Exhibit B

BBC
RESEARCH &
CONSULTING

September 4, 2015

Board of Directors of the Bennett Fire Protection District No. 7
825 Shari's Court
Bennett, Colorado 80102

Re: Bennett Fire Protection District Fiscal Impact Analysis

Board of Directors of the Bennett Fire Protection District:

This letter documents BBC Research & Consulting (BBC)'s projected economic and fiscal impacts of growth within the Bennett Fire Protection District (the District). This analysis considers the impacts of growth on both annual operating and capital investment costs, which are modeled separately in this analysis. This report is designed to inform the District about potential costs of serving new development and the appendices can be used during negotiations with developers and metro districts.

Our analysis is based on the most recent expenditure data; the District's capital asset lists; Arapahoe County and Adams County assessor data; conversations with the District; and BBC's fiscal modeling experience.

While this study models average costs of serving new development throughout the district, revenue projections for future development are estimated in accordance with specific projects. Since the District is primarily funded through property taxes, it is more accurate to estimate revenues based on specific characteristics of individual properties. Revenue estimates for five future development projects are included in the appendices. These revenues are then compared against estimated potential costs.

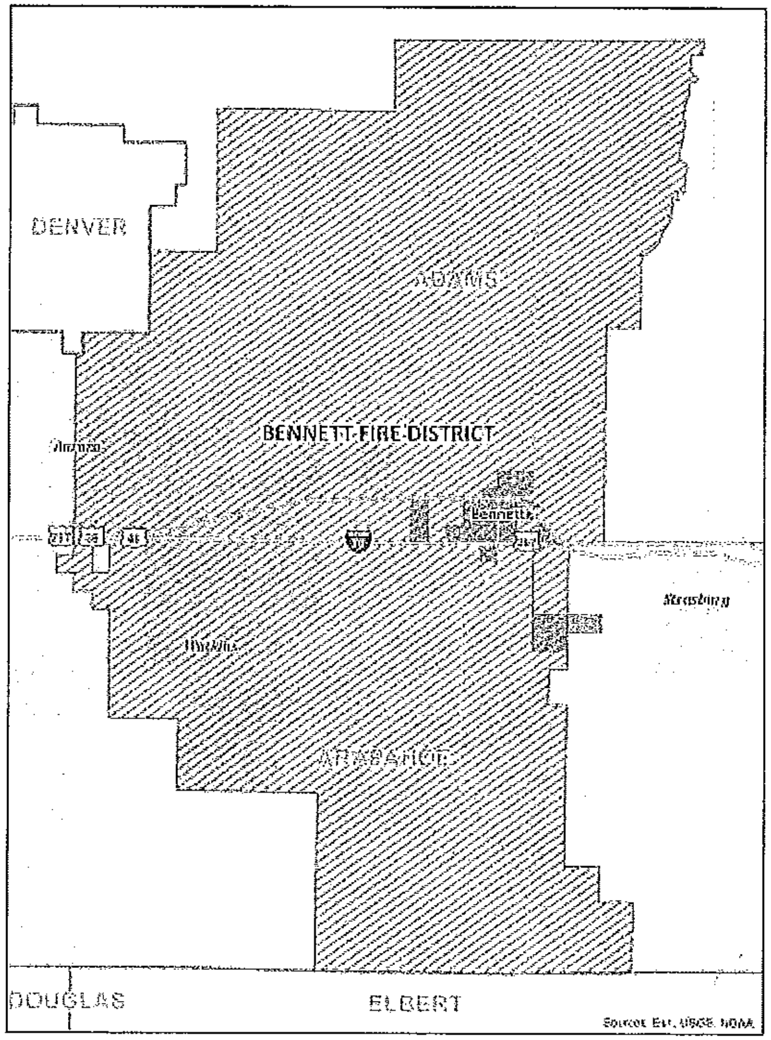
Background

The Bennett Fire Protection District is located just east of the City of Aurora within unincorporated Adams and Arapahoe Counties. The District also services the community Watkins and the Town of Bennett (Town). The location of the District is shown in Figure 1 on the following page.

1999 Broadway
Suite 2200
Denver, CO 80202
Tel: 303.321.2547
Fax: 303.399.0448
[illegible]

Figure 1.
Map of Bennett Fire Protection District

Source:
BBC Research & Consulting; ArcGIS.



Despite a history of modest growth, the District is now facing the prospect of extensive development within its service area. The proposed Prosper development would greatly increase demand for the District's services. This development will be located within Arapahoe County just east of Aurora near I-70 and will contain nearly four times the existing residential development within the District. Additional potential development within the Town, including Bennett Crossing, Muegge Farms, Penrith Park, and Prosper Ridge are also expected to increase demand for the District's services. In light of this potential significant alteration in District operations, the District is investigating the financial obligations caused by new development.

Fiscal Impact Findings

BBC's fiscal modeling process determined that, in order to maintain the current level of service within the District, it will cost approximately $315 per residential unit and $150 per 1,000 non-residential square feet in annual operating costs. Additionally, new development will also require one-time capital investments of $1,500 per residential unit and $720 per 1,000 non-residential square feet.

Methodology

BBC's economic and fiscal impact analysis models the District's expenditures associated with potential new development of new residential and commercial space within the District boundaries. The fiscal impact model uses historical expenditure data to project how costs may increase in the future. The model analyzes the marginal cost of increases in both residential and non-residential development and is not specific to any particular development project.

There are two types of District expenditures that will be affected by future growth; ongoing operational costs and one-time capital investments. The modeling processes for operational and capital costs are described below.

In the appendices, the calculated marginal costs of growth are applied the specific future development projects. These project-related costs are then compared to potential revenues generated by the project. Revenue sources considered include property tax from the District's mill levy as well as revenues from other sources (specific ownership tax and EMS fees). Since revenues are directly related to development specifics, this study analyzes revenues produced from development projects on an individual basis.

Operational costs of serving new development. The District, like most public and private enterprises, has both fixed and variable costs. Some costs, for example, such as the Board of Directors' Fees, will not rise in proportion to growth, which is evidence of a high fixed cost component. Most other services have a very low fixed cost component and these costs will rise in rough proportion to new residential and commercial development. As shown in Figure 3, BBC has made an attribution of fixed and marginal costs for each general fund service based on the nature of the service, BBC's past experience and conversations with the District staff.

Figure 2.
Existing Land Use in Bennett

Note:
Number of residential units is calculated using the total reported residential square feet from the assessors' offices and an average unit size of 2,077 square feet, according to the U.S. Census Bureau

Source:
Arapahoe County Assessor, Adams County Assessor, and BBC Research & Consulting, 2015.

Land Use	Amount		Percent
Residential	2,329	units	70%
Non-residential	2,045,929	sqft	30%

BBC's model is shown in Figure 3 on the following page. The model uses the average expenditures by category for the past 3 years to determine the impacts of growth on operational spending. Since capital spending is addressed separately, no capital expenditures are included in the operational model. The model attributes service delivery costs between residential and commercial/industrial land uses based on land distribution from Adams County and Arapahoe County (Figure 2). BBC has allocated the majority (70%) of service costs to residential development and the remaining 30 percent of service costs to non-residential land uses.

Identified variable costs are then spread over the existing community expressed as dollars per unit for residential uses, or dollars per 1,000 square feet for commercial uses. This process is documented in Figure 3. Adjustments for fixed and variable components of costs and the attribution to residential versus commercial development are all shown in the model.

Figure 3.
Operational Cost Model

Category	Average Actual Amount	Percent fixed	Percent variable	Variable Costs Residential (70%)	Variable Costs Non-Residential (30%)	Variable Costs Per Residential Unit	Variable Costs Per Non-Res Sq.Ft. (1,000)
EXPENDITURES							
Directors' Fees	$4,165	90%	10%	$293	$124	$0.13	$0.06
Accounting/ Legal	$34,165	50%	50%	$12,004	$5,078	$5.15	$2.48
Administration supplies	$3,822	50%	50%	$1,343	$568	$0.58	$0.28
Insurance	$99,956	10%	90%	$63,219	$26,742	$27.15	$13.07
Telephone	$4,968	10%	90%	$3,142	$1,329	$1.35	$0.65
County Treasurers' collection fees	$16,726	10%	90%	$10,579	$4,475	$4.54	$2.19
Utilities	$22,203	10%	90%	$14,042	$5,940	$6.03	$2.90
Dispatch Fees	$62,096	10%	90%	$39,274	$16,613	$16.87	$8.12
Operating supplies	$129,412	10%	90%	$81,848	$34,622	$35.15	$16.92
Fuel and oil	$41,956	10%	90%	$26,536	$11,225	$11.40	$5.49
Maintenance*	$45,511	10%	90%	$28,784	$12,176	$12.36	$5.95
Elections	$12	50%	50%	$4	$2	$0.00	$0.00
Training**	$27,898	10%	90%	$17,644	$7,464	$7.58	$3.65
Payroll - Salaries & Taxes	$662,243	10%	90%	$418,845	$177,174	$179.86	$86.60
EMS Billing Service	$13,348	10%	90%	$8,442	$3,571	$3.63	$1.75
Contribution to volunteers' pension fund	$10,000	10%	90%	$6,325	$2,675	$2.72	$1.31
Miscellaneous	$4,161	10%	90%	$2,632	$1,113	$1.13	$0.54
Total expenditures	**$1,182,643**			**$734,956**	**$310,891**	**$315.61**	**$151.96**

Note: Only includes operational expenditures. Capital items are addressed in the capital investment model.

*Includes preventative, repairs, and outside fleet maintenance expenditures.

**Includes fire, medical, fire academy, Haz Mat, District, and travel training expenditures

Source: BFPD actual general fund expenditures data 2012-2014 and BBC Research & Consulting, 2015.

Growth within the District will directly and indirectly increase annual costs. As the territory within the district becomes developed, the District's payroll and operational costs will be directly impacted as the District responds to a larger number of calls. Indirectly, general administrative and professional costs will also increase in response to additional demands on the District's staff time and resources. All direct and indirect costs increases are included in the model.

As shown in the model above, new development increases the District's annual service costs by about $316 per residential unit and $152 per 1,000 square feet of non-residential square feet, based on average expenditures.

Capital costs of new development. In addition to the operational costs described above, servicing new development will increase the District's need for capital infrastructure. Although the District does not have capital expansion fees, a similar methodology can be employed to calculate potential capital costs of new development.

As the community grows, in order to maintain the current level of service provided, the District will need to increase its capital investment in direct proportion to its existing level of capital investment. The District's current capital investment in stations, equipment, and vehicles is described in Figure 4 on the following page.

Figure 4.
Current Capital Investment

Note:

Fire station values include land and building replacement values.

Source:

CIRSA and BBC Research & Consulting

Asset	Value
Fire Stations	
515 Washington Ave.	$475,398
35900 E Colfax Ave.	727,620
825 Shari's Ct.	272,400
129 County Rd.	105,236
Other property	
Storage	$28,122
Training Structure	112,486
Equipment	
SCBA Compressor (Cascade System)	$65,000
Life Pack Monitors (3 at $22,000 ea)	66,000
Vehicles	
Heavy Rescue- Chevy	$155,000
Tanker- International	195,000
Pumper LDH- International	165,000
First Responder-Ford	15,000
Brush Vehicle-Ford	75,000
Pumper Tanker-Ford	30,000
Ambulance- Ford	94,000
Antique-Chevy	50,000
Brush Vehicle-Ford	75,000
Pumper-HME	300,000
Trailer-Surrey	40,225
Trailer-Scott	10,000
Brush Vehicle-Freightliner	140,000
First Responder-Dodge	40,000
Pumper LDH-Emergency One	155,000
Pumper LDH-Emergency One	30,000
Ambulance- Super Liner	163,750
First Responder-Ford	5,000
First Responder-Ford	5,000
First Responder-Ford	17,000
Ambulance- Ford	180,614
First Responder-Chevy	60,000
First Responder-GMC	10,000
Tender/Pumper-Freightliner	257,805
Foam Trailer	58,270
Quint-Pierce	793,048
Total	**$4,971,974**

The District currently has four fire stations, a training structure, storage facility and corresponding fire apparatus and vehicles. Currently the District has over $4.9 million in capital infrastructure and vehicles.

This investment services the current land uses, described previously in Figure 2. Corresponding current capital investment per unit and square foot is calculated in Figure 5.

Figure 5.
Calculation of Current Capital Investment by Land Use

Source:
BBC Research & Consulting, 2015.

Calculation of Current Capital Investment	
Value of Current Infrastructure	$4,971,974
Current Land Use Distribution	
Residential	70%
Non-Residential	30%
Costs by Land Use Category	
Residential	$3,493,994
Commercial	$1,477,980
Existing Land Use	
Residential (in dwelling units)	2,329
Commercial (in square feet)	2,045,929
Current Investment in Existing Infrastructure	
Residential (per dwelling unit)	**$1,500**
Non-residential (per 1,000 square feet)	**$720**

Currently, District assets are valued at $1,500 per residential unit and $720 per 1,000 non-residential square feet in capital infrastructure. In the future, this level of investment should remain the same to maintain the current level of service. Currently, there is not a revenue source designated to cover these expenditures. The District can use these cost estimates to evaluate potential agreements with developers and metro districts.

Summary

Figure 6 below summarizes the increase in both one-time capital investments and annual operating costs per unit of development.

Figure 6.
Total Costs of New Development

Source:
BBC Research & Consulting, 2015.

Fiscal Summary	
Costs	Per Unit
Annual Operational Costs	
Residential	$316
Non-Residential (1,000 sq.ft.)	$152
Total	
One-Time Capital Investment	
Residential	$1,500
Non-Residential (1,000 sq.ft.)	$720
Total	

We hope this analysis is useful in assessing the net fiscal consequences of development within the Bennett Fire Protection District. Please feel free to contact us with any questions.

Sincerely,

Adam D. Orens
Managing Director

Appendix A
Prosper Development

In order to estimate annual service costs associated with the Prosper development (Prosper), the incremental cost increases calculated in the report are applied to specific development projections.

In the case of Prosper, projected revenues are expected to be sufficient to cover operating annual operating costs by build out. The project will likely produce annual total revenues of $220 per residential unit and $379 per 1,000 non-residential square feet. Due to the composition of land uses, the first years of development are likely to produce less revenue than necessary to serve the new development. However, as commercial land develops, the higher assessment ratio will help generate sufficient property tax revenues to serve the entire Prosper development.

The necessary costs associated with capital investments to serve the new community may be recovered through negotiations and agreements with the developer and metro districts. In order to fully recover the investment, the District would need to collect approximately $1,500 per residential unit and $720 per 1,000 non-residential square feet.

Development assumptions. The Prosper development is expected to occupy over 5,000 acres just east of Aurora near I-70. Over the 30 year development period, 8,801 new residential units and 8,635,000 non-residential square feet will be built.[1]. The precise development schedule used in this analysis is shown in Figure A-6 and the location of the Prosper development is shown in Figure A-1 on the following page.

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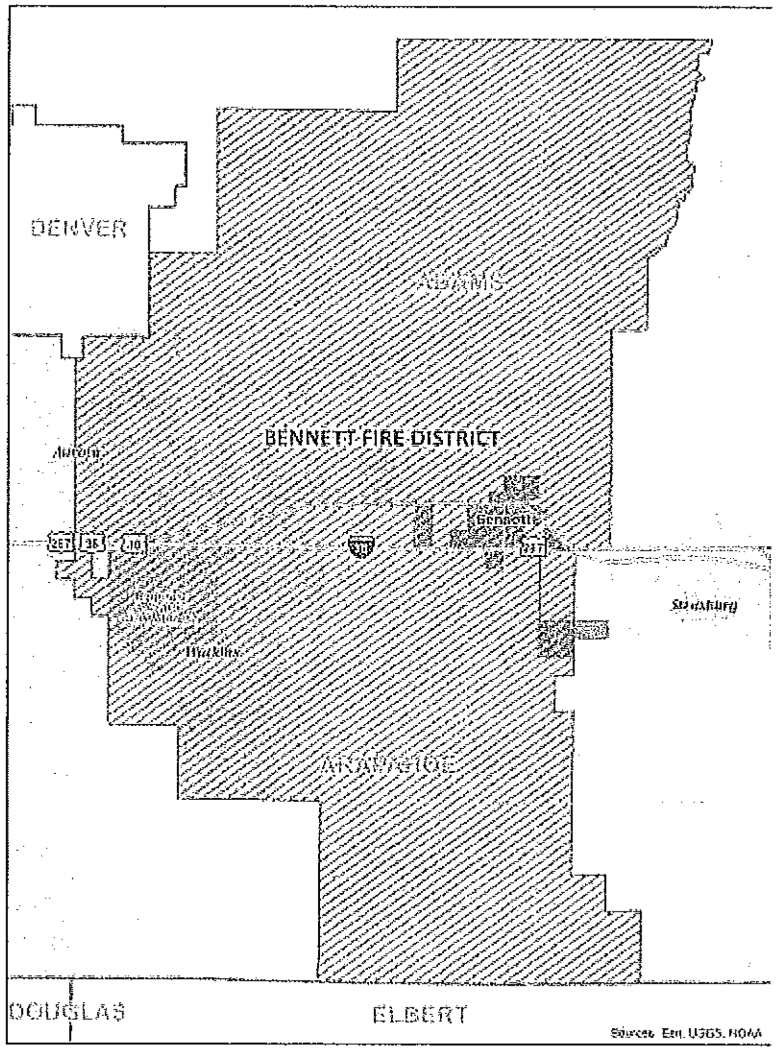
[1] Prosper – Fiscal Impacts on Arapahoe County: Absorption Figures as of January 12, 2012

Figure A-1.
Location of Prosper Development within the BFPD

Source:

Arapahoe County Planning and BBC Research & Consulting, 2015.



Projected Costs. Based on the cost analysis described above, the Prosper Development is projected to cost approximately $4.1 million for annual service operations at build out. Additionally, the development could require nearly $19.4 million in capital investment. Cost estimates for the Prosper Development are shown on the following page.

Figure A-2.
Prosper Development
BFPD Service Costs

Notes:

Per Unit costs calculated in the report.

Source:

BBC Research & Consulting, 2015.

Fiscal Summary

Costs	Per Unit	Build Out Total
Annual Operational Costs		
Residential	$316	$2,777,670
Non-Residential (1,000 sq.ft.)	$152	$1,312,138
Total		**$4,089,808**
One-Time Capital Investment		
Residential	$1,500	$13,201,500
Non-Residential (1,000 sq.ft.)	$720	$6,217,200
Total		**$19,418,700**

Projected Revenues. Property tax, specific ownership tax, and EMS fees are the primary revenue source for the District. Property tax is modeled separately while specific ownership tax revenues and EMS fees are molded together as "other revenues." The District also receives grants and outside funding, but due to the uncertainty of these revenues, they are not included in this analysis. Commercial property generates more property tax revenue per dollar of actual real property value than residential because of different assessment ratios for residential versus commercial property in Colorado (7.96% vs. 29%). Since early Prosper construction activity is primarily residential, operational costs are initially higher than revenues. However as the commercial land develops, the mill levy generates sufficient property tax revenues to cover operational costs.

Revenues are summarized below in Figure A-3. Annual revenues based on actual values reported in the absorption schedule shown in attached Figure A-6. Other revenues are projected to be generated at the same per unit rate as they are currently.

Figure A-3.
Prosper Development BFPD Annual Revenues

Note:

Property tax revenues are lagged one year after building completion.

Source:

BBC Research and Consulting based on actual values from Prosper – Fiscal Impacts on Arapahoe County: Absorption Figures as of January 12, 2012

Fiscal Summary		
Revenues	Per Unit	Build Out Total
Property Tax Revenues		
Residential	$162	$1,421,371
Non-Residential (1,000 sq.ft.)	$351	$3,029,616
Total		**$4,450,986**
Other Revenues		
Residential	$59	$517,511
Non-Residential (1,000 sq.ft.)	$28	$244,466
Total		**$761,977**
Total Revenues		
Residential	$220	$1,938,882
Non-Residential (1,000 sq.ft.)	$379	$3,274,082
Total		**$5,212,964**

By build out, the Prosper Development will generate nearly $5.2 million in total annual revenues.

Summary of Fiscal Impact

BBC estimates that revenues generated by the potential Prosper development will be sufficient to cover annual operational costs at build out. There could potentially be a period when service costs exceed revenues, but this will be resolved as development (particularly commercial) continues. Total costs and revenues are shown in Figure A-4 on the following page. It should be noted that per unit costs are applicable to any development within the District. Per unit property tax revenues, however, are specific to the Prosper development.

Figure A-4.
Fiscal Summary for the Prosper Development

Note:
Cost not unique to Prosper development.
Revenues are Prosper specific

Source:
BBC Research & Consulting, 2015

Fiscal Summary		
Revenues	**Per Unit**	**Build Out Total**
Property Tax Revenues		
Residential	$162	$1,421,371
Non-Residential (1,000 sq.ft.)	$351	$3,029,616
Total		**$4,450,986**
Other Revenues		
Residential	$59	$517,511
Non-Residential (1,000 sq.ft.)	$28	$244,466
Total		**$761,977**
Total Revenues		
Residential	$220	$1,938,882
Non-Residential (1,000 sq.ft.)	$379	$3,274,082
Total		**$5,212,964**
Costs	**Per Unit**	**Build Out Total**
Annual Operational Costs		
Residential	$316	$2,777,670
Non-Residential (1,000 sq.ft.)	$152	$1,312,138
Total		**$4,089,808**
One-Time Capital Investment		
Residential	$1,500	$13,201,500
Non-Residential (1,000 sq.ft.)	$720	$6,217,200
Total		**$19,418,700**

As shown in A-5 BBC estimates that by build out, the Prosper development will generate approximately $1.1 million more than it costs to serve annually. The development also will necessitate nearly $19.4 million in capital investments. The majority of this cannot be funded with existing revenue sources, therefore recoupment of these capital costs will need to be obtained through negotiations with developers and incorporated into development agreements.

Figure A-5.
Fiscal Summary for the Prosper Development (at build out)

Source:
BBC Research & Consulting, 2015.

Fiscal Summary	
Annual Operations	
Revenues	$5,212,964
Costs	($4,089,808)
Total Balance	**$1,123,156**
One-Time Capital Investment	
Residential	$13,201,500
Non-Residential (1,000 sq.ft.)	$6,217,200
Total	**$19,418,700**

Figure A-6.
Annual Development, Costs, and Revenues for Prosper Development

Development Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
Cumulative Completed Development																
Residential Units	-	60	160	303	506	705	921	1,178	1,498	1,862	2,209	2,528	2,717	2,950	3,175	3,444
Commercial Sq.Ft.	-	-	167,400	337,400	522,400	712,400	912,400	1,087,400	1,549,800	1,954,800	2,254,800	2,654,800	2,854,800	3,239,800	3,389,800	3,644,800
Annual																
Total Revenues	$0	$2,088	$19,527	$78,256	$167,253	$275,143	$377,722	$520,298	$663,415	$916,606	$1,166,897	$1,343,635	$1,587,785	$1,702,091	$1,913,380	$2,020,604
Total Expenditures	$0	$18,937	$75,935	$146,899	$239,080	$330,757	$429,320	$537,023	$708,282	$884,706	$1,039,809	$1,201,270	$1,291,311	$1,423,351	$1,517,156	$1,640,804
Net Revenues	$0	-$16,848	-$56,408	-$68,643	-$71,827	-$55,614	-$51,598	-$16,726	-$44,867	$31,900	$127,088	$142,365	$296,474	$278,740	$396,223	$379,800

Development Year	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32
Cumulative Completed Development																
Residential Units	3,700	4,050	4,290	4,685	4,989	5,364	5,611	5,860	6,070	6,345	6,687	7,130	7,628	8,288	8,801	8,801
Commercial Sq.Ft.	3,847,200	4,162,200	4,332,200	4,690,200	5,090,200	5,315,200	5,615,200	6,042,600	6,342,600	6,847,600	7,155,000	7,680,000	7,900,000	8,290,000	8,635,000	8,635,000
Annual																
Total Revenues	$2,196,195	$2,299,708	$2,420,173	$2,528,327	$2,773,474	$2,944,360	$3,156,990	$3,303,855	$3,486,251	$3,643,647	$3,920,235	$4,069,483	$4,315,969	$4,478,157	$4,715,793	$4,902,024
Total Expenditures	$1,752,355	$1,910,684	$2,012,263	$2,191,328	$2,348,056	$2,500,599	$2,624,141	$2,767,673	$2,879,538	$3,043,068	$3,197,717	$3,417,308	$3,607,912	$3,875,476	$4,089,808	$4,089,808
Net Revenues	$443,840	$389,023	$407,911	$336,999	$425,419	$443,762	$532,849	$536,182	$606,713	$600,579	$722,518	$652,174	$708,057	$602,681	$625,985	$812,216

Note: Development is assumed to be completed one year after construction begins. Property tax revenues are lagged one year from completion (two years from construction start). Thirty-two years are shown in order to account for this staggered timing.

Source: Prosper – Fiscal Impacts on Arapahoe County: Absorption Figures as of January 12, 2012 and BBC Research & Consulting, 2015.

Appendix B
Bennett Crossing Development

In order to estimate annual service costs associated with the Bennett Crossing development (Bennett Crossing), the incremental cost increases calculated in the report are applied to specific development projections.

In the case of Bennett Crossing, projected revenues are expected to be sufficient to cover operating annual operating costs by build out. The project will likely produce annual revenues of $249 per residential unit and $361 per 1,000 non-residential square feet. Due to the composition of land uses, the first years of development are likely to produce less revenue than necessary to serve the new development. However, as commercial land develops, the higher assessment ratio will help generate sufficient property tax revenues to serve the entire Bennett Crossing development.

The necessary costs associated with capital investments to serve the new community may be recovered through negotiations and agreements with the developer and metro districts. In order to fully recover the investment, the District would need to collect approximately $1,500 per residential unit and $720 per 1,000 non-residential square feet.

Development assumptions. The Bennett Crossing development is expected to occupy nearly 300 acres within the Town of Bennett, at the end of a 15 year buildout period, approximately 590 new residential units and 830,000 non-residential square feet will be built.[2] This includes 135 hotel rooms. The development schedule used in this analysis is shown in Figure B-5.

[2] Bennett Crossing Full Buildout Development Timetable Estimate sent from Michelle Gayeski August, 2015

Projected Costs. Based on the cost analysis described above, the Bennett Crossing Development is projected to cost approximately $300,000 for annual service operations at build out. Additionally, the development could require nearly $1.5 million in capital investment. Cost estimates for the Bennett Crossing Development are shown below.

Figure B-1.
Bennett Crossing Development BFPD Service Costs

Notes:

Cost not unique to Bennett Crossing development.

Source:

BBC Research & Consulting, 2015.

Fiscal Summary		
Costs	**Per Unit**	**Build Out Total**
Annual Operational Costs		
Residential	$316	$184,947
Non-Residential (1,000 sq.ft.)	$152	$125,265
Total		**$310,211**
One-Time Capital Investment		
Residential	$1,500	$879,000
Non-Residential (1,000 sq.ft.)	$722	$595,181
Total		**$1,474,181**

Projected Revenues. Property tax, specific ownership tax, and EMS fees are the primary revenue source for the District. Property tax is modeled separately while specific ownership tax revenues and EMS fees are molded together as "other revenues." The District also receives grants and outside funding, but due to the uncertainty of these revenues, they are not included in this analysis. Commercial property generates more property tax revenue per dollar of actual real property value than residential because of different assessment ratios for residential versus commercial property in Colorado (7.96% vs. 29%). Since early Bennett Crossing construction activity is primarily residential, operational costs are initially higher than revenues. However as the commercial land develops, the mill levy generates sufficient property tax revenues to cover operational costs.

Revenues are summarized in Figure B-2. Annual revenues based on actual values reported in the absorption schedule shown in attached Figure B-5. Other revenues are projected to be generated at the same per unit rate as they are currently.

Figure B-2.
Bennett Crossing Development
BFPD Annual Revenues

Note:

Property tax revenues are lagged one year after building completion.

Source:

BBC Research and Consulting based on actual Bennett Crossing Full Buildout Development Timetable Estimate sent from Michelle Gayeski August, 2015

Fiscal Summary		
Revenues	Per Unit	Build Out Total
Property Tax Revenues		
Residential	$191	$111,720
Non-Residential (1,000 sq.ft.)	$333	$274,261
Total		**$385,982**
Other Revenues		
Residential	$59	$34,458
Non-Residential (1,000 sq.ft.)	$28	$23,338
Total		**$57,796**
Total Revenues		
Residential	$249	$146,178
Non-Residential (1,000 sq.ft.)	$361	$297,600
Total		**$443,777**

By build out, the Bennett Crossing Development will generate nearly $434,000 in total annual revenues.

Summary of Fiscal Impact

BBC estimates that revenues generated by the potential Bennett Crossing development will be sufficient to cover annual operational costs at build out. There could potentially be a period when service costs exceed revenues, but this will be resolved as development (particularly commercial) continues. Total costs and revenues are shown in Figure B-3 on the following page. It should be noted that per unit costs are applicable to any development within the District. Per unit property tax revenues, however, are specific to the Bennett Crossing development.

Figure B-3
Fiscal Summary for the Bennett Crossing Development

Note:

Cost not unique to Bennett Crossing development.

Revenues are Bennett Crossing specific

Source:

BBC Research & Consulting, 2015

Fiscal Summary		
Revenues	Per Unit	Build Out Total
Property Tax Revenues		
Residential	$191	$111,720
Non-Residential (1,000 sq.ft.)	$333	$274,261
Total		**$385,982**
Other Revenues		
Residential	$59	$34,458
Non-Residential (1,000 sq.ft.)	$28	$23,338
Total		**$57,796**
Total Revenues		
Residential	$249	$146,178
Non-Residential (1,000 sq.ft.)	$361	$297,600
Total		**$443,777**
Costs	Per Unit	Build Out Total
Annual Operational Costs		
Residential	$316	$184,947
Non-Residential (1,000 sq.ft.)	$152	$125,265
Total		**$310,211**
One-Time Capital Investment		
Residential	$1,500	$879,000
Non-Residential (1,000 sq.ft.)	$720	$593,532
Total		**$1,472,532**

As shown in Figure B-4, BBC estimates that by build out, the Bennett Crossing development will generate approximately $134,000 more than it costs to serve annually. The development also will necessitate nearly $1.5 million in capital investments. The majority of this cannot be funded with existing revenue sources, therefore recoupment of these capital costs will need to be obtained through negotiations with developers and incorporated into development agreements.

Figure B-4
Fiscal Summary for the Bennett Crossing Development (at 15-year build out)

Source:

BBC Research & Consulting, 2015.

Fiscal Summary	
Annual Operations	
Revenues	$443,777
Costs	($310,211)
Total Balance	**$133,566**
One-Time Capital Investment	
Residential	$879,000
Non-Residential (1,000 sq.ft.)	$593,532
Total	**$1,472,532**

Figure B-5.
Annual Development, Costs, and Revenues for Bennett Crossing Development

Development Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
Cumulative Completed Development																
Residential Units	-	24	246	430	575	586	586	586	586	586	586	586	586	586	586	586
Commercial Sq.Ft.	-	22,000	87,390	154,390	294,350	354,350	399,350	459,350	569,350	569,350	634,350	664,350	694,350	724,350	824,350	824,350
Annual																
Total Revenues	$0	$2,034	$29,280	$96,112	$165,025	$253,704	$282,632	$297,245	$317,149	$351,375	$353,215	$375,374	$383,973	$392,571	$403,151	$423,815
Total Expenditures	$0	$10,918	$90,919	$159,172	$226,203	$238,792	$245,630	$254,747	$271,463	$271,463	$281,340	$285,898	$290,457	$295,016	$310,211	$310,211
Net Revenues	$0	-$8,884	-$61,640	-$63,060	-$61,178	$14,912	$37,002	$42,498	$45,687	$79,912	$71,875	$89,476	$93,516	$97,555	$92,940	$113,604

Note: Development is assumed to be completed one year after construction begins. Property tax revenues are lagged one year from completion (two years from construction start). Sixteen years are shown in order to account for this staggered timing.
Square footage of hotel is calculated based on average hotel sizes of 48,000 square feet with 115 rooms. This size (417sf/room) is applied to the Bennett Crossing development assumption of 135 rooms.

Source: Bennett Crossing Full Buildout Development Timetable Estimate sent from Michelle Gayeski August, 2015.

Appendix C
Muegge Farms Development

In order to estimate annual service costs associated with the Muegge Farms development (Muegee Farms), the incremental cost increases calculated above are applied to specific development projections.

Development assumptions. Muegge Farms is expected to have approximately 480 dwelling units, 90 acres of commercial space, and 120 acres of office space.

Projected Costs. Based on the cost analysis described above, the Muegee Farms Development is projected to cost approximately $436,000 for annual service operations at build out. Additionally, the development could require nearly $2.1 million in capital investment. Cost estimates for the Muegee Farms Development are shown below.

Figure C-1.
Muegge Farms Development BFPD Service Costs

Notes:

Non-residential values are based on 10,000 sq.ft/acre for office and 7,000 sq.ft./acre for general commercial land uses.

Source:

Outline Development Plan 1st Amendment—Muegge Farms Development Plan and BBC Research & Consulting.

Muegge Farms Fiscal Summary	Per Unit	Build Out Total
Annual Operational		
Residential	$316	$151,492
Non-Residential (1,000 S.F)	$152	$284,765
Total		$436,257
One-Time Capital		
Residential	$1,500	$720,000
Non-Residential (1,000 S.F)	$720	$1,349,280
Total		$2,069,280

Projected Revenues. Property tax, specific ownership tax, and EMS fees are the primary revenue source for the District. Property tax is modeled separately while specific ownership tax revenues and EMS fees are molded together as "other revenues." The District also receives grants and outside funding, but due to the uncertainty of these revenues, they are not included in this analysis. Commercial property generates more property tax revenue per dollar of actual real property value than residential because of different assessment ratios for residential versus commercial property in Colorado (7.96% vs. 29%).

Revenues are summarized in Figure C-2. Annual revenues based are based on an average dwelling unit value of $250,000 and a non-residential value of $150 per square foot, based on discussions with the Town of Bennett.

Figure C-2.
Muegee Farms Development
BFPD Annual Revenues

Note:

Property tax revenues are lagged one year after building completion.

Source:

Outline Development Plan 1st Amendment—Muegge Farms Development Plan and BBC Research & Consulting.

Muegge Farms Fiscal Summary	Per Unit	Build Out Total
Revenues		
Residential		
Property Tax Revenue	$177	$85,080
Other Revenues	$59	$81,280
Total		$166,359
Non-Residential (1,000 S.F)		
Property Tax Revenue	$387	$726,090
Other Revenues	$28	$53,055
Total		$779,145
Development Total		**$945,504**

By build out, the Muegge Farms Development will generate nearly $946,000 in total annual revenues.

Summary of Fiscal Impact

BBC estimates that revenues generated by the potential Muegge Farms development will be sufficient to cover annual operational costs at build out. Depending on development timing, there could potentially be a period when service costs exceed revenues, but this will be resolved as development (particularly commercial) continues. Total costs and revenues are shown in Figure C-3. It should be noted that per unit costs are applicable to any development within the District. Per unit revenues, however, are specific to the Muegge Farms development.

Figure C-3.
Fiscal Summary for the Muegge Farms

Note:

Cost not unique to Muegge Farms

Revenues are Muegge Farms specific

Source:

BBC Research & Consulting, 2015

Muegge Farms Fiscal Summary	Per Unit	Build Out Total
Revenues		
Residential		
Property Tax Revenue	$177	$85,080
Other Revenues	$59	$81,280
Total		$166,359
Non-Residential (1,000 S.F)		
Property Tax Revenue	$387	$726,090
Other Revenues	$28	$53,055
Total		$779,145
Development Total		**$945,504**
Costs		
Annual Operational		
Residential	$316	$151,492
Non-Residential (1,000 S.F)	$152	$284,765
Total		**$436,257**
One-Time Capital		
Residential	$1,500	$720,000
Non-Residential (1,000 S.F)	$720	$1,349,280
Total		**$2,069,280**

As shown in Figure C-4, BBC estimates that at build out, the Muegge Farms development will generate approximately $509,000 more than it costs to serve annually.

Figure C-4
Fiscal Summary for Muegge Farms (at build out)

Source:
BBC Research & Consulting, 2015.

Fiscal Summary	
Annual Operations	
Revenues	$945,504
Costs	($436,257)
Total Balance	**$509,247**
One-Time Capital Investment	
Residential	$720,000
Non-Residential (1,000 sq.ft.)	$1,349,280
Total	**$2,069,280**

The development also will necessitate nearly $2.1 million in capital investments. The majority of this cannot be funded with existing revenue sources, therefore recoupment of these capital costs will need to be obtained through negotiations with developers and incorporated into development agreements.

Appendix D
Penrith Park Development

In order to estimate annual service costs associated with the Penrith Park development (Penrith Park), the incremental cost increases calculated above are applied to specific development projections.

Development assumptions. Penrith Park is expected to have approximately 130 dwelling units within the Town of Bennett.

Summary of Fiscal Impact

BBC estimates that revenues generated by the potential Penrith Park development slightly exceed revenues at buildout. This is not uncommon for purely residential development given the lower assessment ratio for residential properties. Total costs and revenues are shown in Figure D-1 on the following page. It should be noted that per unit costs are applicable to any development within the District. Per unit property tax revenues, however, are specific to the Penrith Park development.

Figure D-1
Fiscal Summary for the Bennett Crossing Development

Note:

Average home value is assumed to be $250,000 based on discussions with the Town of Bennett

Source:

Penrith Park Subdivision, Overall Site Plan with Utilities 10/22/02 and. BBC Research & Consulting, 2015

Penrith Park Fiscal Summary	Per Unit	Build Out Total
Development		
Residential Units		130
Non-Residential Sq.Ft.		
Revenues		
Property Tax Revenue	$177	$23,042
Other Revenues	$59	$7,644
Total	$236	$30,687
Costs		
Operational	$316	$41,029
One-Time Capital	$1,500	$195,000

As shown in Figure D-2, BBC estimates that at build out, the Penrith Park development will generate approximately $10,000 less than it costs to serve annually. The development also will necessitate nearly $300,000 in capital investments. The majority of this cannot be funded with existing revenue sources, therefore recoupment of these capital costs will need to be obtained through negotiations with developers and incorporated into development agreements.

Figure D-2
Fiscal Summary for Penrith Park (at build out)

Fiscal Summary	
Annual Operations	
Revenues	$30,687
Costs	($41,029)
Total Balance	**($10,343)**
One-Time Capital Investment	
Residential total	$270,000

Source:

BBC Research & Consulting, 2015.

Appendix E
Prospect Ridge Development

In order to estimate annual service costs associated with the Prospect Ridge development (Prospect Ridge), the incremental cost increases calculated above are applied to specific development projections.

Development assumptions. Prospect Ridge is expected to have approximately 180 dwelling units within the Town of Bennett.

Summary of Fiscal Impact

BBC estimates that revenues generated by the potential Prospect Ridge development slightly exceed revenues at buildout. This is not uncommon for purely residential development given the lower assessment ratio for residential properties. Total costs and revenues are shown in Figure E-1 below. It should be noted that per unit costs are applicable to any development within the District. Per unit revenues, however, are specific to the Prospect Ridge development.

Figure E-1.
Fiscal Summary for the Bennett Crossing Development

Note:

Average home value is assumed to be $250,000 based on discussions with the Town of Bennett

Source:

Preliminary Utility Plan Prospect Ridge, 03/30/04

BBC Research & Consulting, 2015

Prospect Ridge Fiscal Summary	Per Unit	Build Out Total
Development		
Residential Units		180
Non-Residential Sq.Ft.		0
Revenues		
Property Tax Revenue	$177	$31,905
Other Revenues	$59	$10,584
Total	$236	$42,489
Costs		
Operational	$316	$56,810
One-Time Capital	$1,500	$270,000

BBC estimates that at build out, the Prospect Ridge development will generate approximately $14,000 less than it costs to serve annually. The development also will necessitate nearly $270,000 in capital investments, as shown in Figure E-2. The majority of this cannot be funded with existing revenue sources, therefore recoupment of these capital costs will need to be obtained through negotiations with developers and incorporated into development agreements.

Figure E-2
Fiscal Summary for Prospect Ridge (at build out)

Source:

BBC Research & Consulting, 2015.

Fiscal Summary	
Annual Operations	
Revenues	$42,489
Costs	($56,810)
Total Balance	**($14,320)**
One-Time Capital Investment	
Residential total	$270,000

Summary of Impact Fees from all Districts:

Fire District	Current Study	Proposed IGA	Impact Fee (Single-Family)	Impact Fee (Multi-Family)	Impact Fee (Non-Residential)
Adams County Fire Protection	Yes	Yes	$422	$275	$0.30 per sq.ft
Bennett Fire	Yes	Yes	$1,500	$1500	$0.72 per sq.ft
Brighton Fire	Yes	Yes	$688	$550	$0.46 per sq.ft (commercial/retail) $0.06 per sq.ft (industrial/warehouse)
Byers Fire	-	-	-	-	-
Deer Trail Fire	Yes	Yes	$2,250	$2,250	$1.28 per sg.ft
North Metro Fire	Yes	Yes	$557	$436	$0.38 per sq.ft (commercial/ retail/office/institutional) $0.05 per sq.ft (industrial/flex)
Sable Altura	Yes	Yes	$679	$679	$0.47 per sq.ft
South Adams County	Yes	Yes	$732	$337	$0.46 per sq.ft
Southeast Weld	-	-	-	-	-
Strasburg Fire	Yes	Yes	$824	$526	$0.53 per sq.ft