

# **Fiscal Impact of Development:**

## **Residential and Commercial Development**

**Impact to the Village of Hampshire and  
School Districts #158 and #300**

Hampshire, Illinois

Prepared for: Crown Community Development, L.L.C.  
February, 2005





February 10, 2005

Mr. Marvin Bailey  
Crown Community Development, L.L.C.  
3600 Thayer Court, Ste. 100  
Aurora, IL 60504

Dear Mr. Bailey:

Strategy Planning Associates, Inc. was asked by Crown Community Development, L.L.C to evaluate the fiscal impact to the budgets of the Village of Hampshire, School District #158 and to School District #300 from the proposed construction of the Prairie Ridge, Oakstead, Brier Hill and KB Homes development. This development is also expected to consist of approximately 3,366 homes and 4,090,000 square feet of commercial, office and industrial space.

An executive summary follows this transmittal letter, including tables and graphs that show the absorption rate, the projected revenues and expenses of the new project to the Village and the projected property tax revenues to other taxing districts.

A complete set of charts have been submitted under separate cover. These tables show the full term of the development on a yearly basis until 2035.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Hovany".

Steven J. Hovany, AICP  
President  
STRATEGY PLANNING ASSOCIATES, INC.

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## EXECUTIVE SUMMARY

### FISCAL STUDY CONCLUSIONS

Strategy Planning Associates, Inc. was asked by Crown Community Development, L.L.C to evaluate the fiscal impact to the budgets of the Village of Hampshire, School District #158 and to School District #300 from the proposed construction of the Prairie Ridge, Oakstead, Brier Hill and KB Homes development. This development is also expected to consist of approximately 3,366 homes and 4,090,000 square feet of commercial, office and industrial space.

The primary purpose of this study is to show the relationship between revenues and expenses that results from the new development. All future dollar figures are in current dollar terms, based on revenue sources and expenditure levels documented in the budget information provided to us by the Village. We make no allowance for the effects of inflation on costs and likewise we make no allowance for the appreciation of property values and the resulting higher tax dollars resulting from higher assessed values. These adjustments would call for speculation and therefore would be debatable and distorting to the real objective of the study. The primary objective is to show the relationship between expected revenues versus expected expenditures -- the dollar amounts we show in future years merely represent this relationship.

Multipliers for average population per household and number of school children per household were obtained from Associated Municipal Consultants, Inc., 1996. These multipliers are the same source used by the Village of Hampshire, Illinois Municipal League and many other municipalities in Illinois.

#### **The development is expected to consist of four subdivisions - Prairie Ridge, Oakstead, Brier Hill Crossing and KB Homes:**

- The Prairie Ridge development will contain approximately 1,838 dwelling units with 1,338 being Single Family Detached and 500 being Single Family Attached. Of these units, the Detached homes will have a 3, 4 & 5 bedroom mix and the Attached homes will contain a mix of 2 and 3 bedrooms. Average base pricing for the Detached units will be \$290,000, this price does not include options or upgrades. Average base pricing for the Attached units will be \$155,000 this price does not include options or upgrades. In addition, an estimated 140,000 square feet of property will be developed into retail use.
- The Oakstead development will contain approximately 811 dwelling units with 568 being Single Family Detached and 243 being Single Family Attached. Of these units, the Detached homes will have a 3, 4 & 5 bedroom mix and the Attached homes will contain a mix of 2 and 3 bedrooms. Average base pricing for

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the Detached units will be \$316,667, this price does not include options or upgrades. Average base pricing for the Attached units will be \$165,000, this price does not include options or upgrades.

- The Brier Hill Crossing development will contain approximately 540 dwelling units with 274 being Single Family Detached and 266 being Single Family Attached Duplexes. Of these units, the Detached homes will have a 3 & 4 bedroom mix and the Attached homes will contain a mix of 2 and 3 bedrooms. Average base pricing for the Detached units will be \$250,000, this price does not include options or upgrades. Average base pricing for the Attached units will be \$170,000, this price does not include options or upgrades. In addition, an estimated 3,950,000 square feet of commercial property will be developed into larger retail and office/ industrial type uses with about 900,000 square feet being retail.

- The KB Homes development will contain approximately 177 Single Family Detached dwelling units. These units will have a 3 & 4 bedroom mix. Average base pricing for these Detached homes will be \$275,000, this price does not include options or upgrades.

**The main finding in the study are:**

- With recurring revenues estimated at \$7,104,990 per year and recurring expenses estimated at \$5,609,902 per year, we are projecting a surplus in revenue to the Village of \$1,495,089 per year.

- For School District #158 there are projected revenues of \$759,602 and projected operating expenses of \$547,821, providing an annual net operating surplus of \$211,781.

- The residents of the development will be paying taxes on existing capital facilities debt service in the amount of \$2,253,956 (net present value, -6%) over a period extending to the year 2035 to School District #158.

- For School District #300 there are projected revenues of \$15,702,186 and projected operating expenses of \$14,358,544, providing an annual net operating surplus of \$1,343,642.

- The residents of the development will be paying taxes on existing capital facilities debt service in the amount of \$15,696,387 (net present value, -6%) over a period extending to the year 2035 to School District #300.

- We project that, at full buildout, the total development will have a taxable value of \$374,780,0369. Applying the 2003 tax rates results in total annual property tax revenues of \$22,463,461 attributed to the new development.

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•For the Hampshire Fire District, with recurring revenues estimated at \$1,907,256 per year, and recurring expenses estimated at \$1,172,385 per year, we are showing a surplus of \$734,870 per year, assuming that all properties are ultimately consolidated within its boundaries.

•For the Hampshire Park District with recurring revenues estimated at \$449,736 per year, and recurring expenses estimated at \$332,072 per year, we are showing a surplus of \$117,664 per year.

•And finally, for the Ella Johnson Library, with recurring revenues estimated at \$489,838 per year, and recurring expenses estimated at \$377,574 per year, we are showing a surplus of \$112,263 per year.

### **Transition Fees**

These residential developments will also pay \$13.46 million in newly adopted Transition Fees which are not currently reflected in this study. The transition fee is \$4,000 per residential unit payable at the time a building permit is issued. The fees are not limited to capital items and may be used to offset annual operating deficits incurred by the respective government bodies.

### **Impact Fees**

These projections do not include any of the impact fees which the developments will pay to various governmental units pursuant to Hampshire Village Ordinances. These impact fees are assumed to be offset by corresponding capital expenditures.

### **Capital Expenditures**

The number attributed to capital expenditures in this report assumes that an amount equal to 15% of total operating expenditures generated in each year by the developments will be committed by the Village to finance capital expenditures. By utilizing multi-year capital budgets and financing plans, the Village has considerable discretion over the timing of these expenditures, either deferring or accelerating the yearly capital estimates shown in this report.

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## 1.0 HAMPSHIRE INTRODUCTION

Strategy Planning Associates, Inc. was asked by Crown Community Development, L.L.C to evaluate the fiscal impact to the budgets of the Village of Hampshire, School District #158 and to School District #300 from the proposed construction of the Prairie Ridge, Oakstead, Brier Hill and KB Homes development. This development is also expected to consist of approximately 3,366 homes and 4,090,000 square feet of commercial, office and industrial space.

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- The Brier Hill Crossing development will contain approximately 540 dwelling units with 274 being Single Family Detached and 266 being Single Family Attached Duplexes. Of these units, the Detached homes will have a 3 & 4 bedroom mix and the Attached homes will contain a mix of 2 and 3 bedrooms. Average base pricing for the Detached units will be \$250,000, this price does not include options



or upgrades. Average base pricing for the Attached units will be \$170,000, this price does not include options or upgrades. In addition, an estimated 3,950,000 square feet of commercial property will be developed into larger retail and office/ industrial type uses with about 900,000 square feet being retail.

- The KB Homes development will contain approximately 177 Single Family Detached dwelling units These units will have a 3 & 4 bedroom mix. Average base pricing for these Detached homes will be \$275,000, this price does not include options or upgrades.

### **1.1 Occupancy Schedule**

In this report, we assume that residential occupancy will start in 2006 and commercial occupancy will begin at various times throughout the 30 year project schedule. **We will highlight 10, 20 and 30 year figures.**

### **1.2 Population Generation<sup>1</sup>**

We are projecting an ultimate population of 10,435 new residents in the community by the end of year 2015. Of these residents, we project 2,699 will be school age children. Because the development is serviced by two school districts, the following breakouts show student distribution.

In Unit School District #300 we are expecting 2,548 students, including 732 high school age students, 631 junior high age, and 1,185 elementary school age students.<sup>2</sup>

In Unit School District #158 we are expecting 151 students, including 41 high school age students, 37 junior high age, and 73 elementary school age students.

The projected total population is outlined in Table 2, while the new student population is shown in Table 3 & Table 4.

### **1.3 Estimated Total Market Value and Taxable Value**

At full build out of the development, the total taxable value will be \$374,780,036 (Residential \$264,930,036 and Commercial \$109,850,000) (Table 5).

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1. We base our population projections on the latest (1996) factors provided by Associated Municipal Consultants, Inc.; also known as the Illinois School Consulting Service, in Naperville, Illinois.
  2. We use Microsoft Excel spreadsheets to make calculations. Some of the figures presented may vary slightly from the figures determined by using a calculator. These differences are small, and are not significant to the determination of the fiscal impact.

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## HAMPSHIRE INTRODUCTION

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We project that the total taxable value 10 years into the development will be \$307,930,036, (Residential \$264,930,036 and Commercial \$43,000,000), 20 years into the development will be \$343,763,369 (Residential \$264,930,036 and Commercial \$78,833,333) and at the 30 year mark of the development total taxable value will be \$374,780,036 (Residential \$264,930,036/Commercial \$109,850,000) (Table 5).

The taxable value for the residential portion of the development was calculated by multiplying the assessor's market value per unit by the number of units, and then multiplying that amount by the County assessment rate of 33.33%. We then deducted a homestead exemption of \$3,500 per residential unit.

For the commercial component of the development, we multiplied the assessor's market value per square foot, by the size of the commercial development and then multiplying that amount by the County assessment rate of 33.33%.

We are using assessor's market value in this study and not sales market value, appraisal, or construction values, which would be much higher. Market values in this study are used solely for the basis of projected property tax figures and the subsequent impact of taxes on districts.

**TABLE 1. Development and Absorption Schedule**

New Units Constructed/ Occupied Per Year	Avg. Value/ Unit	Project Year										2015	2025	2035			
		2006	2007	2008	2009	2010	2011	2012	2013	2014							
Single Family Detached																	
3 bedroom	\$266,754	21	112	282	234	0	0	0	0	0	0	0	0	0	0	0	0
4 bedroom	\$288,747	12	75	262	252	310	305	200	70	26	0	0	0	0	0	0	0
5 bedroom	\$328,750	22	74	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Single Family Attached																	
2 bedroom	\$153,268	60	60	60	60	50	50	50	50	30	0	0	0	0	0	0	0
3 bedroom	\$163,280	35	35	35	35	35	35	13	0	0	0	0	0	0	0	0	0
Single Family Duplex																	
2 bedroom	\$160,000	0	100	100	0	0	0	0	0	0	0	0	0	0	0	0	0
3 bedroom	\$180,000	0	33	33	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative Units Constructed Per Year		150	489	772	581	395	390	263	120	56	0	0	0	0	0	0	0
<b>Cumulative Units Constructed</b>		<b>150</b>	<b>639</b>	<b>1,411</b>	<b>1,992</b>	<b>2,387</b>	<b>2,777</b>	<b>3,040</b>	<b>3,310</b>	<b>3,366</b>	<b>3,366</b>	<b>3,366</b>	<b>3,366</b>	<b>3,366</b>	<b>3,366</b>	<b>3,366</b>	<b>3,366</b>
Commercial Space Occupied Per Year	Value/ Square Foot																
Prairie Ridge Retail	\$100	0	0	12000	60,000	30,000	12,000	14,000	12000	0	0	0	0	0	0	0	0
Brier Hill Retail	\$100	0	0	0	0	100,000	0	100,000	0	100,000	0	0	0	0	0	0	0
Office	\$100	0	0	0	0	100,000	0	0	100,000	0	0	0	0	0	0	0	0
Industrial	\$65	0	0	150,000	150,000	150,000	150,000	150,000	150,000	0	100,000	100,000	100,000	100,000	100,000	100,000	0
Total Development Per Year		0	0	162,000	210,000	380,000	162,000	264,000	262,000	100,000	100,000	100,000	100,000	100,000	150,000	150,000	0
Cumulative Non- Residential Space Constructed		0	0	162,000	372,000	752,000	914,000	1,178,000	1,440,000	1,540,000	1,640,000	1,640,000	1,640,000	1,640,000	2,890,000	4,090,000	4,090,000

**TABLE 2. Total Population**

UNITS BY BEDROOM COUNT	%	Year Residents Take Occupancy												
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035	
Single Family Detached 3 bedroom	100%	21	133	415	649	649	649	649	649	649	649	649	649	649
4 bedroom	100%	12	87	349	601	911	1,216	1,416	1,516	1,586	1,612	1,612	1,612	
5 bedroom	100%	22	96	96	96	96	96	96	96	96	96	96	96	
Single Family Attached 2 bedroom	100%	60	120	180	240	290	340	390	440	490	520	520	520	
3 bedroom	100%	35	70	105	140	175	210	223	223	223	223	223	223	
Single Family Duplex 2 bedroom	100%	0	100	200	200	200	200	200	200	200	200	200	200	
3 bedroom	100%	0	33	66	66	66	66	66	66	66	66	66	66	
<b>TOTAL UNITS</b>		<b>150</b>	<b>639</b>	<b>1,411</b>	<b>1,992</b>	<b>2,387</b>	<b>2,777</b>	<b>3,040</b>	<b>3,190</b>	<b>3,310</b>	<b>3,366</b>	<b>3,366</b>	<b>3,366</b>	
<b>TOTAL POPULATION</b>	<b>People/ Unit*</b>													
Single Family Detached 3 bedroom	2.899	61	386	1,203	1,881	1,881	1,881	1,881	1,881	1,881	1,881	1,881	1,881	
4 bedroom	3.764	45	327	1,314	2,262	3,429	4,577	5,330	5,706	5,970	6,068	6,068	6,068	
5 bedroom	3.770	83	362	362	362	362	362	362	362	362	362	362	362	
Single Family Attached 2 bedroom	1.990	119	239	358	478	577	677	776	876	975	1,035	1,035	1,035	
3 bedroom	2.392	84	167	251	335	419	502	533	533	533	533	533	533	
Single Family Duplex 2 bedroom	1.990	0	199	398	398	398	398	398	398	398	398	398	398	
3 bedroom	2.392	0	79	158	158	158	158	158	158	158	158	158	158	
<b>TOTAL NUMBER OF RESIDENTS</b>		<b>392</b>	<b>1,759</b>	<b>4,044</b>	<b>5,874</b>	<b>7,224</b>	<b>8,555</b>	<b>9,439</b>	<b>9,914</b>	<b>10,277</b>	<b>10,435</b>	<b>10,435</b>	<b>10,435</b>	

\*Population multipliers were obtained from Associated Municipal Consultants, Inc. 1996.

**TABLE 3. Projected Student Population School District #300 (Student Population Levels out at Year 2015)**

UNITS BY BEDROOM COUNT	%	Year Residents Take Occupancy													
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035		
Single Family Detached 3 bedroom	100%	21	133	351	585	585	585	585	585	585	585	585	585	585	585
4 bedroom	100%	12	87	281	533	843	1,148	1,348	1,448	1,518	1,544	1,544	1,544	1,544	1,544
5 bedroom	100%	22	96	96	96	96	96	96	96	96	96	96	96	96	96
Single Family Attached 2 bedroom	100%	60	120	180	240	290	340	390	440	490	520	520	520	520	520
3 bedroom	100%	35	70	105	140	175	210	223	223	223	223	223	223	223	223
Single Family Duplex 2 bedroom	100%	0	100	117	117	117	117	117	117	117	117	117	117	117	117
3 bedroom	100%	0	33	39	39	39	39	39	39	39	39	39	39	39	39
TOTAL UNITS		150	639	1,169	1,750	2,145	2,535	2,798	2,948	3,068	3,124	3,124	3,124	3,124	3,124
TOTAL POPULATION	People/ Unit*														
Single Family Detached 3 bedroom	2.899	61	386	1,018	1,696	1,696	1,696	1,696	1,696	1,696	1,696	1,696	1,696	1,696	1,696
4 bedroom	3.764	45	327	1,058	2,006	3,173	4,321	5,074	5,450	5,714	5,812	5,812	5,812	5,812	5,812
5 bedroom	3.770	83	362	362	362	362	362	362	362	362	362	362	362	362	362
Single Family Attached 2 bedroom	1.990	119	239	358	478	577	677	776	876	975	1,035	1,035	1,035	1,035	1,035
3 bedroom	2.392	84	167	251	335	419	502	533	533	533	533	533	533	533	533
Single Family Duplex 2 bedroom	1.990	0	199	233	233	233	233	233	233	233	233	233	233	233	233
3 bedroom	2.392	0	79	93	93	93	93	93	93	93	93	93	93	93	93
TOTAL NUMBER OF RESIDENTS		392	1,759	3,373	5,203	6,553	7,884	8,767	9,243	9,606	9,764	9,764	9,764	9,764	9,764

\*Population multipliers were obtained from Associated Municipal Consultants, Inc. 1996.

**TABLE 4. Projected Student Population School District #158 (Student Population Levels out at Year 2008)**

UNITS BY BEDROOM COUNT	%	Year Residents Take Occupancy													
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035		
Single Family Detached 3 bedroom	100%	0	0	64	64	64	64	64	64	64	64	64	64	64	64
4 bedroom	100%	0	0	68	68	68	68	68	68	68	68	68	68	68	68
5 bedroom	100%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Single Family Attached 2 bedroom	100%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 bedroom	100%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Single Family Duplex 2 bedroom	100%	0	0	83	83	83	83	83	83	83	83	83	83	83	83
3 bedroom	100%	0	0	27	27	27	27	27	27	27	27	27	27	27	27
<b>TOTAL UNITS</b>		0	0	242	242	242	242	242	242	242	242	242	242	242	242
<b>TOTAL POPULATION</b>	<b>People/ Unit*</b>														
Single Family Detached 3 bedroom	2.899	0	0	186	186	186	186	186	186	186	186	186	186	186	186
4 bedroom	3.764	0	0	256	256	256	256	256	256	256	256	256	256	256	256
5 bedroom	3.770	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Single Family Attached 2 bedroom	1.990	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 bedroom	2.392	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Single Family Duplex 2 bedroom	1.990	0	0	165	165	165	165	165	165	165	165	165	165	165	165
3 bedroom	2.392	0	0	65	65	65	65	65	65	65	65	65	65	65	65
<b>TOTAL NUMBER OF RESIDENTS</b>		0	0	671	671	671	671	671	671	671	671	671	671	671	671

\*Population multipliers were obtained from Associated Municipal Consultants, Inc. 1996.

**TABLE 5. Estimated Market and Taxable Value**

Year Recruits Move In	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035
Year Taxes Payable	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2026	2036
<b>RESIDENTIAL</b>												
Single Family Detached												
3 bedroom	\$266,754	\$35,478,255	\$10,702,825	\$173,123,212	\$173,123,212	\$173,123,212	\$173,123,212	\$173,123,212	\$173,123,212	\$173,123,212	\$173,123,212	\$173,123,212
4 bedroom	\$288,747	\$25,120,950	\$100,772,948	\$173,536,680	\$263,048,113	\$351,115,813	\$408,865,124	\$437,739,780	\$457,952,039	\$465,459,449	\$465,459,449	\$465,459,449
5 bedroom	\$328,750	\$31,560,000	\$31,560,000	\$31,560,000	\$31,560,000	\$31,560,000	\$31,560,000	\$31,560,000	\$31,560,000	\$31,560,000	\$31,560,000	\$31,560,000
Single Family Attached												
2 bedroom	\$153,268	\$18,392,101	\$27,588,151	\$36,784,201	\$44,447,576	\$52,110,952	\$59,774,327	\$67,437,702	\$75,101,077	\$79,699,102	\$79,699,102	\$79,699,102
3 bedroom	\$163,280	\$11,429,570	\$17,144,355	\$22,859,140	\$28,573,925	\$34,288,710	\$36,411,344	\$36,411,344	\$36,411,344	\$36,411,344	\$36,411,344	\$36,411,344
Single Family Duplex												
2 bedroom	\$160,000	\$16,000,000	\$32,000,000	\$32,000,000	\$32,000,000	\$32,000,000	\$32,000,000	\$32,000,000	\$32,000,000	\$32,000,000	\$32,000,000	\$32,000,000
3 bedroom	\$180,000	\$5,940,000	\$11,880,000	\$11,880,000	\$11,880,000	\$11,880,000	\$11,880,000	\$11,880,000	\$11,880,000	\$11,880,000	\$11,880,000	\$11,880,000
<b>RESIDENTIAL MARKET VALUE</b>	\$3,121,0124	\$143,920,875	\$331,647,878	\$481,743,234	\$584,632,826	\$686,078,686	\$753,614,007	\$790,152,038	\$818,027,672	\$830,133,108	\$830,133,108	\$830,133,108
<b>EQUALIZED ASSESSED VALUE</b>	\$10,403,375	\$47,973,625	\$110,549,293	\$160,581,078	\$194,877,609	\$228,692,895	\$251,204,669	\$263,384,013	\$272,675,891	\$276,711,036	\$276,711,036	\$276,711,036
<b>Homeside Exemption (\$3500 Unit)</b>	(\$525,000)	(\$2,236,500)	(\$4,958,500)	(\$6,972,000)	(\$8,354,500)	(\$9,719,500)	(\$10,640,000)	(\$11,165,000)	(\$11,585,000)	(\$11,781,000)	(\$11,781,000)	(\$11,781,000)
<b>RESIDENTIAL TAXABLE VALUE</b>	\$9,878,375	\$45,737,125	\$105,610,793	\$153,609,078	\$186,523,109	\$218,973,395	\$240,564,669	\$252,219,013	\$261,090,891	\$264,930,036	\$264,930,036	\$264,930,036
<b>COMMERCIAL</b>												
Prairie Ridge Retail	\$0	\$0	\$1,200,000	\$7,200,000	\$10,200,000	\$11,400,000	\$12,800,000	\$14,000,000	\$14,000,000	\$14,000,000	\$14,000,000	\$14,000,000
Erter Hill Retail	\$0	\$0	\$0	\$0	\$10,000,000	\$10,000,000	\$20,000,000	\$20,000,000	\$30,000,000	\$30,000,000	\$80,000,000	\$90,000,000
Office	\$0	\$0	\$0	\$0	\$10,000,000	\$10,000,000	\$10,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$45,000,000	\$78,000,000
Industrial	\$0	\$0	\$9,750,000	\$19,500,000	\$29,250,000	\$39,000,000	\$48,750,000	\$58,500,000	\$58,500,000	\$65,000,000	\$97,500,000	\$147,550,000
<b>COMMERCIAL MARKET VALUE</b>	\$0	\$0	\$10,950,000	\$26,700,000	\$59,450,000	\$70,400,000	\$91,550,000	\$112,500,000	\$122,500,000	\$129,500,000	\$236,500,000	\$329,550,000
<b>EQUALIZED ASSESSED VALUE/COMMERCIAL TAXABLE VALUE</b>	\$0	\$0	\$3,650,000	\$8,900,000	\$19,816,667	\$23,466,667	\$30,516,667	\$37,500,000	\$40,833,333	\$43,000,000	\$78,833,333	\$109,850,000
<b>TOTAL TAXABLE VALUE</b>	\$9,878,375	\$45,737,125	\$109,260,793	\$162,509,078	\$206,339,775	\$242,440,062	\$271,081,336	\$289,719,013	\$301,924,224	\$307,930,036	\$343,763,369	\$374,784,036

## **2.0 FISCAL IMPACT TO THE VILLAGE OF HAMPSHIRE**

The primary purpose of this study is to show the relationship between revenues and expenses that result from the new development. All future dollar figures are in current dollar terms, based on revenue sources and expenditure levels documented in the budget provided to us by the Village of Hampshire. We make no allowance for the effects of inflation on costs, and likewise, we make no allowance for the appreciation of property values and the resulting higher tax dollars resulting from higher assessed values.

The revenues and expenses estimated in this report reflect recurring annual revenues and recurring expenses related to the presence of the new population in the community.

Unless otherwise noted, our estimate of fiscal impact to Village of Hampshire is based on the budgeted revenues and expenses as shown in the projected budget for FY 2003-2004. We project the fiscal impact to the Village government as a whole, and not to specific departments.

We are not including revenues from building permits, inspection/review fees, or other such non-recurring fees in our revenue projections. We assume in this study that building permit fees, as well as any one-time plat review fees, are structured to meet costs of inspection services and planning staff services. Similarly, in this report we exclude revenues or expenses related to proprietary operations, such as the Water & Sewer funds. We assume up-front charges such as tap-on fees and user consumption fees are structured to meet costs of these services.

### **2.1 New Revenue Estimates**

Tables 6, 7, 8, 9 and Figure 1 show the estimates of new revenue to the Village of Hampshire from the proposed development.

#### **2.1.1 Property Tax Revenue**

Total property tax revenue to the Village would amount to \$1,795,009 annually to the Village of Hampshire, at full build out. This includes \$1,268,882 in residential property tax revenues and \$526,127 in commercial property tax revenues.

We are projecting the total annual property tax revenue to the Village at 10 years to be \$1,268,882, at 20 years to be \$1,268,882 and at the 30 year mark \$1,268,882. This revenue figure is determined by using the 2003 Hampshire municipal property tax rate of 0.3893 per \$100 of the equalized assessed value, and half of the Hampshire Township Road tax rate of 0.1793.



### 2.1.2 Sales Tax Revenue, Residential (Retail Occupancy Tax)

We estimate approximately \$298,848 in new sales tax revenue will be generated annually to the Village from new residential spending. The residential portion of the development will be completed by 2015 and therefore, Sales Tax revenue levels out at that point. Our estimate is based on the following assumptions:

1. The owners will have household incomes of at least \$98,649 assuming the rule of thumb that homeowners purchase homes with values 2.5 times their annual income.
2. Approximately 20% of income is spent on convenience goods, and 10% of income is spent on comparison goods.
3. Approximately 40% of convenience goods purchases are spent within Hampshire, and 10% of comparison goods purchases are spent within Hampshire;
  - convenience goods implies groceries, personal care services, etc.;
  - comparison goods implies cars, appliances, or clothing.
4. 100% of all goods purchased are taxable, from the viewpoint of the municipality. (Municipalities receive a 1% tax on grocery sales, as well 1% redistributed from the State on other goods.)

We note that the sales tax revenues described here are those resulting from the direct expenditures of new residents in existing businesses. However, there are further economic benefits likely to occur, because the new residents create demand for new businesses or expanded businesses. These new establishments can potentially create sales tax revenues beyond the figures estimated in this report.

#### *Local Sales Tax Revenue, Commercial*

The commercial portion of the development is expected to ultimately contain 1,040,000 square feet of retail space. The Urban Land Institute estimates sales at \$250 per square foot so the development is expected to produce annual sales at full build out of \$260,000,000.

Sales are expected, in 10 years, to reach \$110,000,000, 20 years \$235,000,000 and at the 30 year mark, \$260,000,000.

Using standards set by the Urban Land Institute, every 1,000 square feet of retail space will produce approximately 2.5 employees, office space nets 3.0 employees per 1,000 square feet and industrial space nets 2.0 employees per 1,000 square feet. The 1,040,000 total square feet of commercial space can then be expected to produce 2,600 new commercial employees, the office space will produce 2,340 new employees, and the industrial space will produce 3,405 new employees. There

are a total of 8,345 new commercial employees expected in the development.

Assuming that each employee spends, on average, \$6.00 in the Village of Hampshire per day, and with 250 working days in a year, we can expect \$12,517,500 in additional sales per year.

We realize that many of these employees may live in the new development. Therefore, in order to be conservative, we are adjusting this sales figure down by 70% in order to avoid double counting new residents. \$12,517,500 less 70% to avoid double counting new residents leaves \$3,755,250 in taxable sales from employee spending.

Municipalities receive 1% of total taxable sales, redistributed back from the state. With total commercial sales revenue projected to be \$263,755,250 at full build out, 1% of these sales are \$2,637,553. This figure adjusted by 2% to avoid double counting new residents amounts to \$2,584,801 in additional sales tax revenue to the municipality annually.

At the 10 year mark this figure is expected to reach \$1,092,112, at the 20 year mark this figure is expected to reach \$2,329,240 and will reach \$2,584,801 by the year 2035.

### **2.1.3 State Local Use Tax**

The State is expected to redistribute revenue from the Local Use Tax at a rate of \$9.25 per capita in 2005 (Illinois Municipal League, 2004), so with 10,435 new residents, an additional \$96,524 per year, beginning in 2015, can be generated.

### **2.1.4 Income Tax Redistribution**

The State is expected to redistribute the Income Tax to municipalities at a rate of \$64.50 per capita in 2005 (Illinois Municipal League, 2004). We project the new development will generate 10,435 new residents for the community. Thus, we estimate additional income tax revenues to the Village of \$673,059, beginning in 2015, annually.

### **2.1.5 Motor Fuel Tax**

The State is projected to redistribute fuels tax revenue to municipalities at an annual rate of \$29.15 per capita in 2005 (Illinois Municipal League, 2005). With 10,464 new residents in the development, we estimate approximately \$304,181 in new fuels tax revenue will be generated annually to the Village beginning in 2015.

### **2.1.6 Fines and Penalties**

The Village expects to receive \$60,000 in fines revenue from court fines and Vil-

lage fines in FY 2003-04. This equates to \$53.52 per household (approximately 1,121 households in Hampshire in 2003). However, to be more conservative, we assume that at most 20% of the revenue from fines can be directly related to the population of the community, or \$10.70 per household.

At \$10.70 per household, with 3,366 additional households from the new development, we project new revenue to the Village from court fines and Village fines of approximately \$36,032.

#### **2.1.7 Franchise and Maintenance Fees**

The Village expects to receive \$22,190 in franchise/maintenance fees in FY 2003-04. These franchise/maintenance fees amount to about \$19.79 per household (approximately 1,121 households in Hampshire in 2003). Using \$19.79 per household, we project the 3,368 new families will generate an additional \$66,629 in franchise/maintenance fees.

#### **2.1.8 Utility Tax**

The Village levies a 5% utility tax usage. The average utility tax revenue per household is estimated to be \$21.00 for each 1% of tax. With a 5% tax the average tax per household is about \$105 per year. With 3,368 new households in the development project \$353,430 in annual residential utility tax revenue to the Village.

For commercial uses, the utility tax is estimated at \$0.19 per square foot annually. We project at 10 years into the development, utility tax revenues for commercial will be \$317,365, at 20 years \$559,258 and at the 30 year mark, \$791,476 of estimated utility tax revenue to the Village is from the commercial portion of the development.

This produces total combined residential and commercial utility tax revenue to the municipality at the end of 30 years to be \$1,144,906.

#### **2.1.9 Transition Fees**

Transition fees are required to be paid by the developer to School Districts #158 (Huntley) and #300 (Hampshire), the Village of Hampshire, the Park District, Fire District and Library District. These fees are paid to either offset estimated costs incurred by the school district to cover the lag in property taxes, or to pay for related infrastructure. Total transition fees are expected to amount to \$13,464,000 by build out in 2015.

#### **2.1.10 Interest Revenue**

Revenues collected are often not needed for immediate use, and some portion is invested for short-term periods. This is particularly true with property tax reve-

nues, which are collected in lump sums. For communities the size of Hampshire, we typically use an investment return ratio of 1.5% of other revenues.

The revenue projections discussed so far in this report total \$7,104,990 by the year 2035. Using an average investment return of 1.5% on other revenues, we estimate annual interest earnings at \$105,00 in 2035.

#### **2.1.11 Total Revenues**

We project total recurring revenues to the Village of Hampshire (Table 9), 10 years into the development, at \$4,818,663, at 20 years to be \$6,459,111 and at the the 30 year mark to be, \$7,104,990.

**TABLE 6. Real Property Tax Revenue to the Village of Hampshire**

PROPERTY TAX	Tax Rate Per \$100 Taxable Value (2008) *	Assessment Year and Year Payable											
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
Residential Taxable Value		\$9,878,375	\$15,737,125	\$105,610,733	\$153,609,078	\$186,523,109	\$218,973,395	\$240,564,669	\$252,219,013	\$261,090,891	\$264,930,036	\$264,930,036	\$264,930,036
Residential Property Tax Revenue	0.47895	\$47,312	\$219,058	\$505,823	\$735,711	\$889,352	\$1,048,773	\$1,152,184	\$1,208,003	\$1,250,495	\$1,268,882	\$1,268,882	\$1,268,882
Commercial Taxable Value		\$0	\$0	\$3,650,000	\$9,900,000	\$19,816,667	\$23,466,667	\$30,516,667	\$37,500,000	\$40,833,333	\$43,000,000	\$78,833,333	\$109,850,000
Commercial Property Tax Revenue	0.47895	\$0	\$0	\$17,482	\$2,627	\$94,912	\$112,394	\$146,160	\$179,606	\$195,571	\$205,949	\$377,572	\$526,127
<b>TOTAL PROPERTY TAX REV</b>		\$47,312	\$219,058	\$523,305	\$778,337	\$988,264	\$1,161,167	\$1,298,344	\$1,387,609	\$1,446,066	\$1,474,831	\$1,646,455	\$1,795,009

\* Tax Rate includes the municipal rate of 0.3893, and half of the Hampshire Township Road District rate of 0.1793.

**TABLE 7. Local Sales Tax Revenue, Residential**

SPENDING	Average	Total by Year											
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035
Household Income *	\$98,649	\$14,797,382	\$63,036,846	\$139,194,036	\$196,509,228	\$235,475,666	\$273,948,858	\$299,893,600	\$314,690,982	\$326,528,887	\$332,053,243	\$332,053,243	\$332,053,243
Convenience Goods Spending	20%	\$2,959,476	\$12,607,369	\$27,838,807	\$39,301,846	\$47,095,133	\$54,789,772	\$59,978,720	\$62,938,196	\$65,305,777	\$66,410,649	\$66,410,649	\$66,410,649
Comparison Goods Spending	10%	\$1,479,738	\$6,303,685	\$13,919,404	\$19,650,923	\$23,547,567	\$27,394,886	\$29,989,360	\$31,469,098	\$32,652,889	\$33,205,324	\$33,205,324	\$33,205,324
Convenience Spending Locally	40%	\$1,183,791	\$5,042,948	\$11,135,523	\$15,720,738	\$18,838,053	\$21,915,909	\$23,991,488	\$25,175,279	\$26,122,311	\$26,564,259	\$26,564,259	\$26,564,259
Comparison Spending Locally	10%	\$147,974	\$630,368	\$1,391,940	\$1,965,092	\$2,354,757	\$2,739,489	\$2,998,936	\$3,146,910	\$3,265,289	\$3,320,532	\$3,320,532	\$3,320,532
Taxable Share, Convenience	100%	\$1,183,791	\$5,042,948	\$11,135,523	\$15,720,738	\$18,838,053	\$21,915,909	\$23,991,488	\$25,175,279	\$26,122,311	\$26,564,259	\$26,564,259	\$26,564,259
Taxable Share, Comparison	100%	\$147,974	\$630,368	\$1,391,940	\$1,965,092	\$2,354,757	\$2,739,489	\$2,998,936	\$3,146,910	\$3,265,289	\$3,320,532	\$3,320,532	\$3,320,532
Local Taxable Spending		\$1,331,764	\$5,673,316	\$12,527,463	\$17,685,830	\$21,192,810	\$24,655,397	\$26,990,424	\$28,322,188	\$29,387,600	\$29,884,792	\$29,884,792	\$29,884,792
SALES TAX REVENUE FROM NEW RESIDENT SPENDING	1%	\$13,318	\$56,733	\$125,275	\$176,858	\$211,928	\$246,554	\$269,904	\$283,222	\$293,876	\$298,848	\$298,848	\$298,848

\* Average household income is based on the assumption that buyers will purchase home valued at 2.5 times household income.

**TABLE 8. Local Sales Tax Revenue, Commercial**

Total Sales	Total by Year											
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035
Retail Square Feet	0	0	12,000	72,000	202,000	214,000	328,000	340,000	440,000	440,000	940,000	1,040,000
\$250/Sq. Ft. Sales	\$0	\$0	\$3,000,000	\$18,000,000	\$50,500,000	\$53,500,000	\$82,000,000	\$85,000,000	\$110,000,000	\$110,000,000	\$235,000,000	\$260,000,000
TOTAL RETAIL SALES	\$0	\$0	\$3,000,000	\$18,000,000	\$50,500,000	\$53,500,000	\$82,000,000	\$85,000,000	\$110,000,000	\$110,000,000	\$235,000,000	\$260,000,000
New Employee Spending	0	0	255	630	1,480	1,735	2,245	2,800	3,050	3,200	5,950	8,345
# New Employees	\$0	\$0	\$382,500	\$945,000	\$2,220,000	\$2,602,500	\$3,367,500	\$4,200,000	\$4,575,000	\$4,800,000	\$8,925,000	\$12,517,500
Yearly Spending**												
Less 70% to avoid current counting residents and retail sales already accounted for	\$0	\$0	\$114,750	\$283,500	\$666,000	\$780,750	\$1,010,250	\$1,260,000	\$1,372,500	\$1,440,000	\$2,677,500	\$3,755,250
70%												
TOTAL TAXABLE SALES	\$0	\$0	\$3,114,750	\$18,283,500	\$51,166,000	\$54,280,750	\$83,010,250	\$86,260,000	\$111,372,500	\$111,440,000	\$237,677,500	\$263,755,250
Sales Tax Revenue to the Village												
1% of Total Sales	\$0	\$0	\$31,148	\$182,835	\$511,660	\$542,808	\$830,103	\$862,600	\$1,113,725	\$1,114,400	\$2,376,775	\$2,637,553
Less 2% to Avoid Double-Counting Sales Tax Revenues from Residents of the New Development	\$0	\$0	(\$623)	(\$3,657)	(\$10,233)	(\$10,856)	(\$16,602)	(\$17,252)	(\$22,275)	(\$22,288)	(\$47,536)	(\$52,751)
2%												
TOTAL SALES TAX REVENUE	\$0	\$0	\$30,525	\$179,178	\$501,427	\$531,951	\$813,500	\$845,348	\$1,091,451	\$1,092,112	\$2,329,240	\$2,584,801

\*\* Employee Spending assumes average spending of \$6 per day with 250 working days per year.

**TABLE 9. Projected Revenues to the Village of Hampshire**

REVENUE SOURCE	Year Residents Take Occupancy											
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035
Residential Property Tax	\$0	\$219,058	\$505,823	\$735,711	\$893,352	\$1,048,773	\$1,152,184	\$1,208,003	\$1,250,495	\$1,268,882	\$1,268,882	\$1,268,882
Commercial Property Tax	\$0	\$0	\$0	\$42,627	\$94,912	\$112,394	\$146,160	\$179,606	\$195,571	\$205,949	\$377,572	\$526,127
<b>TOTAL PROPERTY TAX</b>	<b>\$47,312</b>	<b>\$219,058</b>	<b>\$523,305</b>	<b>\$778,337</b>	<b>\$988,264</b>	<b>\$1,161,167</b>	<b>\$1,298,344</b>	<b>\$1,387,609</b>	<b>\$1,446,066</b>	<b>\$1,474,831</b>	<b>\$1,646,455</b>	<b>\$1,795,009</b>
Residential Sales Tax	\$13,318	\$56,733	\$125,275	\$176,858	\$211,928	\$246,554	\$269,904	\$283,222	\$293,876	\$298,848	\$298,848	\$298,848
Commercial Sales Tax	\$0	\$0	\$30,525	\$179,178	\$501,427	\$531,951	\$813,500	\$845,348	\$1,091,451	\$1,092,112	\$2,329,240	\$2,584,801
<b>TOTAL SALES TAX</b>	<b>\$13,318</b>	<b>\$56,733</b>	<b>\$155,799</b>	<b>\$356,037</b>	<b>\$713,355</b>	<b>\$778,505</b>	<b>\$1,083,405</b>	<b>\$1,128,570</b>	<b>\$1,385,326</b>	<b>\$1,390,960</b>	<b>\$2,628,087</b>	<b>\$2,883,649</b>
STATE LOCAL USE TAX*	\$0	\$0	\$0	\$54,333	\$66,822	\$79,135	\$87,307	\$91,709	\$95,067	\$96,524	\$96,524	\$96,524
STATE INCOME TAX REVENUE*	\$0	\$0	\$0	\$378,866	\$465,945	\$551,810	\$608,789	\$639,484	\$662,896	\$673,059	\$673,059	\$673,059
MOTOR FUEL TAX*	\$0	\$0	\$0	\$171,224	\$210,578	\$249,384	\$275,135	\$289,007	\$299,588	\$304,181	\$304,181	\$304,181
FINES AND PENALTIES	\$1,606	\$6,840	\$15,104	\$21,324	\$25,552	\$29,727	\$32,542	\$34,148	\$35,433	\$36,032	\$36,032	\$36,032
FRANCHISE FEES	\$2,969	\$12,649	\$27,930	\$39,431	\$47,250	\$54,970	\$60,176	\$63,145	\$65,521	\$66,629	\$66,629	\$66,629
Residential Utility Tax	\$15,750	\$67,095	\$148,155	\$209,160	\$250,635	\$291,585	\$319,200	\$334,950	\$347,550	\$353,430	\$353,430	\$353,430
Comm. Utility Tax	\$0	\$0	\$31,349	\$71,988	\$145,523	\$176,873	\$227,961	\$278,662	\$298,013	\$317,365	\$559,258	\$791,476
<b>TOTAL UTILITY TAX</b>	<b>\$15,750</b>	<b>\$67,095</b>	<b>\$179,504</b>	<b>\$281,148</b>	<b>\$396,158</b>	<b>\$468,458</b>	<b>\$547,161</b>	<b>\$613,612</b>	<b>\$645,563</b>	<b>\$670,795</b>	<b>\$912,688</b>	<b>\$1,144,906</b>
TRANSITION FEES	\$92,250	\$300,735	\$474,780	\$357,315	\$242,925	\$239,850	\$161,745	\$92,250	\$73,800	\$34,440	\$0	\$0
INTEREST EARNINGS	\$0	\$0	\$20,646	\$36,570	\$47,353	\$54,195	\$62,319	\$65,093	\$70,639	\$71,212	\$95,455	\$105,000
<b>TOTALS</b>	<b>\$173,205</b>	<b>\$663,110</b>	<b>\$1,397,069</b>	<b>\$2,474,585</b>	<b>\$3,204,202</b>	<b>\$3,667,201</b>	<b>\$4,216,922</b>	<b>\$4,404,628</b>	<b>\$4,779,899</b>	<b>\$4,818,663</b>	<b>\$6,459,111</b>	<b>\$7,104,990</b>

\* It is assumed that the Village would have to conduct a special census in order to receive the State Shared Revenues.



**Revenues to the Village of Hampshire by Source**

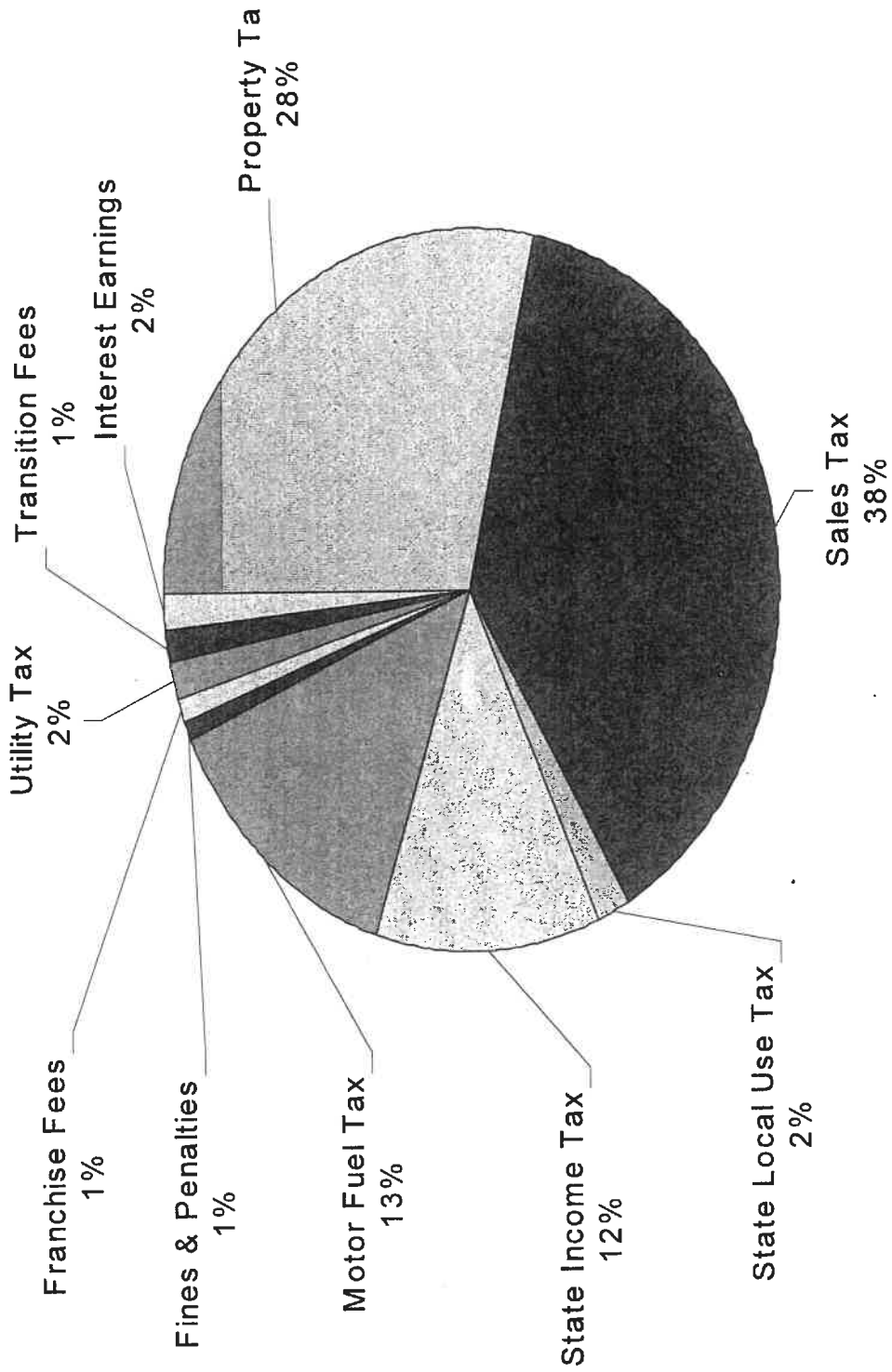


TABLE 10.

## 2.2 Expense Calculation - Village of Hampshire

Expenses are estimated using the Service-Standard Method of Fiscal Impact Evaluation. The Service-Standard Method is an average costing method which uses averages of staffing service. A marginal staffing ratio is used that estimates the number of new municipal staff necessary for every additional 1,000 residents of population growth. This ratio is multiplied by the estimated number of people in the new development (divided by 1,000) to estimate the number of new employees that may be necessary.

The Village's operating expenditures, as reported in its budget, are divided by its staff size to derive an estimate of operating expense per employee. This operating expense per employee is adjusted down according to the residential portion of the Village's total assessed valuation. This is to fairly distribute the costs of public services between residential property owners, and non-residential property owners. The adjusted operating expense per employee is multiplied by the estimated number of new employees caused by the development, arriving at an estimate of new operating expenses due to the development.

Capital expenses are estimated on a continuing annual basis, analogous to the payment of principal and interest on bonds issued to pay for public capital improvements caused by the development. Capital expenses are estimated at about 15% of operating expenses in each year.

### 2.2.1 Expenses Attributable to Residential Development

#### *Current Staff Ratio Per 1,000 Residents*

The Village of Hampshire has 15 FTE (full-time equivalent) employees. We did not include full-time equivalent positions which are devoted to Water & Sewer functions.

Based on the Village equalized assessed value (EAV), we subtract from the number of full-time equivalent employees the proportion devoted to non-residential use. In 2003, the non-residential EAV of the Village of Hampshire was 26.52%. Thus, we subtract 26.52% of the FTE's, which equals approximately 4 FTE's. Subtracting approximately 4 FTE's results in a staffing ratio of 3.42 employees per 1,000 residents.

We recognize that the marginal increase in municipal employees will be less than the ratio of current employees to 1,000 residents. One reason for this is that department heads are not duplicated as the size of the municipal staff grows. To compute the number of new employees needed per additional 1,000 residents, we net out department heads under the assumption that these positions would not be duplicated. Subtracting 4 department heads from 15 total employees and adjusting for the proportion of non-residential EAV results in a marginal staffing ratio of 2.50

employees per 1,000 residents.

Based on a marginal staffing ratio of 2.50 per 1,000 residents, and a projected 10,435 new residents in this development when completed, we estimate a need for approximately 26 new full-time equivalent staff by the year 2015. These new staff are brought on incrementally as the community builds out.

***Operating Expenses Per Employee***

The Village has budgeted approximately \$137,752 per employee in operating expenditures for FY 2003-04. This calculation is based on 15 full-time Village employees, and adjusted operating expenses of about \$2,066,277. Calculations for the adjusted operating expenses amount are outlined in Table 11.

Based on the aforementioned adjustment regarding total and residential EAV, the need for 26 employees results in new operating costs of \$3,600,411 due to the proposed development.

***New Annual Capital Expenses (Capital costs annualized on an infinite basis)***

We estimate the new annual capital costs based on a capital cost ratio of 15% of annual operating costs. With new annual operating costs of \$3,600,411 per year, annual capital costs at 15% are estimated at \$540,062 per year, after the development is fully occupied. This represents the new annual debt service on new capital facilities or equipment.

We have not allocated any capital cost to the Village in the first year when residents move in, principally because no streets within the subdivision will have been accepted by the Village; therefore, there will be no street maintenance cost to the Village. The 15% capital-to-operating cost ratio is largely due to street maintenance responsibilities of a municipality. During the first several years of a subdivision's existence, the streets are new and do not require the level of maintenance that the older portion of the community requires. For these reasons, we believe we have liberally estimated capital costs to the Village.

***Timing of Expenditures***

We have recognized that some revenues are not actually received by a municipality in the same year that the taxes were levied; therefore, we have delayed the receipt of certain revenues by one year or more, principally the property tax revenues and State Income, Motor Fuel Tax and State Use Tax revenues. Regarding expenditures, we also recognize that communities usually identify a current need, and then budget for this need in another fiscal year. That is, communities do not actually spend money in advance of growth, but after growth has occurred. To adjust for this lag in expenditures, we assume that half the growth in calculated costs between each year will not actually be spent in that year.

For example, in the first year of development, we estimate that the new development will generate \$135,829 in new expenses to the Village of Hampshire. However, we only attribute one half of this amount to the new expenses due to the development in that year. One-half of the cost increase is allocated to the next fiscal year. The total cost of the residential development after completion is estimated to be \$4,140,473.

### **Expenses Attributable to Commercial Development**

Many fiscal analyses allocate all government costs to residential uses and effectually overemphasize the fiscal benefits of non-residential uses. In reality, non-residential uses also require the full range of government services that residential uses require; such as, police and fire protection, snow removal, and street improvements. The main benefit of such non-residential uses are in the provision of employment for the Village, and the fiscal impact of commercial sales tax revenues.

The Urban Land Institute has studied the impact of development and found that the service cost of 4 employees is the same as the service costs of a single resident. Hampshire has an operating cost of \$640 per capita, therefore, the cost of servicing an employee would be \$160 per employee.

### ***Commercial Employees and Expenses***

Using standards set by the Urban Land Institute, every 1,000 square feet of retail space will produce approximately 2.5 employees, office space nets 3.0 employees per 1,000 square feet and industrial space nets 2.0 employees per 1,000 square feet. The 1,040,000 total square feet of commercial space can then be expected to produce 2,600 new commercial employees, the office space will produce 2,340 new employees, and the industrial space will produce 3,405 new employees. There are a total of 8,345 new commercial employees expected in the development.

At a cost of \$160 per employee, these new employees will generate an estimated \$1,335,845 in new expenses. Table 13 shows the calculations of new expenses from the non-residential land use.

### ***Commercial Annual New Capital Expenses (Capital costs annualized on an infinite basis)***

We estimate the annual capital costs based on a capital cost ratio of 15% of annual operating costs. With annual operating costs of \$1,335,845 per year, annual capital costs at 15% are estimated at \$133,584 per year, after the commercial component of the development is fully occupied. This represents the annual debt service on new capital facilities or equipment. Total commercial operating expenses are \$1,469,429 annually.

*Timing of Expenditures*

We have recognized that some revenues are not actually received by a municipality in the same year that the taxes were levied; therefore, we have delayed the receipt of certain revenues by one year or more, principally the property tax revenues. Regarding expenditures, we also recognize that communities usually identify a current need, and then budget for this need in another fiscal year. That is, communities do not actually spend money in advance of growth, but after growth has occurred. To adjust for this lag in expenditures, we assume that half the growth in calculated costs between each year will not actually be spent in that year.

For example, in the first year of commercial development, we estimate that the development will generate \$44,902 in new expenses to the Village of Hampshire. However, we only attribute one half of this amount to the new expenses due to the development in that year. One-half of the cost increase is allocated to the next fiscal year.

*Total Costs of the Residential and Commercial Portions of Development*

The total cost of the residential and commercial portions of the development after completion is estimated to be \$5,609,902 annually after the community is built out.

**TABLE 11. Operating Budget, Village of Hampshire**

Funds	Expenditures	Less Adjustments	Adjustments	Total Adjusted Expenditures
<b>GENERAL FUND**</b>				
<i>Administration</i>	\$2,451,104	(\$1,710,034)	Capital Expenses, Service Fees, Rent, Licenses, Siegle rebate	\$741,070
<i>Police</i>	\$859,876	(\$89,800)	Capital Expenses, Fines, Reports	\$770,076
<i>Street Department</i>	\$908,763	(\$341,481)	Capital Expenses	\$567,282
<i>Planning</i>	\$62,570	\$0		\$62,570
<i>Zoning</i>	\$5,075	(\$85,500)	Permits, Fees	(\$80,425)
<b>TOTAL, GENERAL FUND</b>	<b>\$4,287,388</b>	<b>(\$2,226,815)</b>		<b>\$2,060,573</b>
<b>SPECIAL FUNDS</b>				
<i>Revolving Loan</i>	\$175,000	(\$150,000)	Loans	\$25,000
<i>Evidence</i>	\$12,000	\$0		\$12,000
<i>Garbage</i>	\$175,450	(\$206,746)	Sales, Fines, Fees	(\$31,296)
<b>TOTAL, SPECIAL FUNDS</b>	<b>\$362,450</b>	<b>(\$356,746)</b>		<b>\$5,704</b>
<b>TOTAL ADJUSTED OPERATING EXPENSES</b>	<b>\$4,649,838</b>	<b>(\$2,583,561)</b>		<b>\$2,066,277</b>

\*Based on FY 2003 budget. We have not included the following funds, Road & Bridge, Motor Fuel Tax, Water Tower Bond, IDOT Gas, Minerallic, IDOT Rl. 20, EDJ, Phase I Downtown, Water, Sewer, SSAs, Bond, School Impact Fee, Park Impact Fee, Library Impact Fee

\*\*We are not including revenues from building permits or other such non-recurring fees in our revenue projections, and we assume that building permit fees are structured to meet costs of planning staff services.

**TABLE 12. Estimated New Expenses from Residential Land Uses**

ASSUMPTIONS	NEWIMPACTS	Year Residents Take Occupancy											
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035
Number of Employees*	15	392	1,759	4,044	5,874	7,224	8,555	9,439	9,914	10,277	10,435	10,435	10,435
Number of Employees Available to Servicing Residential Uses**	11	1	4	10	15	18	21	24	25	26	26	26	26
Avg. Number of Municipal Employees Per 1,000 Population	3.42	\$135,289	\$606,985	\$1,395,263	\$2,026,675	\$2,492,488	\$2,991,807	\$3,256,607	\$3,421,807	\$3,546,047	\$3,600,411	\$3,600,411	\$3,600,411
Operating Expense Per Employee	\$157,752	\$0	\$91,043	\$209,289	\$304,001	\$373,875	\$442,771	\$488,491	\$513,121	\$531,307	\$540,062	\$540,062	\$540,062
Capital Costs 15% of Operating		\$135,289	\$697,999	\$1,604,552	\$2,330,676	\$2,866,361	\$3,394,578	\$3,745,098	\$3,933,298	\$4,077,955	\$4,140,473	\$4,140,473	\$4,140,473
Total Operating and Capital Expense		\$135,289	\$895,988	\$1,999,811	\$2,657,351	\$3,358,849	\$3,886,376	\$4,233,496	\$4,365,106	\$4,509,302	\$4,580,535	\$4,580,535	\$4,580,535
Marginal Additional Personnel Requirement Per 1,000 Additional Population**	2.50	\$87,645	\$416,644	\$1,151,275	\$1,987,614	\$2,598,519	\$3,130,470	\$3,589,838	\$3,839,513	\$4,005,941	\$4,100,213	\$4,140,473	\$4,140,473

\* Less workers devoted to Sewer & Water fixtures.

\*\* Less 4 non-duplicated employees.

\*\*\* All values in millions of dollars.

**TABLE 13. Estimated New Expenses from Non-Residential Land Uses**

ASSUMPTIONS*	Year: Users Take Occupancy											
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035
<b>NEW IMPACTS</b>												
Total Retail Sq.Ft.	0	0	12,000	72,000	202,000	214,000	328,000	340,000	440,000	440,000	940,000	1,040,000
Estimated Retail Employees	0	0	30	180	505	535	820	850	1,100	1,100	2,350	2,600
Office	0	0	0	0	100,000	100,000	100,000	200,000	200,000	200,000	450,000	780,000
Estimated Office Employees	0	0	0	0	300	300	300	600	600	600	1,350	2,340
Industrial	0	0	150,000	300,000	450,000	600,000	750,000	900,000	900,000	1,000,000	1,500,000	2,270,000
Estimated Industrial Employees	0	0	225	450	675	900	1,125	1,350	1,350	1,500	2,250	3,405
<b>Total New Employees</b>	0	0	255	630	1,480	1,735	2,245	2,800	3,050	3,200	5,950	8,345
New Operating Expenses	\$0	\$0	\$40,820	\$100,849	\$236,914	\$277,734	\$359,373	\$448,216	\$488,236	\$512,247	\$952,460	\$1,335,845
Capital Costs												
10% of Operating	\$0	\$0	\$4,082	\$10,085	\$23,691	\$27,773	\$35,937	\$44,822	\$48,824	\$51,225	\$95,246	\$133,584
Total Operating and Capital Costs	\$0	\$0	\$44,902	\$110,934	\$260,606	\$305,507	\$395,311	\$493,038	\$537,059	\$563,472	\$1,047,706	\$1,469,429
Adjusted Annual Costs (1/2 of the increase in cost between each year is delayed)	\$0	\$0	\$22,451	\$77,918	\$185,770	\$283,057	\$350,409	\$444,174	\$515,049	\$550,266	\$1,021,293	\$1,469,429

\* The Urban Land Institute estimates that the cost of providing municipal services to one employee in a local business is one-fourth the cost of providing services to a single resident.

\*\* Multipliers for employees per square foot published by the Urban Land Institute.



### 2.3 Net Fiscal Impact - Village of Hampshire

Table 14 shows the net fiscal impact to the Village of Hampshire budget through the year 2035.

With recurring revenues estimated at \$7,104,990 per year and recurring expenses estimated at \$5,609,902 per year, we are projecting a surplus in revenue to the Village of \$1,495,089 per year.

During the build out of the development, the relationship between revenues and expenses fluctuate until the ninth year, where there is a steady recurring surplus. At year 10, there is a surplus of \$159,184, at year 20, there is a surplus of \$1,297,346, and at year 30, there is a surplus of \$1,495,089.

The proposed development will have a positive effect on the long term fiscal posture of the Village and should not have any negative impact to the property tax burden of the current residents. As early as the ninth year, the development should provide a net improvement to the Village's tax base, helping to stabilize or even reduce the tax burden on existing residents.

**TABLE 14. Net Fiscal Impact, Village of Hampshire**

	Year Residents Take Occupancy											
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035
Residential Property Tax	\$0	\$219,058	\$505,823	\$735,711	\$893,352	\$1,048,773	\$1,152,184	\$1,208,003	\$1,250,495	\$1,268,882	\$1,268,882	\$1,268,882
Commercial Property Tax	\$0	\$0	\$0	\$42,627	\$94,912	\$112,394	\$146,160	\$179,606	\$195,571	\$205,949	\$377,572	\$526,127
<b>TOTAL PROPERTY TAX</b>	\$47,312	\$219,058	\$523,305	\$778,337	\$988,264	\$1,161,167	\$1,298,344	\$1,387,609	\$1,446,066	\$1,474,831	\$1,646,455	\$1,795,009
Residential Sales Tax	\$13,318	\$36,733	\$125,275	\$176,858	\$211,928	\$246,554	\$269,904	\$283,222	\$293,876	\$298,848	\$298,848	\$298,848
Commercial Sales Tax	\$0	\$0	\$30,525	\$179,178	\$501,427	\$531,951	\$813,500	\$845,348	\$1,091,451	\$1,092,112	\$2,329,240	\$2,584,801
<b>TOTAL SALES TAX</b>	\$13,318	\$36,733	\$155,799	\$356,037	\$713,355	\$778,505	\$1,083,405	\$1,128,570	\$1,385,326	\$1,390,960	\$2,628,087	\$2,883,649
STATE LOCAL USE TAX*	\$0	\$0	\$0	\$54,333	\$66,822	\$79,135	\$87,307	\$91,709	\$95,067	\$96,524	\$96,524	\$96,524
STATE INCOME TAX REVENUE	\$0	\$0	\$0	\$378,866	\$465,945	\$551,810	\$608,789	\$639,484	\$662,896	\$673,059	\$673,059	\$673,059
MOTOR FUEL TAX*	\$0	\$0	\$0	\$171,224	\$210,578	\$249,384	\$275,135	\$289,007	\$299,588	\$304,181	\$304,181	\$304,181
FINES AND PENALTIES	\$1,606	\$6,840	\$15,104	\$21,324	\$25,552	\$29,727	\$32,542	\$34,148	\$35,433	\$36,032	\$36,032	\$36,032
FRANCHISE FEES	\$2,969	\$12,649	\$27,930	\$39,431	\$47,250	\$54,970	\$60,176	\$63,145	\$65,521	\$66,629	\$66,629	\$66,629
Residential Utility Tax	\$15,750	\$67,095	\$148,155	\$209,160	\$250,635	\$291,585	\$319,200	\$334,950	\$347,550	\$353,430	\$353,430	\$353,430
Comm. Utility Tax	\$0	\$0	\$31,349	\$71,988	\$145,523	\$176,873	\$227,961	\$278,662	\$298,013	\$317,365	\$559,258	\$791,476
<b>TOTAL UTILITY TAX</b>	\$15,750	\$67,095	\$179,504	\$281,148	\$396,158	\$468,458	\$547,161	\$613,612	\$645,563	\$670,795	\$912,688	\$1,144,906
TRANSITION FEES	\$92,250	\$300,735	\$474,780	\$357,315	\$242,925	\$239,850	\$161,745	\$92,250	\$73,800	\$34,440	\$0	\$0
INTEREST EARNINGS	\$0	\$0	\$20,646	\$36,570	\$47,353	\$54,195	\$62,319	\$65,093	\$70,639	\$71,212	\$95,455	\$105,000
<b>ANNUAL REVENUES</b>	\$173,205	\$663,110	\$1,397,069	\$2,474,585	\$3,204,202	\$3,667,201	\$4,216,922	\$4,404,628	\$4,779,899	\$4,818,663	\$6,459,111	\$7,104,990
Residential Expenses	\$67,645	\$416,644	\$1,151,275	\$1,967,614	\$2,598,519	\$3,130,470	\$3,569,838	\$3,839,513	\$4,005,941	\$4,109,213	\$4,140,473	\$4,140,473
Commercial Expenses	\$0	\$0	\$22,451	\$77,918	\$185,770	\$283,057	\$350,409	\$444,174	\$515,049	\$550,266	\$1,021,293	\$1,469,429
<b>TOTAL ANNUAL EXPENSES</b>	\$67,645	\$416,644	\$1,173,726	\$2,045,532	\$2,784,288	\$3,413,526	\$3,920,247	\$4,283,687	\$4,520,989	\$4,659,479	\$5,161,765	\$5,609,902
<b>ANNUAL FISCAL IMPACT</b>	\$105,560	\$246,466	\$223,343	\$429,053	\$419,914	\$253,674	\$296,675	\$120,940	\$258,910	\$159,184	\$1,297,346	\$1,495,089

### **3.0 FISCAL IMPACT TO SCHOOL DISTRICT #158**

This study estimates new expenses for School District #158 based on the actual expenditures found in the Annual Financial Report for the fiscal year ending June 30, 2003, as made available to us from the School District business office. Therefore, we also base revenue projections on actual revenue factors the School District used to finance the 2002-2003 fiscal year. While future funding mechanisms may be changed, since we are projecting costs based on the 2002-2003 fiscal year, we use revenue mechanisms that relate to these costs.

The proposed development is split between two unit school districts. Out of the total development, only 242 of the homes are expected to be in School District #158.

#### **3.1 Projected Student Population**

Using the latest (1996) demographic multipliers provided by Associated Municipal Consultants (also known as Illinois School Consulting Service), it is projected that the development will generate a total of 151 school children for the district. Of these children, 41 are expected to be high school age, 37 are expected to be of junior high age, and 73 are expected to elementary school age students.

#### **3.2 New Revenue Estimates**

Table 18 summarizes the new revenues to the School District from the proposed development.

##### **3.2.1 Property Tax Revenue**

The 2003 property tax rate was 3.251 per \$100 assessed valuation. This does not include the 1.1655 per \$100 taxable value tax rate for debt service.

The taxable value of the development that is contained within School District #158 is \$17,435,336, the balance of the taxable value of the development is contained within School District #300. With a total taxable value of \$17,435,336 after completion, we are estimating that the development will ultimately generate \$759,602 in annual property tax revenue for School District #158.

As taxes are collected one year after they are levied, the taxes levied on the first year's development, amounting to \$759,602, will not be realized until the second year. No new property tax revenue would be realized in the first year of development.

### **3.2.2 General State Aid**

In 2002-2003, School District #158 received \$1,219.03 per student in unrestricted General State Aid.

With 151 new students after this portion of the total development is built out in 2008, we estimate an additional \$184,277 per year will ultimately be generated to the School District from General State Aid. We estimate a one-year delay in realizing General State Aid, so that the amount generated by the first year's new students is not received until the second year. We delayed the receipt of General State Aid to the following year for each successive year of new students.

### **3.2.3 Interest Revenue**

In this study, we conservatively project interest revenue at 1.5% of property tax revenue. After the development is completed, we estimate \$8,502 per year in interest will be generated from short-term investment of tax dollars. Interest revenue is not credited until the fourth year, 2009.

### **3.2.4 Total Revenues**

We project total annual revenues to School District #158 of \$759,602 after the development is completed.

**TABLE 15. School District #158 Development Schedule**

New Units Constructed/ Occupied Per Year	Avg. Value/ Unit	Project Year															
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035				
Single Family Detached 3 bedroom	\$266,754	0	0	64	0	0	0	0	0	0	0	0	0	0	0	0	
4 bedroom	\$288,747	0	0	68	0	0	0	0	0	0	0	0	0	0	0	0	
5 bedroom	\$328,750	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Single Family Attached 2 bedroom	\$153,268	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3 bedroom	\$163,280	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Single Family Duplex 2 bedroom	\$160,000	0	0	83	0	0	0	0	0	0	0	0	0	0	0	0	
3 bedroom	\$180,000	0	0	27	0	0	0	0	0	0	0	0	0	0	0	0	
Cumulative Units Constructed Per Year		0	0	242	0	0	0	0	0	0	0	0	0	0	0	0	
Cumulative Units Constructed		0	0	242	242	242	242	242	242	242	242	242	242	242	242	242	
<b>Commercial Space Occupied Per Year</b>	<b>Value per Square Foot</b>																
Retail Square Feet	\$70	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Office	\$50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Industrial	\$50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative Non- Residential Space Constructed		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

**TABLE 16. Estimated and Market and Taxable Value for School District #158**

<i>Year Residents Move In</i>	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<i>Year Taxes Paid/Le</i>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>RESIDENTIAL MARKET VALUE</b>												
Single Family Detached												
3 bedroom	\$266,754	\$0	\$17,072,243	\$17,072,243	\$17,072,243	\$17,072,243	\$17,072,243	\$17,072,243	\$17,072,243	\$17,072,243	\$17,072,243	\$17,072,243
4 bedroom	\$288,747	\$0	\$19,634,766	\$19,634,766	\$19,634,766	\$19,634,766	\$19,634,766	\$19,634,766	\$19,634,766	\$19,634,766	\$19,634,766	\$19,634,766
5 bedroom	\$328,750	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Single Family Attached												
2 bedroom	\$153,268	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 bedroom	\$163,280	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Single Family Duplex												
2 bedroom	\$160,000	\$0	\$13,280,000	\$13,280,000	\$13,280,000	\$13,280,000	\$13,280,000	\$13,280,000	\$13,280,000	\$13,280,000	\$13,280,000	\$13,280,000
3 bedroom	\$180,000	\$0	\$4,860,000	\$4,860,000	\$4,860,000	\$4,860,000	\$4,860,000	\$4,860,000	\$4,860,000	\$4,860,000	\$4,860,000	\$4,860,000
<b>RESIDENTIAL MARKET VALUE</b>												
<b>EQUALIZED ASSESSED VALUE</b>												
Homestead Exemption (\$50,000)												
33.33%		\$0	\$18,282,336	\$18,282,336	\$18,282,336	\$18,282,336	\$18,282,336	\$18,282,336	\$18,282,336	\$18,282,336	\$18,282,336	\$18,282,336
(\$3,500)		\$0	(\$847,000)	(\$847,000)	(\$847,000)	(\$847,000)	(\$847,000)	(\$847,000)	(\$847,000)	(\$847,000)	(\$847,000)	(\$847,000)
<b>RESIDENTIAL TAXABLE VALUE</b>												
	\$0	\$0	\$17,435,336	\$17,435,336	\$17,435,336	\$17,435,336	\$17,435,336	\$17,435,336	\$17,435,336	\$17,435,336	\$17,435,336	\$17,435,336

**TABLE 17. Estimated School Children, School District #158**

SCHOOL AGE	Students/ Unit	Year Residents Take Occupancy														
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035			
<b>HIGH SCHOOL AGE POPULATION</b>																
Single Family Detached	0.184	0	0	12	12	12	12	12	12	12	12	12	12	12	12	12
3 bedroom	0.360	0	0	24	24	24	24	24	24	24	24	24	24	24	24	24
4 bedroom	0.300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 bedroom	0.038	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Single Family Attached	0.059	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 bedroom	0.038	0	0	3	3	3	3	3	3	3	3	3	3	3	3	3
3 bedroom	0.059	0	0	2	2	2	2	2	2	2	2	2	2	2	2	2
3 bedroom		0	0	41	41	41	41	41	41	41	41	41	41	41	41	41
<b>JR. HIGH POPULATION (6-8)</b>																
Single Family Detached	0.173	0	0	11	11	11	11	11	11	11	11	11	11	11	11	11
3 bedroom	0.298	0	0	20	20	20	20	20	20	20	20	20	20	20	20	20
4 bedroom	0.248	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 bedroom	0.048	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Single Family Attached	0.058	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 bedroom	0.048	0	0	4	4	4	4	4	4	4	4	4	4	4	4	4
3 bedroom	0.058	0	0	2	2	2	2	2	2	2	2	2	2	2	2	2
3 bedroom		0	0	37	37	37	37	37	37	37	37	37	37	37	37	37
<b>ELEMENTARY POPULATION (K-5)</b>																
Single Family Detached	0.369	0	0	24	24	24	24	24	24	24	24	24	24	24	24	24
3 bedroom	0.530	0	0	36	36	36	36	36	36	36	36	36	36	36	36	36
4 bedroom	0.345	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 bedroom	0.088	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Single Family Attached	0.234	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 bedroom	0.088	0	0	7	7	7	7	7	7	7	7	7	7	7	7	7
3 bedroom	0.234	0	0	6	6	6	6	6	6	6	6	6	6	6	6	6
3 bedroom		0	0	73	73	73	73	73	73	73	73	73	73	73	73	73
<b>TOTAL SCHOOL CHILDREN</b>																
		0	0	151	151	151	151	151	151	151	151	151	151	151	151	151

NOTE: Multipliers for average population per household and number of school children per household were obtained from Associated Municipal Consultants, Inc., 1996

**TABLE 18. Annual Revenues to School District #158**

REVENUE	Tax Rate/ State Aid	Year Residents Take Occupancy												
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035	
Total Taxable Value	\$0	\$0	\$17,435,336	\$17,435,336	\$17,435,336	\$17,435,336	\$17,435,336	\$17,435,336	\$17,435,336	\$17,435,336	\$17,435,336	\$17,435,336	\$17,435,336	\$17,435,336
Property Tax Revenue *	3.251	\$0	\$0	\$566,823	\$566,823	\$566,823	\$566,823	\$566,823	\$566,823	\$566,823	\$566,823	\$566,823	\$566,823	\$566,823
# of New Students Used for State Aid Calculation **		0	0	151	151	151	151	151	151	151	151	151	151	151
General State Aid	\$1,219.03	\$0	\$0	\$184,277	\$184,277	\$184,277	\$184,277	\$184,277	\$184,277	\$184,277	\$184,277	\$184,277	\$184,277	\$184,277
Transition Fees		\$0	\$0	\$665,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Revenue	1.5%	\$0	\$0	\$0	\$8,502	\$8,502	\$8,502	\$8,502	\$8,502	\$8,502	\$8,502	\$8,502	\$8,502	\$8,502
<b>TOTAL REVENUES</b>		\$0	\$0	\$665,500	\$759,602	\$759,602	\$759,602	\$759,602	\$759,602	\$759,602	\$759,602	\$759,602	\$759,602	\$759,602

\* Does not include tax rate of 1.1655 toward bonds and interest.

\*\* One-year lag in the receipt of state aid for new students.



### **3.3 Expense Calculation**

#### **3.3.1 Annual Operating Costs**

In 2002-2003, School District #158 reported net operating expenditures of \$17,656,455. With 4,607 enrolled students in the district, this equates to a per pupil tuition charge of \$3,833.

A portion of these expenses are defrayed by non-residential property taxes paid to the School District. Non-residential property accounts for about 10.28% of the assessed valuation in this School District. Non-residential property tax is defraying about 5.44% of the School District's operating expenses. The remaining 94.56% is supported mainly by the property taxes of residential landowners and user fees.

Therefore, if the total per capita tuition charge is \$3,833, then what is supported by residential property taxes, user fees and General State Aid amounts to about \$3,624 per student.

Assuming 151 new students at the development after full residential occupancy in three years, and using the adjusted per pupil "tuition charge" of \$3,624 per pupil, we estimate new educational operating expenses of \$547,821 per year after all of the units are occupied.

#### **3.3.2 Timing of Expenditures**

We have recognized that some revenues are not actually received by the School District #158 in the same year that the taxes were levied or the population arrives, so we have delayed the receipt of both the property tax revenue, as well as General State Aid, by one full year. Regarding expenditures, we also recognize that school districts usually identify a current need, and then budget for this need in another fiscal year. That is, school districts do not actually spend money in advance of growth, but after growth has occurred. To adjust for this fact, we assumed that one-half of our calculated growth in costs between each year, relating to the new population in each year, will actually be deferred to a future budget year. The effect is that the educational expenditure of \$547,821 is not reached until the third year.

**TABLE 19. Annual Expenses to School District #158**

ASSUMPTIONS	NEW IMPACTS	Year Residents Take Occupancy																		
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035							
2002-2003 Total Expenditures	\$33,380,520																			
(Less Non-Operating Expenses)	(\$5,361,701)	0	0	151	151	151	151	151	151	151	151	151	151	151	151	151	151	151	151	151
(Less Offsetting Revenue)	(\$4,578,997)																			
(Less Bond Interest)	(\$5,783,367)																			
Net Operating Expenses	\$17,656,455	\$3,624	\$3,624	\$3,624	\$3,624	\$3,624	\$3,624	\$3,624	\$3,624	\$3,624	\$3,624	\$3,624	\$3,624	\$3,624	\$3,624	\$3,624	\$3,624	\$3,624	\$3,624	\$3,624
District Enrollment*	4,607																			
Charge per Student	\$3,833																			
Portion of School Expenses funded by Non-Residential uses	5.44%																			
Adjusted Charge per Student	\$3,624	\$0	\$0	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821
Actual Expenditures resulting from delays in Appropriations (1/2 of the increase each year is delayed).		\$0	\$0	\$273,910	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821

\* District Enrollment as reported in SD 158 Report Card, dated September 2003

### 3.4 Net Fiscal Impact

#### 3.4.1 Long-Term Impact to Operating Budget

Table 20 indicates that projected annual operating revenues are expected to exceed annual operating expenses for School District #158 by \$211,781 in the years following the completion of the development.

#### 3.4.2 Existing Debt Service Taxes

School District #158 has bonds outstanding for existing capital facilities. The current property tax rate for debt service is 1.1655 per \$100 assessed valuation. The tax rate for debt service in future years is likely to fluctuate, but since it is unknown, we assume continuation at the current rate for the purposes of this study. This tax would be paid by the new residents of the proposed development, in effect contributing to the financing of existing facilities. Assuming bond repayment through the year 2035, the period of this study, the new residents of the development will pay \$2,253,956 (net present value, -6%) in taxes that would directly contribute to the retirement of existing bonds.

#### 3.4.3 Summary

There are 151 school-age children from the development anticipated to be attending school in School District #158. This student population is realized in the third year of the development. School District #158 must evaluate its current capacity to determine if it is adequate to accommodate these new students. **There are projected revenues of \$759,602 and projected operating expenses of \$547,821, providing an annual net operating surplus of \$211,781.**

The residents of the development will be paying taxes on existing capital facilities debt service in the amount of \$2,253,956 (net present value, -6%) over a period extending to the year 2035.

**TABLE 20. Net Fiscal Impact to School District #158**

	Year Residents Take Occupancy											
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035
<b>PROPERTY TAX REVENUE</b>	\$0	\$0	\$0	\$566,823	\$566,823	\$566,823	\$566,823	\$566,823	\$566,823	\$566,823	\$566,823	\$566,823
General State Aid	\$0	\$0	\$0	\$184,277	\$184,277	\$184,277	\$184,277	\$184,277	\$184,277	\$184,277	\$184,277	\$184,277
Transition Fees	\$0	\$0	\$665,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$8,502	\$8,502	\$8,502	\$8,502	\$8,502	\$8,502	\$8,502	\$8,502	\$8,502
<b>OPERATING REVENUES</b>	\$0	\$0	\$665,500	\$759,602	\$759,602	\$759,602	\$759,602	\$759,602	\$759,602	\$759,602	\$759,602	\$759,602
Less: OPERATING EXPENSES	\$0	\$0	\$273,910	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821	\$547,821
<b>Operating Surplus (Loss)</b>	\$0	\$0	\$391,590	\$211,781	\$211,781	\$211,781	\$211,781	\$211,781	\$211,781	\$211,781	\$211,781	\$211,781
<b>OTHER REVENUE</b>												
Property Taxes toward Outstanding Debt through 2034 using debt service tax rate of 1.1655												
/\$100 E.A.V.												
	\$0	\$0	\$0	\$203,209	\$203,209	\$203,209	\$203,209	\$203,209	\$203,209	\$203,209	\$203,209	\$203,209
Net Present Value - 6%	\$2,253,956											

#### 4.0 FISCAL IMPACT TO SCHOOL DISTRICT #300

This study estimates new expenses for School District #300 based on the actual expenditures found in the Annual Financial Report for the fiscal year ending June 30, 2004, as made available to us from the School District business office. Therefore, we also base revenue projections on actual revenue factors the School District used to finance the 2003-2004 fiscal year. While future funding mechanisms may be changed, since we are projecting costs based on the 2003-2004 fiscal year, we use revenue mechanisms that relate to these costs.

The proposed development is split between two unit school districts. Out of the total development, only 3,124 of the homes are expected to be in School District #300. All of the retail, office and industrial development is expected to be in School District #300.

#### 4.1 Projected Student Population

Using the latest (1996) demographic multipliers provided by Associated Municipal Consultants (also known as Illinois School Consulting Service), it is projected that the development will generate a total of 2,548 school children for the district by 2015. Of these children, 732 are expected to be high school age, 631 are expected to be of junior high age, and 1,185 are expected to elementary school age students.

#### 4.2 New Revenue Estimates

Table 24 summarizes the new revenues to the School District from the proposed development.

##### 4.2.1 Property Tax Revenue

The property tax rate provided by the School District was 3.3481 per \$100 assessed valuation. This does not include the .5175 per \$100 taxable value tax rate for debt service.

A total taxable value from both school districts of \$374,780,036 after completion in 2015 is estimated. The portion of the taxable value that is contained within School District #300 is \$357,344,700, the balance is contained within School District #158. , we are estimating that the development will ultimately generate \$11,964,258 in annual property tax revenue for School District #300.

As taxes are collected one year after they are levied, the taxes levied on the first year's development, amounting to \$330,738, will not be realized until the second year. No new property tax revenue would be realized in the first year of development.

#### **4.2.2 General State Aid**

In 2004-2005, School District #300 is expected to receive \$1,395.84 per student in unrestricted General State Aid.

With 2,548 new students, we estimate an additional \$3,558,464 per year will ultimately be generated to the School District from General State Aid. We estimate a one-year delay in realizing General State Aid, so that the amount generated by the first year's new students is not received until the second year. We delayed the receipt of General State Aid to the following year for each successive year of new students.

#### **4.2.3 Interest Revenue**

In this study, we conservatively project interest revenue at 1.5% of property tax revenue. After the development is completed, we estimate \$179,464 per year in interest will be generated from short-term investment of tax dollars. Interest revenue is not credited until the third year, 2008.

#### **4.2.4 Total Revenues**

We project total annual revenues to School District #300 of \$15,702,186 after the development is completed in 2015.

**TABLE 21. School District #300 Development Schedule**

New Units Constructed/ Occupied Per Year	Avg. Value/Unit	Project Year													
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035		
Single Family Detached 3 bedroom	\$266,754	21	112	218	234	0	0	0	0	0	0	0	0	0	0
4 bedroom	\$288,747	12	75	194	252	310	305	200	100	70	26	0	0	0	0
5 bedroom	\$328,750	22	74	0	0	0	0	0	0	0	0	0	0	0	0
Single Family Attached 2 bedroom	\$153,268	60	60	60	60	50	50	50	50	50	30	0	0	0	0
3 bedroom	\$163,280	35	35	35	35	35	35	13	0	0	0	0	0	0	0
Single Family Duplex 2 bedroom	\$160,000	0	100	17	0	0	0	0	0	0	0	0	0	0	0
3 bedroom	\$180,000	0	33	6	0	0	0	0	0	0	0	0	0	0	0
<b>Cumulative Units Constructed Per Year</b>		150	489	530	581	395	390	263	150	120	56	0	0	0	0
<b>Cumulative Units Constructed</b>		150	639	1,169	1,750	2,145	2,535	2,798	2,948	3,068	3,124	3,124	3,124	3,124	3,124
<b>Commercial Space Occupied Per Year</b>	<b>Value per Square Foot</b>														
Prairie Ridge Retail	\$100	0	0	12000	60000	30000	12000	14000	12000	0	0	0	0	0	0
Brier Hill Retail	\$100	0	0	0	0	100,000	0	100,000	0	100,000	0	0	0	0	0
Office	\$100	0	0	0	0	100,000	0	0	100,000	0	0	0	50,000	0	0
Industrial	\$65	0	0	150,000	150,000	150,000	150,000	150,000	150,000	0	100,000	100,000	100,000	0	0
<b>Total Development Per Year</b>		0	0	162,000	210,000	380,000	162,000	264,000	262,000	100,000	100,000	100,000	150,000	150,000	0
<b>Cumulative Non- Residential Space Constructed</b>		0	0	162,000	372,000	752,000	914,000	1,178,000	1,440,000	1,540,000	1,640,000	2,890,000	4,090,000	4,090,000	4,090,000

**TABLE 22. Estimated and Market and Taxable Value for School District #300**

Year Residents Move In	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2015	2015	2015
Year Taxes Payable	2007	2008	2009	2010	2011	2012	2013	2014	2015	2015	2016	2015	2015	2015
<b>RESIDENTIAL MARKET</b>														
<b>VALUE</b>														
Single Family Detached	\$266,754	\$35,478,255	\$93,690,982	\$156,050,970	\$156,050,970	\$156,050,970	\$156,050,970	\$156,050,970	\$156,050,970	\$156,050,970	\$156,050,970	\$156,050,970	\$156,050,970	\$156,050,970
3 bedroom	\$5,601,830	\$35,478,255	\$93,690,982	\$156,050,970	\$156,050,970	\$156,050,970	\$156,050,970	\$156,050,970	\$156,050,970	\$156,050,970	\$156,050,970	\$156,050,970	\$156,050,970	\$156,050,970
4 bedroom	\$3,464,959	\$25,120,950	\$81,137,782	\$153,901,915	\$243,413,347	\$31,481,047	\$389,230,358	\$418,105,014	\$418,105,014	\$418,105,014	\$418,105,014	\$418,105,014	\$418,105,014	\$418,105,014
5 bedroom	\$7,232,500	\$31,560,000	\$31,560,000	\$31,560,000	\$31,560,000	\$31,560,000	\$31,560,000	\$31,560,000	\$31,560,000	\$31,560,000	\$31,560,000	\$31,560,000	\$31,560,000	\$31,560,000
Single Family Attached	\$151,268	\$18,392,101	\$27,588,151	\$36,784,201	\$44,447,576	\$52,110,952	\$59,774,327	\$67,417,702	\$75,101,077	\$82,784,452	\$90,467,827	\$98,151,202	\$105,834,577	\$113,518,952
2 bedroom	\$163,280	\$11,429,570	\$17,144,355	\$22,859,140	\$28,573,925	\$34,288,710	\$40,003,495	\$45,718,280	\$51,433,065	\$57,147,850	\$62,862,635	\$68,577,420	\$74,292,205	\$80,006,990
Single Family Duplex	\$160,000	\$16,000,000	\$18,720,000	\$18,720,000	\$18,720,000	\$18,720,000	\$18,720,000	\$18,720,000	\$18,720,000	\$18,720,000	\$18,720,000	\$18,720,000	\$18,720,000	\$18,720,000
2 bedroom	\$0	\$5,940,000	\$7,020,000	\$7,020,000	\$7,020,000	\$7,020,000	\$7,020,000	\$7,020,000	\$7,020,000	\$7,020,000	\$7,020,000	\$7,020,000	\$7,020,000	\$7,020,000
3 bedroom	\$180,000	\$143,920,875	\$276,800,870	\$426,896,225	\$529,785,818	\$631,231,678	\$698,766,999	\$755,305,029	\$811,846,664	\$863,292,302	\$914,837,944	\$966,283,586	\$1,017,829,228	\$1,069,274,870
<b>RESIDENTIAL MARKET VALUE</b>	\$31,210,124	\$47,973,625	\$92,266,957	\$142,298,742	\$176,595,273	\$210,410,559	\$232,922,333	\$245,101,676	\$254,393,555	\$254,393,555	\$254,393,555	\$254,393,555	\$254,393,555	\$254,393,555
EQUALIZED ASSESSED VALUE	\$10,403,375	\$14,973,625	\$22,266,957	\$34,298,742	\$42,898,573	\$51,410,559	\$56,322,333	\$58,367,676	\$59,778,555	\$59,778,555	\$59,778,555	\$59,778,555	\$59,778,555	\$59,778,555
HOMESTEAD EXEMPTION (\$3,500/Unit)	(\$525,000)	(\$2,236,500)	(\$4,091,500)	(\$6,125,000)	(\$7,507,500)	(\$8,872,500)	(\$9,793,000)	(\$10,318,000)	(\$10,738,000)	(\$10,738,000)	(\$10,934,000)	(\$10,934,000)	(\$10,934,000)	(\$10,934,000)
<b>RESIDENTIAL TAXABLE VALUE</b>	\$9,878,375	\$45,737,125	\$88,175,457	\$136,173,742	\$169,087,773	\$201,538,059	\$223,129,333	\$234,783,676	\$243,655,555	\$243,655,555	\$243,655,555	\$243,655,555	\$243,655,555	\$243,655,555
<b>COMMERCIAL MARKET</b>														
<b>VALUE</b>														
Prairie Ridge Retail	\$0	\$0	\$1,200,000	\$7,200,000	\$10,200,000	\$11,400,000	\$12,800,000	\$14,000,000	\$14,000,000	\$14,000,000	\$14,000,000	\$14,000,000	\$14,000,000	\$14,000,000
Brier Hill Retail	\$0	\$0	\$0	\$0	\$10,000,000	\$10,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000
Office	\$0	\$0	\$0	\$0	\$10,000,000	\$10,000,000	\$10,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000
Industrial	\$0	\$0	\$9,750,000	\$19,500,000	\$29,250,000	\$39,000,000	\$48,750,000	\$58,500,000	\$68,250,000	\$78,000,000	\$87,750,000	\$97,500,000	\$107,250,000	\$117,000,000
<b>COMMERCIAL MARKET VALUE</b>	\$0	\$0	\$10,950,000	\$26,700,000	\$59,450,000	\$70,400,000	\$91,550,000	\$112,500,000	\$122,500,000	\$122,500,000	\$122,500,000	\$122,500,000	\$122,500,000	\$122,500,000
EQUALIZED ASSESSED VALUE / COMMERCIAL TAXABLE VALUE	\$0	\$0	\$3,650,000	\$8,900,000	\$19,816,667	\$23,466,667	\$30,516,667	\$37,500,000	\$40,831,333	\$40,831,333	\$40,831,333	\$40,831,333	\$40,831,333	\$40,831,333
<b>TOTAL TAXABLE VALUE</b>	\$9,878,375	\$45,737,125	\$99,125,457	\$145,073,742	\$188,504,439	\$225,004,776	\$253,646,000	\$272,283,676	\$284,486,888	\$284,486,888	\$284,486,888	\$284,486,888	\$284,486,888	\$284,486,888



**TABLE 23. Estimated School Children, School District #300**

SCHOOL AGE	Students/ Unit	Year Residents Take Occupancy														
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035			
<b>HIGH SCHOOL AGE POPULATION</b>																
Single Family Detached	0.184	4	24	65	108	108	108	108	108	108	108	108	108	108	108	108
3 bedroom	0.360	4	31	101	192	303	413	485	521	546	556	556	556	556	556	556
4 bedroom	0.300	7	29	29	29	29	29	29	29	29	29	29	29	29	29	29
5 bedroom	0.038	2	5	7	9	11	13	15	17	19	20	20	20	20	20	20
Single Family Attached	0.059	2	4	6	8	10	12	13	13	13	13	13	13	13	13	13
2 bedroom	0.038	0	4	4	4	4	4	4	4	4	4	4	4	4	4	4
3 bedroom	0.059	0	2	2	2	2	2	2	2	2	2	2	2	2	2	2
3 bedroom	0.059	19	99	214	352	468	582	656	694	721	732	732	732	732	732	732
<b>JR. HIGH POPULATION (6-8)</b>																
Single Family Detached	0.173	4	23	61	101	101	101	101	101	101	101	101	101	101	101	101
3 bedroom	0.298	4	26	84	159	251	342	402	432	452	460	460	460	460	460	460
4 bedroom	0.248	5	24	24	24	24	24	24	24	24	24	24	24	24	24	24
5 bedroom	0.048	3	6	9	12	14	16	19	21	24	25	25	25	25	25	25
Single Family Attached	0.058	2	4	6	8	10	12	13	13	13	13	13	13	13	13	13
2 bedroom	0.048	0	5	6	6	6	6	6	6	6	6	6	6	6	6	6
3 bedroom	0.058	0	2	2	2	2	2	2	2	2	2	2	2	2	2	2
3 bedroom	0.058	18	89	191	311	408	503	566	598	622	631	631	631	631	631	631
<b>ELEMENTARY POPULATION (K-5)</b>																
Single Family Detached	0.369	8	49	130	216	216	216	216	216	216	216	216	216	216	216	216
3 bedroom	0.530	6	46	149	282	447	608	714	767	805	818	818	818	818	818	818
4 bedroom	0.345	8	33	33	33	33	33	33	33	33	33	33	33	33	33	33
5 bedroom	0.088	5	11	16	21	26	30	34	39	43	46	46	46	46	46	46
Single Family Attached	0.234	8	16	25	33	41	49	52	52	52	52	52	52	52	52	52
2 bedroom	0.088	0	9	10	10	10	10	10	10	10	10	10	10	10	10	10
3 bedroom	0.234	0	8	9	9	9	9	9	9	9	9	9	9	9	9	9
Single Family Duplex	0.088	0	9	10	10	10	10	10	10	10	10	10	10	10	10	10
2 bedroom	0.234	0	8	9	9	9	9	9	9	9	9	9	9	9	9	9
3 bedroom	0.234	35	172	371	605	782	956	1,069	1,127	1,168	1,185	1,185	1,185	1,185	1,185	1,185
<b>TOTAL SCHOOL CHILDREN</b>		<b>72</b>	<b>360</b>	<b>777</b>	<b>1,269</b>	<b>1,658</b>	<b>2,041</b>	<b>2,292</b>	<b>2,420</b>	<b>2,511</b>	<b>2,548</b>	<b>2,548</b>	<b>2,548</b>	<b>2,548</b>	<b>2,548</b>	<b>2,548</b>

NOTE: Multipliers for average population per household and number of school children per household were obtained from Associated Municipal Consultants, Inc., 1996. We use computer spreadsheets to make calculations. Due to rounding error, some of the

**TABLE 24. Annual Revenues to School District #300**

REVENUE	Tax Rate/ State Aid/ Int. Rate	Year Residents Take Occupancy											
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035
Total Taxable Value		\$9,878,375	\$45,737,125	\$91,825,457	\$145,073,742	\$188,904,439	\$225,004,726	\$253,646,000	\$272,283,676	\$284,488,888	\$290,494,700	\$326,328,033	\$357,344,700
Property Tax Revenue *	3.3481	0	\$330,738	\$1,531,325	\$3,074,408	\$4,857,214	\$6,324,710	\$7,533,383	\$8,492,322	\$9,116,330	\$9,524,972	\$10,797,445	\$11,964,258
# of New Students Used for State Aid Calculation **		72	360	777	1,269	1,658	2,041	2,292	2,420	2,511	2,548	2,548	2,548
General State Aid	\$1,396.84	\$0	\$100,395	\$502,967	\$1,084,792	\$1,772,016	\$2,315,737	\$2,851,200	\$3,201,616	\$3,379,713	\$3,508,027	\$3,558,464	\$3,558,464
Transition Fees		\$412,500	\$1,344,750	\$1,457,500	\$1,597,750	\$1,086,250	\$1,072,500	\$723,250	\$412,500	\$330,000	\$154,000	\$0	\$0
Interest Revenue	1.5%	\$0	\$0	\$22,970	\$46,116	\$72,858	\$94,871	\$113,001	\$127,385	\$136,745	\$142,875	\$161,962	\$179,464
<b>TOTAL REVENUES</b>		\$412,500	\$1,775,883	\$3,514,762	\$5,803,066	\$7,788,338	\$9,807,837	\$11,220,834	\$12,233,822	\$12,962,788	\$13,329,874	\$14,517,871	\$15,702,186

\* Does not include tax rate of 0.5175 toward bonds and interest.

\*\* One-year lag in the receipt of state aid for new students.

### **4.3 Expense Calculation**

#### **4.3.1 Annual Operating Costs**

In 2002-2003, School District #300 reported net operating expenditures of \$97,282,629. These net expenditures include a deduction for the interest on bonds as well. We remove the bond debt revenue and expenses from our calculations because it is not part of the annual operating structure. With 17,260 enrolled students in the district, this equates to a per pupil tuition charge of \$5,636.

Assuming 2,548 new students at the development after full residential occupancy in three years, and using the adjusted per pupil "tuition charge" of \$5,636 per pupil, we estimate new educational operating expenses of \$14,358,544 per year after all of the units are occupied.

#### **4.3.2 Timing of Expenditures**

We have recognized that some revenues are not actually received by the School District #300 in the same year that the taxes were levied or the population arrives, so we have delayed the receipt of both the property tax revenue, as well as General State Aid, by one full year. Regarding expenditures, we also recognize that school districts usually identify a current need, and then budget for this need in another fiscal year. That is, school districts do not actually spend money in advance of growth, but after growth has occurred. To adjust for this fact, we assumed that one-half of our calculated growth in costs between each year, relating to the new population in each year, will actually be deferred to a future budget year. The effect is that the educational expenditure of \$14,358,544 is not reached until the twentieth and successive years and the first year's educational expenditures are only \$202,549.

**TABLE 25. Annual Expenses to School District #300**

ASSUMPTIONS	NEW IMPACTS	Year Residents Take Occupancy																
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035					
2002-2003 Total Expenditures	\$135,226,825																	
(Less Nonoperating Expenses)	(\$10,651,861)																	
(Less Offsetting Revenue)	(\$22,098,007)																	
(Less Interest on Bonds)*	(\$5,194,328)																	
Net Operating Expenses	\$97,282,629																	
District Enrollment	17,260																	
Charge per Student	\$5,636																	
Actual Expenditures resulting from delays in Appropriations (1/2 of the increase each year is delayed)	\$202,549	\$1,217,295	\$3,203,335	\$5,763,666	\$8,247,163	\$10,424,440	\$12,211,678	\$13,277,963	\$13,896,153	\$14,256,786	\$14,358,544	\$14,358,544	\$14,358,544					

\* Adjusted out of Fiscal Impact Analysis calculations because not part of annual operating structure.

#### 4.4 Net Fiscal Impact

##### 4.4.1 Long-Term Impact to Operating Budget

Table 26 indicates that projected annual operating revenues are expected to be less than annual operating expenses for School District #300 in the years following the completion of the development, with the margin of deficit decreasing over time.

##### 4.4.2 Existing Debt Service Taxes

School District #300 has bonds outstanding for existing capital facilities. The current property tax rate for debt service is .5175 per \$100 assessed valuation. The tax rate for debt service in future years is likely to fluctuate, but since it is unknown, we assume continuation at the current rate for the purposes of this study. This tax would be paid by the new residents of the proposed development, in effect contributing to the financing of existing facilities. Assuming bond repayment through the year 2035, the period of this study, the new residents of the development will pay \$15,696,387 (net present value, -6%) in taxes that would directly contribute to the retirement of existing bonds.

##### 4.4.3 Summary

There are 2,548 school-age children from the development anticipated to be attending school in School District #300. This student population is realized in the first year of the development. School District #300 must evaluate its current capacity to determine if it is adequate to accommodate these new students. **There are projected revenues of \$15.70 million and projected operating expenses of \$14.36 million providing an annual net operating surplus of \$1.34 million when the development is complete in 2035. Although a deficit occurs in the middle of the schedule, it decreases over time.**

The residents of the development will be paying taxes on existing capital facilities debt service in the amount of \$15,696,387 (net present value, -6%) over a period extending to the year 2035.

**TABLE 26. Net Fiscal Impact to School District #300**

	Year Residents Take Occupancy											
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035
PROPERTY TAX REVENUE	\$0	\$330,738	\$1,531,325	\$3,074,408	\$4,857,214	\$6,324,710	\$7,533,383	\$8,492,322	\$9,116,330	\$9,524,972	\$10,797,445	\$11,964,258
General State Aid	\$0	\$100,395	\$502,967	\$1,084,792	\$1,772,016	\$2,315,757	\$2,851,200	\$3,201,616	\$3,379,713	\$3,508,027	\$3,558,464	\$3,558,464
Transition Fees	\$412,500	\$1,344,750	\$1,457,500	\$1,597,750	\$1,086,250	\$1,072,500	\$723,250	\$412,500	\$330,000	\$154,000	\$0	\$0
Interest Earnings	\$0	\$0	\$22,970	\$46,116	\$72,858	\$94,871	\$113,001	\$127,385	\$136,745	\$142,875	\$161,962	\$179,464
OPERATING REVENUES	\$412,500	\$1,775,883	\$3,514,762	\$5,803,066	\$7,788,338	\$9,807,837	\$11,220,834	\$12,233,822	\$12,962,788	\$13,329,874	\$14,517,871	\$15,702,186
Less: OPERATING EXPENSES	\$202,549	\$1,217,295	\$1,203,335	\$5,763,666	\$8,247,163	\$10,424,440	\$12,211,678	\$13,277,963	\$13,896,153	\$14,256,786	\$14,358,544	\$14,358,544
Operating Surplus (Loss)	\$209,951	\$558,588	\$311,427	\$39,400	(\$458,825)	(\$616,603)	(\$990,844)	(\$1,044,140)	(\$933,365)	(\$926,912)	\$159,327	\$1,343,642
OTHER REVENUE												
Property Taxes toward Outstanding Debt through 2015 using debt service tax rate of 0.5175 /\$100 E.A.V.	\$0	\$51,121	\$236,690	\$475,197	\$750,757	\$977,580	\$1,164,599	\$1,312,618	\$1,409,068	\$1,472,230	\$1,668,910	\$1,849,259
Net Present Value - 6%				\$15,696,387								

## 5.0 PROPERTY TAX REVENUES TO OTHER DISTRICTS

We project that, at full buildout, the total development will have a taxable value of \$374,780,035. Applying the 2003 tax rates results in total annual property tax revenues of \$22,423,461 attributed to the new development. Table 27 and Figure 2 detail the distribution of property tax revenues by taxing district.

TABLE 27.

Property Tax Distribution to All Districts

Taxing Jurisdiction	Tax Rate/\$100*	Extension **
Kane County	0.3578	\$1,340,963
Kane County Forest Preserve	0.1270	\$475,971
Hampshire Township	0.0944	\$353,792
Hampshire Township Road District	0.1793	\$671,981
Hampshire Cemetery	0.0093	\$34,855
Hampshire Park District	0.1200	\$449,736
Ella Johnson Library	0.1307	\$489,838
Hampshire Fire District	0.5089	\$1,907,256
School District 300***	3.8606	\$13,795,649
School District 158 ****	4.1295	\$0
Elgin College 509	0.3854	\$1,444,402
Village of Hampshire	0.3893	\$1,459,019
<b>TOTAL</b>	<b>10.2922</b>	<b>\$22,423,461</b>

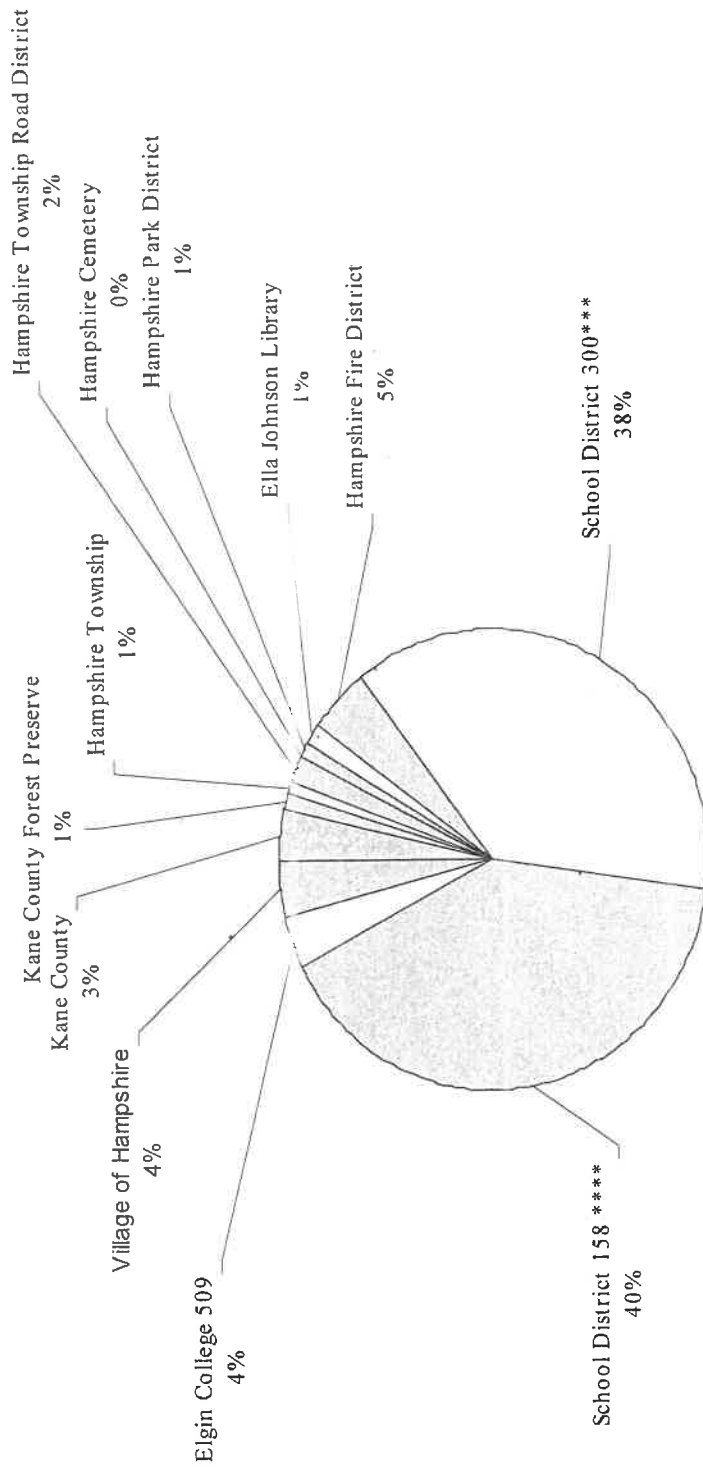
\* Tax on completion of development using 2003 individual tax rates.

\*\* Based on the Taxable Value of \$374,780,035.98.

\*\*\* School District 300 Extension based on a taxable value of \$357,344,699.75.

\*\*\*\* School District 158 Extention based on a taxable value of \$0.00

**FIGURE 1. Property Tax Distribution to All Districts**





## **6.0 FISCAL IMPACT TO HAMPSHIRE FIRE RESCUE DISTRICT**

Impact to the Hampshire Fire Rescue District is estimated based on the budgeted expenses noted in district's budget for 2003-2004. Number of calls per 1,000 persons in the district were obtained from the Hampshire Fire Rescue District.

Since all subject properties will be annexed into the municipal limits of the Village of Hampshire, the following Fiscal Impact calculations assume the Hampshire Fire Protection District would serve all the properties most conveniently and effectively.

Portions of the Van Vlissingen residential development and the Crown East (Oakstead) development are currently split between the Hampshire, Pingree Grove and Huntley Fire Protection Districts.

The current District boundaries are somewhat meandering and irregular and don't necessarily correspond to either current or future road, street or lot lines. Consequently, along these boundaries, it is difficult to accurately separate and count the precise number of value of future homes or buildings to be built within each district.

If the three Districts choose not to adjust their borders to correspond with the municipal annexation, then some variation will occur in the following calculations, since each district has a somewhat different property tax rate and a different base cost per unit of service.

Overall, however, the taxes generated by the development to be built in each of the districts when netted against the cost of service, will result in a positive fiscal impact for each Fire District.

### **6.0.1 Property Tax Revenue**

We are projecting the total annual property tax revenue to the Fire Rescue District at \$1,907,256 per year after the development is completed. The residential portion amounts to \$1,348,2297 per year and the commercial portion amounts to \$559,027 per year. This was determined using the Hampshire Fire Rescue District's property tax rate of .5258 per \$100 of equalized assessed value. Because the property taxes are collected in arrears, the first year property tax amount of \$50,271 is not collected until the second year.

**TABLE 28. Property Tax Revenues to the Hampshire Fire Rescue District**

REVENUE SOURCE	Year Residents Take Occupancy											
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035
Residential	\$0	\$50,271	\$232,756	\$537,453	\$781,717	\$949,216	\$1,114,356	\$1,224,234	\$1,283,543	\$1,328,692	\$1,348,229	\$1,348,229
Commercial	\$0	\$0	\$0	\$18,575	\$45,292	\$100,847	\$119,422	\$155,299	\$190,838	\$207,801	\$381,675	\$559,027
Transition Fees	\$45,000	\$146,700	\$231,600	\$174,300	\$118,500	\$117,000	\$78,900	\$45,000	\$36,000	\$16,800	\$0	\$0
TOTAL PROPERTY TAX	\$45,000	\$196,971	\$464,356	\$730,328	\$945,509	\$1,167,063	\$1,312,677	\$1,424,533	\$1,510,380	\$1,553,292	\$1,729,904	\$1,907,256

## **6.1 Expense Calculation - Hampshire Fire Rescue District**

Expenses are estimated using the Service-Standard Method of Fiscal Impact Evaluation. The Service-Standard Method is an average costing method which uses averages of service. The district's operating expenditures, as reported in its budget, are divided by the number of calls per year to derive an estimate of operating expense per call.

In the case of a fire district, the number of calls per 1,000 persons is estimated. We then estimate the number of calls that are expected based on the incoming population of the new development. This operating expense per call is then calculated for the number of calls expected by the new development.

Capital expenses are estimated on a continuing annual basis, analogous to the payment of principal and interest on bonds issued to pay for public capital improvements caused by the subdivision. Capital expenses are estimated at about 15% of operating expenses in each year.

### **6.1.1 Fire Call Expenses Attributable to Residential Development**

#### ***Current Fire Call Ratio Per 1,000 Residents***

Last year, the Hampshire Fire Rescue District went on an estimated 300 fire calls. With approximately 8,000 persons in the district, this results in a fire call ratio of 37.5 calls per 1,000 residents in the district.

Based on a call ratio of 37.5 calls per 1,000 residents, and a projected 10,435 new residents in this development when completed, we estimate a need for approximately 391.31 new fire calls by the year 2015.

#### ***Operating Expenses Per Fire Call***

The Hampshire Fire Rescue district expended approximately \$1,579 per call in operating expenditures for FY 2002-03. This calculation is based on 300 calls, and adjusted fire operating expenses of about \$473,702.

With a need for 391.31 new fire calls, new operating costs would total \$617,887.

### **6.1.2 Ambulance Expenses Attributable to Residential Development**

#### ***Current Ambulance Call Ratio Per 1,000 Residents***

Last year, the Hampshire Fire Rescue District went on an estimated 700 ambulance calls. With approximately 8,000 persons in the district, this results in a ambulance call ratio of 87.5 calls per 1,000 residents in the district.

Based on a call ratio of 87.5 calls per 1,000 residents, and a projected 10,435 new residents in this development when completed, we estimate a need for approximately 913 new ambulance calls by the year 2015.

***Operating Expenses Per Ambulance Call***

The Hampshire Fire Rescue district expended approximately \$440 per ambulance call in operating expenditures for FY 2002-03. This calculation is based on 700 calls, and adjusted ambulance operating expenses of about \$307,870.

With a need for 913 new ambulance calls, new operating costs would total \$401,579.

***Combined Operating Expenses for Fire and Ambulance Calls***

Total operating costs for combined fire and ambulance calls amounts to \$1,172,385 annually.

***Annual New Capital Expenses (Capital costs annualized on an infinite basis)***

We estimate the annual capital costs based on a capital cost ratio of 15% of annual operating costs. With annual operating costs of \$1,172,385 per year, annual capital costs at 15% are estimated at \$152,920 per year, after the development is fully occupied. This represents the annual debt service on new capital facilities or equipment.

**Operating Budget - Hampshire Fire Rescue District**

TABLE 29.

GENERAL FUND	Expenditures Budgeted	Less Adjustments	Adjustments	Total Adjusted Expenditures
Personnel	\$344,857			\$344,857
Administrative	\$48,630			\$48,630
Maintenance	\$74,215			\$74,215
Contingency	\$6,000			\$6,000
<b>TOTAL, GENERAL FUND</b>	<b>\$473,702</b>	<b>\$0</b>		<b>\$473,702</b>
SPECIAL FUNDS ** EMS	\$389,445	(\$81,575)	Fees for Service	\$307,870
<b>TOTAL, SPECIAL FUNDS</b>	<b>\$389,445</b>	<b>(\$81,575)</b>		<b>\$307,870</b>
<b>OVERALL TOTAL</b>	<b>\$863,147</b>	<b>(\$81,575)</b>		<b>\$781,572</b>

Budgeted FY 2002-2003

\* We are not including revenues from building permits or other such non-recurring fees in our revenue projections. We assume in this study that building permit fees, inspection fees, and any one-time plat review fees are structured to meet costs of inspection services and planning staff services.

\*\* We did not include the following enterprise or non-operating funds: Accumulation Fund.

**TABLE 30. Estimated New Expenses to the Hampshire Fire Rescue District from new Residential Development**

ASSUMPTIONS	NEW IMPACTS	Year Residents Take Occupancy											
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035
# of Fire Calls Annually	300	392	1,759	4,044	5,874	7,224	8,555	9,439	9,914	10,277	10,435	10,435	10,435
Avg. Per 1,000 Population	37.50	14.70	65.97	151.65	220.27	270.90	320.82	353.95	371.79	385.40	391.31	391.31	391.31
Population of District	8,000	\$23,218	\$104,163	\$239,449	\$347,809	\$427,750	\$506,576	\$558,884	\$587,064	\$608,557	\$617,887	\$617,887	\$617,887
Adjusted Fire Budget	\$473,702	34.31	153.92	354	514	632	749	826	868	899	913	913	913
Operating Expense Per Call / No Capital	\$1,579	\$15,090	\$67,698	\$155,623	\$226,049	\$278,005	\$329,236	\$363,232	\$381,546	\$395,515	\$401,579	\$401,579	\$401,579
# Ambulance Calls Annually	700	\$0	\$25,779	\$59,261	\$86,079	\$105,863	\$125,372	\$138,317	\$145,292	\$150,611	\$152,920	\$152,920	\$152,920
Avg. Per 1,000 Population	87.5	\$38,307	\$197,640	\$454,333	\$659,937	\$811,617	\$961,184	\$1,060,434	\$1,113,902	\$1,154,683	\$1,172,385	\$1,172,385	\$1,172,385
Population of District	8,000												
Adjusted EMS Budget	\$307,870												
Operating Expense Per Call / No Capital	\$440	\$19,154	\$117,974	\$325,987	\$557,135	\$735,777	\$886,401	\$1,010,809	\$1,087,168	\$1,134,292	\$1,163,534	\$1,172,385	\$1,172,385
		Adjusted Annual Costs (1/2 of the increase in cost is delayed between each year)											

## 6.2 Net Fiscal Impact - Hampshire Fire Rescue District

Table 31 shows the net fiscal impact to the Hampshire Fire Rescue District through the year 2035.

With recurring revenues estimated at \$1,907,256 per year, and recurring expenses estimated at \$1,172,385 per year, we are showing a surplus of \$734,870 per year. A surplus occurs in the first year of development.

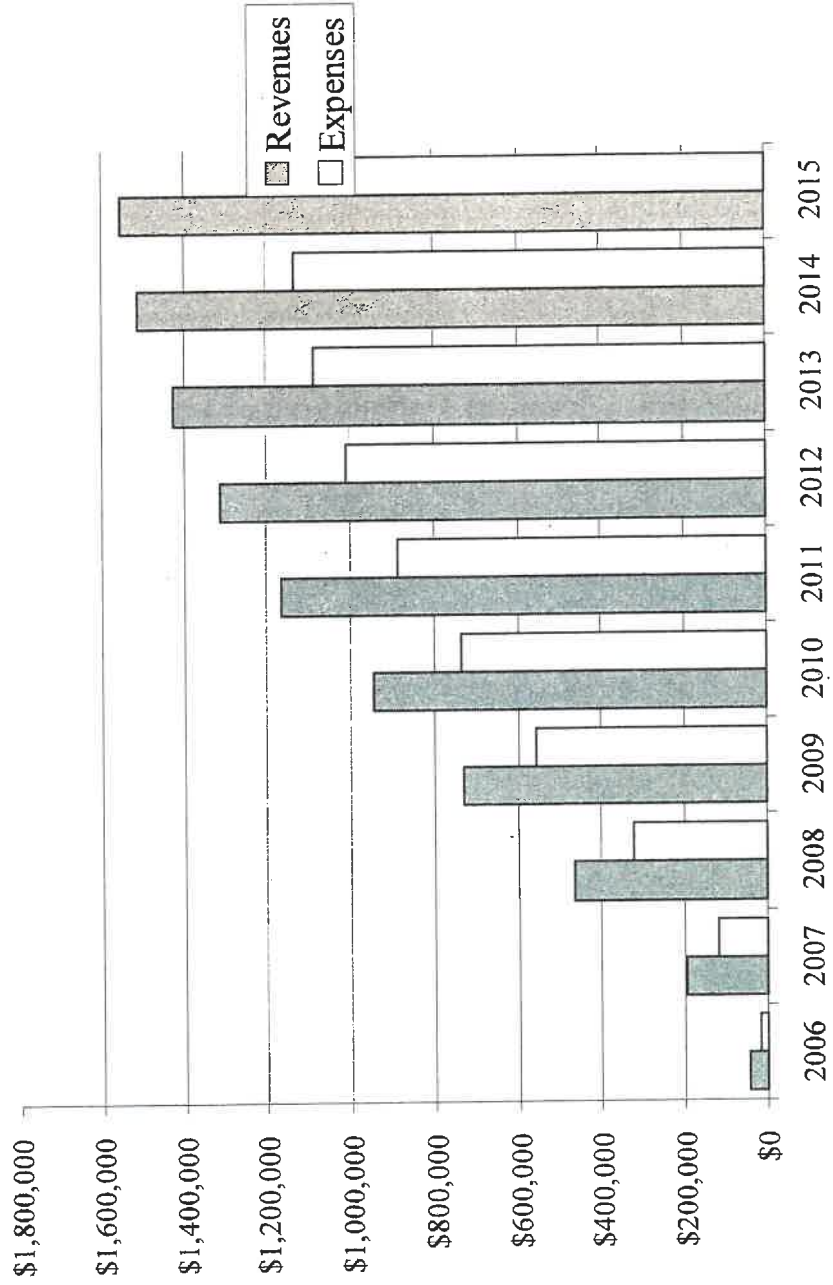
**Net Fiscal Impact, Hampshire Fire Rescue District**

**TABLE 31.**

	Year Residents Take Occupancy											
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035
Residential	\$0	\$50,271	\$232,756	\$537,453	\$781,717	\$949,216	\$1,114,356	\$1,224,234	\$1,283,543	\$1,328,692	\$1,348,229	\$1,348,229
Commercial	\$0	\$0	\$0	\$18,575	\$45,292	\$100,847	\$119,422	\$155,299	\$190,838	\$207,801	\$381,675	\$559,027
Transition Fees	\$45,000	\$146,700	\$231,600	\$174,300	\$118,500	\$117,000	\$78,900	\$45,000	\$36,000	\$16,800	\$0	\$0
Total Property Tax Revenue	\$45,000	\$196,971	\$464,356	\$730,328	\$945,509	\$1,167,063	\$1,312,677	\$1,424,533	\$1,510,380	\$1,553,292	\$1,729,904	\$1,907,256
Residential Expenses	\$19,154	\$117,974	\$325,987	\$557,135	\$735,777	\$886,401	\$1,010,809	\$1,087,168	\$1,134,292	\$1,163,534	\$1,172,385	\$1,172,385
<b>ANNUAL FISCAL IMPACT</b>	<b>\$25,846</b>	<b>\$78,997</b>	<b>\$138,370</b>	<b>\$173,193</b>	<b>\$209,731</b>	<b>\$280,663</b>	<b>\$301,869</b>	<b>\$337,365</b>	<b>\$376,088</b>	<b>\$389,758</b>	<b>\$557,518</b>	<b>\$734,870</b>



**FIGURE 2. Net Fiscal Impact to Hampshire Fire Rescue District**



## **7.0 FISCAL IMPACT TO HAMPSHIRE PARK DISTRICT**

Impact to the Hampshire Park District is estimated based on the budgeted expenses noted in district's budget for 2003-2004.

### **7.0.1 Property Tax Revenue**

We are projecting the total annual property tax revenue to the Park District at \$449,736 per year after the development is completed. The residential portion amounts to \$317,916 per year and the commercial portion amounts to \$131,820 per year. This was determined using the Hampshire Park District's property tax rate of .1269. Because the property taxes are collected in arrears, the first year property tax amount of \$11,854 is not collected until the second year.

**TABLE 32. Property Tax Revenues to the Hampshire Park District**

REVENUE SOURCE	Year Residents Take Occupancy											
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035
Residential	\$0	\$11,854	\$54,885	\$126,733	\$184,331	\$223,828	\$262,768	\$288,678	\$302,663	\$313,309	\$317,916	\$317,916
Commercial	\$0	\$0	\$0	\$4,380	\$10,680	\$23,780	\$28,160	\$36,620	\$45,000	\$49,000	\$90,000	\$131,820
Transition Fees	\$37,500	\$122,250	\$193,000	\$145,250	\$98,750	\$97,500	\$65,750	\$37,500	\$30,000	\$14,000	\$0	\$0
TOTAL PROPERTY TAX	\$37,500	\$134,104	\$247,885	\$276,363	\$293,761	\$345,108	\$356,678	\$362,798	\$377,663	\$376,309	\$407,916	\$449,736

## 7.1 Expense Calculation - Hampshire Park District

Expenses are estimated using the expenditure projection method of Fiscal Impact Evaluation. The expenditure projection method is an average costing method which uses averages of service provided to the current park district residents. The district's operating expenditures, as reported in its budget, are divided by the number of residents in the district to derive an estimate of operating expense per resident.

Capital expenses are estimated on a continuing annual basis, analogous to the payment of principal and interest on bonds issued to pay for public capital improvements caused by the subdivision. Capital expenses are estimated at about 15% of operating expenses in each year.

### 7.1.1 Expenses Attributable to Residential Development

Last year, the Hampshire Park District spent approximately \$27.67 per resident in the park district. The district had an adjusted operating budget of \$166,032 and 6,000 residents in the district. This seemingly low figure is due to the fact that not all of a park district's residents will utilize park district services, and that many activities in the park district are provided on a fee for service basis.

We have deducted out fees for service as they are structured to cover most of the cost of some recreation services. We assume that certain services, such as classes, will continue to be provided on a fee for service basis in the future.

With an expected 10,435 new residents in the district, and a non-fee for service charge of \$27.67 per resident, new operating expenses are expected to total \$288,758.

#### *Annual New Capital Expenses (Capital costs annualized on an infinite basis)*

We estimate the annual capital costs based on a capital cost ratio of 15% of annual operating costs. With annual operating costs of \$288,758 per year, annual capital costs at 15% are estimated at \$43,314 per year, after the development is fully occupied. This represents the annual debt service on new capital facilities or equipment.

**Operating Budget - Hampshire Park District**

TABLE 33.

GENERAL FUND	Expenditures Budgeted	Less Adjustments	Adjustments	Total Adjusted Expenditures
Corporate Recreation Liability	\$104,932 \$261,625 \$24,475	(\$225,000)	Fees for Service	\$104,932 \$36,625 \$24,475
<b>OVERALL TOTAL</b>	<b>\$391,032</b>	<b>(\$225,000)</b>		<b>\$166,032</b>

Budgeted FY 2002-2003

\* We are not including revenues from building permits or other such non-recurring fees in our revenue projections. We assume in this study that building permit fees, inspection fees, and any one-time plat review fees are structured to meet costs of inspection services and planning staff services.

\*\* We did not include the following enterprise or non-operating funds: Accumulation Fund.

**TABLE 34. Estimated New Expenses to the Hampshire Park District from New Residential Development**

ASSUMPTIONS	NEW IMPACTS	Year Residents Take Occupancy												
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035	
Average Park District Expenditure per District Population	Total Number of New Residents	392	1,759	4,044	5,874	7,224	8,555	9,439	9,914	10,277	10,435	10,435	10,435	10,435
\$27.67	Operating Expense Per Resident	\$27.67	\$27.67	\$27.67	\$27.67	\$27.67	\$27.67	\$27.67	\$27.67	\$27.67	\$27.67	\$27.67	\$27.67	\$27.67
Population of District	New Operating Expenses	\$10,850	\$48,679	\$111,902	\$162,542	\$199,901	\$236,739	\$261,184	\$274,354	\$284,398	\$288,758	\$288,758	\$288,758	\$288,758
Adjusted Park Budget	Capital Costs 15% of Operating	\$0	\$7,302	\$16,785	\$24,381	\$29,985	\$35,511	\$39,178	\$41,153	\$42,660	\$43,314	\$43,314	\$43,314	\$43,314
	Total Operating and Capital Expense	\$10,850	\$55,980	\$128,687	\$186,924	\$229,886	\$272,250	\$300,362	\$315,507	\$327,058	\$332,072	\$332,072	\$332,072	\$332,072
	Adjusted Annual Costs (1/2 of the increase in is delayed)	\$5,425	\$33,415	\$92,334	\$157,805	\$208,405	\$251,068	\$286,306	\$307,934	\$321,282	\$329,565	\$332,072	\$332,072	\$332,072

## 7.2 Net Fiscal Impact - Hampshire Park District

Table 35 shows the net fiscal impact to the Hampshire Park District through the year 2035.

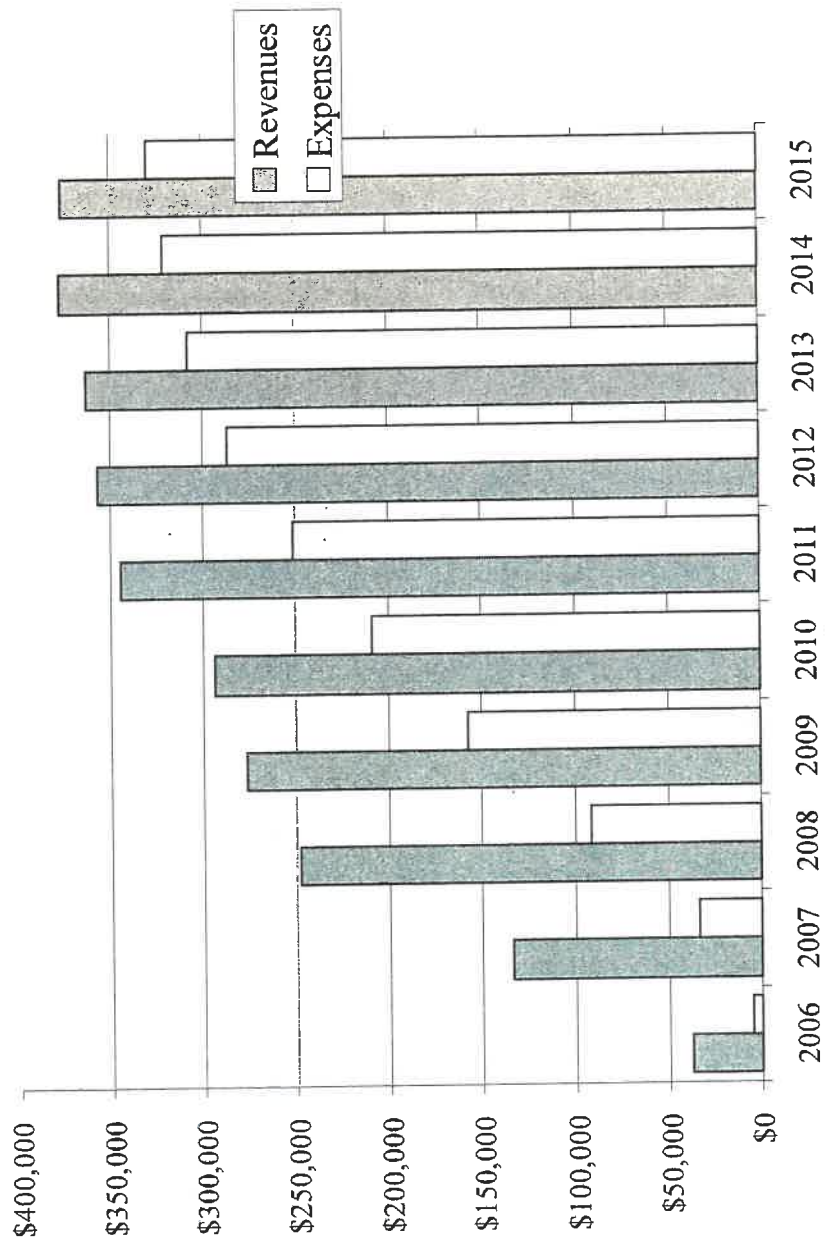
With recurring revenues estimated at \$449,736 per year, and recurring expenses estimated at \$332,072 per year, we are showing a surplus of \$117,664 per year. A surplus occurs in the first year of development.

**TABLE 35. Net Fiscal Impact, Hampshire Park District**

	Year Residents Take Occupancy											
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035
Residential	\$0	\$11,854	\$54,885	\$126,733	\$184,331	\$223,828	\$262,768	\$288,678	\$302,663	\$313,309	\$317,916	\$317,916
Commercial	\$0	\$0	\$0	\$4,380	\$10,680	\$23,780	\$28,160	\$36,620	\$45,000	\$49,000	\$90,000	\$131,820
Transition Fees	\$37,500	\$122,250	\$193,000	\$145,250	\$98,750	\$97,500	\$65,750	\$37,500	\$30,000	\$14,000	\$0	\$0
Total Residential Revenue	\$37,500	\$134,104	\$247,885	\$276,363	\$293,761	\$345,108	\$356,678	\$362,798	\$377,663	\$376,309	\$407,916	\$449,736
Residential Expenses	\$5,425	\$33,415	\$92,334	\$157,805	\$208,405	\$251,068	\$286,306	\$307,934	\$321,282	\$329,565	\$332,072	\$332,072
<b>ANNUAL FISCAL IMPACT</b>	<b>\$32,075</b>	<b>\$100,689</b>	<b>\$155,551</b>	<b>\$118,558</b>	<b>\$85,356</b>	<b>\$94,040</b>	<b>\$70,372</b>	<b>\$54,863</b>	<b>\$56,381</b>	<b>\$46,744</b>	<b>\$75,844</b>	<b>\$117,664</b>



FIGURE 3. Net Fiscal Impact to Hampshire Park District



## **8.0 FISCAL IMPACT TO ELLA JOHNSON LIBRARY DISTRICT**

Impact to the Ella Johnson Library District is estimated based on the budgeted expenses noted in district's budget for 2003-2004. Information regarding number of employees was obtained from the Ella Johnson Library District.

### **8.0.1 Property Tax Revenue**

We are projecting the total annual property tax revenue to the Library District at \$489,838 per year after the development is completed. The residential portion amounts to \$346,264 per year and the commercial portion amounts to \$143,574 per year. This was determined using the Ella Johnson Library District's property tax rate of .1345 per \$100 of equalized assessed value. Because the property taxes are collected in arrears, the first year property tax amount of \$12,911 is not collected until the second year.

**TABLE 36. Property Tax Revenues to the Ella Johnson Library District**

REVENUE SOURCE	Year Residents Take Occupancy											
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035
Residential	\$0	\$12,911	\$59,778	\$138,033	\$200,767	\$243,786	\$286,198	\$314,418	\$329,650	\$341,246	\$346,264	\$346,264
Commercial	\$0	\$0	\$0	\$4,771	\$11,632	\$25,900	\$30,671	\$39,885	\$49,013	\$53,369	\$98,025	\$143,574
Transition Fees	\$12,750	\$41,565	\$65,620	\$49,385	\$33,575	\$33,150	\$22,355	\$12,750	\$10,200	\$4,760	\$0	\$0
TOTAL PROPERTY TAX	\$12,750	\$54,476	\$125,398	\$192,189	\$245,974	\$302,836	\$339,224	\$367,053	\$388,863	\$399,375	\$444,289	\$489,838

## 8.1 Expense Calculation - Ella Johnson Library District

Expenses are estimated using the Service-Standard Method of Fiscal Impact Evaluation. The Service-Standard Method is an average costing method which uses averages of staffing service. A marginal staffing ratio is used that estimates the number of new staff necessary for every additional 1,000 residents of population growth. This ratio is multiplied by the estimated population in the new development (divided by 1,000) to estimate the number of new employees that may be necessary.

The Library's operating expenditures, as reported in its budget, are divided by its staff size to derive an estimate of operating expense per employee. The adjusted operating expense per employee is multiplied by the estimated number of new employees caused by the development, arriving at an estimate of new operating expenses due to the development.

Capital expenses are estimated on a continuing annual basis, analogous to the payment of principal and interest on bonds issued to pay for public capital improvements caused by the development. Capital expenses are estimated at about 10% of operating expenses in each year, due to the projection of the Library district in its operating plan.

### 8.1.1 Expenses Attributable to Residential Development

#### *Current Staff Ratio Per 1,000 Residents*

The Ella Johnson Library District has 6 FTE (full-time equivalent) employees. We recognize that the marginal increase in employees will be less than the ratio of current employees to 1,000 residents. One reason for this is that department heads are not duplicated as the size of the municipal staff grows. To compute the number of new employees needed per additional 1,000 residents, we net out department heads under the assumption that these positions would not be duplicated. Subtracting 2 department heads from 6 total employees results in a marginal staffing ratio of .28 employees per 1,000 residents.

Based on a marginal staffing ratio of .28 per 1,000 residents, and a projected 10,435 new residents in this development when completed, we estimate a need for approximately 2.94 new full-time equivalent staff by the year 2015. These new staff are brought on incrementally as the community builds out.

#### *Operating Expenses Per Employee*

The Library has budgeted approximately \$116,667 per employee in operating expenditures for FY 2003-04. This calculation is based on 6 full-time equivalent employees, and adjusted operating expenses of about \$700,000. Calculations for the adjusted operating expenses amount are outlined in Table 36.

*New Annual Capital Expenses (Capital costs annualized on an infinite basis)*

We estimate the new annual capital costs based on a capital cost ratio of 10% of annual operating costs. With new annual operating costs of \$343,249 per year, annual capital costs at 10% are estimated at \$34,325 per year, after the development is fully occupied. This represents the new annual debt service on new capital facilities or equipment.

*Timing of Expenditures*

Regarding expenditures, we recognize that districts usually identify a current need, and then budget for this need in another fiscal year. That is, districts do not actually spend money in advance of growth, but after growth has occurred. To adjust for this lag in expenditures, we assume that half the growth in calculated costs between each year will not actually be spent in that year.

For example, in the first year of development, we estimate that the new development will generate \$12,898 in new expenses to the Village of Hampshire. However, we only attribute one half of this amount to the new expenses due to the development in that year. One-half of the cost increase is allocated to the next fiscal year. The total cost of the residential development after completion is estimated to be \$377,574.

**Operating Budget - Ella Johnson Library District**

TABLE 37.

GENERAL FUND	Expenditures Budgeted	Less Adjustments	Adjustments	Total Adjusted Expenditures
Corporate Fund	\$390,000	(\$90,000)	Fines, Fees for Service, Capital Expenses	\$300,000
FICA	\$20,000	\$0		\$20,000
Audit	\$2,200	\$0		\$2,200
Liability Insurance	\$7,800	\$0		\$7,800
IMRF	\$20,000	\$0		\$20,000
Grant	\$50,000	(\$50,000)	Grants received	\$0
Special Reserve Fund	\$350,000	\$0		\$350,000
<b>OVERALL TOTAL</b>	<b>\$840,000</b>	<b>(\$140,000)</b>		<b>\$700,000</b>

Budgeted FY 2002-2003

\* We are not including revenues from building permits or other such non-recurring fees in our revenue projections. We assume in this study that building permit fees, inspection fees, and any one-time plat review fees are structured to meet costs of inspection services and planning staff services.

\*\* We did not include the following enterprise or non-operating funds: Accumulation Fund.

**TABLE 38. Estimated New Expenses to the Ella Johnson Library District from new Residential Development**

ASSUMPTIONS	NEW IMPACTS	Year Residents Take Occupancy											
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035
Full Time Equivalent Library Staff	6	392	1,759	4,044	5,874	7,224	8,555	9,439	9,914	10,277	10,435	10,435	10,435
Avg. Per 1,000 Population	0.42	0.11	0.50	1.14	1.66	2.04	2.41	2.66	2.80	2.90	2.94	2.94	2.94
Population of District	14,187	\$12,898	\$57,865	\$133,019	\$193,215	\$237,624	\$281,414	\$310,472	\$326,127	\$338,066	\$343,249	\$343,249	\$343,249
Total Adjusted Expenditures	\$700,000	\$0	\$5,786	\$13,302	\$19,322	\$23,762	\$28,141	\$31,047	\$32,613	\$33,807	\$34,325	\$34,325	\$34,325
Operating Expense per Staff	\$116,667												
Adjusted Staff Average	4	\$12,898	\$63,651	\$146,321	\$212,537	\$261,387	\$309,555	\$341,520	\$358,739	\$371,873	\$377,574	\$377,574	\$377,574
Adjusted Staff per 1,000	0.28	\$6,449	\$38,275	\$104,986	\$179,429	\$236,962	\$285,471	\$325,538	\$350,129	\$365,306	\$374,724	\$377,574	\$377,574

## 8.2 Net Fiscal Impact - Ella Johnson Library District

Table 39 shows the net fiscal impact to the Ella Johnson Library District through the year 2035.

With recurring revenues estimated at \$489,838 per year, and recurring expenses estimated at \$377,574 per year, we are showing a surplus of \$112,263 per year. A surplus occurs in the first year of development.



**TABLE 39. Net Fiscal Impact, Ella Johnson Library District from new Residential Development**

	Year Residents Take Occupancy											
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2025	2035
Residential	\$0	\$12,911	\$59,778	\$138,033	\$200,767	\$243,786	\$286,198	\$314,418	\$329,650	\$341,246	\$346,264	\$346,264
Commercial	\$0	\$0	\$0	\$4,771	\$11,632	\$25,900	\$30,671	\$39,885	\$49,013	\$53,369	\$98,025	\$143,574
Transition Fees	\$12,750	\$41,565	\$65,620	\$49,385	\$33,575	\$33,150	\$22,355	\$12,750	\$10,200	\$4,760	\$0	\$0
Residential Revenue	\$12,750	\$54,476	\$125,398	\$192,189	\$245,974	\$302,836	\$339,224	\$367,053	\$388,863	\$399,375	\$444,289	\$489,838
Residential Expenses	\$6,449	\$38,275	\$104,986	\$179,429	\$236,962	\$285,471	\$325,538	\$350,129	\$365,306	\$374,724	\$377,574	\$377,574
<b>ANNUAL FISCAL IMPACT</b>	<b>\$6,301</b>	<b>\$16,201</b>	<b>\$20,412</b>	<b>\$12,760</b>	<b>\$9,013</b>	<b>\$17,365</b>	<b>\$13,687</b>	<b>\$16,924</b>	<b>\$23,557</b>	<b>\$24,651</b>	<b>\$66,714</b>	<b>\$112,263</b>

## 9.0 TRANSITION FEES

The developer will be responsible for transition fees to School Districts #158 (Huntley) and #300 (Hampshire), the Village of Hampshire, the Park District, Fire District and Library District. These fees are paid to either offset estimated costs incurred by the school district to cover the lag in property taxes, or to pay for related infrastructure. Total transition fees are expected to amount to more than \$13.4 million for the entire project.

### 9.0.1 Transition Fee Breakdown

The fee schedule per housing unit breaks down as follows:

School District	\$2,750
Village	\$615
Park District	\$250
Fire District	\$300
Library District	\$85
<b>Total Per Unit</b>	<b>\$4,000</b>

The total transition fee paid annually throughout the projects duration appears in Table 40.

**TABLE 40. Net Transition Fees Paid to Village of Hampshire**

	Project Year											Totals
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Number of Units	
Number of New Units Constructed Annually	150	489	772	581	395	390	263	150	120	56	3366	
School District Fees	\$412,500	\$1,344,750	\$2,123,000	\$1,597,750	\$1,086,250	\$1,072,500	\$723,250	\$412,500	\$330,000	\$154,000	\$9,256,500	
Village Fees	\$92,250	\$300,735	\$474,780	\$357,315	\$242,925	\$239,850	\$161,745	\$92,250	\$73,800	\$34,440	\$2,070,090	
Park District Fees	\$37,500	\$122,250	\$193,000	\$145,250	\$98,750	\$97,500	\$65,750	\$37,500	\$30,000	\$14,000	\$841,500	
Fire District Fees	\$45,000	\$146,700	\$231,600	\$174,300	\$118,500	\$117,000	\$78,900	\$45,000	\$36,000	\$16,800	\$1,009,800	
Library District Fees	\$12,750	\$41,565	\$65,620	\$49,385	\$33,575	\$33,150	\$22,355	\$12,750	\$10,200	\$4,760	\$286,110	
<b>Total Transition Fees Paid Annually</b>	<b>\$600,000</b>	<b>\$1,956,000</b>	<b>\$3,088,000</b>	<b>\$2,324,000</b>	<b>\$1,580,000</b>	<b>\$1,560,000</b>	<b>\$1,052,000</b>	<b>\$600,000</b>	<b>\$480,000</b>	<b>\$224,000</b>	<b>\$13,464,000</b>	

TRANSITION FEE CHART

FIGURE 4.

