

**Broadwell Annexation
Costs and Revenue Projection Summary**

Development Services Staff analyzed the fiscal impacts of the proposed annexation request. Several departments submitted Annexation Evaluation Forms for review for a more comprehensive projection of cost and revenue for a 5-year period.

It is projected that 238 housing units will be complete by the end of by Fiscal Year 22-23. The increase in population by June 30, 2023 is projected to be 534 individuals.

For this analysis, the revenues include ad valorem property taxes and other revenues that are based on population. The costs/expenditures include most major City services.

REVENUE

The revenue projections for the potential annexation are estimated based on the Fiscal Year 2019 City of Fayetteville Budget. This analysis indicates that if the properties were annexed, it would generate \$1,343,263 in revenue to the City of Fayetteville for Fiscal Years 2020 through 2024 (5 years).

	Fiscal Year 2024	Cumulative to Fiscal Year 2024
Ad Valorem Taxes	\$335,011	\$647,475
Sales Tax	89,152	204,515
Beer & Wine Tax	2,296	5,266
Powell Bill based on population	15,231	39,205
Building and Trade Permits	89,544	343,252
Solid Waste Collection	45,220	103,550
Total	\$ 576,454	\$1,343,263

EXPENDITURES:

Expenditures listed below represent estimated costs to the City of Fayetteville to provide major services for the businesses and residences should the property be annexed into the City. The projected cost to the City of Fayetteville for Fiscal Years 2020 through 2024 (5 years) is \$1,538,640.

	Fiscal Year 2024	Cumulative to Fiscal Year 2024
Police	\$114,874	\$685,496
Fire	67,069	169,224
Residential Trash and Yard Waste Collection and Cost of Carts	36,672	92,534
Residential Recycling Collection and Cost of Carts	10,969	31,847
Street Maintenance	14,535	46,354
Total	\$ 244,119	\$1,015,455

Analysis Summary

REVENUE

Ad Valorem Tax Rates Per \$100 Valuation:

Source – Cumberland County Tax Administration Department for Current Land Values

This includes taxes on land, building, structures, and all improvements or fixtures and taxes on personal property based upon assumptions of \$301,000 total taxable value per completed house and \$15,000 in personal property (motor vehicles) per residence. Also includes projected taxable values of \$1.0 million for Andrews Commons Shopping Center by FY24.

Sales Taxes:

Source: Based upon 2019 budget projections

Total projected sales tax revenues less reimbursements paid to County/Towns ÷ population = \$166.95 per capita

By FY2024, $\$166.95 \times 534 = \$89,152$

Beer and Wine Tax:

Source: Based upon 2019 budget projections

By FY2024, $\$4.30 \times 534 = \$2,296$

Powell Bill:

Source: Based upon 2019 budget projections

Projected per capita rate of \$19.60

Projected per mile rate of \$1,609.84

By FY2024, $\$19.60 \times 534 \text{ individuals} = \$10,466$

By FY2024, $\$1,609.84 \times 2.96 \text{ miles} = \$4,765$

Building and Trade Permits:

Development Services, Division of Permitting & Inspections fee schedule as of October 16, 2018

Actual cost of permit is based on square footage of heated and unheated area

New 1,800 sq. ft. single-family dwelling with 400 sq. ft. of unfinished space (porch, deck, garage) = \$1,066.00

Solid Waste Collection fee as of October 16, 2018

The City charges \$190.00 yearly per single family home on the real estate tax bill

Projected 238 homes by year 5 = \$45,220.00

EXPENDITURES

Police Department

Includes two officers beginning in Fiscal Year 2020.

Start-up cost (training, vehicle, equipment) = \$55,563.00 per officer

Salary and recurring costs for each officer = \$57,437.00 per year

Fire Department

The Fire Department anticipates contracting with the Westarea Fire Department for Fiscal Years 2020 and beyond at \$.10 per \$100 of taxable value, minimum of \$20,000 per year.

Recycling and Solid Waste Services

Projected costs include up-front costs to purchase 35-gallon blue roll out carts and 96-gallon green rollout carts (\$25,104).

Recycling collection costs estimated based upon current monthly contract rates.

Costs for collection of residential trash, yard waste and bulky items are estimated by the department to be \$144 per household per year.

Street Maintenance

Cost is conservatively estimated based upon total linear miles of street by FY2024 times current estimated cost per mile for street maintenance (2.96 linear miles @ estimated \$4,910 per mile). Costs would be expected to be lower initially as these would be newly constructed streets.