

**Putt Putt Fun Center Financial Impact Analysis**  
**August 26, 2022**  
**Prepared by Business Management Department**

The proposed annexation consists of one parcel of land planned for a commercial development consisting of a commercial recreation and a self-storage space. The actual size of the development and its composition is shown below. This analysis is a statement showing how the proposed annexation will affect the Town’s finances and services, including revenue change estimates.

Property Type	Total Square Feet	Estimated Value
Commercial recreation	28,056	\$2,500,000
Self-storage	82,830	\$4,472,820

All of the revenue and cost estimates shown below are based on current dollars.

**Projected Revenues**

Certain assumptions were made concerning future property values and sales to estimate revenues. These estimates were based on available benchmarked information for 10 similar properties and are subject to change as conditions change over time. All estimates shown below are based on full build-out. Efforts have been made to err on the side of caution, that is, to be conservative in projecting these revenues.

Revenues are divided by how the Town will use them, differentiating between general government revenues and enterprise revenues (Transit & Stormwater). General government revenues are available to support the core services of the Town while enterprise revenues can only be used to support the operations of the functions for which they are collected.

Annual Revenues	Estimates
<b>Governmental Revenues</b>	
Property Taxes (General Fund & Debt)	\$32,075
Sales Taxes	\$7,735
<b>Total Governmental Revenue</b>	<b>\$39,810</b>
<b>Enterprise Revenues</b>	
Transit Tax	\$4,323
Stormwater Utility Fees	\$6,330
<b>Total Enterprise Revenues</b>	<b>\$10,653</b>
<b>Total Annual Revenues</b>	<b>\$50,462</b>

**Projected Costs**

In order to estimate the cost of extending services to a future development certain assumptions need to be made concerning the factors that drive the cost of Town services. In some cases, such as Parks and Recreation and Library services, costs are highly correlated with the size of the population being served and these costs can be estimated on a per-capita basis. For other functions a less direct

method of projecting cost is used. For instance, Police protection services are based on estimated calls for service, which can be highly variable depending on a number of factors. While we have attempted to capture the cost of extending services, ultimately what the Town spends on providing services and what services levels are provided are decisions made by the Town Council.

The following estimates are for annual recurring costs of extending services. Enterprise fund costs are shown as an off-set to revenues. That is, it is assumed that due to the self-funding nature of Enterprise functions that the incremental cost of providing services to this development will be offset by enterprise revenue paid by the development. Actual costs will depend on future decisions regarding the method and level of service delivery.

<b>Annual Costs</b>	<b>Estimates</b>
<b>Governmental Costs</b>	
Public Works	\$1,068
Parks & Recreation	\$1,139
Library Services	\$608
Police Services	\$16,608
Fire Services	\$29,312
Planning/Inspections	\$2,555
General Government	\$6,668
Capital - Debt Service	\$6,115
<b>Total Governmental Costs</b>	<b>\$64,113</b>
<b>Enterprise Costs</b>	
Transit	\$4,423
Stormwater Utility Fees	\$6,330
<b>Total Enterprise Costs</b>	<b>\$10,653</b>
<b>Total Annual Costs</b>	<b>\$74,765</b>

The following table shows the estimated net annual impact of the proposed development on Town finances. Because enterprise fund costs are offset by enterprise revenues the projected amounts shown below represent impact on the Town's General Fund.

<b>Annual Financial Impact (Revenue - Costs)</b>	<b>-\$24,303</b>
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**Additional Comments**

The Planning Department and the Building and Development Services Department employ a cost recovery model for determining fees. For this project, building permit fees are estimated at \$23,804 and planning fees at \$48,785, to recover the costs of reviewing and inspecting this project.

Due to its location near the Eubanks Park and Ride, current services operating in this area, and the nature of the development, it is anticipated that no additional Transit investments are needed to support this development, beyond revenues generated from the transit levy.