvements	\$	-	\$	-	\$	-	\$	-	\$	-
<b>ANNUAL NET IMPACT</b>	\$	-	\$	-	\$	-	\$	-	\$	<b>73,879</b>
<b>as percent of revenue</b>		na	na	na	na	na	na	na	na	98.0%
<b>25 year NPV :</b>			<b>\$1,568,993</b>							

**WASTEWATER FUND**

Revenues/Expenditures		2013	2014	2015	2016	2017	2018	2019	2020	
<b>REVENUES</b>	\$	-	\$	-	\$	-	\$	-	\$	<b>72,489</b>
User Charges	\$	-	\$	-	\$	-	\$	-	\$	72,316
Interest	\$	-	\$	-	\$	-	\$	-	\$	-
Plan Reviews and Inspection Fees	\$	-	\$	-	\$	-	\$	-	\$	153
Wastewater Connections	\$	-	\$	-	\$	-	\$	-	\$	19
<b>EXPENDITURES</b>	\$	-	\$	-	\$	-	\$	-	\$	<b>794</b>
Administration and Legal	\$	-	\$	-	\$	-	\$	-	\$	213
Wastewater Treatment Plant	\$	-	\$	-	\$	-	\$	-	\$	335
Wastewater Collection	\$	-	\$	-	\$	-	\$	-	\$	246
Wastewater Improvements	\$	-	\$	-	\$	-	\$	-	\$	-
<b>ANNUAL NET IMPACT</b>	\$	-	\$	-	\$	-	\$	-	\$	<b>71,694</b>
<b>as percent of revenue</b>		na	na	na	na	na	na	na	na	98.9%
<b>25 year NPV :</b>			<b>\$1,958,027</b>							

**APPENDIX C-2  
ANNUAL FISCAL IMPACT  
WEST AIRPORT TRIANGLE**

**STREETS FUND**

Revenues/Expenditures	2013	2014	2015	2016	2017	2018	2019	2020
<b>Beginning Balance</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,095)	\$ (14,688)
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 154	\$ 157	\$ 65,667
Highway User Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Street Light Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26
Intergovernmental/Partnering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Engineering Inspection Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 154	\$ 157	\$ 160
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3/4% Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,480
<b>EXPENDITURES</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,250	\$ 7,749	\$ 8,471
Streets Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Streets Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,250	\$ 7,395	\$ 7,736
Transportation Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Finance Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 355	\$ 734
<b>Ending Balance</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,095)	\$ (14,688)	\$ 42,509
<b>ANNUAL NET IMPACT</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,095)	\$ (7,592)	\$ 57,196
<b>25 year NPV :</b>	<b>\$2,206,309</b>							

**TRANSIENT OCCUPANCY TAX**

Revenues/Expenditures	2013	2014	2015	2016	2017	2018	2019	2020
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transient Occupancy Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Audits, Penalties, Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tourism	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>ANNUAL NET IMPACT</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>as percent of revenue</b>	na	na	na	na	na	na	na	na
<b>25 year NPV :</b>	<b>\$46,985</b>							

Source: Applied Economics, 2013.



**APPENDIX C-2  
ANNUAL FISCAL IMPACT  
WEST AIRPORT TRIANGLE**

**STREETS FUND**

Revenues/Expenditures	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Beginning Balance</b>	\$ 42,509	\$ 42,337	\$ 42,229	\$ 49,733	\$ 151,201	\$ 207,055	\$ 239,591	\$ 576,041	\$ 844,013
<b>REVENUES</b>	<b>\$ 7,738</b>	<b>\$ 7,979</b>	<b>\$ 17,610</b>	<b>\$ 118,572</b>	<b>\$ 73,372</b>	<b>\$ 50,405</b>	<b>\$ 370,059</b>	<b>\$ 302,797</b>	<b>\$ 308,883</b>
Highway User Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Street Light Fee	\$ 29	\$ 33	\$ 40	\$ 962	\$ 991	\$ 1,011	\$ 3,116	\$ 3,252	\$ 3,392
Intergovernmental/Partnering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Engineering Inspection Fees	\$ 164	\$ 167	\$ 209	\$ 213	\$ 217	\$ 221	\$ 226	\$ 230	\$ 235
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3/4% Sales Tax	\$ 7,545	\$ 7,780	\$ 17,362	\$ 117,397	\$ 72,165	\$ 49,173	\$ 366,717	\$ 299,315	\$ 305,256
<b>EXPENDITURES</b>	<b>\$ 7,910</b>	<b>\$ 8,088</b>	<b>\$ 10,106</b>	<b>\$ 17,104</b>	<b>\$ 17,518</b>	<b>\$ 17,869</b>	<b>\$ 33,609</b>	<b>\$ 34,824</b>	<b>\$ 36,075</b>
Streets Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Streets Operations	\$ 7,910	\$ 8,088	\$ 10,106	\$ 17,104	\$ 17,518	\$ 17,869	\$ 33,609	\$ 34,824	\$ 36,075
Transportation Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Finance Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Ending Balance</b>	\$ 42,337	\$ 42,229	\$ 49,733	\$ 151,201	\$ 207,055	\$ 239,591	\$ 576,041	\$ 844,013	\$ 1,116,821
<b>ANNUAL NET IMPACT</b>	\$ (172)	\$ (108)	\$ 7,504	\$ 101,467	\$ 55,854	\$ 32,536	\$ 336,450	\$ 267,972	\$ 272,808
<b>25 year NPV :</b>									

**TRANSIENT OCCUPANCY TAX**

Revenues/Expenditures	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 150,042</b>	<b>\$ 156,115</b>	<b>\$ 162,433</b>	<b>\$ 169,007</b>	<b>\$ 175,848</b>	<b>\$ 182,965</b>
Transient Occupancy Tax	\$ -	\$ -	\$ -	\$ 149,535	\$ 155,576	\$ 161,861	\$ 168,401	\$ 175,204	\$ 182,282
Audits, Penalties, Interest	\$ -	\$ -	\$ -	\$ 508	\$ 539	\$ 572	\$ 607	\$ 644	\$ 683
<b>EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 144,257</b>	<b>\$ 150,085</b>	<b>\$ 156,149</b>	<b>\$ 162,457</b>	<b>\$ 169,020</b>	<b>\$ 175,849</b>
Tourism	\$ -	\$ -	\$ -	\$ 144,257	\$ 150,085	\$ 156,149	\$ 162,457	\$ 169,020	\$ 175,849
<b>ANNUAL NET IMPACT</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,785</b>	<b>\$ 6,030</b>	<b>\$ 6,284</b>	<b>\$ 6,550</b>	<b>\$ 6,828</b>	<b>\$ 7,117</b>
<b>as percent of revenue</b>	na	na	na	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
<b>25 year NPV :</b>									

Source: Applied Economics, 2013.



**APPENDIX C-2  
ANNUAL FISCAL IMPACT  
WEST AIRPORT TRIANGLE**

**STREETS FUND**

Revenues/Expenditures	2030	2031	2032	2033	2034	2035	2036	2037
<b>Beginning Balance</b>	\$ 1,116,821	\$ 1,692,335	\$ 2,212,337	\$ 2,742,185	\$ 3,629,679	\$ 4,456,745	\$ 5,299,767	\$ 5,227,581
<b>REVENUES</b>	<b>\$ 628,070</b>	<b>\$ 574,185</b>	<b>\$ 585,703</b>	<b>\$ 962,802</b>	<b>\$ 904,492</b>	<b>\$ 922,622</b>	<b>\$ 9,641</b>	<b>\$ 9,922</b>
Highway User Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Street Light Fee	\$ 5,596	\$ 5,786	\$ 5,982	\$ 8,587	\$ 8,842	\$ 9,103	\$ 9,371	\$ 9,647
Intergovernmental/Partnering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Engineering Inspection Fees	\$ 240	\$ 244	\$ 249	\$ 254	\$ 259	\$ 264	\$ 270	\$ 275
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3/4% Sales Tax	\$ 622,234	\$ 568,154	\$ 579,473	\$ 953,961	\$ 895,392	\$ 913,254	\$ -	\$ -
<b>EXPENDITURES</b>	<b>\$ 52,556</b>	<b>\$ 54,183</b>	<b>\$ 55,855</b>	<b>\$ 75,309</b>	<b>\$ 77,427</b>	<b>\$ 79,599</b>	<b>\$ 81,828</b>	<b>\$ 84,113</b>
Streets Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Streets Operations	\$ 52,556	\$ 54,183	\$ 55,855	\$ 75,309	\$ 77,427	\$ 79,599	\$ 81,828	\$ 84,113
Transportation Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Finance Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Ending Balance</b>	\$ 1,692,335	\$ 2,212,337	\$ 2,742,185	\$ 3,629,679	\$ 4,456,745	\$ 5,299,767	\$ 5,227,581	\$ 5,153,389
<b>ANNUAL NET IMPACT</b>	\$ 575,514	\$ 520,002	\$ 529,848	\$ 887,494	\$ 827,066	\$ 843,023	\$ (72,186)	\$ (74,191)
<b>25 year NPV :</b>								

**TRANSIENT OCCUPANCY TAX**

Revenues/Expenditures	2030	2031	2032	2033	2034	2035	2036	2037
<b>REVENUES</b>	<b>\$ 190,371</b>	<b>\$ 198,077</b>	<b>\$ 206,096</b>	<b>\$ 214,439</b>	<b>\$ 223,120</b>	<b>\$ 232,154</b>	<b>\$ 241,553</b>	<b>\$ 251,333</b>
Transient Occupancy Tax	\$ 189,646	\$ 197,308	\$ 205,279	\$ 213,573	\$ 222,201	\$ 231,178	\$ 240,517	\$ 250,234
Audits, Penalties, Interest	\$ 725	\$ 769	\$ 816	\$ 866	\$ 919	\$ 976	\$ 1,035	\$ 1,099
<b>EXPENDITURES</b>	<b>\$ 182,953</b>	<b>\$ 190,344</b>	<b>\$ 198,034</b>	<b>\$ 206,035</b>	<b>\$ 214,358</b>	<b>\$ 223,019</b>	<b>\$ 232,028</b>	<b>\$ 241,402</b>
Tourism	\$ 182,953	\$ 190,344	\$ 198,034	\$ 206,035	\$ 214,358	\$ 223,019	\$ 232,028	\$ 241,402
<b>ANNUAL NET IMPACT</b>	<b>\$ 7,418</b>	<b>\$ 7,733</b>	<b>\$ 8,062</b>	<b>\$ 8,404</b>	<b>\$ 8,762</b>	<b>\$ 9,135</b>	<b>\$ 9,524</b>	<b>\$ 9,931</b>
<b>as percent of revenue</b>	<b>3.9%</b>	<b>4.0%</b>						
<b>25 year NPV :</b>								

Source: Applied Economics, 2013.