



DEVELOPMENT
FINANCIAL
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PRELIMINARY FISCAL & ECONOMIC
IMPACT ASSESSMENT OF THE
CAMPBELL RANCH MASTER PLAN TO
THE TOWN OF EDGEWOOD, NEW
MEXICO

PREPARED FOR THE CAMPBELL
FARMING CORPORATION
March 2001



RICHARD CRYSTAL
PRINCIPAL

CRYSTAL & COMPANY
7146 VIA DE ALEGRIA
SCOTTSDALE, ARIZONA 85258-3823
(480) 998-2790
(480) 998-7017 FAX

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MEMORANDUM

TO: Robert Gately, President
Campbell Farming Corporation

FROM: Richard Crystal, Principal
Crystal & Company

DATE: 3/14/01

SUBJECT: Edgewood Preliminary Fiscal Impact

This memo has been prepared to offer preliminary fiscal impacts of the build-out of Campbell Ranch to Edgewood, New Mexico under an assumed annexation. The report should be considered preliminary and is not detailed. The memo offers substantive information associated with annexation yet does not purport to be a comprehensive fiscal assessment of annexation by virtue of the level of detail included and the fact that current and projected Town growth (exclusive of Campbell Ranch) has not been considered.

FIRM OVERVIEW

As you know, ©Crystal & Company has prepared a variety of fiscal impact studies for public and private sector development projects. These include: mixed use planned area developments; auto malls; large scale industrial and business parks; commercial and industrial prospects sought by municipalities; regional malls; freeway alignments; hotel and resort facilities; apartment developments; Costco centers; arterial alignments; public facilities; public/private tax sharing agreements; and, court expert testimony. Clients have included law firms, corporate real estate firms, utility companies, municipal and state government, private land owners, engineering and planning firms, and quasi public/private economic development agencies.

FISCAL IMPACT METHODOLOGY

The fiscal and economic impact of a proposed development is determined using a computer model. The model contains specific, detailed information associated with the proposed project development plan. This information may be classified into several categories: (1) proposed land uses in the development; (2) the probable or specific improvements to be made to the subject property over time and the absorption of such improvements; and, (3) the application of tax rates and fees that would be imposed by targeted taxing entities with jurisdiction on the site. To establish the detailed gross economic and fiscal impacts of this proposed development, valuations and revenue streams are projected based on industry standards. Net impacts are established by projecting local government expenditures for required services. Cost estimates are deducted from gross revenues to establish the net fiscal impacts to the jurisdiction. The validity of this kind of analysis is based on the quality of

the assumptions incorporated in the model. All assumptions are subject to refinement.

ASSUMED CAMPBELL RANCH LAND-USES

The Campbell Ranch Master Plan includes approximately 4,023 residential dwelling units situated on 8,067 acres of land with 952,499 square feet of commercial and public facility uses under roof. The build-out of the master plan is assumed twenty years out resulting in an ultimate population of an estimated 10,450 persons and maximum employment of 2,940.

PRELIMINARY GROSS REVENUES TO THE TOWN OF EDGEWOOD

Consider the following preliminary findings (in current dollars) given the application of the current tax structure in Edgewood to Campbell Ranch:

- 1) Since the Town derives 2.01% of the total 5.785% Gross Revenue Tax (GRT) rate in local (.785%) and state-shared (1.225%) levies, it is estimated that **one-time, non-recurring GRT revenues of \$28.5 million and total recurring GRT taxes of \$26.9million** on retail sales, commercial leasing and services spending would be generated. At build-out, it is estimated that **\$3.8 million in GRT revenues would annually recur thereafter**. According to the New Mexico Municipal League, the current state-shared and local share of the GRT for Edgewood cannot exceed 2.785%, and that state-shared GRT revenues appeared reliable in that they had been in existence for about 10 years. A wide variety of intended land uses at Campbell Ranch will generate taxable sales subject to the GRT as indicated on Tables 1 (Summary Impacts) and 4 (GRT Impacts) in the Appendix.
- 2) Since the Town does not impose a property tax levy in Santa Fe County, none are assumed in Bernalillo County under annexation. As a result, **no recurring general fund property tax revenues would accrue to the community** through the build-out of the master plan under the prevailing tax structure. However, Campbell Ranch will ultimately add approximately \$285 million in taxable valuation by build-out, thereby offering the community the option at some point to generate significant general fund proceeds through the imposition of qualified operating mill levies (up to a current levy of \$7.65) without voter approval as well as the capacity to incur bonded debt. Refer to Tables 1 (Summary) and 5 (Property Tax Impacts) in the Appendix for further details.
- 3) Schedules have not been received from the Town regarding current, non-recurring, permitting, public works and plan check fees. **Accordingly, Town specific estimates have not been generated. However, if Bernalillo County plan check, public works design/review and permitting fees are assumed, it is estimated that \$10.46 million in non-recurring fees would be generated through build-out** (refer to Table 1 [Summary Impacts] and 6 [Other Tax and Fee Impacts]).
- 4) Although residential and non-residential telephone, electric, cable and gas utility franchise receipts could accrue to the Town, staff indicates that such fees are not currently levied. **Therefore, no such revenues would currently accrue to the Town under the prevailing tax system.** Obviously, Campbell Ranch offers a substantive base to generate revenues for the Town.
- 5) Based on a review of the Black Ranch Master Plan fiscal impact to the City of Albuquerque in '97, other revenues that might benefit the Town include, but are not limited to: cigarette tax receipts; gas tax receipts; liquor tax receipts; 'PILOT', Fire District, Police and EMS support from the State; other enterprise funds; etc. Some of these revenues require further detailed research, but **'PILOT', liquor, motor vehicle and gas tax receipts are estimated at \$2.1 million through project build-out** based on Black Ranch standards (refer to Table 1 [Summary Impacts] and 6 [Other

Tax and Fee Impacts]).

- 6) The Town of Edgewood does not presently authorize the use of impact fees, and as such, they are not included in revenue estimates to the Town. A review of state law would intimate that impact fees would be based on relevant Edgewood service delivery, capital improvement and budgetary plans for the study period that have yet to be established.

PRELIMINARY EXPENDITURES BY THE TOWN

The ultimate build-out and annexation of Campbell Ranch would increase the Town size from 3,000 to 4,000 presently to approximately 13,500 to 14,500 twenty years hence (assuming no other community growth which is unlikely). The ultimate addition of the estimated 10,450 persons at Campbell Ranch motivates the following preliminary perspectives on community expenditures:

- 1) Existing municipal Fire/EMS expenditures would need to be expanded for operations and maintenance (O&M) and capital. Discussions with the Town indicated that at least three options exist: (1) institute contractual relationships for service from Bernalillo (or Santa Fe) County Fire/EMS Department like presently executed with Santa Fe County; (2) institute a Town Department; or, (3) combinations thereof. For purposes of this report, **preliminary estimates of the pro-rata cost (capital and O&M) for Bernalillo County service delivery is \$8.02 million through build-out. The costs to establish a Town Fire/EMS Department have not been provided nor have possible combinations of Town and County service provision.** The estimation of these costs is recommended for the total Town site. Bernalillo County has not been contacted relative to what fees it would charge the Town on a contractual fee for service basis. For FY 99/00, Edgewood actual expenditures for Fire/EMS services were \$77,658.
- 2) Existing municipal police expenditures would need to be expanded for operations and maintenance (O&M) and capital. Discussions with the Town indicated that at least three options exist: (1) institute contractual relationships for service from the Bernalillo, Santa Fe and/or State of New Mexico Police/Sheriff Departments like presently executed with Santa Fe County; (2) institute a Town Department; or, (3) combinations thereof. For purposes of this report, **preliminary estimates of the pro-rata cost (capital & O&M) of Bernalillo County service delivery is \$9.15 million through build-out. The costs to establish a Town Police Department have not been provided nor have possible combinations of Town, State and/or County service provision.** The estimation of these costs is recommended for the total Town site. Bernalillo County has not been contacted relative to what fees it would charge the Town on a contractual fee for service basis. For FY 99/00, Edgewood actual police expenditures were \$18,000.
- 3) The Town would incur capital and O&M expenses for interstate and street transportation. They are, in part, a function of the ultimate ownership of the streets (public dedication or not by the developer to the Town). Capital costs would likely primarily pertain to interstate improvements. O&M would be germane for dedicated streets while further clarification is needed regarding the interstate. Drawn from the Black Ranch Master Plan submitted to Albuquerque in 1997, standards of .02 lane miles/dwelling at costs of \$3,173/lane mile/year warrant dedicated road maintenance expenses of \$1.7 million through project build-out. This is significantly less than the \$4.3 million for transportation and drainage incorporated in the study. According to the Campbell Ranch Transportation Master Plan prepared by Bohannon Huston, "the development of transportation improvement requirements and funding mechanisms

- are anticipated to be an ongoing iterative process over the life of the project". Refer to Bohannan Huston (project engineers) and Consensus Planning (project planners) for more information concerning transportation capital costs which are very relevant.
- 4) The Campbell Farming Corporation intends on providing water and sewer services through private utilities to be funded by a special assessment district, and that capital costs would be financed by qualified tax-exempt bonds. It is anticipated that capital and O&M costs would be repaid by ongoing business and resident assessments. Discussions with the Town indicated a prospective benefit of \$3.5 million in the assumed sale of Town-owned infrastructure assets to the newly formed, private utilities/s, and note that this has not been factored into fiscal benefits to the community. Facilities for the provision of power and cable TV are not known. The service area of the new facilities are germane in light of other utilities presently operating in the area. Further research is needed on the fiscal status of present utilities operating in the region.
 - 5) Discussions with Town staff indicated needed and/or desired services for Campbell Ranch regarding Animal Control, Parks & Recreation, Planning and Zoning (P&Z), Library Services and Senior facilities. Pro-rated '99 Bernalillo O&M expenditures (\$3.79 per capita/yr) to render animal control are estimated at \$320,000 through build-out. P&Z expenditures have not been estimated, nor have any other expenditures.

PRELIMINARY NET FISCAL IMPACTS TO THE TOWN

The net fiscal impacts to the Town of Edgewood are estimated by subtracting required expenditures from revenues in five-year periods over the build-out of the Campbell Ranch Master Plan. Noted on Table 1 (Summary Impacts) in the Appendix, it is estimated that:

- 1) Under the existing tax structure, **\$33.9 million in net revenues** could accrue to the Town from the assumed build-out of Campbell Ranch twenty years hence. Expenditures include pro-rata Bernalillo estimates for Sheriff, Fire/EMS and transportation/ drainage (only O&M), while it excludes transportation capital costs as well as a variety of other items (refer to Table 1 (Impact Summary) in the Appendix. None of the expenditure estimates incorporate the provision of services through Town departments. Ultimately, Campbell Ranch offers Edgewood the wherewithal to render a broad range of municipal services at increasing economies of scale for all community residents as well as enhancing the customer base to distribute user charges for enterprise funded activities.
- 2) **Employment generation of up to 2,940 persons** involving extensive retail, hotel/recreational and office development and the subsequent major growth of the GRT and property tax base of Edgewood will offer permanent economic diversification so needed for long term growth. Campbell Ranch will strengthen the economic trade area of Edgewood and foster future growth of the community in both Santa Fe and Bernalillo counties.
- 3) Alternatives to address supplemental revenues desired by the community include GRT rate hikes, the imposition of a property tax mill levy, impact fees and/or the imposition of utility franchise taxes.
- 4) Prudent municipal fiscal management suggests: (a) **service delivery expenditures be 'in line' with new, actual tax receipts collected**; (b) the budgeting of prudent reserves; (c) very prudent borrowing (if any); and, (d) controls imposed on existing and new service delivery to be rendered.
- 5) As indicated earlier, service delivery options open to the Town include: (1) contractual relationships for services from Bernalillo and/or Santa Fe counties; (2) the creation of Town Departments; and/or, (3) combinations thereof. Contractual relationships are

certainly initial ways to control expenditure costs.

REPORT QUALIFICATION AND RECOMMENDED FOLLOW-UP

This brief report offers Edgewood a preliminary insight to the fiscal consequences of the annexation of Campbell Ranch. This fiscal analysis is greatly affected by items that include, but are not limited to: (1) assumptions associated with the proposed development, revenue streams, absorption and area tax structure; (2) annexation agreement terms; (3) Town preferences and budgets concerning service delivery; (4) negotiated arrangements with entities for service delivery; and, (5) combinations thereof.

The following is suggested by the Town to finalize this assessment **in light of the actual receipt of tax revenues** from Campbell Ranch:

- a) Determine service delivery preferences for Police, Fire/EMS, transportation and planning & zoning and project such budgets (capital and O&M) noting service providers.
- b) Finalize road maintenance responsibilities and subsequent expenditures as appropriate. In addition, finalize transportation capital expenditures with the Campbell Ranch planning/engineering staff.
- c) Assess item '5' under Preliminary Expenditures to determine any other relevant expenditures to include in the report.
- d) Yearly considerations and dedicated revenues.
- e) Given the current tax structure, an understanding that revenue flows will be derived from one-time, non-recurring GRT and assumed permitting/plan check levies at the outset of the plan, while recurring GRT resources would be generated later and heavily a function of the completion and operation of commercial facilities.

Please don't hesitate to contact me at (480) 998-2790 for any further information you may require on this subject.

Attachments

Table 1 (Summary Impacts)
Chart A (Summary Impacts)

Appendix

1. Edgewood Fiscal Impact Model (Tables 2,4-8)

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File

Run Date:
2-Nov-01

TABLE 1.
FISCAL IMPACT PROJECTION MODEL
SUMMARY OF IMPACTS
Prepared For:
Campbell Ranch Development, Inc.
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TAX OR FEE ITEM	YEAR 1-5	YEAR 6-10	YEAR 11-15	YEAR 16-20	TOTAL AT BUILD OUT
TOTAL RECURRING TAX RECEIPTS TO EDGEWOOD	\$836,303	\$4,179,157	\$10,387,434	\$11,504,990	\$26,907,884
CUMULATIVE GRT LEASING RECEIPTS	\$50,690	\$255,277	\$1,877,099	\$1,941,831	\$4,124,897
CUMULATIVE GRT RETAIL SALES RECEIPTS	\$534,437	\$2,428,650	\$5,572,475	\$6,374,124	\$14,909,685
CUMULATIVE GRT SERVICES RECEIPTS	\$251,175	\$1,495,231	\$2,937,860	\$3,189,035	\$7,873,302
CUMULATIVE PROPERTY TAX RECEIPTS	\$0	\$0	\$0	\$0	\$0
CUMULATIVE MOTOR VEH, GAS TAX, 'PILOT' & LIQUOR REVENUES	\$183,950	\$455,879	\$708,069	\$793,160	\$2,141,057
TOTAL NON-RECURRING TAX OR FEE RECEIPTS TO EDGEWOOD	\$4,639,611	\$8,396,538	\$11,071,976	\$4,442,016	\$28,550,141
DEVELOPMENT GRT RECEIPTS	\$2,707,650	\$5,189,793	\$7,418,750	\$2,773,497	\$18,089,690
TOTAL IMPACT FEES	N/A	N/A	N/A	N/A	\$0
TOTAL PUBLIC WORKS DESIGN/REVIEW FEES 3/	\$43,877	\$107,711	\$106,788	\$67,661	\$326,038
TOTAL BUILDING PERMIT & PLAN CHECK FEES 3/	\$1,888,084	\$3,099,034	\$3,546,438	\$1,600,858	\$10,134,414
TOTAL RECURRING AND NON-RECURRING GROSS TAX & FEE RECEIPTS TO EDGEWOOD	\$5,475,914	\$12,575,695	\$21,459,410	\$15,947,006	\$55,458,025
ESTIMATED EXPENDITURE REQUIREMENTS 1/ 2/	\$2,474,174	\$5,142,450	\$7,072,090	\$6,860,356	\$21,549,070
• ESTIMATED PROJECT TRANSP./DRAINAGE EXPENDITURES/PERIOD	\$375,407	\$930,364	\$1,445,036	\$1,618,690	\$4,369,497
• ESTIMATED PROJECT FIRE DEPT. EXPENDITURES/PERIOD	\$1,063,086	\$2,041,351	\$2,621,788	\$2,300,186	\$8,026,410
• ESTIMATED PROJECT SHERRIF. EXPENDITURES/PERIOD	\$1,035,681	\$2,170,735	\$3,005,266	\$2,941,480	\$9,153,163
RECURRING AND NON-RECURRING NET TAX & FEE RECEIPTS TO EDGEWOOD	\$3,001,740	\$7,433,245	\$14,387,319	\$9,086,651	\$33,908,955
PROPERTY TAX BASE ENHANCEMENT TO IMPACTED JURISDICTIONS	\$2,253,260	\$8,444,053	\$19,974,626	\$33,775,545	\$64,447,485
• TOTAL GROSS TAX RECEIPTS TO MORIARITY SD/PERIOD	\$1,208,334	\$4,537,869	\$10,691,053	\$18,008,741	\$34,445,998
• TOTAL GROSS TAX RECEIPTS TO BERNALILLO COUNTY	\$1,044,926	\$3,906,184	\$9,283,573	\$15,766,803	\$30,001,486
TOWN NET TAXABLE VALUATION ENHANCEMENT	\$47,202,497	\$130,076,207	\$240,334,760	\$285,765,551	
TOWN BONDED DEBT ENHANCEMENT	\$1,888,100	\$5,203,048	\$9,613,390	\$11,430,622	
CUMULATIVE MAX. EMPLOYMENT ADDED BY END OF PERIOD	310	1,184	2,597	2,940	

1/ Estimated expenditures exclude transportation capital, animal control, library, P&Z, parks & recreation and senior centers.

2/ Expenditures include prorata estimated costs to Bernalillo County.

3/ Estimates based on Bernalillo County fee schedules.

CHART A.

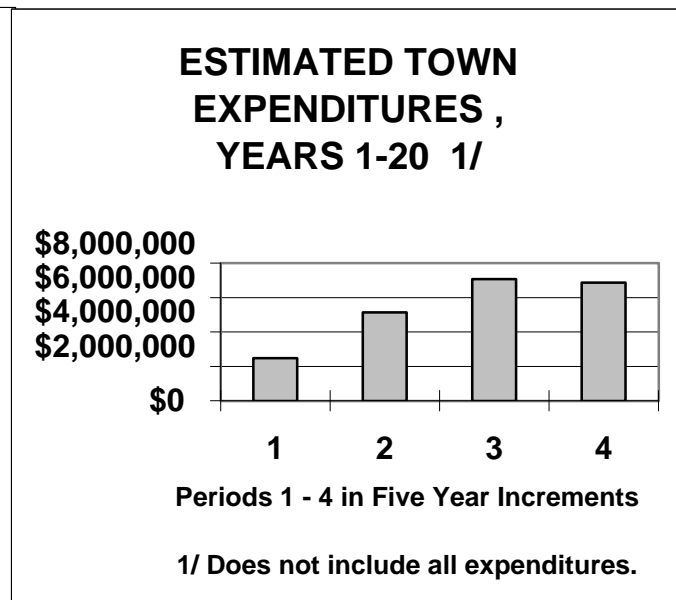
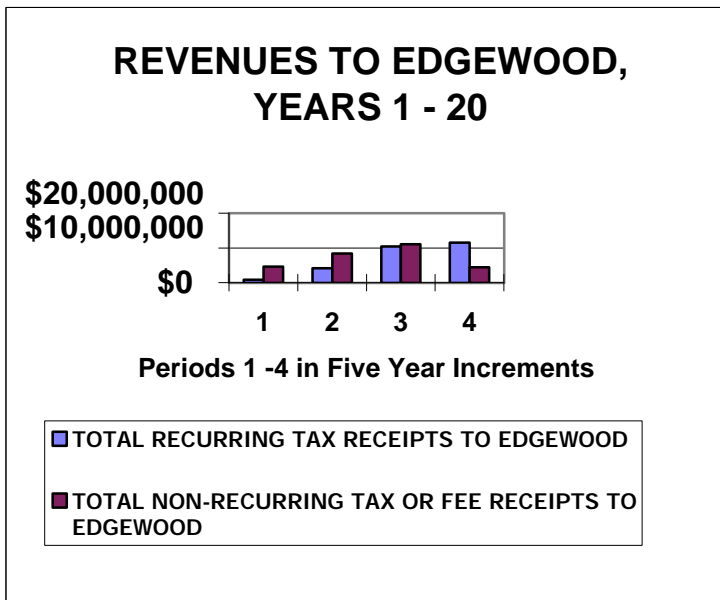
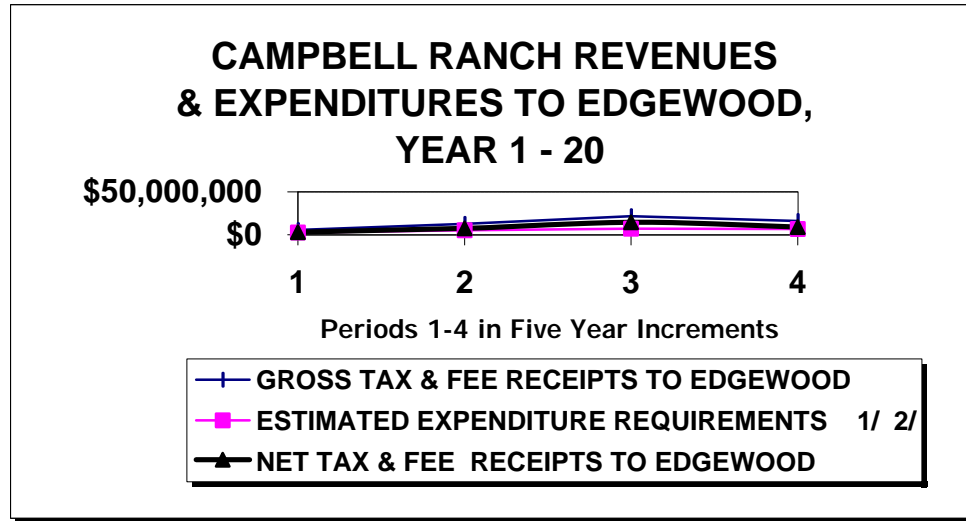


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1.0 STUDY APPROACH

The purpose of this report is to present the fiscal and employment impacts of a proposed, mixed-use development located on a 8,067 gross acre site (excluding the future planning area) called Campbell Ranch in Bernalillo County, New Mexico under an assumed annexation in the Town of Edgewood. This site is owned by the San Pedro Land Company, Inc. An overview of the type and magnitude of the intended uses on the property at build-out are presented below.

PLANNED PROJECT LAND USES: CAMPBELL RANCH MASTER PLAN

Land Use Type	Total Units	Total Acreage	Total Bldg Sq. Ft
Residential			
• 6,000 s/f lot -----	529	141	na
• 7,000 s/f lot -----	619	192	na
• 9,000 s/f lot -----	853	343	na
• 1/3 Acre s/f lot -----	717	370	na
• 1/2 Acre s/f lot -----	140	93	na
• 3/4 Acre s/f lot -----	67	63	na
• 1 Acre s/f lot -----	0	0	na
• 1-2 Acre s/f lot -----	225	324	na
• 2-5 Acre s/f lot -----	291	971	na
• Resort Residential -----	75	90	na
• Townhomes -----	350	70	na
• Multi-Family (Apartments) --	157	14	na
Commercial and Public Facility Uses			
• Golf Facilities ----- 2 courses	430	62,000	na
• Village Center Retail -----	na	14	134,165
• Mixed Use -----	na	33	402,494
• Resort Hotel Use -----	250	21	na
• Timeshare Use -----	175	assumed in resort	na
• Community Facility Uses ---	na	17	185,130
• Community Center Uses ---	na	20	87,120
• Information Center Use ---	na	3	36,590
• Museum Use -----	na	20	30,000
• Equestrian Facility Use -----	na	25	15,000
Open Space and Infrastructure Uses			
• Open Space & Drainage ---	na	3,977	na
• Waste Water Facility -----	na	10	na
• Reservoir -----	na	17	na
• Collector Roads -----	na	203	na
• Highway 14 -----	na	49	na
Total -----	4,448 (4,023 resid.)	8,067	na

Source: San Pedro Land Company, Inc.

The fiscal and economic impact of a proposed development is determined using a computer model. The model contains specific, detailed information associated with the proposed project development plan. This information may be classified into several

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categories: (1) proposed land uses in the development; (2) the probable or specific improvements to be made to the subject property over time and the absorption of such improvements; and, (3) the application of tax rates and fees that would be imposed by **targeted** taxing entities with jurisdiction on the site. To establish the detailed gross economic and fiscal impacts of this proposed development, valuations and revenue streams are projected based on industry standards. Net impacts are established by projecting expenditures for required services. Cost estimates are deducted from gross revenues to establish the net fiscal impacts. The validity of this kind of analysis is based on the quality of the assumptions incorporated in the model.

The improvements made to the property are controlled by zoning, the configuration of the property, and by market conditions which influence the type of residential households occupying a given building or structure. The approach used in this fiscal impact analysis was to convert land-uses incorporated in the Campbell Ranch Master Plan into economic uses dictated by conventional development approaches. Revenue streams and valuation estimates were established for these land uses, with **gross** tax and economic impacts subsequently applied and projected. An assessment was also conducted concerning very preliminary costs to the community, which are subject to major change. These very preliminary costs were then deducted from the gross revenues estimated for the proposed development to determine estimated **net revenues** to the community over time.

The identification and quantification of the gross and net fiscal impacts for a specific site can be useful in understanding the relevant costs and benefits that accrue to a locality as a result of the build-out of the development. This analysis presents estimates of future benefits in the form of tax revenues that can be expected to occur, as well as anticipated county service demands. Assumptions have been made relative to the timing of the development, the specific land-uses incorporated in the development, the quality of the development, the tax structure of the Town of Edgewood and other affected taxing jurisdictions, the level of community services, and the costs of such. All of these assumptions are subject to change and refinement.

This report highlights and documents the findings of the impact model developed. Section 2 of this report presents details associated with the Campbell Ranch Master Plan in terms of the development assumptions, phasing schedule utilized, and standards and costs used to project county service delivery requirements. Section 3 highlights the tax (real property and GRT) calculations used in the model, as well as the assumed very preliminary community service delivery and the calculation of selected but not all expenditures. Section 4 highlights the gross fiscal benefits projected to accrue to Edgewood, as well as very preliminary expenditure estimates. Section 5 discusses the net fiscal benefits to Edgewood and follow-up needed.

2.0 DEVELOPMENT PHASING, PRELIMINARY TOWN REVENUE AND EXPENDITURE ASSUMPTIONS

2.1 Project Construction Assumptions

In order to develop estimates of improvement values for the various classes of improved real property presumed to be developed within the project, a number of assumptions were made concerning the type and cost of development. These assumptions are presented below and are consistent with the Campbell Ranch Community Master Plan Program enclosed. Refer to Tables 2, 2A & 2B for project phasing and absorption estimates. Valuation levels are derived from Development Economics, Grubb & Ellis, Crystal & Company and a review of building permit improvement standards, while absorption, densities and floor area ratios were derived from Development Economics. Note that the following assumptions are subject to refinement.

- 1) Approximately 3,866 single-family residential (at varying density levels) and townhouse units valued from \$95,000 - \$1,250,000/unit (refer to Tables 2A [Residential Phasing Schedule] and Table 5 [Property Tax Receipts] enclosed). Land was assumed to represent 22% of total residential valuation levels.
- 2) Approximately 157 units of apartment development valued at \$65,000/unit.
- 3) Two golf courses (one resort) valued at 9 million dollars, and would include clubhouses and other structures that total 62,000 sq. ft.
- 4) Village retail uses would be situated on approximately 14 acres and incorporate several structures that total 134,165 sq. ft under roof valued at \$80/sq. ft.
- 5) Mixed use commercial (50% retail & 50% office uses) comprised of 402,494 building sq. ft under roof is valued at an average of \$95/bldg. sq. ft.
- 6) Community facilities comprised of 50% institutional and 50% office uses situated on 185,130 building sq. ft under roof is valued at \$120/sq. ft.
- 7) A community center comprised of recreational and clubhouse/administrative uses comprising 87,120 building sq. ft under roof are valued at \$118/bldg. sq. ft.
- 8) Campbell Ranch Information Center incorporating 36,590 bldg. sq. ft under roof is valued at \$125/sq. ft.
- 9) A resort hotel comprised of 250 rooms valued at \$165,000 per room.
- 10) 175 resort timeshare units valued at \$195,000 per unit.
- 11) Equestrian facility on 25 acres encompassing 15,000 sq. ft under roof valued at \$50 per building square foot.
- 12) A museum comprised of 36,590 of building square footage under roof at a value of \$150/sq. ft.
- 13) Open space and infrastructure improvements (including Montelargo open space) of 4,813 acres with valuation included in the cost per unit of residential uses delineated in item one per discussions with the Bernalillo County Assessor.
- 14) Infrastructure improvements consisting of storm drainage, transportation, water system, wastewater treatment disposal and collection and dry utility services that total \$55.810 million derived from Bohannon Huston (project Engineers).

2.2 Development Phasing

For purposes of developing estimates of future fiscal benefits, a schedule of the projected build-out for the Campbell Ranch Master Plan Program was prepared. This schedule is noted on Table 2 (Summary), 2(A - Residential Uses) and 2(B - Commercial and Public Facility Uses) enclosed. The development phasing schedule is based upon reasonable assumptions concerning the absorption of planned uses and the general phasing of project improvements as indicated by Development Economics, market consultant to the San Pedro Land Company. Absorption estimates have been generated in five-year increments to project build-out 20 years hence. Phasing assumptions are all subject to refinement.

2.3 Project Operating Assumptions

In order to estimate the fiscal benefits a series of operational assumptions were made and are noted below. These assumptions are also reflected on Table 2 (Project Phasing) and are subject to refinement.

- Population estimates for Campbell ranch are based on an average household size of 2.69 persons per dwelling unit for single-family residential uses; 2.0 persons per dwelling unit for townhouse residential uses; and, 1.86 persons per dwelling unit for multi-family residential uses.
- Commercial and institutional uses on the site would generate maximum employment of an estimated 2,940 persons at build-out.
- By build-out, it is estimated that Campbell Ranch would be home to approximately 10,450 persons.
- Not factored into calculations, it is estimated that a substantive non-permanent population would be situated at Campbell Ranch on a continuing basis, being a function of resort related uses at the site (hotel uses, timeshare, etc).

2.4 Preliminary Town Service Delivery and Cost Assumptions

The ultimate build-out and annexation of Campbell Ranch would increase the Town size from 3,000 to 4,000 presently to approximately 13,500 to 14,500 twenty years hence (assuming no other community growth which is unlikely). The ultimate addition of the estimated 10,450 persons at Campbell Ranch motivates the following preliminary perspectives on community expenditures:

- 1) Existing municipal Fire/EMS expenditures would need to be expanded for operations and maintenance (O&M) and capital. Discussions with the Town indicated that at least three options exist: (1) institute contractual relationships for service from Bernalillo (or Santa Fe) County Fire/EMS Department like presently executed with Santa Fe County; (2) institute a Town Department; or, (3) combinations thereof. For purposes of this report, **preliminary estimates of the**

pro-rata cost (capital and O&M) for Bernalillo County service delivery is \$8.02 million through build-out. The costs to establish a Town Fire/EMS Department have not been provided nor have possible combinations of Town and County service provision. The estimation of these costs is recommended for the total Town site. Bernalillo County has not been contacted relative to what fees it would charge the Town on a contractual fee for service basis. For FY 99/00, Edgewood actual expenditures for Fire/EMS services were \$77,658.

- 2) Existing municipal police expenditures would need to be expanded for operations and maintenance (O&M) and capital. Discussions with the Town indicated that at least three options exist: (1) institute contractual relationships for service from the Bernalillo, Santa Fe and/or State of New Mexico Police/Sheriff Departments like presently executed with Santa Fe County; (2) institute a Town Department; or, (3) combinations thereof. For purposes of this report, **preliminary estimates of the pro-rata cost (capital & O&M) of Bernalillo County service delivery are \$9.15 million through build-out. The costs to establish a Town Police Department have not been provided nor have possible combinations of Town, State and/or County service provision.** The estimation of these costs is recommended for the total Town site. Bernalillo County has not been contacted relative to what fees it would charge the Town on a contractual fee for service basis. For FY 99/00, Edgewood actual police expenditures were \$18,000.

- 3) The Town would incur capital and O&M expenses for interstate and street transportation. They are, in part, a function of the ultimate ownership of the streets (public dedication or not by the developer to the Town). Capital costs would likely primarily pertain to interstate improvements. O&M would be germane for dedicated streets while further clarification is needed regarding the interstate. Drawn from the Black Ranch Master Plan submitted to Albuquerque in 1997, standards of .02 lane miles/dwelling at costs of \$3,173/lane mile/year warrant dedicated road maintenance expenses of \$1.7 million through project build-out. This is significantly less than the \$4.3 million for transportation and drainage incorporated in the study. According to the Campbell Ranch Transportation Master Plan prepared by Bohannon Huston, "the development of transportation improvement requirements and funding mechanisms are anticipated to be an ongoing iterative process over the life of the project". Refer to Bohannon Huston (project engineers) and Consensus Planning (project planners) for more information concerning transportation capital costs which are **very relevant. *These transportation capital costs are very important and need to be finalized for both the development team and Town.***

- 4) The Campbell Farming Corporation intends on providing water and sewer services through private utilities to be funded by a special assessment district, and that capital costs would be financed by qualified tax-exempt bonds. It is anticipated that capital and O&M costs would be repaid by ongoing business and resident assessments. Discussions with the Town indicated a prospective benefit of \$3.5 million in the assumed sale of Town-owned infrastructure assets to the newly formed, private utilities/s, and note that this has not been factored

into fiscal benefits to the community. Facilities for the provision of power and cable TV are not known. The service area of the new facilities is germane in light of other utilities presently operating in the area. Further research is needed on the fiscal status of present utilities operating in the region.

- 5) Discussions with Town staff indicated needed and/or desired services for Campbell Ranch regarding Animal Control, Parks & Recreation, Planning and Zoning (P&Z), Library Services and Senior facilities. Pro-rated '99 Bernalillo O&M expenditures (\$3.79 per capita/yr) to render animal control are estimated at \$320,000 through build-out. P&Z expenditures have not been estimated, nor have any other expenditures.

Indicated on Tables 7A (Summary Expenditures) and 7B (capital costs) enclosed, a series of assumption were made concerning Bernalillo County service costs/levels at Campbell Ranch. An explanation of these assumptions are summarized below and note that these assumptions are subject to refinement:

- Standards were established for Sheriff, Drainage, Transportation and Fire/EMS services. Capital costs (for Fire/EMS and Sheriff) and operations and maintenance costs (for all services) were estimated over the twenty-year build-out in five-year increments. Costs were based on cumulative population growth on a per capita basis.
- All operations and maintenance expenditures were derived from per capita standards established by dividing actual FY 1999 expenditures for a given service by the county service area population of 108,800 evident in 1999.
- Development fees have not been estimated for the project since these fees are included within revenues to be collected by a special district rendering such services.
- County O&M expenditures for the Fire Department based on a per capita estimate of \$64.62 drawn from FY 1999 actual expenditures. The standard used in the Black Ranch Fiscal Impact Analysis (6/99) was \$51.06 per capita. Fire Department capital requirements include station, fire engine, ladder trucks, rescue vehicles, hazmat vehicles and commander's vehicles drawn from service standards and costs incorporated in the Black Ranch Fiscal Impact Analysis submitted to Bernalillo County in June of 1999; and,
- County O&M expenditures for the Sheriff's Department based on a per capita estimate of \$87.98 drawn from FY 1999 actual expenditures. The standard used in the Black Ranch Fiscal Impact Analysis (6/99) was \$88.03 per capita. Sheriff Department capital requirements included area command station expenses drawn from service standards and costs incorporated in the Black Ranch Fiscal Impact Analysis submitted to Bernalillo County in June of 1999.
- Transportation and drainage O&M estimates were estimated at \$51.63/person based on actual FY '99 expenditures evident in Bernalillo category (Public Works 30MD, TC, CD, ED, RW).

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3.0 FINANCIAL AND BENEFITS CALCULATION

This section highlights and documents the results of the financial benefits calculations executed. Tables 1 and Tables 4 - 6 present the results of the impacts generated to the Town of Edgewood in terms of GRT receipts (Table 4), Property Tax receipts (Table 5) and Permit/Plan Check Fees (Table 5).

3.1 Impact Fees

The Town of Edgewood does not presently authorize the use of impact fees, and as such, they are not included in revenue estimates to the Town. A review of state law would intimate that impact fees would be based on relevant Edgewood service delivery, capital improvement and budgetary plans for the study period that have yet to be established.

3.2 GRT Impacts

Table 4 presents the results of calculations made concerning GRT impacts. The specific taxes covered in this table are highlighted below, all subject to the 2.01% rate (.785% local and 1.225% state shared levy) applicable to Campbell Ranch per discussions with the Town and the New Mexico Municipal League. Assumptions are subject to refinement, and note that state GRT revenues have not been estimated.

- **GRT Non-Recurring Development Tax** - Includes the estimated non-recurring taxes resulting from eligible improvement (labor and materials) costs associated with the development. For residential development, land values were removed and assumed to comprise 22% of total valuation levels. Accordingly, the Town 2.01% rate was applied to 78% of residential improvement valuation (which exclude land and site improvements). For commercial/public facility uses, land/site improvements were assumed to comprise 15% of total project valuation, so 85% of total valuation was applied to the applicable GRT rate of 2.01%. Total infrastructure costs (hard and soft) of \$55.810 million were also subject to the Town GRT rate and thus reflected on Table 4. Phasing for infrastructure development was assumed to be commensurate with the absorption of total residential acreage (indicated on Table 2A) at the subject site.
- **GRT Recurring Leasing Revenues** - Leasing revenues were assumed for selected commercial (triple net), hotel and multi-family uses indicated on Table 4, and reasonable vacancy levels of 30% (hotel) and 90% (commercial and multi-family) were applied to the 2.01% rate. Recurring leasing rate receipts were projected in five year increments over project build-out. Assumed leasing rates were derived from Grubb & Ellis, Development Economics and Crystal & Company, and are reflected on Table 4. In addition, a one-time golf membership fee of \$40,000 for each of the anticipated 400 members was applied to the GRT tax of 2.01% derived from Development Economics.

- **GRT Retail Sales** - Assumed levels of retail sales per building square foot were estimated based on standards derived from 'Dollars & Cents' prepared by the Urban Land Institute in 1993 for Community Shopping Centers. This standard was inflated by 12% to establish a FY '99 estimate of \$256.90 in retail sales per building square foot. Vacancy factors of 90% were subsequently applied to the 2.01% Town rate to project recurring GRT receipts in five year increments over project build-out (refer to Table 4). Hotel consumption receipts were assumed to equate to revenues generated from hotel leasing receipts per Development Economics. Receipts on HOA fees were excluded from calculations given discussions with the State of New Mexico. Recurring golf course green fees of \$40 for an estimated 35,000/yr in usage, as well as a \$6,000 annual membership fee (for 400 members) were subject to the recurring GRT rate of 2.01% per Development Economics.
- **GRT Services Receipts** - Depicted on Table 4, some uses proposed at Campbell Ranch include substantive private, office uses and would thus generate GRT receipts on service revenues. Discussions with the State of New Mexico Department of Revenue and Taxation resulted in no standards evident for such uses, so an assumption of \$50,000 per employee was assumed at 90% occupancy, all subject to the Town GRT rate of 2.01%. Revenues were projected in five-year increments over project build-out (refer to Table 4). Commercial offices uses were assumed to incorporate 250 employees/building square feet, a standard derived from the Black Ranch Fiscal Impact Study undertaken in July of 1999.
- **GRT Revenues Not Estimated** - Certain GRT revenue generating uses may be germane but have not been estimated at this time. These include:
 - Timeshare Uses - Approximately 175 timeshare units are projected to be sold at Campbell Ranch. Discussions with the State of New Mexico Department of Revenue and Taxation indicate that such uses may or may not be subject to the applicable Edgewood GRT rate.
 - Ongoing Infrastructure Operating and Maintenance Expenses - While recurring O&M expenditures at Campbell Ranch paid through HOA dues are not subject to GRT, other uses are applicable (water, sewer, etc).
 - GRT revenues from Community Center, Museum and Equestrian uses have not been estimated at this time.
- **GRT Consumer Expenditures Benchmark** - Standards derived from the Black Ranch Fiscal Impact Study (June, 1999) were applied to Campbell Ranch (refer to Table 4). Assuming per capita income of \$22,000 of which 76.5% is comprised of taxable expenditures (\$16,830), \$28.6 million in recurring GRT receipts would accrue to Campbell Ranch through the projection period. This compares with \$26.9 million under the research approach used in this study.

3.3 Real Property Taxes

Table 5 presents recurring property tax revenues generated by Campbell Ranch utilizing the following approach:

- The market valuation for properties were established based on cost standards/land use delineated in Section 2.1. Assessed valuation was assumed to constitute 85% of full market valuation levels.
- Applicable assessment ratios of 33% were then applied to assessed valuation levels to establish net taxable valuation estimates.
- Assumed levels of homeowner and veterans exemptions were applied at \$2000/exemption. The incidence of veteran's exemptions (46% of the residential total) was established based on discussions with the Bernalillo County Assessor's Office.
- FY 1999 mill rates were subsequently applied to the assessed valuation per \$1,000 based on the following applicable levies:
 - Bernalillo County levies of \$6.812 for residential and \$11.127 for non-residential.
 - Moriarity School District distributions provided by the Santa Fe County Treasurer's Office.
Office. .
- Site improvement (infrastructure) costs for property tax valuations are assumed to be included in the valuations of all germane land uses and were not calculated separately per discussions with the Bernalillo County assessor.
- Since the Town does not impose a property tax levy in Santa Fe County, none are assumed in Bernalillo County under annexation

Certain anticipated property tax receipts at Campbell Ranch have not been estimated. They include the following uses:

- The fiscal impact of personal property valuation added was not calculated, so cumulative property tax receipts understate prospective receipts.
- The anticipated valuation of unimproved and improved vacant land at the subject site has not been factored into cumulative property tax receipts at this time. Discussions with the Bernalillo County Assessor indicated that sites for infrastructure, open space and drainage would be considered in improved valuation levels for residential/commercial/institutional uses. While land platted and improved would generate recurring property tax receipts to Bernalillo based on the application of relevant assessor practices (the sale of a negotiated volume of units in a given subdivision, etc), recurring property tax receipts are understated.

3.4 Building Permit, Plan Check, Public Works Design/Review Fees and Other Tax Receipts

Bernalillo County plan check, public works design/review and permitting fees are assumed since no Town of Edgewood schedules regarding such fees were received. Estimates were generated per structure based on the application of applicable rates derived from the most recent version of Table 1A of the Uniform Building Code supplied by the Bernalillo County Planning and Zoning Department. For residential uses, 78% of

total valuation was utilized, while 85% - 90% was used for commercial/institutional uses (thereby removing land and site improvements). In some instances, commercial site improvement costs of \$5/sq. ft were used based on discussions with Grubb & Ellis. Plan check fees were calculated based on being 65% (on average) of total building permit fees.

From discussions with the County Public Works Department, applicable rates were applied to hard infrastructure costs to estimate non-recurring public works design/review fees applicable. Hard infrastructure costs were assumed to constitute half of total (\$55.810 million) infrastructure costs per guidance and information supplied by Bohannon Huston.

Based on a review of the Black Ranch Master Plan fiscal impact to the City of Albuquerque in '97, other revenues that might benefit the Town include, but are not limited to: cigarette tax receipts; gas tax receipts; liquor tax receipts; 'PILOT', Fire District, Police and EMS support from the State; other enterprise funds; etc. Some of these revenues require further detailed research, but 'PILOT', liquor, motor vehicle and gas tax receipts are estimated at \$2.1 million through project build-out based on Black Ranch standards.

3.5 Employment Projections

Maximum projected employment at Campbell Ranch evidenced on Table 8 enclosed was calculated based on the application of employment standards per building square foot applied to the phased absorption of commercial and institutional land used in five-year increments over the 20 year build-out period. Estimates represent maximums. For office/institutional and retail uses, standards of 250 and 400 building square feet per employee were used which was drawn from The Black Ranch Fiscal Impact Assessment completed in July of '99. For other employment generating uses, sources were Development Economics and 1997 Bernalillo County Business Patterns derived from the US Census. Note that employment projected incorporates the direct operational uses for revenue generating land uses and does not include construction employment. The multiplier affects from direct employment generated represents an indirect benefit to the region, and has not been quantified.

3.6 Benefits Calculations

This report distinguishes between recurring and non-recurring benefits to affected taxing jurisdictions. Generally, non-recurring revenues and fees represent a one-time benefit to a public entity, while recurring benefits will continue on for as long as the project/use is operational. For both recurring expenditures and revenues, estimates were assumed to rise proportionately over individual five-year increments during the 20 year projection period.

4.0 SUMMARY OF PRELIMINARY FINDINGS

4.1 Preliminary Gross Revenues To The Town Of Edgewood

Table 1 (Summary of Preliminary Findings) summarizes the fiscal impacts of the projected 20-year build-out of the Campbell Ranch Master Plan development to Edgewood under assumed annexation. Chart A is also enclosed, and graphically depicts projected benefits to accrue to the Town under annexation. All dollar estimates are in constant current dollars.

Consider the following preliminary findings (in current dollars) given the application of the current tax structure in Edgewood to Campbell Ranch:

- 1) Since the Town derives 2.01% of the total 5.785% Gross Revenue Tax (GRT) rate in local (.785%) and state-shared (1.225%) levies, it is estimated that **one-time, non-recurring GRT revenues of \$28.5 million** and **total recurring GRT taxes of \$26.9 million** on retail sales, commercial leasing and services spending would be generated. At build-out, it is estimated that **\$3.8 million in GRT revenues would annually recur thereafter**. According to the New Mexico Municipal League, the current state-shared and local share of the GRT for Edgewood cannot exceed 2.785%, and that state-shared GRT revenues appeared reliable in that they had been in existence for about 10 years. A wide variety of intended land uses at Campbell Ranch will generate taxable sales subject to the GRT as indicated on Tables 1 (Summary Impacts) and 4 (GRT Impacts) in the Appendix.
- 2) Since the Town does not impose a property tax levy in Santa Fe County, none are assumed in Bernalillo County under annexation. As a result, **no recurring general fund property tax revenues would accrue to the community** through the build-out of the master plan under the prevailing tax structure. However, Campbell Ranch will ultimately add approximately \$285 million in taxable valuation by build-out, thereby offering the community the option at some point to generate significant general fund proceeds through the imposition of qualified operating mill levies (up to a current levy of \$7.65) without voter approval as well as the capacity to incur bonded debt. Refer to Tables 1 (Summary) and 5 (Property Tax Impacts) in the Appendix for further details.
- 3) Schedules have not been received from the Town regarding current, non-recurring, permitting, public works and plan check fees. **Accordingly, Town specific estimates have not been generated. However, if Bernalillo County plan check, public works design/review and permitting fees are assumed, it is estimated that \$10.46 million in non-recurring fees would be generated through build-out** (refer to Table 1 [Summary Preliminary Impacts] and 6 [Other Tax and Fee Impacts]).
- 4) Although residential and non-residential telephone, electric, cable and gas utility franchise receipts could accrue to the Town, staff indicates that such fees are not currently levied. **Therefore, no such revenues would currently accrue to the**

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Town under the prevailing tax system. Obviously, Campbell Ranch offers a substantive base to generate revenues for the Town.

- 5) Based on a review of the Black Ranch Master Plan fiscal impact to the City of Albuquerque in '97, other revenues that might benefit the Town include, but are not limited to: cigarette tax receipts; gas tax receipts; liquor tax receipts; 'PILOT', Fire District, Police and EMS support from the State; other enterprise funds; etc. Some of these revenues require further detailed research, but **'PILOT', liquor, motor vehicle and gas tax receipts are estimated at \$2.1 million through project build-out** based on Black Ranch standards (refer to Preliminary [Summary Impacts] and 6 [Other Tax and Fee Impacts]).
- 6) The Town of Edgewood does not presently authorize the use of impact fees, and as such, they are not included in revenue estimates to the Town. A review of state law would intimate that impact fees would be based on relevant Edgewood service delivery, capital improvement and budgetary plans for the study period that have yet to be established.

4.2 Preliminary Expenditures Of The Town

The ultimate build-out and annexation of Campbell Ranch would increase the Town size from 3,000 to 4,000 presently to approximately 13,500 to 14,500 twenty years hence (assuming no other community growth which is unlikely). The ultimate addition of the estimated 10,450 persons at Campbell Ranch motivates the following preliminary perspectives on community expenditures:

- 1) Existing municipal Fire/EMS expenditures would need to be expanded for operations and maintenance (O&M) and capital. Discussions with the Town indicated that at least three options exist: (1) institute contractual relationships for service from Bernalillo (or Santa Fe) County Fire/EMS Department like presently executed with Santa Fe County; (2) institute a Town Department; or, (3) combinations thereof. For purposes of this report, **preliminary estimates of the pro-rata cost (capital and O&M) for Bernalillo County service delivery is \$8.02 million through build-out. The costs to establish a Town Fire/EMS Department have not been provided nor have possible combinations of Town and County service provision.** The estimation of these costs is recommended for the total Town site. Bernalillo County has not been contacted relative to what fees it would charge the Town on a contractual fee for service basis. For FY 99/00, Edgewood actual expenditures for Fire/EMS services were \$77,658.
- 2) Existing municipal police expenditures would need to be expanded for operations and maintenance (O&M) and capital. Discussions with the Town indicated that at least three options exist: (1) institute contractual relationships for service from the Bernalillo, Santa Fe and/or State of New Mexico Police/Sheriff Departments like presently executed with Santa Fe County; (2) institute a Town Department; or, (3) combinations thereof. For purposes of this report, **preliminary estimates of the pro-rata cost (capital & O&M) of Bernalillo County service delivery is \$9.15**

million through build-out. The costs to establish a Town Police Department have not been provided nor have possible combinations of Town, State and/or County service provision. The estimation of these costs is recommended for the total Town site. Bernalillo County has not been contacted relative to what fees it would charge the Town on a contractual fee for service basis. For FY 99/00, Edgewood actual police expenditures were \$18,000.

- 3) The Town would incur capital and O&M expenses for interstate and street transportation. They are, in part, a function of the ultimate ownership of the streets (public dedication or not by the developer to the Town). Capital costs would likely primarily pertain to interstate improvements. O&M would be germane for dedicated streets while further clarification is needed regarding the interstate. Drawn from the Black Ranch Master Plan submitted to Albuquerque in 1997, standards of .02 lane miles/dwelling at costs of \$3,173/lane mile/year warrant dedicated road maintenance expenses of \$1.7 million through project build-out. This is significantly less than the \$4.3 million for transportation and drainage incorporated in the study. According to the Campbell Ranch Transportation Master Plan prepared by Bohannon Huston, "the development of transportation improvement requirements and funding mechanisms are anticipated to be an ongoing iterative process over the life of the project". Refer to Bohannon Huston (project engineers) and Consensus Planning (project planners) for more information concerning transportation capital costs which are very relevant.
- 4) The Campbell Farming Corporation intends on providing water and sewer services through private utilities to be funded by a special assessment district, and that capital costs would be financed by qualified tax-exempt bonds. It is anticipated that capital and O&M costs would be repaid by ongoing business and resident assessments. Discussions with the Town indicated a prospective benefit of \$3.5 million in the assumed sale of Town-owned infrastructure assets to the newly formed, private utilities/s, and note that this has not been factored into fiscal benefits to the community. Facilities for the provision of power and cable TV are not known. The service area of the new facilities are germane in light of other utilities presently operating in the area. Further research is needed on the fiscal status of present utilities operating in the region.
- 5) Discussions with Town staff indicated needed and/or desired services for Campbell Ranch regarding Animal Control, Parks & Recreation, Planning and Zoning (P&Z), Library Services and Senior facilities. Pro-rated '99 Bernalillo O&M expenditures (\$3.79 per capita/yr) to render animal control are estimated at \$320,000 through build-out. P&Z expenditures have not been estimated, nor have any other expenditures.

4.3 Preliminary Net Fiscal Implications To Edgewood

The net fiscal impacts to the Town of Edgewood are estimated by subtracting required expenditures from revenues in five-year periods over the build-out of the Campbell Ranch Master Plan. Noted on Table 1 (Summary of Preliminary Impacts), it is estimated that:

- 1) Under the existing tax structure, **\$33.9 million in net revenues** could accrue to the Town from the assumed build-out of Campbell Ranch twenty years hence. Expenditures include pro-rata Bernalillo estimates for Sheriff, Fire/EMS and transportation/ drainage (only O&M), while it excludes transportation capital costs as well as a variety of other items (refer to Table 1 (Preliminary Impact Summary) enclosed. None of the expenditure estimates incorporate the provision of services through Town departments. Ultimately, Campbell Ranch offers Edgewood the wherewithal to render a broad range of municipal services at increasing economies of scale for all community residents as well as enhancing the customer base to distribute user charges for enterprise funded activities.
- 2) **Employment generation of up to 2,940 persons** involving extensive retail, hotel/recreational and office development and the subsequent major growth of the GRT and property tax base of Edgewood will offer permanent economic diversification so needed for long term growth. Campbell Ranch will strengthen the economic trade area of Edgewood and foster future growth of the community in both Santa Fe and Bernalillo counties.
- 3) Alternatives to address supplemental revenues desired by the community include GRT rate hikes, the imposition of a property tax mill levy, impact fees and/or the imposition of utility franchise taxes.
- 4) Prudent municipal fiscal management suggests: (a) **service delivery expenditures be 'in line' with new, actual tax receipts collected**; (b) the budgeting of prudent reserves; (c) very prudent borrowing (if any); and, (d) controls imposed on existing and new service delivery to be rendered.
- 5) As indicated earlier, service delivery options open to the Town include: (1) contractual relationships for services from Bernalillo and/or Santa Fe counties; (2) the creation of Town Departments; and/or, (3) combinations thereof. Contractual relationships are certainly initial ways to control expenditure costs.

4.4 Report Qualifications And Recommended Follow-Up

This brief report offers Edgewood a preliminary insight to the fiscal consequences of the annexation of Campbell Ranch. The report should be considered preliminary and is not detailed. The report offers substantive information associated with annexation yet does not purport to be a comprehensive fiscal assessment of annexation by virtue of the level of detail included and the fact that current and projected Town growth (exclusive of Campbell Ranch) has not been considered. This fiscal analysis is greatly affected by items that include, but are not limited to: (1) assumptions associated with the proposed development, revenue streams, absorption and area tax structure; (2) annexation agreement terms; (3) Town preferences and budgets concerning service delivery; (4) negotiated arrangements with entities for service delivery; and, (5) combinations thereof.

The following is suggested by the Town to finalize this assessment **in light of the actual receipt of tax revenues** from Campbell Ranch:

- a) Determine service delivery preferences for Police, Fire/EMS, transportation and planning & zoning and project such budgets (capital and O&M) noting service providers.
- b) Finalize road maintenance responsibilities and subsequent expenditures as appropriate. In addition, finalize transportation capital expenditures with the Campbell Ranch planning/engineering staff.
- c) Assess item '5' under Preliminary Expenditures in the executive summary to determine any other relevant expenditures to include in the report.
- d) Yearly considerations are important as are dedicated revenues.
- e) Given the current tax structure, an understanding that revenue flows will be derived from one-time, non-recurring GRT and assumed permitting/plan check levies at the outset of the plan, while recurring GRT resources would be generated later and heavily a function of the completion and operation of commercial facilities.

5.0 REPORT APPENDIX

Table 2: Project Phasing Assumptions
Table 2A: Residential Land Absorption Phasing
Table 2b: Non-Residential Land Absorption Phasing
Table 4: Gross Revenue Taxes (GRT)
Table 5: Property Tax Receipts
Table 6: Other Taxes & Fees
Table 7A: Summary of County Departmental Expenditures
Table 7B: Estimated County Capital Expenditures
Table 8: Projected Employment

Run Date:
2-Nov-01

TABLE 2.
IMPACT PROJECTION MODEL
PROJECT PHASING ASSUMPTIONS
Prepared For:
Campbell Ranch Development, Inc.
©Crystal & Company, April, 2000.

ABSORPTION &/OR POPULATION/LAND USE	FACTOR	YEAR 1-5	YEAR 6-10	YEAR 11-15	YEAR 16-20	TOTAL
RESIDENTIAL USES (Total Cumulative Population Added)		2,424	6,006	9,329	10,450	
RESIDENTIAL USES (Total Population Added)		2,424	3,583	3,323	1,121	10,450
• SINGLE FAMILY						
(1) POPULATION ADDED (Average Residents/Unit)	2.69	2,104	3,543	2,841	971	9,458
DWELLING UNITS ABSORBED		782	1,317	1,056	361	3,516
RESIDENTIAL ACREAGE ABSORBED		327	878	842	539	2,587
• TOWNHOME						
(1) POPULATION ADDED (Average Residents/Unit)	2.00	320	40	190	150	700
DWELLING UNITS ABSORBED		160	20	95	75	350
RESIDENTIAL ACREAGE ABSORBED		32	4	19	15	70
• MULTI-FAMILY						
(1) POPULATION ADDED (Average Residents/Unit)	1.86	0	0	292	0	292
DWELLING UNITS ABSORBED		0	0	157	0	157
RESIDENTIAL ACREAGE ABSORBED		0	0	14	0	14
COMMERCIAL & PUBLIC FACILITY USES						
USES (BLDG. SQ FT ABSORBED PER PERIOD)						
• GOLF FACILITIES (2 courses and structures)			24,000	38,000		62,000
• VILLAGE CENTER RETAIL (all retail)		38,333	38,333		57,499	134,165
• MIXED USE (50% office and 50% retail)			182,952	219,542		402,494
• RESORT HOTEL USES (ROOMS ADDED/PERIOD)				250		250
• COMMUNITY FACILITY USES (50% office and 50% institutional)		46,283	46,283	46,283	46,283	185,130
• COMMUNITY CENTER USES			17,424	34,848	34,848	87,120
• INFORMATION CENTER USES		36,590				36,590
• MUSEUM USE		30,000				30,000
• EQUESTRIAN FACILITY USES		15,000				15,000
• RESORT TIMESHARE USES (Units)					175	175

Sources: Absorption estimates derived from Development Economics (April, 2000), Black Ranch Fiscal Impact Assessment, July, 1999.

Calculation Notes:

Population added by applying the assumed persons per dwelling unit to units absorbed by type. Cumulative and net new population added per period are used throughout the model for per capita standards. The source for population per dwelling unit was the standard used in the Black Ranch Fiscal Impact (6/99).

Run Date:
2-Nov-01

TABLE 2A.
FISCAL IMPACT PROJECTION MODEL
RESIDENTIAL LAND ABSORPTION PHASING
Prepared For:
Campbell Ranch Development, Inc.
©Crystal & Company, April, 2000.

SINGLE-FAMILY RESIDENTIAL UNITS ABSORBED					
LOT TYPE/DENSITY	YEAR 1-5	YEAR 6-10	YEAR 11-15	YEAR 16-20	TOTAL
6,000 sf lot	209	200	120		529
7,000 sf lot	154	348	117		619
9,000 sf lot	328	242	283		853
1/3 Acre lot	75	331	214	97	717
1/2 Acre lot			63	77	140
3/4 Acre lot		42	25		67
1 Acre lot					0
1-2 Acre lot		55	72	98	225
2-5 Acre lot	16	99	87	89	291
Resort Residential	0	0	75	0	75
CUMULATIVE TOTAL	782	2,099	3,155	3,516	
TOTAL	782	1,317	1,056	361	3,516

SOURCE: Absorption, density and acreage derived from Development Economics (April, 2000).

RESIDENTIAL ACREAGE ABSORBED							
LOT TYPE/DENSITY	TOTAL ACREAGE	TOTAL UNITS	DWELLING UNIT/AC	YEAR 1-5	YEAR 6-10	YEAR 11-15	YEAR 16-20
6,000 sf lot	141	529	3.75	56	53	32	0
7,000 sf lot	192	619	3.22	48	108	36	0
9,000 sf lot	343	853	2.49	132	97	114	0
1/3 Acre lot	370	717	1.94	39	171	110	50
1/2 Acre lot	93	140	1.51	0	0	42	51
3/4 Acre lot	63	67	1.06	0	39	24	0
1 Acre lot	0	0	0.00	0	0	0	0
1-2 Acre lot	324	225	0.69	0	79	104	141
2-5 Acre lot	971	291	0.30	53	330	290	297
Resort Residential	90	75	0.83	0	0	90	0
Subtotal	2,587	3,516	1.36	327	878	842	539
Townhomes	70	350	5.00	32	4	19	15
Multi-Family	14	157	11.21	0	0	14	0
RESIDENTIAL TOTAL	2,671	4,023	1.51	359	882	875	554

Sources: Absorption estimates derived from Development Economics (April, 2000), while densities derived from the San Pedro Land Company.

Run Date:
2-Nov-01

TABLE 2B.
FISCAL IMPACT PROJECTION MODEL
NON-RESIDENTIAL LAND ABSORPTION PHASING
Prepared For:
Campbell Ranch Development, Inc.
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LAND USE CATEGORY	TOTAL ACREAGE	BLDG SQ FT OR UNITS	ACREAGE/ SQ FT OR UNIT	ACREAGE ABSORBED			
				YEAR 1-5	YEAR 6-10	YEAR 11-15	YEAR 16-20
COMMERCIAL AND PUB. FACIL SUBTOTAL	583			56	194	315	18
• GOLF FACILITIES (2 courses and structures)	430	62,000	0.006935	0	166	264	0
• VILLAGE CENTER RETAIL (all retail)	14	134,165	0.000104	4	4	0	6
• MIXED USE (50% office and 50% retail)	33	402,494	0.000082	0	15	18	0
• RESORT HOTEL USES (Units)	21	250	0.084000	0	0	21	0
• COMMUNITY FACILITY USES (50% office, 50% institutional)	17	185,130	0.000092	4	4	4	4
• COMMUNITY CENTER USES	20	87,120	0.000230	0	4	8	8
• INFORMATION CENTER USES	3	36,590	0.000082	3	0	0	0
• MUSEUM USE	20	30,000	0.000667	20	0	0	0
• EQUESTRIAN FACILITY USES	25	15,000	0.001667	25	0	0	0
• RESORT TIMESHARE USES (Units)	in resort uses	175					
INFRASTRUCTURE USES SUBTOTAL	4,813						
• OPEN SPACE LAND 1/	3,977						
• DRAINAGE	557						
• WASTE WATER FACILITY	10						
• RESERVOIR	17						
• COLLECTOR ROAD	203						
• HIGHWAY 14	49						
TOTAL INFRASTRUCTURE, COMMERCIAL/PUB FACIL.	5,396						

Sources: Absorption, density and building square footage derived from Development Economics (April, 2000), while acreage derived from San Pedro Land Company.

1/ Includes Montelargo Open Space.

Run Date:
2-Nov-01

TABLE 4.
FISCAL IMPACT PROJECTION MODEL
GROSS REVENUE TAXES (GRT)
Prepared For:
Campbell Ranch Development, Inc.
©Crystal & Company, February, 2001.

GROSS REVENUE TAXES/LAND USE	REVENUE FACTOR	YEAR 1-5	YEAR 6-10	YEAR 11-15	YEAR 16-20	TOTAL
PREVAILING EDGEWOOD GRT RATE (Campbell Ranch Location) 5/	2.01000%					
(1) TOWN NON-RECURRING GRT DEVELOPMENT REVENUES		\$2,707,650	\$5,189,793	\$7,418,750	\$2,773,497	\$18,089,690
• TOTAL RESIDENTIAL USES		\$2,181,765	\$4,245,875	\$4,860,297	\$1,713,942	\$13,001,878
• TOTAL COMMERCIAL AND PUBLIC FACILITIES		\$374,918	\$573,322	\$1,226,232	\$826,758	\$3,001,230
• TOTAL INFRASTRUCTURE USES (Total Project Costs) 4/	\$55,810,000	\$150,967	\$370,596	\$367,421	\$232,797	\$1,121,781
• ONE-TIME GOLF MEMBERSHIP DUES				\$964,800		\$964,800
(2) CUMULATIVE TOWN RETAIL SALES GRT RECEIPTS		\$534,437	\$2,428,650	\$5,572,475	\$6,374,124	\$14,909,685
• GOLF FACILITIES (2 courses and structures) (membership & fees)			\$84,420	\$349,740	\$349,740	\$783,900
• VILLAGE CENTER RETAIL (all retail) (sales per bldg sq ft)	\$256.90	\$534,437	\$1,068,875	\$1,068,875	\$1,870,523	\$4,542,710
• MIXED USE (50% retail) (sales per bldg sq ft)	\$256.90	\$0	\$1,275,355	\$2,805,778	\$2,805,778	\$6,886,911
• EQUESTRIAN FACILITY USES		na	na	na	na	\$0
• RESORT HOTEL OTHER SALES		\$0	\$0	\$1,348,082	\$1,348,082	\$2,696,164
• RESORT TIMESHARE USES 1/		na	na	na	na	\$0
(3) CUMULATIVE TOWN GRT LEASING TAX RECEIPTS		\$50,690	\$255,277	\$1,877,099	\$1,941,831	\$4,124,897
• MULTI-FAMILY USES (revenues per unit per year)	\$7,800	\$0	\$0	\$66,459	\$66,459	\$132,918
• HOTEL USES (ROOM LEASING RECEIPTS)	\$350	\$0	\$0	\$1,348,082	\$1,348,082	\$2,696,164
• MIXED USE (50% retail, 50% office)	\$15.50	\$0	\$153,896	\$338,572	\$338,572	\$831,040
• COMMUNITY FACILITIES (50% Office)	\$18.00	\$22,606	\$45,212	\$67,817	\$90,423	\$226,058
• VILLAGE CENTER RETAIL (all retail)	\$13.50	\$28,084	\$56,169	\$56,169	\$98,295	\$238,718
(4) TOWN GRT SERVICES TAX RECEIPTS		\$251,175	\$1,495,231	\$2,937,860	\$3,189,035	\$7,873,302
• COMMUNITY FACILITIES (50% Office) (Serv Receipts/Empl)	\$50,000	\$251,175	\$502,350	\$753,525	\$1,004,701	\$2,511,751
• MIXED USE (50% services) (Service Receipts/Employee)	\$50,000	\$0	\$992,881	\$2,184,335	\$2,184,335	\$5,361,550
TOTAL TOWN NON-RECURRING GRT RECEIPTS		\$2,707,650	\$5,189,793	\$7,418,750	\$2,773,497	\$18,089,690
TOTAL TOWN RECURRING GRT RECEIPTS		\$836,303	\$4,179,157	\$10,387,434	\$11,504,990	\$26,907,884
TOTAL TOWN GRT RECEIPTS		\$3,543,952	\$9,368,950	\$17,806,184	\$14,278,487	\$44,997,574
REGIONAL CONSUMER EXPENDITURE GRT RECEIPTS 2/		SHOWN FOR INFORMATION PURPOSES ONLY				
CUM. CONS. EXP. GRT RECEIPTS (Taxable Per Capita Income) 3/	\$16,830	\$2,459,994	\$6,096,198	\$9,468,541	\$10,606,187	\$28,630,920
• POPULATION ADDED/PERIOD		2,424	3,583	3,323	1,121	10,451

Sources: Urban Land Institute, Development Economics, Crystal & Company, Bernalillo Finance Department, State of New Mexico Department of Taxation and Revenue, Bohannon Huston, "Black Ranch Fiscal Impact" (6/99), Town of Edgewood.

- 1/ GRT receipts on the sale of timeshare units not calculated, but may be subject to GRT per discussions with the New Mexico State Department of Taxation and Revenue.
- 2/ Consumer expenditures were not counted in revenues but instead calculated as a benchmark to assess the GRT revenues generated in the analysis.
- 3/ Derived from "Black Ranch Fiscal Impact", June, 1999.
- 4/ Derived from Bohannon Huston and phased based on total residential acreage absorbed.
- 5/ GRT includes 1.225% state shared revenues and prevailing Edgewood rate of .785%.

Calculation Notes:

- (1) Development GRT receipts were calculated by applying the rate to net new valuation added as indicated on Table 5. For infrastructure, the GRT rate was applied to the \$55.810 of infrastructure improvements phased according to the absorption of total residential acreage noted on Table 2B. GRT Development receipts are a one-time revenue source.
- (2) Retail sales receipts by type were calculated by applying standards indicated in the text per building square foot or unit, then applying a vacancy factor and then applying the GRT rate. These revenues are all recurring.
- (3) Leasing receipts by type were calculated by applying standards indicated in the text per building square foot or unit, then applying a vacancy factor and then applying the GRT rate. These revenues are all recurring.

Run Date:
2-Nov-01

TABLE 5.
FISCAL IMPACT PROJECTION MODEL
PROPERTY TAX RECEIPTS
Prepared For:
Campbell Ranch Development, Inc.
©Crystal & Company, February, 2001.

PROPERTY TAXES/LAND USE	VALUE STANDARD OR TAX RATE/EXEMPTION	YEAR 1-5	YEAR 6-10	YEAR 11-15	YEAR 16-20	TOTAL
CUMULATIVE RESIDENTIAL ASSESSED VALUE ADDED		\$131,206,765	\$363,016,555	\$642,868,388	\$741,847,870	
(1) TOTAL RESIDENTIAL ASSESSED VALUATION ADDED 1/		\$131,206,765	\$231,809,790	\$279,851,833	\$98,979,483	\$741,847,870
• SINGLE-FAMILY USES (Full Cash or Market Value)		\$139,160,900	\$270,817,400	\$310,007,450	\$109,321,450	\$829,307,200
6,000 sf lot (6K) (value/unit)	\$150,400	\$31,433,600	\$30,080,000	\$18,048,000	\$0	\$79,561,600
7,000 sf lot (7K) (value/unit)	\$164,900	\$25,394,600	\$57,385,200	\$19,293,300	\$0	\$102,073,100
9,000 sf lot (9K) (value/unit)	\$184,500	\$60,516,000	\$44,649,000	\$52,213,500	\$0	\$157,378,500
1/3 Acre lot (1/3AC) (value/unit)	\$194,900	\$14,617,500	\$64,511,900	\$41,708,600	\$18,905,300	\$139,743,300
1/2 Acre lot (1/2AC) (value/unit)	\$249,500	\$0	\$0	\$15,718,500	\$19,211,500	\$34,930,000
3/4 Acre lot (3/4AC) (value/unit)	\$289,500	\$0	\$12,159,000	\$7,237,500	\$0	\$19,396,500
1 Acre lot (1 AC) (value/unit)	\$317,950	\$0	\$0	\$0	\$0	\$0
1-2 Acre lot (1-2 AC) (value/unit)	\$317,950	\$0	\$17,487,250	\$22,892,400	\$31,159,100	\$71,538,750
2-5 Acre lot (2-5AC) (value/unit)	\$449,950	\$7,199,200	\$44,545,050	\$39,145,650	\$40,045,550	\$130,935,450
Resort Residential (.8 AC) (value/unit)	\$1,250,000	\$0	\$0	\$93,750,000	\$0	\$93,750,000
• TOWNHOME USES (ALL) (value/unit)	\$95,000	\$15,200,000	\$1,900,000	\$9,025,000	\$7,125,000	\$33,250,000
• MULTI-FAMILY (ALL) (value/unit)	\$65,000	\$0	\$0	\$10,205,000	\$0	\$10,205,000
CUMULATIVE NON-RESIDENTIAL ASSESSED VALUATION ADDED		\$18,652,647	\$47,176,107	\$108,182,693	\$149,314,944	
(1) TOTAL NON-RESIDENTIAL ASSESSED VALUATION ADDED 1/		\$18,652,647	\$28,523,460	\$61,006,586	\$41,132,251	\$149,314,944
• GOLF FACILITIES (2 courses and structures) (value/sq ft)	(C1-\$3.5M, C2-\$5.5M)	\$3,500,000	\$5,500,000			\$9,000,000
• VILLAGE CENTER RETAIL (all retail) (value/sq ft)	\$80	\$3,066,640	\$3,066,640	\$0	\$4,599,920	\$10,733,200
• MIXED USE (50% office and 50% retail) (value/sq ft)	\$95	\$0	\$17,380,440	\$20,856,490	\$0	\$38,236,930
• RESORT HOTEL USES (value/unit)	\$165,000	\$0	\$0	\$41,250,000	\$0	\$41,250,000
• RESORT TIMESHARE USES (value/unit)	\$195,000	\$0	\$0	\$0	\$34,125,000	\$34,125,000
• COMMUNITY FACILITY USES (50% office and 50% institutional) (sq ft)	\$120	\$5,553,900	\$5,553,900	\$5,553,900	\$5,553,900	\$22,215,600
• COMMUNITY CENTER USES (value/sq ft)	\$118	\$0	\$2,056,032	\$4,112,064	\$4,112,064	\$10,280,160
• INFORMATION CENTER USES (value/sq ft)	\$125	\$4,573,750	\$0	\$0	\$0	\$4,573,750
• MUSEUM USE (value/sq ft)	\$150	\$4,500,000	\$0	\$0	\$0	\$4,500,000
• EQUESTRIAN FACILITY USES (value/sq ft)	\$50	\$750,000	\$0	\$0	\$0	\$750,000
(2) CUM TOT. NET TAXABLE VALUATION ADDED BY END OF PERIOD		\$47,202,497	\$130,076,207	\$240,334,760	\$285,765,551	
• RESIDENTIAL USES BY END OF PERIOD		\$40,984,948	\$114,350,838	\$204,273,863	\$235,993,903	
• COMMERCIAL AND PUBLIC FACILITY USES BY END OF PERIOD		\$6,217,549	\$15,725,369	\$36,060,898	\$49,771,648	

Run Date:
2-Nov-01

TABLE 5.
FISCAL IMPACT PROJECTION MODEL
PROPERTY TAX RECEIPTS
Prepared For:
Campbell Ranch Development, Inc.
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PROPERTY TAXES/LAND USE	VALUE STANDARD OR TAX RATE/EXEMPTION	YEAR 1-5	YEAR 6-10	YEAR 11-15	YEAR 16-20	TOTAL
CUMULATIVE HOMEOWNER EXEMPTIONS BY END OF PERIOD 2/ CUMULATIVE VETERANS EXEMPTIONS AT 46% OF HOUSEHOLDS	\$2,000 \$2,000	\$1,884,000 \$866,640	\$4,558,000 \$2,096,680	\$6,860,000 \$3,155,600	\$7,732,000 \$3,556,720	\$21,034,000 \$9,675,640
(3) TOTAL GROSS TAX RECEIPTS TO TOWN/PERIOD • RESIDENTIAL USES/PERIOD (DISTRIBUTION RATE) • COMMERCIAL AND PF USES/PERIOD (DISTRIBUTION RATE)	\$0.00 \$0.00	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0
(3) TOTAL GROSS TAX RECEIPTS TO MORIARITY SD/PERIOD • RESIDENTIAL/PERIOD (DISTRIBUTION RATE) • NON-RESIDENTIAL/PERIOD (DISTRIBUTION RATE)	51.60% 44.40%	\$1,208,334 \$1,048,106 \$160,228	\$4,537,869 \$3,972,396 \$565,473	\$10,691,053 \$9,196,283 \$1,494,770	\$18,008,741 \$15,231,346 \$2,777,396	\$34,445,998 \$29,448,131 \$4,997,867
(3) TOTAL GROSS TAX RECEIPTS TO BERNALILLO COUNTY • RESIDENTIAL/PERIOD (Mill Rate/\$1,000) • NON-RESIDENTIAL/PERIOD (Mill Rate/\$1,000)	\$6.81 \$11.13	\$1,044,926 \$837,322 \$207,604	\$3,906,184 \$3,173,510 \$732,674	\$9,283,573 \$7,346,825 \$1,936,747	\$15,766,803 \$12,168,181 \$3,598,623	\$30,001,486 \$23,525,838 \$6,475,648
(3) TOTAL GROSS TAX RECEIPTS TO OTHER JURISD/PERIOD • RESIDENTIAL/PERIOD (DISTRIBUTION RATE) • NON-RESIDENTIAL/PERIOD (DISTRIBUTION RATE)	0.00% 0.00%	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0
(3) TOTAL GROSS TAX RECEIPTS TO ALL SANTA FE JURISDICTIONS • RESIDENTIAL/PERIOD (Mill Rate/\$1,000) • NON-RESIDENTIAL/PERIOD (Mill Rate/\$1,000)	\$16.52 \$19.35	\$2,392,087 \$2,031,214 \$360,873	\$8,972,030 \$7,698,442 \$1,273,589	\$21,188,854 \$17,822,254 \$3,366,599	\$35,773,508 \$29,518,112 \$6,255,396	\$68,326,479 \$57,070,022 \$11,256,457

Sources: Grubb & Ellis, Development Economics, Crystal & Company, Bernalillo County Assessor and Treasurer's Department, State of New Mexico Land Valuation Manual, Bernalillo Building Permit Division. Bernalillo County Public Works Department and Finance Department, State of New Mexico Department of Taxation and Revenue, Bernalillo County Budget, FY 1999/2000.

1/ Assessed value is assumed to be 90% of market or sales value. Note full cash or market valuations for line items will not total to assessed valuations.

2/ Slightly understated since it assumes no turnover in a given year.

3/ Total property taxes Santa Fe jurisdictions includes resources to the State of New Mexico.

Calculation Notes:

(1) Total residential assessed valuation represents 85% of market value added by type. Per unit standards are noted for residential, while per unit or building square foot are noted for commercial/public facilities. Figures represent total net new assessed valuation added by the end of the period.

(2) Total net taxable valuation represents the cumulative total assessed valuation divided by 3 less homeowner exemptions applicable. Figures represent total net new assessed valuation added by the end of the period.

(3) The calculation of property tax receipts for each jurisdiction was established by dividing the net taxable valuation by 1,000 and applying the applicable tax rate to residential and non-residential. These figures represent cumulative totals and assume a linear rise in the growth of the tax base/receipts.

Run Date:
2-Nov-01

TABLE 6.
FISCAL IMPACT PROJECTION MODEL
OTHER TAXES AND FEES
Prepared For:
Campbell Ranch Development, Inc.
@Crystal & Company, February, 2001.

OTHER TAXES & FEES/LAND USE	IMPROVEMENT VALUATION	PERMITTING FEES PER STRUCTURE	PLAN CHECK FEES	YEAR 1-5	YEAR 6-10	YEAR 11-15	YEAR 16-20	TOTAL
(1) TOTAL RESIDENTIAL				\$1,769,195	\$2,920,216	\$3,118,209	\$1,143,093	\$8,950,714
• SINGLE-FAMILY USES (ALL)				\$1,562,628	\$2,894,396	\$2,940,088	\$1,046,265	\$8,443,376
6,000 sf lot (6K)	\$117,312	\$1,091	\$709	\$376,127	\$359,930	\$215,958	\$0	\$952,015
7,000 sf lot (7K)	\$128,622	\$1,154	\$750	\$293,240	\$662,646	\$222,786	\$0	\$1,178,672
9,000 sf lot (9K)	\$143,910	\$1,240	\$806	\$670,896	\$494,991	\$578,853	\$0	\$1,744,740
1/3 Acre lot (1/3AC)	\$152,022	\$1,285	\$835	\$159,028	\$701,843	\$453,759	\$205,676	\$1,520,306
1/2 Acre lot (1/2AC)	\$194,610	\$1,524	\$990	\$0	\$0	\$158,375	\$193,569	\$351,944
3/4 Acre lot (3/4AC)	\$225,810	\$1,698	\$1,104	\$0	\$117,691	\$70,054	\$0	\$187,746
1 Acre lot (1 AC)	\$248,001	\$1,823	\$1,185	\$0	\$0	\$0	\$0	\$0
1-2 Acre lot (1-2 AC)	\$248,001	\$1,823	\$1,185	\$0	\$165,397	\$216,520	\$294,707	\$676,624
2-5 Acre lot (2-5AC)	\$350,961	\$2,399	\$1,559	\$63,337	\$391,898	\$344,395	\$352,312	\$1,151,943
Resort Residential	\$975,000	\$5,490	\$3,569	\$0	\$0	\$679,388	\$0	\$679,388
• TOWNHOME USES (ALL)	\$74,100	\$782	\$509	\$206,567	\$25,821	\$122,649	\$96,828	\$451,865
• MULTI-FAMILY (ALL)	\$8,674,250	\$33,620	\$21,853	\$0	\$0	\$55,473	\$0	\$55,473
(2) COMMERCIAL AND PUBLIC FACILITIES				\$118,889	\$178,818	\$428,228	\$457,765	\$1,183,700
• GOLF FACILITIES (2 courses and structures)	\$5,270,000	\$21,194	\$13,776	\$0	\$13,537	\$21,434	\$0	\$34,971
• VILLAGE CENTER RETAIL (all retail)	\$10,062,375	\$38,686	\$25,146	\$18,238	\$18,238	\$0	\$27,357	\$63,833
• MIXED USE (50% office and 50% retail)	\$36,224,460	\$134,178	\$87,216	\$0	\$100,634	\$120,760	\$0	\$221,394
• RESORT HOTEL USES	\$37,125,000	\$137,465	\$89,352	0	0	\$226,817	0	\$226,817
• RESORT HOTEL TIMESHARE USES	\$152,100	\$1,286	\$836	\$0	\$0	\$0	\$371,191	\$371,191
• COMMUNITY FACILITY USES	\$21,780,000	\$81,456	\$52,946	\$33,600	\$33,600	\$33,600	\$33,600	\$134,402
• COMMUNITY CENTER USES	\$10,097,210	\$38,814	\$25,229	\$0	\$12,808	\$25,617	\$25,617	\$64,042
• INFORMATION CENTER USES	\$4,423,750	\$18,105	\$11,769	\$29,874	\$0	\$0	\$0	\$29,874
• MUSEUM USE	\$4,425,000	\$18,110	\$11,772	\$29,882	\$0	\$0	\$0	\$29,882
• EQUESTRIAN FACILITY USES	\$750,000	\$4,421	\$2,874	\$7,295	\$0	\$0	\$0	\$7,295
(3) TOWN INFRASTRUCTURE DESIGN & REVIEW FEES	FEE FACTOR	HARD INFR COSTS		\$43,877	\$107,711	\$106,788	\$67,661	\$326,038
• DRY UTILITIES	n/a	n/a		\$0	\$0	\$0	\$0	\$0
• DRAINAGE	3.25%	\$800,000		\$3,499	\$8,589	\$8,516	\$5,396	\$26,000
• WASTE WATER IMPROVEMENTS	2.00%	\$5,350,000		\$14,400	\$35,349	\$35,046	\$22,205	\$107,000
• TRANSPORTATION	3.25%	\$2,475,000		\$10,825	\$26,574	\$26,346	\$16,693	\$80,438
• WATER IMPROVEMENTS	2.00%	\$5,630,000		\$15,153	\$37,199	\$36,880	\$23,367	\$112,600
CUM. RECURR. MOTOR VEH, GAS TAX, PILOT & LIQUOR RECEIPTS 1/	\$25.30			\$183,950	\$455,879	\$708,069	\$793,160	\$2,141,057
TOTAL RECURR. & NON-RECURR. OTHER FEES AND TAXES				\$2,115,911	\$3,662,624	\$4,361,295	\$2,461,678	\$12,601,508

Sources: Bernalillo County Public Works Department and Finance Department, State of New Mexico Department of Taxation and Revenue, Bernalillo County Budget, FY 1999/2000, Bernalillo Planning and Zoning Department, Bohannan Huston.

Calculation Notes:

- (1) Residential building permit and plan check fees were calculated by taking 78% of market residential valuation levels (Table 5) applied to permitting fee schedule 1A per structure and multiplying this result by net new unit absorption noted on Table 2, 2A, 2B. Plan check fees are 65% of permitting fees.
 - (2) The same scenario was applied to commercial uses for permitting and plan check fees. Refer to the text for standards concerning the removal of land and improvements from valuation.
 - (3) Infrastructure design and review fees were established by applying the percentages noted to hard infrastructure costs supplied by Bohannan Huston. Items (1), (2) and (3) are all non-recurring fees.
- Gas and motor vehicle taxes were established by applying per capita standards from the Bernalillo budget to cumulative population added. These figures represent cumulative totals and assume a linear rise in the growth of the tax base/receipts.

Run Date:
2-Nov-01

TABLE 7A.
FISCAL IMPACT PROJECTION MODEL
SUMMARY OF TOWN EXPENDITURES TO BERNALILLO COUNTY
Prepared For:
Campbell Ranch Development, Inc.
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EXPENDITURES BY TYPE 1/ 2/	SERVICE/COST STANDARD	YEAR 1-5	YEAR 6-10	YEAR 11-15	YEAR 16-20	TOTAL
COUNTY SERVICE AREA POPULATION (FY '99)	108,800					
CUMULATIVE CAMPBELL RANCH POPULATION ADDED		2,424	6,006	9,329	10,450	
(1) COUNTY TRANSPORTATION/DRAINAGE O&M EXPENDITURES/PERIOD (PUBLIC WORKS 30MD, TC, CD, ED, RW) (FY 99 EXPENDITURES) COUNTY PER CAPITA TRANSPORTATION O&M EXP. (FY '99)	\$5,617,623 \$51.63	\$375,407	\$930,364	\$1,445,036	\$1,618,690	\$4,369,497
COUNTY FIRE DEPT. CAPITAL EXPENDITURES (1) COUNTY FIRE O&M EXPENDITURES PER PERIOD (07OP, SS, FP) (FY 99 EXPENDITURES) COUNTY FIRE DEPT. O&M PER CAPITA EXPENDITURES (FY '99)	\$7,030,320 \$64.62	\$593,273 \$469,813	\$877,023 \$1,164,328	\$813,360 \$1,808,428	\$274,434 \$2,025,752	\$2,558,090 \$5,468,320
COUNTY SHERRIF CAPITAL EXPENDITURES (FY '99) (1) COUNTY SHERRIF/O&M EXPENDITURES/ PERIOD (26 FS, SS) (FY 99 EXPENDITURES) TOTAL COUNTY PER CAPITA SHERRIF O&M EXPENDITURES	\$9,572,652 \$87.98	\$395,973 \$639,708	\$585,359 \$1,585,376	\$542,868 \$2,462,398	\$183,168 \$2,758,312	\$1,707,368 \$7,445,795
(2) ESTIMATED PROJECT TRANSP./DRAINAGE EXPENDITURES/PERIOD (2) ESTIMATED PROJECT FIRE DEPT. EXPENDITURES/PERIOD (2) ESTIMATED PROJECT SHERRIF. EXPENDITURES/PERIOD		\$375,407 \$1,063,086 \$1,035,681	\$930,364 \$2,041,351 \$2,170,735	\$1,445,036 \$2,621,788 \$3,005,266	\$1,618,690 \$2,300,186 \$2,941,480	\$4,369,497 \$8,026,410 \$9,153,163
ESTIMATED TOTAL TOWN EXPENDITURES TO BERNALILLO		\$2,474,174	\$5,142,450	\$7,072,090	\$6,860,356	\$21,549,070

Sources: Bernalillo County Budget, FY 1999/2000, 'Black Ranch Fiscal Impact', June, 1999.

- 1/ Actual O&M expenditures derived from FY '99 Bernalillo budget for categories listed and then applied on a per capita basis.
2/ Capital expenditures derived from "Black Ranch Fiscal Impact" and applied on a per capita basis to projected population growth/absorption at Campbell Ranch based on identified service standards.

Calculation Notes:

- (1) All O&M expenses were derived by applying per capita budget standards noted to cumulative population added derived from Table 2. These figures represent cumulative totals and assume a linear rise in the growth of the tax base.
(2) These figures represent totals for O&M and capital costs (on Table 7B) by county function.

Run Date:
2-Nov-01

TABLE 7B
FISCAL IMPACT PROJECTION MODEL
ESTIMATED CAPITAL COSTS FOR
TOWN EXPENDITURES TO COUNTY
Prepared For:
Campbell Ranch Development, Inc.
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ASSUMED CAPITAL EXPENDITURES BY TYPE	SERVICE/COST STANDARD	YEAR 1-5	YEAR 6-10	YEAR 11-15	YEAR 16-20	TOTAL
SHERIFF DEPARTMENT		\$395,973	\$585,359	\$542,868	\$183,168	\$1,707,368
(1) AREA COMMAND STATION COSTS 1/ Population Per Station Development Costs Per Station Vehicle & Equipment (\$/Station)	86,300 \$1,600,000 \$3,100,000	\$395,973	\$585,359	\$542,868	\$183,168	\$1,707,368
(2) FIRE DEPARTMENT 2/		\$593,273	\$877,023	\$813,360	\$274,434	\$2,558,090
• FIRE STATION CAPITAL COSTS		\$384,543	\$568,462	\$527,197	\$177,880	\$1,658,082
Population Per Station Development Cost/Station (\$/Station)	22,689 \$1,200,000					
• FIRE ENGINES		\$114,544	\$169,328	\$157,037	\$52,985	\$493,895
Population Per Vehicle Capital Cost (\$/Vehicle) Depreciation (\$/Capita/Yr) (10 Year Life)	22,689 \$325,000 \$1.43	\$10,397	\$15,370	\$14,254	\$4,809	\$44,831
• LADDER TRUCKS		\$47,253	\$69,853	\$64,783	\$21,858	\$203,747
Population Per Vehicle Capital Cost (\$/Vehicle) Depreciation (\$/Capita/Yr) (15 Year Life)	86,220 \$525,000 \$0.41	\$2,981	\$4,407	\$4,087	\$1,379	\$12,854
• RESCUE VEHICLES		\$20,829	\$30,791	\$28,556	\$9,635	\$89,810
Population Per Vehicle Capital Cost (\$/Vehicle) Depreciation (\$/Capita/Yr) (5 Year Life)	33,162 \$95,000 \$0.57	\$4,144	\$6,126	\$5,682	\$1,917	\$17,870
• HAZMAT VEHICLES		\$18,552	\$27,425	\$25,434	\$8,582	\$79,994
Population Per Vehicle Capital Cost (\$/Vehicle) Depreciation (\$/Capita/Yr) (5 Year Life)	215,550 \$275,000 \$0.26	\$9,276	\$13,713	\$12,717	\$4,291	\$39,997
• COMMANDER'S VEHICLES		\$7,552	\$11,164	\$10,354	\$3,493	\$32,564
Population Per Vehicle Capital Cost (\$/Vehicle) Depreciation (\$/Capita/Yr) (5 Year Life)	22,689 \$19,710 \$0.17	\$1,236	\$1,827	\$1,695	\$572	\$5,330
TOTAL PUBLIC SAFETY CAPITAL COSTS		\$989,246	\$1,462,382	\$1,356,228	\$457,601	\$4,265,458

Source: "Black Ranch Fiscal Impact", April, 1999.

1/ Fire/EMS and Sheriff vehicle/facility O&M expenses in per capita standards noted on Table 7A.

Calculation Notes:

- (1) All station/vehicle costs were established by applying per capita budget standards noted on the basis of net new population added per period from Table 2. These figures assume a linear rise in the growth of expenditures.
- (2) All vehicle costs were established by applying per capita budget standards noted on the basis of net new population added per period from Table 2 plus per capita depreciation factors shown. These figures assume a linear rise in the growth of expenditures.

Run Date:
2-Nov-01

TABLE 8.
FISCAL IMPACT PROJECTION MODEL
PROJECTED EMPLOYMENT
Prepared For:
Campbell Ranch Development, Inc.
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EMPLOYMENT/LAND USE	BLDG. SQ FT/ PER EMPLOYEE	YEAR 1-5	YEAR 6-10	YEAR 11-15	YEAR 16-20
(1) COMMERCIAL EMPLOYMENT GENERATING USES					
• GOLF FACILITIES (2 courses and structures)	1,000	0	24	62	62
• VILLAGE CENTER RETAIL (100% retail)	400	96	192	192	335
• MIXED USE (50% retail, 50% office)	325	0	563	1,238	1,238
• COMMUNITY FACILITY USES (50% Office, 50% institutional)	250	185	370	555	741
• EQUESTRIAN FACILITY USES	1,500	10	10	10	10
• RESORT HOTEL USES USES (2.0 FTE/Room)	2.00	0	0	500	500
• COMMUNITY CENTER USES	2,500	0	7	21	35
• INFORMATION CENTER USES	7,000	5	5	5	5
• MUSEUM USES	2,250	13	13	13	13
CUMULATIVE MAX. EMPLOYMENT BY THE END OF PERIOD		310	1,184	2,597	2,940

Sources: US Census - 1997 Bernalillo County Business Patterns, Development Economics, "Black Ranch Fiscal Impact", 1999.

(1) Employment was established by applying the standards shown to cumulative units or building square footage added.
Employment represents maximums by the end of any given period.

(4) Services receipts were calculated by applying standards indicated (\$50,000/employee), then applying a vacancy factor and then applying the GRT rate. These revenues are all recurring. For all recurring revenues, figures represent cumulative totals and assume a linear rise in the growth of the tax base and receipts.