Planning and Economic Development Policy Committee

Agenda Item Commentary

Item Title: East Aurora Annexation Study Draft Comprehensive Plan Amendment	
Item Initiator: Karen Hancock, Planning Supervisor	
Staff Source: Karen Hancock, Planning Supervisor	
Deputy City Manager Signature:	
Outside Speaker:	
Council Goal: 6.0: Provide a well-managed and financially strong City--2012: 6.0--Provide a well-managed and financially strong Cit	

ACTIONS(S) PROPOSED *(Check all appropriate actions)*

☒ Approve Item and Move Forward to Study Session

☐ Approve Item and Move Forward to Regular Meeting

☐ Information Only

HISTORY *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

The city received a request in June 2014, on behalf of several landowners who wish to annex 2,983 acres (4.66 square miles) to the city. The land ownership group includes Steven Cohen, Marc Cooper, James Spehalski and Andy Chaikovsky, and they are represented by Michael Sheldon and Diana Rael. The landowners have indicated that they intend to develop these properties with primarily residential uses and densities along with some retail uses at major corners, all pursuant to the E-470 and Northeastern Plains zone districts, within a timeframe of 10 to 30 years. The properties are located northeast of Hayesmount Rd. and Yale Ave. (see attached map) the location of these properties is outside the city's existing planning and annexation boundaries and outside all of the boundaries in the city's master infrastructure plans for roads, water, sewer and storm drainage.

This annexation and a recommendation to conduct an assessment of its fiscal and service impacts were presented at the September 10, 2014, Planning, Economic Development and Redevelopment (PEDR) Policy Committee Meeting. At the Special Study Session, City Council asked staff to provide a follow-up presentation that described the level of effort needed to conduct a study for a larger geographic area. Staff provided additional information and a preliminary cost estimate at the December 22, 2014, Study Session. Based on direction from Council, in January 2015, staff issued a Request for Proposals to select a qualified team to conduct the study. Mark A. Nuszer Consultants team (MAN) was selected and the City Council approved the contract not to exceed $531,200 at Study Session and Regular Meeting on March 16, 2015, with a waiver of reconsideration.

Staff and the consultant provided an update on the EAAS project at PED on September 9, 2015 and committed to bringing updated information back to PED in October 2015. The Committee directed staff to conduct additional outreach to the community inside the study area and invite them to a public meeting on September 29, 2015, at the Murphy Creek Clubhouse.

Following the September 9, 2015, PED meeting, staff mailed postcards notifying the public about a public meeting on the EAAS held on September 29, 2015, at the Murphy Creek clubhouse. The mailing list included city residents south of 1-70, east of E-470, north of Quincy Avenue and inside the city limits. At the request of the PED Committee, postcards were mailed to the residents inside the study area and within one mile of the study area in unincorporated Arapahoe County.

The East Aurora Annexation Study public meeting was held on September 29, 2015, at the HOA clubhouse in the Murphy Creek Neighborhood. About 30 members of the community attended the meeting. The question/answer portion of the meeting lasted well over an hour and a summary of the questions and staff answers is provided on the city's webpage for the project.

ITEM SUMMARY *(Brief description of item, discussion, key points, recommendations, etc.)*

Comprehensive Plan Amendment. The draft amendment to the Comprehensive Plan is included as Attachment A. The amendment was considered in accordance with the Northeast Plains and Front Range Airport, 2009 Comprehensive Plan Chapter V.I, and includes strategies that lessen the physical and fiscal impact of developing in the proposed addition of 51 square miles. The proposed amendment is designated Chapter V.J, Northeast Plans – Central East. Aurora's Planning Area is described in the 2009 Comprehensive Plan as follows:

Aurora's Comprehensive Plan has traditionally been built around a geographic area referred to as the "Planning Area." It comprises the municipal boundaries of the city in addition to adjacent lands in other jurisdictions….The reason for the Planning Area being multi-jurisdictional is twofold:

- *Aurora's boundaries, particularly on the east, are not contiguous and often, vast acreages lie in between boundaries.*
- *Impacts from development that occurs in the same geographic area transcend jurisdiction boundaries. Given this, the city has always been concerned about land use and infrastructure planning in areas adjacent to its boundaries. (Chapter IV.A, Managing the Geography of Growth)*

The Planning Area map also shows an "Annexation Area" indicating a boundary area within which the city will consider annexation requests during the life of the current Comprehensive Plan. For Council to approve an annexation outside of this Annexation Area, the Comprehensive Plan needs to be amended to include the proposed annexation in the Annexation Area.

The attached amendment to the comprehensive plan was developed based on the East Aurora Annexation Study (EAAS) prepared by Mark A Nuszer Consultants (MAN Consultants). The conceptual build-out plan was used to estimate the types and locations of residential, commercial, industrial and government uses. The draft amendment includes a revision to Map IV.A-2, Planning Area and Annexation Boundary, and a new strategic area, Northeast Plains – Central East. Other maps and sections of the current Comprehensive Plan require updating; however, the city is currently updating the Comprehensive Plan for 2017-2018 and will include information in other chapters, such as the transportation and utility chapters. Although the draft amendment to the Comprehensive plan includes a subset the plan, Infrastructure, natural resources, government services and other significant impacts were quantified and are included in Attachment B, Fiscal Impact Analysis: East Aurora Annexation Study (EAAS).

Fiscal Impact Analysis

Article 3. – Annexations and Disconnection, includes the following language:

Fiscal Impact Analysis. In its consideration of any proposed annexation, city staff shall provide to the city council an analysis of the fiscal impact of the proposed annexation.
Because of the scope of the proposed annexation and Comprehensive Plan amendment, staff felt it was critical to provide to City Council a full analysis of the potential financial impacts of the proposed changes.

The final draft fiscal impact analysis was submitted to staff in mid-February and is provided as Attachment B. The report provides a separate analysis of annual revenues and costs for city services for three specific buildout scenarios: 1. full buildout, 2. 100% of residential built out and 0% commercial built out, and 3. 100% of residential built out and 50% of commercial built out. All scenarios result in a negative annual fiscal impact which is consistent with previous studies.

Annual Fiscal Impact

The net fiscal impact is calculated as the total annual city revenues minus the annual city services cost. The total fiscal impact for ongoing costs to serve 27 square miles approved for urban development in the draft revised annexation boundary is negative and totals ($15,075,050) overall and ($294) per residential unit. As requested by Council, the fiscal impact analysis results were estimated separately for each area within the EAAS and are summarized below (red font indicates negative value).

- Area 1, Prosper -$143,000/yr. (-$10/unit)
- Area 2, CCSC -$3,200,000/yr. (-$280/unit)
- Area 3, State Land Board ownership north of Quincy Avenue: -$5,500,000/yr. (-$477/unit)
- Area 4, property located outside of Areas 1, 2 and 3: -$6,200,000/yr. (-$430/unit)

Additionally, for all areas combined, the fiscal impact is more negative for the two scenarios that do not include full build out of the commercial space:

- Scenario 1, Full Build Out: -$15,075,050/yr. (-$294/unit)
- Scenario 2, 0% Commercial, 50 % Residential: -$21,628,931/yr. (-$421/unit)
- Scenario 3, 50% Commercial, 100% Residential: -$18,351,990/yr. (-$358/unit)

Because rooftops are needed to support businesses, commercial development often lags behind residential development. Until sufficient commercial uses are developed, there would be a period of time when the fiscal impact is more negative to allow businesses to “catch up” with the demand created by new residents. Commercial development generates 3.6 times as much property tax on the same amount of assessed value as residential development. The analysis does include sales tax generated by new Aurora residents from additional retail spending within the city limits, in addition to sales tax from new commercial space that attracts spending from adjacent communities outside Aurora. Although all scenarios are negative, Scenario 1-Full Build Out, is less negative per unit per year than Scenario 3-0% Commercial/50% Residential ($294 vs. $421).

Capital Costs

The fiscal impact analysis also evaluates the city’s capital costs to serve the EAAS area and is separate from the analysis to evaluate annual service costs. The consultant team, with input from city staff, allocated the infrastructure and utility costs that would be born by the developer and by the city under current city policies. The city’s costs for fire, police, water, sanitary sewer, transportation, and storm drainage were compared to the city’s impact fees on a per-unit or per-acre basis, as appropriate.

Specific capital costs listed below will be higher for the EAAS area than current fees assessed on development to recoup the costs of infrastructure:

- Fire: As the EAAS area is built out, the total cost to build fire stations and acquire trucks and equipment for 93 new firefighters is estimated at $48.8 million, or $951 per dwelling unit compared to the City’s capital impact fee of $92 per unit for Fire.
- Police: As the EAAS area is built out, the cost to purchase new vehicles and construct a police station is estimated at $280 per unit compared to the capital impact fee for police of $94 per unit.
- Water: On a per gallon per day basis, the cost to serve the EAAS area is estimated to be 16 percent higher than the costs on which the city’s water connection fees are based.

The fiscal impact study is based on 2015 costs and as a result, Aurora Water has expressed concern about our ability to obtain water rights to serve a city-sized area on our eastern boundary 30 to 50 years into the future. The city’s ability to secure water rights is becoming more difficult and more expensive, and costs to secure these water rights will certainly increase from those estimated in the draft final fiscal impact analysis – to offset those cost increases, water connection fees will also need to increase. Any new development will be required to pay connection fees in place at the time of development.

Under current city policy, developers are required to pay certain development fees and to construct certain public improvements associated with their developments. Developers may make use of various financing mechanisms to fund the improvements. One of the mechanisms widely used in the city today is the Title 32 Metropolitan District which allows the developer to bond for the improvements and pay for the bonds through a property tax mill levy on developed land and completed homes and/or commercial buildings.

QUESTIONS FOR Committee

Does the Policy Committee wish to forward this item to Study Session for review?

EXHIBITS ATTACHED:

10-14-2015 PED minutes.pdf
Attachment A Comp Plan Amendment Northeast Plains - Central East.pdf
Attachment B EAAS Draft Final Fiscal Impact Analysis.pdf

PLANNING AND ECONOMIC DEVELOPMENT
POLICY COMMITTEE MEETING
October 14, 2015

Members Present:	Chair Brad Pierce, Council Member Marsha Berzins
Absent Member:	Sally Mounier
Others Present:	Jason Batchelor, Bob Watkins, Andrea Amonick, Mindy Parnes, Vinessa Irvin, Duane Senn Karen Hancock, Nate Owens, Dan Money, Julio Iturreria, Dick Hinson, Paul Rosenburg, Jennifer Orozco, Stephanie Stevens, Stephen Rodriguez, Sarah Wieder, Robert Ferrin, Rachel Sapin, Mark Nuszer, Dexter Harding, Margie Sobey, Michael Sheldon

EAST AURORA ANNEXATION STUDY (EAAS) UPDATE
Summary of Issue and Discussion:
Planning Supervisor Karen Hancock introduced this item as an informational update of the neighborhood outreach meeting that was conducted on September 29. Ms. Hancock shared that there were about 30 community members who attended and a small group discussion was conducted for the first hour followed by a presentation and questions and answers (Q&A) session. She said that staff described the study by giving definitions, and by sharing information of the steps necessary to complete the study, and the process that City Council will use to make decisions. The Q&A portion of the meeting lasted well over an hour, and a summary of the questions and answers portion was shared with the committee. Ms. Hancock mentioned that there were a lot of questions from the community indicating the need to understand what City Council's role is, in deciding where there are opportunities for input.

Ms. Hancock highlighted information that was received from a land owner's representative for the Prosper development who indicated that they had no interest in developing in the City of Aurora and also from another Aurora business owner, who has property surrounded by Prosper, indicating their wish to be in the City. She also mentioned gaps that presented themselves during the meeting. She said that an Aurora couple said they did not receive their notification because of their missing mailbox and also mentioned that Arapahoe County Planning Representative Julio Iturreria expressed that the county staff should be kept updated. Mr. Iturreria was assured by Ms. Hancock that the county will be on the referral list when the study is sent out.

Ms. Hancock informed the committee that all timelines are on schedule and moving forward and also the initial zoning application from the annexation petitioners has been submitted for the land owner annexation.

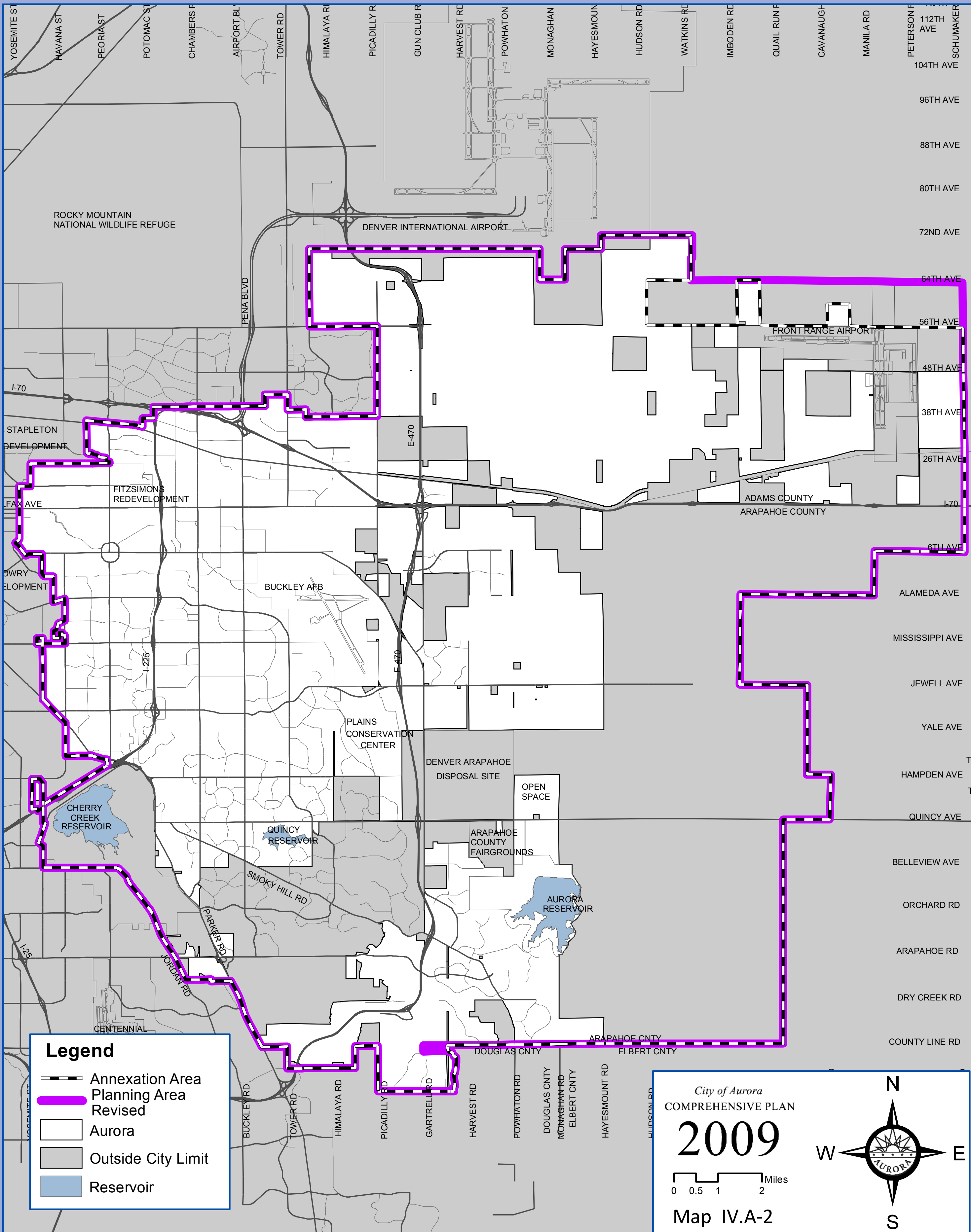
Mr. Batchelor emphasized that the Comprehensive Plan Amendment does not indicate that the EAAS is going to be annexed. It only means that the Comprehensive Plan is being amended, should the city receive an annexation request and will be reviewed for annexation eligibility. Ms. Hancock also stated that annexation study considers moving the border boundaries and it is up to City Council to decide what benefits or value will be brought to the city. She said that a lot of time was spent on clarifying this information to the community at the neighborhood outreach meeting, and that all information about the study is posted on the city website.

Chair Brad Pierce asked for clarification about the Plains Conservation Center question to avoid confusion. Ms. Hancock will follow-up with a more concise description to clarify.

Outcome: This is an informational agenda item only and staff will add a clear understanding about the land reserved for conservation.

Follow-up Action: No further action is required.

2016 Planning Area Expansion and Annexation Boundary



PED Policy Committee 3/24/2016

I. Northeast Plains – Central East

VISION

When the goals of the city are achieved…

- The Northeast Plains – Central East area develops in a phased, contiguous fashion, minimizing the cost of extending services.
- The Northeast Plains – Central East area has a multi-modal transportation network that provides a high level of connectivity within and between developments and also integrates with the existing Aurora transportation framework.
- The I-70 corridor provides an attractive entryway to Aurora.
- The character of the high plains prairie is preserved and key physical features are conserved.
- Subregional activity centers contribute to sustainable urban development.
- Development and infrastructure are energy- and water-efficient.
- Transportation networks meet demand and address potential future connections.

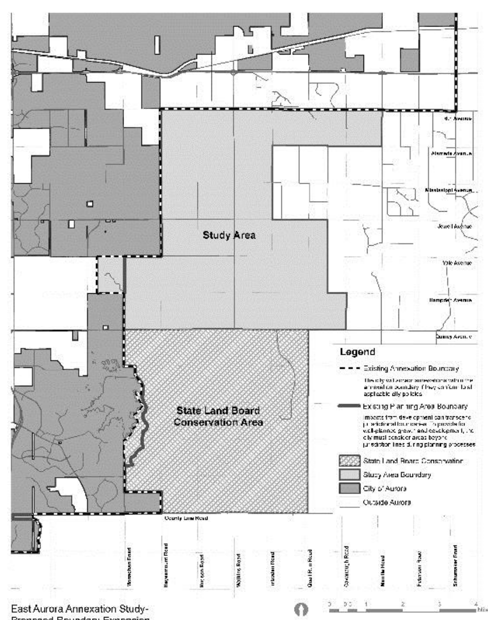
DISCUSSION

Existing Conditions. The Northeast Plains – Central East area begins just east of Hayesmount Road and encompasses a total of 51 square miles that is located in unincorporated Arapahoe County. All of the Northeast Plains –Central East area is currently far from existing infrastructure and services. Thus, it is reasonable to assume that development there will occur over an extended period of time.

The Northeast Plains – Central East area, by virtue of its vast size and distance from existing city services and like the Northeast Plains and Front Range Airport area, will require major investments in public facilities and infrastructure. Such infrastructure and services will include schools, libraries, parks, fire, police, recreation, as well as sewer and water.

The Northeast Plains – Central East area includes two distinct areas: 27 square miles of land north of Quincy Avenue approved for urban development and 24 square miles of land south of Quincy Avenue owned by the State Land Board that is designated for conservation.

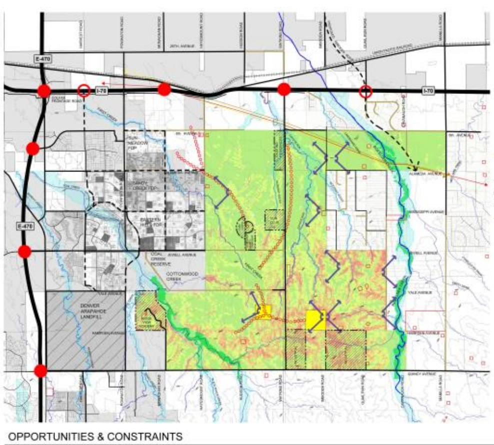
The provision of services to this area will be made less or more expensive depending on the pattern of growth: a general pattern of contiguous growth would allow for an efficient and phased natural progression of services and infrastructure.



Northeast Plains – Central East
Fig. V.J-1

Noncontiguous areas may be subject to different levels of service in comparison to urbanized portions of the city. Examples of different levels of service could be longer response times for police and fire due to distances from existing stations, or interim well and septic usage as opposed to traditional municipal water and sewer services.

There are opportunities for quality open space and regional parks in addition to State Land Board-owned land south of Quincy Avenue that is designated for conservation. North of Quincy Avenue, which is designated for urban development, has desirable view sheds punctuated by mature riparian corridors, high topographic points and plains wildlife habitat. These healthy marquee riparian and Cottonwood forests are found in the Coal Creek and Box Elder Creek watersheds. Although there are a number of drainages that require rehabilitation, a phased approach to repairing these important natural features would be feasible.



Opportunities & Constraints Map
Fig. V.J-2

The northwest portion of the Northeast Plains – Central East area has gently sloping topography and to the southeast, are high points that have significant Native American cultural resources. for Native Americans to scout bison and

High plains prairie in the Northeast Plains - Central East

Plans and Programs.

In 2013 and 2014, City Council retained qualified consultants to evaluate the feasibility and sustainability of creating the City and County of Aurora. Combined with a request from a group of landowners outside the 2009 Comprehensive Plan annexation boundary to annex into the city, City Council opted to study the fiscal impact of expanding the city's planning and annexation boundary to include 51 square miles of land east of the city. The annexation petition comprised three square miles inside the larger Northeast Plains-Central East area.

The study was performed by a qualified consultant team and included:

- community support
- literature search
- site visit
- land use plan concept
- transportation
- wet utilities infrastructure
- fiscal impact analysis

EAAS LAND USE DATA

Study Area District	Total Acreage	Developable Acreage *w/o floodplain*	Residential Units *du's*	Total Open Space w/ Flood Plain *acres*	Retail / Commercial *x 1000 sf*	Employment Zone* *x 1000 sf*	Residential Density** *du / acre*
Prosper	5130	4511	13842	1647.2	2135.9	9778.3	3.5
CCSC	3046	3046	11204	564.1	722.9	0.0	3.7
State Land Board	3900	3575	11507	1197.7	795.1	1589.1	3.2
Tebo	2560	2430	6164	854.0	125.5	0.0	2.5
Panhandle	1920	1625	4288	437.5	117.6	0.0	2.6
Misc.	3142	3107	3953	259.5	121.5	T.B.D.	2.2
EAAS Totals	19,698 ac	18,294 ac	50,958 du	4,960 ac	4,018.5 sf	11,367.4 sf	3.1 du/ac

**Office / Warehouse / Light Industrial / Commercial Flex Space*
***Densities at Prosper and Misc. Districts exclude acreage within Employment / Industrial Zones.*

The Land Use Concept Plan inventoried the opportunities and constraints and proposed the basis for the fiscal impact study that relied on realistic market conditions in calendar year 2015. The Land Use Concept Plan specifically focused on enhanced employment and higher density residential adjacent and proximate to the I-70 corridor.

The final concept plan focused on strategic heritage planning and preservation in a "Town & Country" context. Attention was paid to the need to preserve existing homestead and maintain a significant agricultural reserve that allows for undisturbed setbacks from existing large acreage homes and ranchettes to the east and northeast.

Subregional activity centers in the central and southern portions of the 27 square miles approved for urban development will offer amenities, services and employment for an overall expected density of three dwellings per acre gross. These "village cores" will incorporate neighborhood- and commercial-scale retail development.

Set-asides for quality open space are key to the heritage planning concept. The high ground used in pre-pioneer days as a lookout potential enemies is re-imagined to incorporate opportunities for biking, hiking and viewing wildlife in a modern context. As discussed in Chapter IV.A., the Lowry Range owned by the State Land Board includes 26,000 acres of mostly undeveloped high plains grasslands adjacent to Aurora's southeast quadrant. The area includes the Former Lowry Bombing and Gunnery Range. Oil and gas development, the primary use of the conservation land, is required to be screened for unexploded ordnance before earthwork can commence. For this reason, the East Aurora Annexation Study did not include the land south of Quincy Avenue.

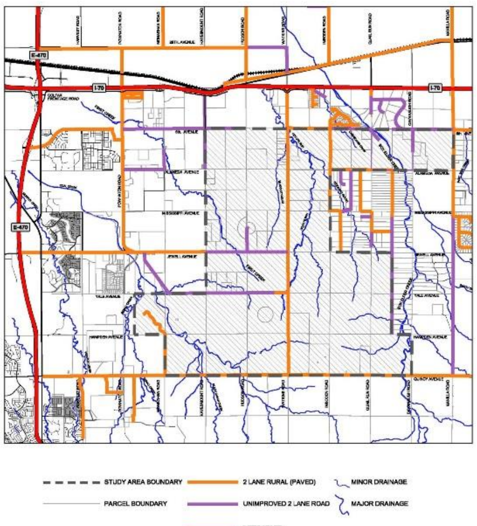
Issues & Needs

- As with the E-470 corridor, zoning and master planning requirements for the Northeast Plains – Central East are in place and in accordance with a vision and land use plan for this vast area.

- The development of the Northeast Plains – Central East area will require a substantial investment in services and infrastructure, particularly in the city's water and wastewater systems.

- As development occurs, a new I-70 interchange at Quail Run may be needed and the Manila interchange should be upgraded to existing standards but neither project is currently funded.

- If development does not occur in a contiguous fashion, additional costs will be imposed on the city or developer to construct major road connections between new development and the existing city. A contiguous pattern of growth will reduce the cost of providing services.



Transportation Existing Conditions
Figure V.J-4

In the Northeast Plains – Central East area, there are no enclaves of unincorporated county land surrounded by land in the city limits of Aurora. However, the city has received annexation petitions that meet state substantial compliance requirements for approval. Any approved annexations will need to be developed in conformance with the land use vision contained in the Northeast Plains zoning district. Annexation to Aurora would consolidate jurisdictional boundaries and allow contiguous property to be developed under that vision.

- The transportation network needs to meet projected demand and the need for potential future connections. Planning for roads and multi-modal networks need to accommodate topographical opportunities and constraints. Coordination with adjacent jurisdictions and any master or comprehensive plans is essential.

STRATEGIES

Northeast Plains – Central East Area

1. Continue to implement the land use vision in the Northeast Plains Corridor Zoning District and Design Standards as depicted in Chapter V.H E-470, **Map V.I-1**.

2. Develop and maintain a plan for the phased extension of services and facilities to the Northeast Plains – Central East area, including transportation, water, wastewater, police, fire and emergency services, libraries, and recreation.

3. Ensure the requirements and standards in city's code are in place so that when the Northeast Plains – Central East area develops, it does so with a high level of multi-modal connectivity within and between developments and integrates with the existing transportation network west, north, and south of this area.

4. Use intergovernmental agreements with counties to guarantee a well-planned and attractive entryway corridor along I-70 to the north and Arapahoe County to the south and east.

5. Adhere to heritage planning concepts as development is phased to retain the character of the eastern high plains and the natural environment.

6. Low-impact development including green infrastructure will assure compliance with water quality standards and improve aesthetics

7. Native vegetation will be required to conserve water and preserve the heritage of the high plains desert.

8. Arterials roads will be co-located with bicycle and pedestrian facilities. The use of roundabouts will negate the need for traffic lights and reduce energy consumption.

9. A minimum of six acres of land will be reserved for a future Aurora Police District office and training center to assure that public safety strategies are implemented.

10. Fire stations will be located throughout the phased development to assure that public safety strategies are implemented.

11. Wet utilities will be phased in the most cost-effective manner available. Land will be reserved for reuse and potable water reservoirs, if needed.

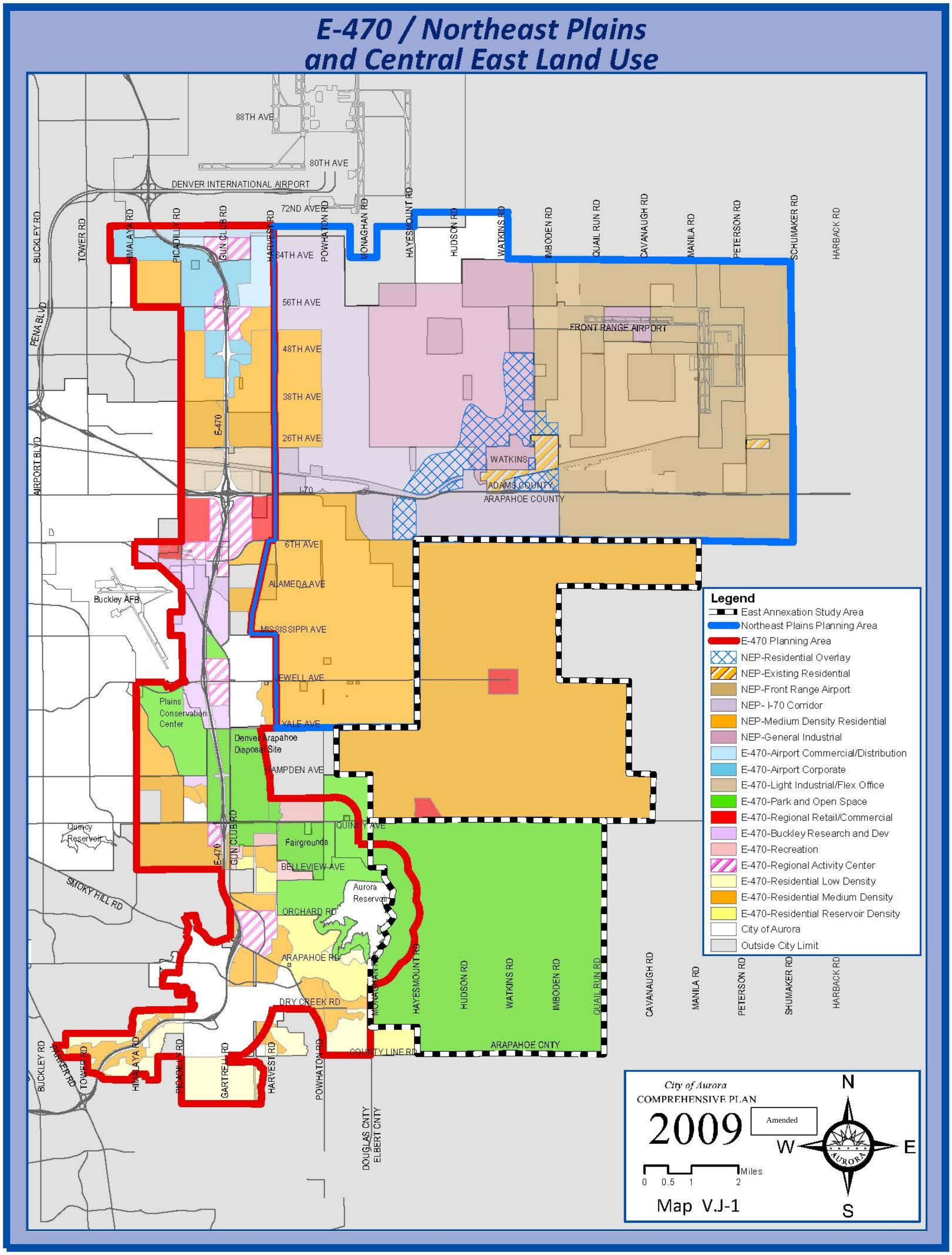
12. Cultural resources will be inventoried and conserved for future generations. These resources will be highlighted to contribute to making the Northeast Plains – Central East area a destination that offers the opportunity for education about our city's pre-pioneer history.

13. Retail/commercial development and subregional activity centers will be located to provide employment, services, amenities and revenue that support residential development of the Northeast Plains – Central East area.

14. High-quality parks and open space will contribute to the quality of development and provide amenities and destinations for all city residents. Habitat and ecological resources are conserved and respected as important contributors to a high quality of life. Trails and open space will be connected to destinations and amenities.

15. A mix of housing and incomes provides a solid socio-economic balance. Jobs to population ratios are appropriate and sustainable.

16. The economic impact of developing the Northeast Plains – Central East will be sustainable. Development standards will assure that this area will develop in a phased, fiscally responsible manner.


E-470 / Northeast Plains and Central East Land Use
88TH AVE
80TH AVE
DENVER INTERNATIONAL AIRPORT
72ND AVE
64TH AVE
56TH AVE
48TH AVE
38TH AVE
26TH AVE
I-70
6TH AVE
ALAMEDA AVE
MISSISSIPPI AVE
JEWELL AVE
YALE AVE
HAMPDEN AVE
QUINCY AVE
BELLEVIEW AVE
ORCHARD RD
ARAPAHOE RD
DRY CREEK RD
COUNTY LINE RD
ARAPAHOE CNTY
BUCKLEY RD
TOWER RD
HIMALAYA RD
PICADILLY RD
GUN CLUB RD
HARVEST RD
POWHATON RD
MONAGHAN RD
HAYESMOUNT RD
HUDSON RD
WATKINS RD
IMBODEN RD
QUAIL RUN RD
CAVANAUGH RD
MANILA RD
PETERSON RD
SCHUMAKER RD
SHUMAKER RD
HARBACK RD
PENA BLVD
AIRPORT BLVD
E-470
PARKER RD
GARTRELL RD
SMOKY HILL RD
FRONT RANGE AIRPORT
WATKINS
ADAMS COUNTY
ARAPAHOE COUNTY
Buckley AFB
Plains Conservation Center
Denver Arapahoe Disposal Site
Fairgrounds
Aurora Reservoir
Quincy Reservoir
DOUGLAS CNTY
ELBERT CNTY
Legend
East Annexation Study Area
Northeast Plains Planning Area
E-470 Planning Area
NEP-Residential Overlay
NEP-Existing Residential
NEP-Front Range Airport
NEP- I-70 Corridor
NEP-Medium Density Residential
NEP-General Industrial
E-470-Airport Commercial/Distribution
E-470-Airport Corporate
E-470-Light Industrial/Flex Office
E-470-Park and Open Space
E-470-Regional Retail/Commercial
E-470-Buckley Research and Dev
E-470-Recreation
E-470-Regional Activity Center
E-470-Residential Low Density
E-470-Residential Medium Density
E-470-Residential Reservoir Density
City of Aurora
Outside City Limit
City of Aurora
COMPREHENSIVE PLAN
2009
Amended
N
W
E
S
AURORA
0 0.5 1 2
Miles
Map V.J-1

The Economics of Land Use

Final Draft Report

Fiscal Impact Analysis: East Aurora Annexation Study (EAAS)

Prepared for:

City of Aurora, Colorado

Prepared by:

Economic & Planning Systems, Inc.

February 26, 2016

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1. Introduction and Summary of Findings

Introduction

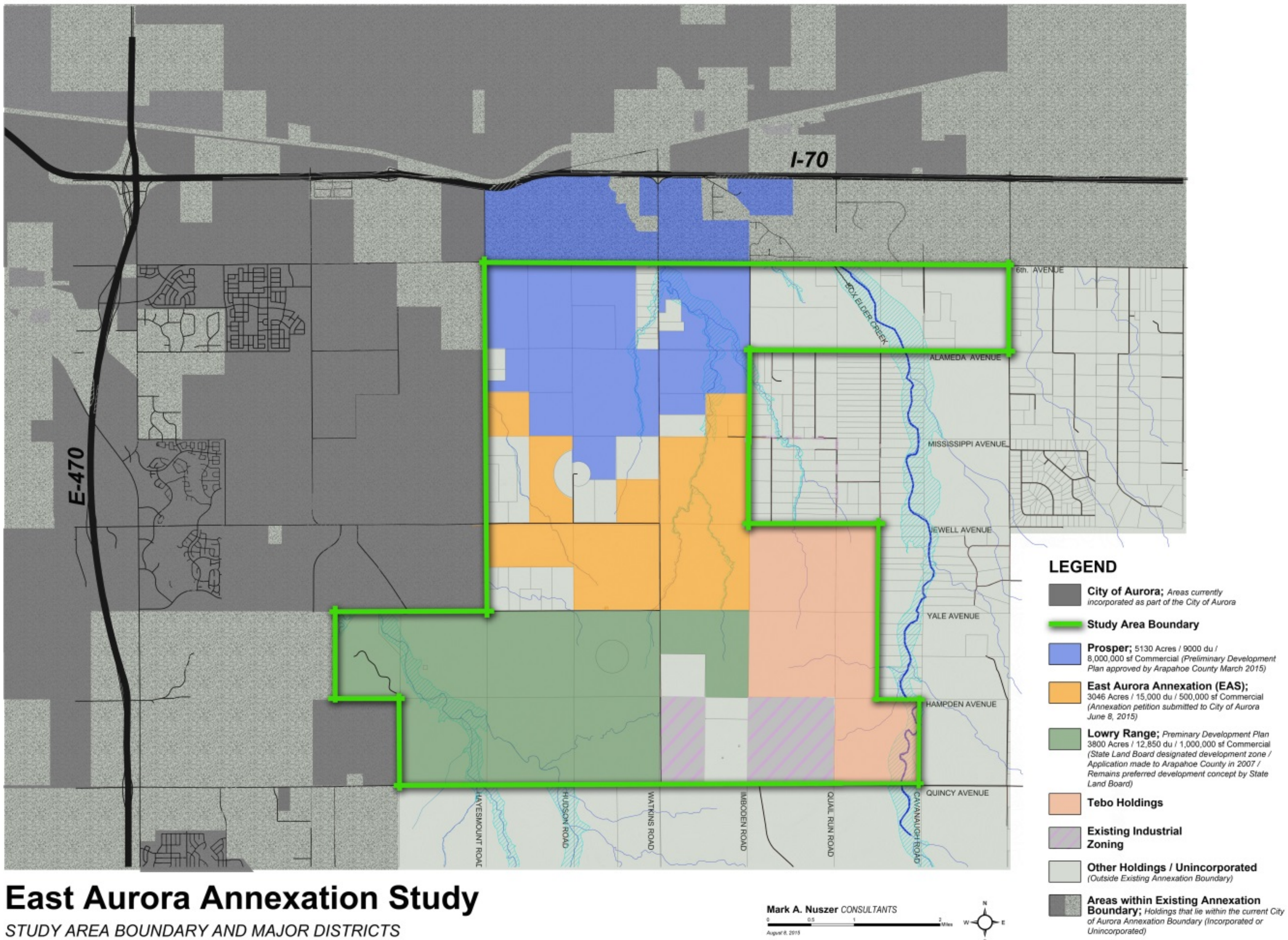
This report presents the Fiscal Impact Analysis (FIA) of the East Aurora Annexation Area (EAAA; the study area) prepared by Economic & Planning Systems (EPS) as part of the East Aurora Annexation Study (EAAS). A fiscal impact analysis is required for any annexation considered by the City of Aurora and is also required by state statute. The City of Aurora is considering modifying its annexation boundary to encompass the study area. This would allow the City to annex property in the area if it chooses to do so– if an annexation can be completed in accordance with all City land use and development policies and regulations.

The EAAS evaluates the possible expansion of the City's annexation area to include approximately 20,000 acres (31 square miles) of property east of Monaghan and Hayesmount Roads. The EAAS study team is led by Mark A. Nuszer Consultants (MAN Consultants). EPS is a subconsultant to MAN Consultants to provide market and economic analysis inputs to the conceptual land use plan for the study area and the FIA required by state law and city code for any proposed annexation. The FIA 1) estimates the annual operating costs and revenues to the City of Aurora resulting from the annexation of new land and development into the City; and 2) evaluates the potential capital cost impacts to the City.

In order to modify the annexation area boundary there must be a general land use plan for any proposed annexation area, which also requires an amendment to the City's Comprehensive Plan. MAN Consultants prepared a conceptual land use plan for the EAAA. The fiscal impact analysis is based on the land use designations in the Plan and resulting amount of dwelling units and square feet of commercial development. The EAAA is comprised generally of four major land ownership holdings as follows (**Figure 1**
East Aurora Annexation Area**East Aurora Annexation Area**):

- **Prosper –** A 5,100-acre area lying between approximately I-70 and Mississippi Avenue north to south, and Hayesmount and Imboden Roads west to east. This area has approved entitlements from Arapahoe County for 9,000 dwelling units and 8.0 million square feet of various types of non-residential (commercial) development. In about 2005, a similar group of land owners sponsored a study to incorporate the Watkins, CO area as a municipality including much of the Prosper land holdings. Watkins is currently a Census Designated Place within unincorporated Arapahoe County.
- **CCSC –** The CCSC group land holdings comprise 3,000 acres between Prosper and the State of Colorado Land Board property to the south. This group submitted an annexation proposal to the City in June 2015.
- **State Land Board –** This is the northernmost 3,800 acres of the 23,500 acre Lowry Bombing Range property owned by the Colorado State Land Board (SLB). In 2008, Lend Lease Communities was in negotiations with the SLB to develop a master planned community of roughly 12,000 to 13,000 dwelling units and 1.0 million square feet of commercial space.
- **Other Miscellaneous –** The remaining areas include a large area of land held by TCBO Holdings east of Imboden Road, and other areas with multiple property owners.

Figure 1
East Aurora Annexation Area



Summary of Findings

1. ***The EAAA conceptual land plan includes 51,000 housing units and 15.4 million square feet of commercial development and would increase the City's population by approximately 36 percent at buildout if developed at densities similar to other eastern Aurora development.***

   The City of Aurora has a population of 351,200 and has been growing rapidly, adding 73,000 people since 2000 (5,200 per year). Metro Denver has grown by 595,000 people over this same time period. Aurora has accounted for 11 percent of the region's growth in housing units and households, and 12 percent of the region's population growth. At buildout, all of the development in the EAAS Conceptual Land Use Plan would add an estimated 128,000 people to the City. This would be an increase of 36 percent above the current population bringing the total population to nearly 480,000. This growth would potentially make Aurora the second largest City in Colorado behind Denver, depending on the concurrent growth of Colorado Springs (population 446,000).

2. ***Existing development capacity in eastern Aurora is likely to impact development in the EAAA for some time based on market trends in Aurora over the past 15 years.***

   There is a large amount of planned development and remaining development capacity in eastern Aurora that is already within the incorporated city limits that is likely to affect the timing of development in the EAAA. The Single Tree at DIA, High Point, Green Valley Ranch East and other areas north of I-70 contain nearly 18,000 units of housing planned and approved, with only approximately 1,000 units constructed. South of I-70 to Yale there are an additional 28,000 units of approved housing. With 3,600 (13 percent) of those units built, there is capacity for 24,400 additional dwelling units today. The area south of Yale in the Smokey Hill Road area has nearly 16,000 units of remaining development capacity in this area. In total, the developing portions of Aurora lying in the path of development but still west of the EAAA contain nearly 57,000 housing units of development capacity. Assuming that eastern Aurora continues to build out at the average pace observed over the past 15 years (approximately 1,000 units per year), it could take over 50 years to absorb all of the current development capacity in known approved projects.

3. ***The fiscal structure of municipalities under Colorado law and other City budget constraints cause most residential development in the City to be fiscally negative.***

   The Gallagher Amendment to the State Constitution, passed in 1982, was designed to maintain a constant ratio between the property tax revenue that comes from residential property (approximately 45 percent) and from commercial property (approximately 55 percent). The effect of the Gallagher Amendment over time was to reduce the assessment rate for residential property, as residential property assessed value has increased faster than commercial property assessed value. Commercial property is now assessed at 29.0 percent of market value while residential property is assessed at 7.96 percent of market value. The same amount of assessed value in commercial development therefore generates 3.6 times the revenue as an equivalent value of residential development. Based on property taxes, commercial development therefore effectively cross-subsidizes residential development in the City. When sales tax revenues are included, the portion of all city-related costs borne by commercial development increases as well. Many Colorado municipalities face similar challenges. The City could consider raising its mill levy to mitigate some of the impacts of growth and to enhance services to existing residents. This is a policy decision, but also requires a vote of the Aurora citizens.

4. ***The results of this fiscal impact analysis need to be considered in the context of Aurora's budget conditions and in the long term growth of the City.***

   The City of Aurora has completed several studies in prior years documenting the City's structural capital and operating revenue deficiencies. Combined with the Gallagher Amendment, residential development with typical market values in Aurora and other Colorado cities will be fiscally negative without an adequate amount of commercial development to achieve a city-wide land use pattern that is fiscally balanced.

   While this study estimates that development in the EAAA would be fiscally negative, this finding could also be interpreted as a finding that continued growth under the existing budget structure will negatively affect the level of service Citywide, regardless of the individual development being analyzed. The impact of growth on the City's budget is gradual and continual; as it takes many years for developments to fully build out just like the existing and largely developed areas of Aurora have taken many years to develop.

   The capital costs of full buildout of the EAAA could be viewed as equivalent to those required to build a new city of 128,000 people. While the costs need to be attributed to new development as it occurs so that development pays its own way, these are the types of capital costs that the next 20 to 50 or more years of growth in Aurora will trigger. This analysis has shown a need to significantly expand the police, fire, PROS, and public works departments, along with the water, sanitary sewer, and storm drainage systems.

5. ***At full buildout, the EAAA would have an annual net fiscal impact of -$15.1 million per year to the General Fund or -$294 per housing unit. The largest cost impacts are to the Police, Fire, Public Works, and Parks, Recreation, and Open Space departments.***

   When development has a negative net fiscal impact, it means the City would be unable to maintain the same level of services to new customers in the proposed project or to existing residents as it does currently. Under Aurora's fiscal structure, the impact of development in the EAAA would likely have a net cost to the City. Overall, the 36 percent increase in population from new residential development would result in an estimated 28 percent increase in annual General Fund expenditures.

   The Prosper portion of the plan would be essentially fiscally neutral at -$10 per dwelling unit *if all of the commercial development in the plan is constructed* (**Table 1**). The 11.9 million square feet of commercial development in Prosper is envisioned as a large business and industrial park along I-70. While this is a logical place for such uses, and there may be demand for it in the future, the fiscal impact of this area will be negative unless and until all of the commercial development occurs. The net fiscal impact of other areas ranges from -$280 to -$477 per dwelling unit.

   - **Police -** At full buildout of the EAAA, a total of 242.5 new police officers would be needed which is a 60 percent addition to the Aurora police force. Each phase would generate the need for 50 to 70 new officers at full development. The annual cost of the increased staffing is estimated at $27.6 million at buildout.

   - **Fire –** Five new fire stations would be needed to maintain current Aurora Fire Department standards and the City's fire insurance ratings. It was estimated that Areas 1, 2, and 3 would each require a new fire station, and that Area 4 would need two stations due to its non-contiguous geography. A total of 93 new fire personnel would be needed with an annual cost of $11.9 million.

- **Parks, Recreation, and Open Space (PROS) -** Development of the EAAA land use plan would add approximately 181 acres of community parks and 2,400 acres of open space to the City which would need to be maintained by the PROS department. The annual cost to the PROS department is estimated at $2.4 million per year.
- **Public Works –** The Transportation Plan for the EAAA contains lane miles of new arterial and collector roads. From the land use plan, we have estimated that residential land uses would add another 1,225 local public lane miles for a total of 1,450 new public road lane miles above the 2,187 lane miles currently maintained by the City. Full buildout of the EAAA would have an estimated cost impact of $11.6 million per year on Public Works largely from the increase in new roads to maintain.

6. ***This fiscal impact analysis credits residential development with sales tax generation as residential development (population) is needed to support the growth of retail space.***

The methodology used in this analysis includes sales tax generated from two sources: households (point of origin) and retail space (point of sale). New residents in eastern Aurora are estimated to make approximately 75 percent of their retail purchases within Aurora. Therefore, residential development can still generate sales tax to the City through expenditures in existing stores without new retail space being built. In addition, retail space requires a trade area population to be supportable; retail space cannot by itself generate sales and sales tax revenue. It is therefore appropriate to include household spending in sales tax estimates in a residential fiscal impact analysis.

Table 1
Net Fiscal Impact

Description	Factors	Area 1 Prosper	Area 2 CCSC	Area 3 SLB	Area 4 Other	Total
Development Program						
Residential Units		13,877	11,416	11,637	14,404	51,334
Commercial		11,914,249	722,921	2,384,126	364,597	15,385,893
Population		33,507	28,609	28,693	36,847	127,657
Peak Persons Served (PPS)		36,882	29,022	29,504	37,127	132,535
Annual Fiscal Impact (Ongoing)						
Revenues						
Property Tax - General	Case Study	$ 4,764,514	$ 2,237,452	$ 2,584,563	$ 3,035,807	$ 12,622,335
Sales Tax	Case Study	$ 10,266,798	$ 7,445,181	$ 7,672,952	$ 9,843,973	$ 35,228,904
General Fund (Others)	Pers. Served, Etc.	$ 5,204,391	$ 3,979,184	$ 4,092,181	$ 5,037,336	$ 18,313,091
Subtotal		**$ 20,235,703**	**$ 13,661,816**	**$ 14,349,696**	**$ 17,917,116**	**$ 66,164,331**
Expenditures						
Parks, Open Space, & Rec.	Case Study	$ (782,789)	$ (366,984)	$ (518,414)	$ (744,124)	$ (2,412,312)
Public Works	Case Study	$ (2,763,010)	$ (2,355,599)	$ (2,663,760)	$ (3,864,446)	$ (11,646,814)
Police	Case Study	$ (7,254,389)	$ (6,193,970)	$ (6,212,123)	$ (7,977,519)	$ (27,638,001)
Fire	Case Study	$ (1,889,421)	$ (1,889,421)	$ (4,352,462)	$ (3,778,842)	$ (11,910,145)
General Fund (Others)	Pers. Served, Etc.	$ (7,689,498)	$ (6,050,702)	$ (6,151,298)	$ (7,740,611)	$ (27,632,109)
Subtotal		**$ (20,379,107)**	**$ (16,856,675)**	**$ (19,898,057)**	**$ (24,105,542)**	**$ (81,239,381)**
Net Fiscal Impact (Ongoing)		**$ (143,404)**	**$ (3,194,859)**	**$ (5,548,361)**	**$ (6,188,426)**	**$ (15,075,050)**
Per Residential Unit		$ (10)	$ (280)	$ (477)	$ (430)	$ (294)

Source: Economic & Planning Systems

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7. The net fiscal impact of the EAAA and new development in general is sensitive to the amount of commercial space that is actually constructed versus planned.

If no commercial space is constructed, the annual net fiscal impact decreases from -$15.1 million per year to -$21.6 million per year (-$421 per dwelling unit) as shown in **Table 2**. The costs do not change appreciably, at $80.1 million compared to $81.2 million with 100 percent of the commercial space. Sales tax is estimated at $31.4 million from resident spending only, compared to $35.2 million from residents and commercial space at full buildout. The estimated revenues decline from $66.2 million per year to $58.5 million per year as a result of lower property tax revenues and slightly less sales tax.

With 50 percent of the commercial development built, the annual net fiscal impact to the General Fund is estimated at -$18.4 million. Property tax is estimated at $11.0 million per year, and sales tax is estimated at $33.3 million per year which when combined with other miscellaneous revenues brings the total to $62.3 million per year. Annual service costs are estimated at $80.7 million for a net fiscal impact of -$18.4 million per year or -$358 per dwelling unit.

Table 2
Commercial Development Influence on Net Fiscal Impact

Description	Area 1 Prosper	Area 2 CCSC	Area 3 SLB	Area 4 Other	Total
Scenario 1: 100% of Commercial					
Revenues					
Property Tax - General	$4,764,514	$2,237,452	$2,584,563	$3,035,807	$12,622,335
Sales Tax	10,266,798	7,445,181	7,672,952	9,843,973	35,228,904
General Fund (Others)	5,204,391	3,979,184	4,092,181	5,037,336	18,313,091
Total	**$20,235,703**	**$13,661,816**	**$14,349,696**	**$17,917,116**	**$66,164,331**
Expenditures	**-$20,379,107**	**-$16,856,675**	**-$19,898,057**	**-$24,105,542**	**-$81,239,381**
Net Fiscal Impact	**-$143,404**	**-$3,194,859**	**-$5,548,361**	**-$6,188,426**	**-$15,075,050**
Per Dwelling Unit	-$10.33	-$280	-$477	-$430	**-$294**
Scenario 2: 0% of Commercial					
Revenues					
Property Tax - General	$2,411,569	$2,030,996	$2,073,224	$2,921,168	$9,436,957
Sales Tax	8,055,445	6,775,730	6,916,097	9,682,468	31,429,740
General Fund (Others)	4,710,450	3,936,920	3,985,304	5,011,765	17,644,438
Total	**$15,177,464**	**$12,743,646**	**$12,974,625**	**$17,615,401**	**$58,511,136**
Expenditures	**-$19,618,567**	**-$16,763,742**	**-$19,715,283**	**-$24,042,474**	**-$80,140,067**
Net Fiscal Impact	**-$4,441,103**	**-$4,020,096**	**-$6,740,658**	**-$6,427,074**	**-$21,628,931**
Per Dwelling Unit	-$320	-$352	-$579	-$446	**-$421**
Scenario 3: 50% of Commercial					
Revenues					
Property Tax - General	$3,588,042	$2,134,224	$2,328,893	$2,978,487	$11,029,647
Sales Tax	9,161,122	7,110,456	7,294,524	9,763,221	33,329,322
General Fund (Others)	4,957,420	3,958,052	4,038,742	5,024,550	17,978,765
Total	**$17,706,584**	**$13,202,732**	**$13,662,159**	**$17,766,259**	**$62,337,734**
Expenditures	**-$19,998,837**	**-$16,810,209**	**-$19,806,670**	**-$24,074,008**	**-$80,689,724**
Net Fiscal Impact	**-$2,292,253**	**-$3,607,477**	**-$6,144,511**	**-$6,307,749**	**-$18,351,990**
Per Dwelling Unit	-$165	-$316	-$528	-$438	**-$358**

Source: Economic & Planning Systems

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8. ***The Fire Department would require five new fire stations, including one joint fire and police public safety facility. New police and fire vehicles and staff equipment would also be needed to keep pace with growth.***

   Total fire department capital costs are estimated at $48.8 million, or $951 per dwelling unit. The total estimated capital costs for Police are $14.4 million, or $280 per dwelling unit. The City charges a capital impact fee of $92 per dwelling unit for fire protection and $94 per dwelling unit for police capital needs. Cities frequently adjust downward their impact fees for policy and economic development reasons, and Aurora's current impact fee does not reflect the full cost of constructing facilities and acquiring equipment to keep up with growth.

9. ***The cost to provide water service to the EAAA is projected to be higher than the costs included in the City's water service connection fees (tap fees). In addition, there is no certainty that water rights will be available at the time of development.***

   The City's water connection fees are based on a system cost of $57.45 per gallon per day (annually). An analysis was conducted to adjust the connection fee to include only the costs included in the City's engineering and water demand analysis of the EAAA so that an "apples to apples" comparison could be made. The adjusted connection fee for this comparison is $45.51 per gallon per day. The projected costs to provide water service to the EAAA are estimated at $52.81 per gallon per day, which is 16 percent higher than what is recovered in the connection fee. The total infrastructure and water rights cost are estimated at $639 million.

   Considering these higher than average costs and the uncertainty of available water rights, water connection fees should be re-examined at the time of development to ensure that the City can recover its capital costs.

10. ***Sanitary sewer costs are projected to be more consistent with the City's system-wide costs.***

    Compared to the water cost analysis, the sanitary sewer costs are more consistent with the costs on which the City's sanitary sewer connection fees are based. The cost of public sewer interceptors is estimated at $33.5 million. A lift station and force main are needed which add $19.2 million. "Downstream" system upgrades (offsite improvements) add $63.7 million in costs bringing the total cost to over $116 million. This equates to $2,268 per dwelling unit on average. The City's sanitary sewer connection fee is $2,400 per unit, indicating that the estimated costs are within approximately 5 percent of the costs on which the connection fee is based.

11. ***There are numerous other on- and off-site infrastructure projects that would need to be funded and constructed in order to serve the EAAA at current City standards, therefore development in the EAAA is not likely to be feasible or practical until these costs can be addressed.***

    - **Roads and Transportation –** Several hundreds of millions of dollars in road upgrades, interchanges, and new construction will be needed to serve traffic volumes at full buildout of the EAAA. Roads will need to be phased as development occurs west of the EAAA, with each property owner/developer contributing their fair share according to their impact on roadways.

    - **Public Facilities –** A new recreation center would be needed in the EAAA at a cost of roughly $30.0 million. Other needed facilities include a public works, parks, and animal control maintenance facility estimated at $1.5 to $2.0 million. Additional trails and other recreation facilities would also be needed in the parks and open space when they are dedicated to the City.

12. ***The use of Title 32 Metropolitan Districts (metro districts) to finance infrastructure is likely to continue in the EAAA as it has in eastern Aurora. The City should continue to monitor the financial performance of these districts and the costs to homeowners.***

    Metro districts may levy up to 50 mills to finance public infrastructure and amenities. They are commonly employed to finance parks, trails, drainage, utilities, and roads. A 50 mill levy on a $400,000 home equates to $1,600 per year ($133 per month) in revenue to the district, and roughly $13,000 in financing capacity per housing unit. The total amount of financing in a metro district is a function of the amount and pace of development estimated in the bond underwriting process. Some metro districts in eastern Aurora have not achieved their development and financial projections as development has occurred more slowly than anticipated. There is a concern among homeowners that additional planned development will compete with existing projects that still have substantial capacity for more development. This competition would divert future revenues and affect a district's abilities to pay for the amenities that have been expected by homeowners.

2. CONTEXT AND LAND USE PLAN

This chapter describes the market and geographic context for the EAAA. Data are presented and discussed on planned and completed residential developments and construction trends in eastern Aurora, and on regional population growth trends. This information informs the potential timing of development in the EAAA and the scale of the annexation area compared to the City currently. The data suggest that it will likely take considerable time for the market to be ready for development in the EAAA. The fiscal impact analysis results need to be considered within this context of uncertain timing and the potential for changes in development standards.

Eastern Aurora Development Activity

There is a large amount of planned development and remaining development capacity in eastern Aurora that is already within the incorporated city limits that is likely to affect the timing of development in the EAAA. The Single Tree at DIA, High Point, Green Valley Ranch East and other areas north of I-70 contain nearly 18,000 units of housing planned and approved. Approximately 1,000 units have been constructed to date here, or 5.7 percent of the planned development (**Table 3**).

South of I-70 to Yale there are an additional 28,000 units of approved housing. With 3,600 (13 percent) of those units built, there is capacity for 24,400 additional dwelling units today. The area south of Yale in the Smokey Hill Road area has developed more rapidly, with 12,200 units built (43 percent) out of 28,100 planned. This area is within the Cherry Creek School District (as opposed to Aurora Public Schools) and has closer proximity to the South I-25 Corridor employment districts. There is therefore a stronger market for moderate to upper priced housing in this area. There are nearly 16,000 units of remaining development capacity in this area. In total, the developing portions of Aurora lying in the path of development but still west of the EAAA contain nearly 57,000 housing units of development capacity.

Table 3
Eastern Aurora Development Activity

Area	Approx. Price Range	Dwelling Units Planned	Dwelling Units Built	Pct. Built	Total Remaining Units
North of I70					
Single Tree At DIA	$215,000 - $275,000	923	583	63.2%	340
High Point	$281,000 - $311,000	1,600	424	26.5%	1,176
Green Valley Ranch East	---	8,860	0	0.0%	8,860
Northeast Plains Med Density Res	---	0	0	0.0%	0
Painted Prairie	---	3,076	0	0.0%	3,076
Sagebrush Farms	---	989	0	0.0%	989
Windler Homestead	---	2,171	0	0.0%	2,171
Subtotal		**17,619**	**1,007**	**5.7%**	**16,612**
I-70 to Yale					
Cross Creek	$315,000 - $400,000	1,070	499	46.6%	571
Traditions	$300,000 - $345,000	1,064	405	38.1%	659
Sterling Commons	$150,000 - $200,000	3,281	1,233	37.6%	2,048
Adonea	$300,000 - $400,000	1,192	411	34.5%	781
Murphy Creek	$305,000 - $325,000	4,735	1,101	23.3%	3,634
Coal Creek Reserve	---	3,075	0	0.0%	3,075
Cottonwood Creek	---	2,000	0	0.0%	2,000
Eastern Hills (Parklands)	---	1,635	0	0.0%	1,635
Horizon Uptown	---	3,850	0	0.0%	3,850
Murphy Creek East	---	896	0	0.0%	896
Porteos	---	0	0	0.0%	0
Starfall	---	1,211	0	0.0%	1,211
Sun Meadow	---	1,350	0	0.0%	1,350
Trails At First Creek	---	1,140	0	0.0%	1,140
Villages At Murphy Creek	---	800	0	0.0%	800
Waterstone	---	780	0	0.0%	780
Subtotal		**28,079**	**3,649**	**13.0%**	**24,430**

Source: City of Aurora, Economic & Planning Systems

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Table 3 (continued)
Eastern Aurora Development Activity

Area	Approx. Price Range	Dwelling Units Planned	Dwelling Units Built	Pct. Built	Total Remaining Units
South of Yale					
Cornerstar	---	400	400	100.0%	0
Conservatory	$350,900 - $404,900	1,425	1,269	89.1%	156
Beacon Pointe	$295,000 - $330,000	900	719	79.9%	181
Tallyns Reach & Tallyns Reach North	from high 300s	2,793	2,182	78.1%	611
Tollgate Crossing	$328,000 - $418,000	1,593	1,164	73.1%	429
Heritage Eagle Bend	$350,000 - $650,000	2,501	1,796	71.8%	705
Southlands	---	1,100	669	60.8%	431
Sorrel Ranch	$260,000 - $395,000	980	535	54.6%	445
East Quincy Highlands	$280,000 - $360,000	925	465	50.3%	460
Wheatlands	$350,000 - $460,000	1,553	768	49.5%	785
Serenity Ridge	$344,000 - $368,000	450	216	48.0%	234
Saddle Rock North, South, East	$478,000 - $540,000	2,971	1,204	40.5%	1,767
Highplains (Formerly Blackstone Country Club)	$385,000 - $609,000	1,500	322	21.5%	1,178
Rockinghorse	---	1,500	204	13.6%	1,296
Southshore	$359,000 - $585,000	2,656	275	10.4%	2,381
Butterfield Trails	---	881	0	0.0%	881
Kings Point North	---	1,816	0	0.0%	1,816
Kings Point South	---	190	0	0.0%	190
Kings Point South-Prusse	---	480	0	0.0%	480
Pomeroy	---	980	0	0.0%	980
Ranney Property	---	86	0	0.0%	86
Whispering Pines	$386,000 - $525,000	432	0	0.0%	432
Subtotal		**28,112**	**12,188**	**43.4%**	**15,924**
Total - All Areas		**73,810**	**16,844**	**22.8%**	**56,966**

Source: City of Aurora; Economic & Planning Systems

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Aurora Growth Trends

The City of Aurora is the second largest City in Metro Denver, with a population of 351,200[1] in 2015 making it the third largest City in Colorado after Denver (664,000) and Colorado Springs (446,000). From 2000 through 2014, Aurora has grown rapidly, adding 73,000 people since 2000 which equates to 5,200 per year (**Table 4**). Metro Denver has grown by 595,000 people and 218,000 housing units over this same time period. Aurora has accounted for 11 percent of the region's growth in housing units and households, and 12 percent of the region's population growth. On average, Aurora had net additions of just over 1,700 housing units per year citywide from 2000 through 2014.

Table 4
Population, Household, and Housing Unit Trends, 2000-2014

				2000 - 2014		
	2000	2010	2014	Total Change	Avg. Ann. Change	Share of Metro Change
7-County Metro Area						
Households	948,761	1,107,121	1,190,929	242,168	17,298	100.00%
Housing Units	986,669	1,175,595	1,205,029	218,360	15,597	100.00%
Population	2,416,770	2,796,359	3,011,828	595,058	42,504	100.00%
Aurora						
Households	105,526	121,901	131,697	26,171	1,869	10.81%
Housing Units	109,074	131,040	133,406	24,332	1,738	11.14%
Population	278,095	326,565	350,773	72,678	5,191	12.21%

Source: DOLA; Economic & Planning Systems

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[1] These population figures come from the Colorado Department of Local Affairs (DOLA) Demography Section and are used to compare to regional trends for consistency of data sources. They differ slightly from the City's official estimates which are used in the fiscal impact model. The City's official 2015 population estimate is 351,200.

Building permit trends correspond closely to the household growth trends shown above with an average of 1,900 units per year added from 2000 through 2014 (**Table 5**). Single family home construction occurred at an average pace of 1,195 units per year citywide, and multifamily construction occurred at 741 units per year.

Table 5
Residential Construction Trends, City of Aurora, 2000-2014

Year	Single Family	Multifamily	Total
2000	1,591	2,357	3,948
2001	1,340	1,371	2,711
2002	1,599	1,323	2,922
2003	1,321	829	2,150
2004	2,067	605	2,672
2005	2,394	434	2,828
2006	1,986	592	2,578
2007	1,202	1,489	2,691
2008	510	466	976
2009	426	0	426
2010	573	191	764
2011	502	192	694
2012	750	163	913
2013	836	915	1,751
2014	832	192	1,024
Total	**17,929**	**11,119**	**29,048**
Annual Avg.	**1,195**	**741**	**1,937**

Source: US Census; Economic & Planning Systems

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Certificates of occupancies (home completions) for major developments in eastern Aurora are summarized to compare home construction rates to citywide residential construction. From the 2001 through 2015 year-to-date time period, construction in major eastern Aurora projects occurred at an average pace of 1,054 units per year (**Table 6**). These developments are largely single family home developments, indicating that eastern Aurora accounted for approximately 80 percent of the City's single family residential development. The area south of Yale had the highest pace of construction, with an average of 830 units per year.

Assuming that eastern Aurora continues to buildout at the average pace observed over the past 15 years (1,000 units per year), it could take potentially over 50 years to absorb all of the current development capacity in known approved projects.

Table 6
Certificates of Occupancy by Development, Eastern Aurora, 2001-2015YTD

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2001-2015 Total	2001-2015 Avg. #	2001-2008 Total	2001-2008 Avg. #	2009-2015 Total	2009-2015 Avg. #
North of I70																					
Single Tree At DIA	135	121	120	115	50	1	20	1	20	0	0	0	0	0	0	583	39	563	70	20	3
High Point	0	0	0	0	0	0	24	21	4	0	8	17	38	83	101	296	20	45	6	251	36
Subtotal	**135**	**121**	**120**	**115**	**50**	**1**	**44**	**22**	**24**	**0**	**8**	**17**	**38**	**83**	**101**	**879**	**59**	**608**	**76**	**271**	**39**
Yale to I70																					
Cross Creek	0	0	0	27	157	119	50	36	39	36	8	12	12	1	2	499	33	389	49	110	16
Traditions	0	0	0	0	0	6	27	80	12	27	14	45	80	113	34	438	29	113	14	325	46
Adonea	0	0	0	0	0	47	26	0	1	45	33	39	104	138	1	434	29	73	9	361	52
Murphy Creek	0	7	89	283	406	201	65	15	7	3	0	1	1	0	27	1,105	74	1,066	133	39	6
Subtotal	**0**	**7**	**89**	**310**	**563**	**373**	**168**	**131**	**59**	**111**	**55**	**97**	**197**	**252**	**64**	**2,476**	**165**	**1,641**	**205**	**835**	**119**
South of Yale																					
Conservatory	0	0	0	241	411	345	95	44	71	8	9	0	9	0	57	1,290	86	1,136	142	154	22
Beacon Pointe	0	0	0	0	8	92	124	126	98	74	44	31	91	17	19	724	48	350	44	374	53
Tallyns Reach	26	54	140	158	297	226	169	260	433	112	77	52	77	12	37	2,130	142	1,330	166	800	114
Tollgate Crossing	0	0	0	52	223	385	86	37	55	87	53	55	31	0	52	1,116	74	783	98	333	48
Heritage Eagle Bend	225	170	103	113	336	582	178	72	7	0	0	0	0	0	0	1,786	119	1,779	222	7	1
Southlands	0	0	0	0	0	0	0	340	0	0	0	0	0	0	300	640	43	340	43	300	43
Sorrel Ranch	0	0	0	6	85	105	95	58	15	11	27	44	89	3	0	538	36	349	44	189	27
Wheatlands	0	0	0	0	0	19	77	64	50	63	116	105	135	116	34	779	52	160	20	619	88
Serenity Ridge	0	0	0	0	20	49	27	16	0	22	16	21	30	0	7	208	14	112	14	96	14
Saddle Rock	266	656	96	226	341	198	87	47	285	13	3	8	12	44	35	2,317	154	1,917	240	400	57
Highplains	0	0	0	0	0	97	56	31	8	10	31	24	20	26	40	343	23	184	23	159	23
Rockinghorse	0	0	0	0	0	0	3	21	19	27	23	23	27	74	36	253	17	24	3	229	33
Southshore	0	0	0	0	0	14	81	36	9	7	18	19	25	59	50	318	21	131	16	187	27
Whispering Pines	0	0	0	0	0	0	0	0	0	0	0	0	0	0	14	14	1	0	0	14	2
Subtotal	**517**	**880**	**339**	**796**	**1,721**	**2,112**	**1,078**	**1,152**	**1,050**	**434**	**417**	**382**	**546**	**351**	**681**	**12,456**	**830**	**8,595**	**1,074**	**3,861**	**552**
Total	**652**	**1,008**	**548**	**1,221**	**2,334**	**2,486**	**1,290**	**1,305**	**1,133**	**545**	**480**	**496**	**781**	**686**	**846**	**15,811**	**1,054**	**10,844**	**1,356**	**4,967**	**710**

Source: City of Aurora; Economic & Planning Systems

H:\153011-East Aurora Annexation Study\Data\Market\[153011-EAA Development.xlsx]Table- COs for Major Projects

Conceptual Land Use Plan

MAN Consultants created a conceptual land use plan for the EAAS. The plan uses recent project densities in eastern Aurora as an influence on the type of development and overall densities that could be expected if this area were to be annexed and developed under Aurora development regulations. The land use data for the Plan was tabulated for use in the fiscal impact analysis. The entire EAAA is estimated to have development capacity for 51,000 units of housing including 38,444 single family homes and 12,890 multifamily units (**Table 7**). Commercial development capacity is estimated at approximately 15.4 million square feet.

For analysis purposes, the consultant team determined that the land use plan should be divided into four areas that correspond roughly with the major ownership groups in the Plan area. These areas are unrelated to any assumptions about development timing or "phasing"; they are simply organized around land ownership areas. While in reality, development would likely occur in smaller phases, this is impossible to predict at this level of planning.

- Area 1 corresponds with the Prosper Development in Arapahoe County, with the potential for 13,877 housing units and 11.9 million square feet of commercial development under the EAAS assumptions.
- Area 2 comprises the CCSC holdings with 11,416 housing units and 722,922 square feet of commercial development.
- Area 3 is the State Land Board (SLB) property with 11,637 housing units estimated at the assumed densities, and 2.4 million square feet of commercial development.
- Area 4 encompasses major holdings by TCBO Holdings and other property owners, with 14,404 housing units and 364,597 square feet of commercial space.

In developing the land use plan, EPS and MAN developed metrics to determine an appropriate amount of retail development. This analysis considered the amount of retail space estimated to be supported by the number of households or "rooftops" in the Plan area and allocated retail demand into community-oriented retail and regional-oriented retail. Community retail is generally grocery store anchored centers with a mixture of ancillary smaller retail space. Regional retail generally consists of larger format "big box" stores in larger power centers or other regional shopping centers. These areas are shown in the land use plan, although they are not differentiated in the FIA. At this level of planning it is, in our judgement, overly precise to estimate sales for more specific types of stores or retail formats.

There are no timing assumptions associated with these areas as there is not adequate infrastructure in the EAAA now to provide urban services (roads, water, sanitary sewer) at urban densities.

Table 7
EAAS Conceptual Land Use Plan

Description	Area 1 Prosper	Area 2 CCSC	Area 3 SLB	Area 4 Other	TOTAL
RESIDENTIAL PROGRAM					
Single-Family (1 DU / 1 AC)	0 Units	0 Units	0 Units	666 Units	666 Units
Single-Family (2 DU / 1 AC)	1,258 Units	594 Units	1,195 Units	4,369 Units	7,416 Units
Single-Family (4 DU / 1 AC)	4,549 Units	6,096 Units	6,112 Units	6,101 Units	22,858 Units
Single-Family (6 DU / 1 AC)	3,044 Units	2,198 Units	1,030 Units	1,232 Units	7,504 Units
Multifamily	5,026 Units	2,528 Units	3,300 Units	2,036 Units	12,890 Units
Subtotal	**13,877 Units**	**11,416 Units**	**11,637 Units**	**14,404 Units**	**51,334 Units**
COMMERCIAL PROGRAM					
Commercial/Retail	1,681,700 Sq. Ft.	464,175 Sq. Ft.	537,879 Sq. Ft.	0 Sq. Ft.	2,683,754 Sq. Ft.
MU Commercial	454,200 Sq. Ft.	258,746 Sq. Ft.	257,178 Sq. Ft.	364,597 Sq. Ft.	1,334,722 Sq. Ft.
Industrial/Flex/R&D (EMP)	9,778,349 Sq. Ft.	0 Sq. Ft.	1,589,069 Sq. Ft.	0 Sq. Ft.	11,367,418 Sq. Ft.
Subtotal	**11,914,249 Sq. Ft.**	**722,922 Sq. Ft.**	**2,384,126 Sq. Ft.**	**364,597 Sq. Ft.**	**15,385,894 Sq. Ft.**
Arterials and Collectors	66.1 ln. mi.	51.6 ln. mi.	82.1 ln. mi.	26.3 ln. mi.	**226.11 Miles**
Local Roads	266.8 ln. mi.	237.4 ln. mi.	251.9 ln. mi.	470.4 ln. mi.	**1,226.49 Miles**
Toal City Maintained Roads	332.9 ln. mi.	289.0 ln. mi.	334.0 ln. mi.	496.8 ln. mi.	**1,452.60 Miles**
Neighb. Parks (HOA/District Maintained)	110.00 Acres	76.20 Acres	104.40 Acres	115.50 Acres	**406.10 Acres**
Community Parks (City Maintained)	35.90 Acres	61.60 Acres	39.30 Acres	44.40 Acres	**181.20 Acres**
Open Space (City Maintained)	831.70 Acres	287.20 Acres	500.20 Acres	783.20 Acres	**2,402.30 Acres**
SITE AREA (Acres)					
Residential	2,695.0 Acres	2,397.7 Acres	2,544.1 Acres	4,752.0 Acres	12,388.8 Acres
Commercial	793.9 Acres	92.2 Acres	223.0 Acres	1,319.0 Acres	2,428.1 Acres
Parks	145.9 Acres	137.8 Acres	143.7 Acres	159.9 Acres	587.3 Acres
Open Space	831.7 Acres	287.2 Acres	500.2 Acres	783.2 Acres	2,402.3 Acres
Flood Plain	619.0 Acres	72.0 Acres	325.0 Acres	460.0 Acres	1,476.0 Acres
Public Facilities	44.5 Acres	59.1 Acres	164.0 Acres	147.9 Acres	415.5 Acres
Subtotal	**5,130.0 Acres**	**3,046.0 Acres**	**3,900.0 Acres**	**7,622.0 Acres**	**19,698.0 Acres**
Population	**33,507**	**28,609**	**28,693**	**36,847**	**127,657**
Peak Persons Served (PPS)	**36,882**	**29,022**	**29,504**	**37,127**	**132,535**
Equivalent Residential Units [1]	**17,848**	**11,657**	**12,432**	**14,526**	**56,463**

[1] 3,000 square feet of commercial space = 1 ERU
Source: Economic & Planning Systems
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New Population

At buildout, all of the development in the Plan would add an estimated 128,000 people to the City. This would be an increase of 36 percent above the current population of 351,200 bringing the total population to nearly 480,000. This growth would potentially make Aurora the second largest City in Colorado behind Denver, depending on the concurrent growth of Colorado Springs which has a population of 446,000.

Development Timing

As noted above, no timing is assigned to any of the ownership groups or areas within the conceptual land use plan for several reasons. First, there are at least 50 or more years of remaining development capacity in existing approved but not built subdivisions in eastern Aurora. If a similar pace of development is assumed for the EAAA, 1,000 housing units per year, the EAAA would also contain over 50 years of development capacity. From a market perspective, it is our opinion that there is not a compelling reason for homebuyers to skip over parts of Aurora that are developing now and are closer to employment centers and services in favor of similar development that is further away from jobs and services.

Development will therefore likely continue predominately from west to east rather than jumping or "leapfrogging" to the EAAA. There is also not adequate infrastructure in the EAAA yet to serve development at urban/suburban densities with Aurora's levels of service. There are major road, water, sewer, and storm drainage infrastructure hurdles that need to be addressed in order for development at urban densities to occur in the EAAA. The fiscal impact analysis is therefore conducted at a "master plan" level at buildout for each phase, with some caveats and scenarios to be discussed in the analysis.

3. *Municipal Services Costs*

This chapter summarizes the estimated annual City of Aurora municipal service costs for the EAAA. First, an overview of Fiscal Impact Analysis and methodologies is provided. Next, the impacts of annexation and development of the EAAA are estimated. The fiscal impacts are first presented in detail for the full buildout of the conceptual land use plan in order to illustrate the methods and assumptions used. Next, two comparative scenarios are evaluated: buildout of the EAAA consisting of 100 percent of the residential development and no commercial development, and full residential buildout and 50 percent of the commercial development contained in the plan.

Fiscal Impact Analysis Methodology

Fiscal impact analysis (FIA) provides estimates of the costs and revenue impacts (positive and negative) resulting from new development or changes in land use. FIA compares the revenues generated by new development to the costs of public services required to serve new development (at current levels of service) to estimate the annual net fiscal impact to a city. Revenues and costs are estimated using the city budget for major departments, and an assessment of relationship between each city service on that department's budget.

FIA is not a budget forecasting tool as there are many economic externalities that affect a city's costs and revenues. It is a decision support tool most useful for identifying extraordinary impacts, the departments likely to be the most affected by new development, and for comparing land use or development scenarios.

In this analysis, the impacts to the General Fund, the City's primary operating fund, are estimated. Water and Sanitary Sewer funds are not evaluated as they are enterprise funds in which user fees (utility rates) are set at the cost of providing the service, resulting in a fiscally neutral fund. Over time, rates are adjusted as needed if service costs change. The capital cost impacts to these and other funds are however characterized in this report.

Modified Average Cost Method

Many of the City's service costs vary according to the overall size and level of activity in the City, comprised of both Aurora residents (who live in housing units) and people who work in Aurora commercial establishments but do not live in Aurora (commuting employees). A factor referred to as "Peak Persons Served" (PPS) is used to be applied to cost and revenue items that vary with growth. PPS is calculated as the City's population of 351,200 plus one half of the commuting employees. The total commuting employees are discounted by 50 percent as they are generally only present during working hours and generally not for seven days a week. There are an estimated 114,000 people who commute to Aurora for work, and half of this number is 57,000. Total PPS for the City of Aurora is estimated at 408,209.

$$Peak\ Persons\ Served = Population + 1/2(Commuting\ Employees)$$

Using multipliers or factors such as PPS, per capita, per housing unit, per acre, etc. is often referred to as the "average cost" method. The average cost method is commonly used as it is the simplest approach and uses generally available data. A common criticism of the average cost method is that it implies that each additional unit of growth has the same impact as the previous unit of growth, or in other words that the marginal cost of city services is equivalent to the average cost. The average cost method can therefore overestimate the cost of city services, especially for small projects with a short development period, or infill development that takes advantage of the existing economies of scale in city services.

A major exception is for large developments with an extended buildout period, major expansions of a city's urbanized area to an area where city services are not currently provided, and for local governments whose services are at or near capacity. In these cases, the average cost method is a generally accepted technique for estimating fiscal impacts. Discussions with Aurora management and department heads indicated that Aurora meets these criteria, and the average cost method was used. To be conservative however, and to recognize that many city functions still experience some economies of scale, adjustments are made to account for higher levels of fixed costs and/or a less direct relation to growth.

- Most direct services are estimated with 75 percent variable costs and 25 percent fixed costs (e.g. general administration functions and utilities) (**Table 8**).
- City governance costs (e.g. City Council and other administrative and policy services) is estimated to be 25 percent variable and 75 percent fixed.

Items Not Estimated

Some cost and revenue items are not estimated. These are items that are either minor revenues or expenses, unusual one-time occurrences, fixed or contract costs/revenues, or items that do not have a direct nexus to new growth and development. In addition, services for which a fee is charged, such as building inspection (and building permit fees) are not estimated. They are treated as "cost recovery" items that are fiscally neutral, as the City is setting the fee for the service at the cost of providing the service. These types of services are not "profit centers" or revenue generators for general purposes.

Case Study Calculations

Certain cost or revenue items are estimated using "case study" approaches, which is a term used to describe customized calculations as opposed to the average cost method. For example, property tax is based on estimated assessed values multiplied by the assessment ratios and applicable tax rates. New police officers are estimated at 1.9 per 1,000 population according to the staffing agreement between the City and the Aurora Police Department which takes effect in 2021. Other examples are provided later in this chapter.

Annual Services vs. One-Time Capital Impacts

Chapters 3 and 4 address the ongoing costs of delivering city services and the annual city revenues. The analysis is based on current budget data, and therefore the current level of service quality for service delivery. Projects that have a positive fiscal impact increase municipal revenues above the costs, allowing a city to improve the level of service through increased funding. Since a city general has to balance its budget, a project with a negative fiscal impact will require continual re-allocations of funds to balance the budget, resulting in a decline in the level of service quality.

New development, particularly annexations, may require construction of new roads, water and sewer infrastructure, and public facilities such as parks, and police and fire stations. Capital infrastructure is funded separately from operations through sales and use tax allocations, capital impact fees, developer agreements, and state and federal grants. This study quantifies the capital costs on a per-dwelling unit and per acre basis and compares those per-unit or per-acre costs to the City's per-unit or per-acre development fees.

General Fund Overview

This section provides a summary of the City's General Fund expenditures and revenues. The General Fund has total expenditures and revenues of $291.5 million.

Expenditures

The largest department in terms of expenditures is Police, with a budget of $91.9 million, or 31.5 percent of the annual budget (**Table 8**). The Police Department has approximately 800 full time equivalent (FTE) employees including over 400 patrol officers in Districts 1, 2, and 3, and approximately 50 traffic officers. Impacts to the Police department are calculated later in this chapter using a case study calculation based on the 1.9 officers per 1,000 population ratio noted above.

Table 8
General Fund Expenditures, 2015 Budget Year

Department	Amount 2015	% of Total	Nexus Factor	Gross Factor	Variability	Net Factor per unit
City Attorney	$ (5,690,805)	2.0%	Peak Person Served (PPS)	$ (13.94)	75%	$ (10.46)
City Council	$ (1,056,201)	0.4%	Peak Person Served (PPS)	$ (2.59)	25%	$ (0.65)
Civil Service Commission	$ (753,119)	0.3%	Peak Person Served (PPS)	$ (1.84)	75%	$ (1.38)
Communications	$ (2,776,680)	1.0%	Peak Person Served (PPS)	$ (6.80)	75%	$ (5.10)
Court Administration	$ (7,980,026)	2.7%	Peak Person Served (PPS)	$ (19.55)	75%	$ (14.66)
Finance	$ (6,702,702)	2.3%	Peak Person Served (PPS)	$ (16.42)	75%	$ (12.31)
Fire	$ (43,991,807)	15.1%	Case Study	$ -	---	$ -
General Management	$ (2,836,356)	1.0%	Peak Person Served (PPS)	$ (6.95)	75%	$ (5.21)
Information Technology	$ (8,699,217)	3.0%	Peak Person Served (PPS)	$ (21.31)	50%	$ (10.66)
Internal Services	$ (6,443,691)	2.2%	Peak Person Served (PPS)	$ (15.79)	75%	$ (11.84)
Judicial	$ (2,269,383)	0.8%	Peak Person Served (PPS)	$ (5.56)	75%	$ (4.17)
Library & Cultural Services	$ (4,633,179)	1.6%	Peak Person Served (PPS)	$ (11.35)	75%	$ (8.51)
Neighborhood Services	$ (4,674,009)	1.6%	Peak Person Served (PPS)	$ (11.45)	75%	$ (8.59)
Non-Departmental [1]	$ (52,726,296)	18.1%	Peak Person Served (PPS)	$ (129.17)	75%	$ (96.87)
Parks, Recreation & Open Space	$ (13,205,628)	4.5%	Case Study	$ -	---	$ -
Planning & Development Services	$ (2,755,249)	0.9%	Peak Person Served (PPS)	$ (6.75)	75%	$ (5.06)
Police	$ (91,910,311)	31.5%	Case Study	$ -	---	$ -
Public Defender	$ (740,091)	0.3%	Peak Person Served (PPS)	$ (1.81)	75%	$ (1.36)
Public Safety Communications Center	$ (6,343,361)	2.2%	Peak Person Served (PPS)	$ (15.54)	75%	$ (11.65)
Public Works	$ (25,326,098)	8.7%	Case Study	$ -	---	$ -
TOTAL	**$ (291,514,209)**	**100.0%**				
Peak Person Served (PPS)						$ (208.49)
Total Housing Units						$ -
Total Commercial Space						$ -

[1] Transfers to other funds

Source: Economic & Planning Systems

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The next largest department is Fire, with an annual budget of $43.9 million, or 15.1 percent of the budget. Impacts to the Fire Department are also estimated using a case study calculation developed with and inputs from Aurora Public Safety. Public Works has an annual budget of $25.3 million to maintain city streets and other public infrastructure and accounts for 8.7 percent of the General Fund. Parks, Recreation, and Open Space (PROS) has an annual budget of $13.2 million with the majority spent to maintain public parks and the urban forest. PROS impacts are also estimated using a case study approach. These four departments combined account for nearly 60 percent of the General Fund budget.

Revenues

The City's primary revenue source is sales tax, comprising 53.1 percent of general (non-earmarked) revenues, or an estimated $154.8 million in the 2015 budget (**Table 9**). The City collects a 3.75 percent sales tax on all purchases in the City of Aurora, excluding groceries (food for home consumption). Property tax from the City's 8.605 general mill levy generates $25.4 million per year, or 8.7 percent of the General Fund revenues. Sales and property tax revenues from potential development in the EAAA are estimated using case studies in the next chapter. Other revenues are estimated using multipliers that relate the revenue to growth of the city, as shown below.

Table 9
General Fund Revenues, 2015 Budget Year

Revenue	Amount	% of Total	Nexus Factor	Gross Factor	Variability	Net Factor
General Sales Tax	$ 154,816,154	53.1%	Case Study	$ -	---	$ -
Property Tax	$ 25,357,093	8.7%	Case Study	$ -	---	$ -
Franchise Fees & Taxes	$ 15,197,589	5.2%	Peak Person Served (PPS)	$ 37.23	100%	$ 37.23
Use Tax - Auto	$ 14,675,212	5.0%	Total Housing Units	$ 110.64	100%	$ 110.64
Capital-Related Use Tax	$ 18,434,712	6.3%	Not Estimated	$ -	---	$ -
Occupational Privilege Tax	$ 4,215,813	1.4%	Total Commercial Space	$ 0.02	100%	$ 0.02
Lodgers Tax	$ 6,205,242	2.1%	Not Estimated	$ -	---	$ -
Specific Ownership Tax	$ 2,282,611	0.8%	Total Housing Units	$ 17.21	100%	$ 17.21
Other Taxes (Penalties/Interest)	$ 367,657	0.1%	Peak Person Served (PPS)	$ 0.90	100%	$ 0.90
Audit Revenue	$ 2,379,896	0.8%	Not Estimated	$ -	---	$ -
General Fund Permits	$ 616,467	0.2%	Peak Person Served (PPS)	$ 1.51	100%	$ 1.51
Motor Vehicle Fees	$ 1,065,604	0.4%	Total Housing Units	$ 8.03	100%	$ 8.03
Business Licenses	$ 1,648,571	0.6%	Total Commercial Space	$ 0.01	100%	$ 0.01
Highway Users Taxes & Fees	$ 10,713,194	3.7%	Total Housing Units	$ 80.77	75%	$ 60.58
Cigarette Tax	$ 617,321	0.2%	Peak Person Served (PPS)	$ 1.51	75%	$ 1.13
County Road & Bridge	$ 1,357,555	0.5%	Peak Person Served (PPS)	$ 3.33	75%	$ 2.49
Other Intergovernmental Revenue	$ 1,095,444	0.4%	Peak Person Served (PPS)	$ 2.68	25%	$ 0.67
Fines & Forfeitures	$ 6,234,902	2.1%	Peak Person Served (PPS)	$ 15.27	100%	$ 15.27
Internal Charges	$ 5,869,254	2.0%	Not Estimated	$ -	---	$ -
External Charges	$ 5,852,414	2.0%	Not Estimated	$ -	---	$ -
Interest	$ 698,701	0.2%	Not Estimated	$ -	---	$ -
Miscellaneous	$ 1,389,038	0.5%	Not Estimated	$ -	---	$ -
Transfers In (from other funds)	$ 1,154,960	0.4%	Not Estimated	$ -	---	$ -
From Decrease in Funds Available	$ 9,268,804	3.2%	Not Estimated	$ -	---	$ -
TOTAL	**$ 291,514,208**	**100.0%**				
Peak Person Served (PPS)						$ 59.21
Total Housing Units						$ 196.47
Total Commercial Space						$ 0.02

Source: Economic & Planning Systems

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Severance Tax and Energy-Related Revenue

Energy and mining extractive industries pay a 2.0 to 5.0 percent severance tax to the State based on the value of production. The State distributes 15 percent of the severance tax collected to a county pool. The county pool is in turn distributed to the counties (unincorporated areas) and municipalities based on the countywide share of the following factors:

- 33% residence of mineral and energy industry workers
- 34% population
- 33% road miles

The City is not expecting significant revenues from energy extraction in the EAAA based on this formula and past budget trends. In 2015 the City collected $293,000 in severance tax which amounted to 0.1 percent of the General Fund revenues. The projection for 2016 is $108,000 due to the decline in oil and natural gas prices.

New oil and gas operations could generate approximately $60,000 per year in property tax based on four existing oil and gas sites in Arapahoe County (Aurora) at an estimated $15,000 in property tax per site.

General Fund Costs

This section presents the case study analyses for the major General Fund departments including Police, Fire, Public Works and PROS. In the next section, other more minor functions for the General Fund are then estimated using the modified average cost method and added to these major department impacts to estimate the annual net fiscal impact on the General Fund.

Police Service Costs

The Police Department has a $91.9 million budget. Nearly 55 percent of the budget is allocated to patrol functions (**Table 10**). The remaining 45 percent of Police expenditures cover other law enforcement, investigative, and administrative functions.

Table 10
Police Department Budget

Division or Function	2015 Budget Amount	% of Total
Patrol/Uniformed Office Functions		
District 1	$18,490,171	20.1%
District 2	14,830,677	16.1%
District 3	12,476,536	13.6%
Traffic Section	4,641,175	5.0%
Subtotal	**50,438,559**	**54.9%**
Other Functions and Administration		
Administration - Chief	$8,323,446	9.1%
Business Services	2,363,314	2.6%
Community Resources	2,856,618	3.1%
Crime Lab	2,273,712	2.5%
Investigations Bureau	6,938,749	7.5%
Investigative Support Section	3,206,165	3.5%
Narcotics Section	2,733,977	3.0%
Operations Support Section	1,785,923	1.9%
Special Operations Bureau	1,013,537	1.1%
Technical Services Bureau	5,621,345	6.1%
Training Section	4,354,966	4.7%
Subtotal	**$41,471,752**	**45.1%**
Total	**$91,910,311**	**100.0%**

Source: City of Aurora 2015 Budget, Economic & Planning Systems

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The primary impacts to the Police Department will stem from the need to hire more uniformed officers if the EAAA is developed in the City and adds population. The cost to hire a new officer is approximately $85,500 in direct salary and benefits (**Table 11**). Based on conversations with management, an additional 25 percent is added to this figure to account for the growth in demand for other Police Department functions (e.g. investigations, administration, technical services) bringing the cost per officer to approximately $114,000 per year.

Table 11
Cost per Uniformed Office

Salary and Benefits	Cost per Officer
Officer II Base Salary	$64,901
Health Care	11,798
Dental	261
Pensions (10.5%)	6,815
Life & Long Term Disability (2.6%)	1,687
Total Salary & Benefits	**$85,462**
Department Overhead and Other Divisions	**25%**
Total Cost per New Officer	**$113,949**

Source: Economic & Planning Systems

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Currently, the City of Aurora maintains a uniformed office to population ratio of 1.6. The Consent Decree between the City and the Aurora Police Department mandates hiring 1.9 uniformed officers for every 1,000 new residents effective January 1, 2022. Since development in the EAAS is judged to be at least 10 years in the future, this analysis assumes that the 1.9 officer per 1,000 population service standard will be in effect.

By calculating the new population resulting from the conceptual land use plan, the number of new police officers required by the Consent Decree can be estimated. Using an average household size of 2.65 for single family homes, the current average in the City of Aurora, and 2.0 for multifamily units, the new population by area is estimated in **Table 12**. At full buildout of the EAAA, a total of 242.5 new police officers would be needed, which is a 60 percent addition to the Aurora police force. Each phase would generate the need for 50 to 70 new officers at full development. The annual cost of the increased staffing is estimated at $27.6 million. Capital cost impacts are evaluated in the next chapter.

Table 12
Annual Police Costs by Area

Area	Officers per 1,000	New Population	New Officers	Cost per Officer	Overhead and Admin.	Total
	1.9				25.0%	
Prosper						
Single-Family (1 DU / 1 AC)	1.9	0.0	0.0	-$85,462	25.0%	$0
Single-Family (2 DU / 1 AC)	1.9	3,333.7	6.3	-$85,462	25.0%	-$721,755
Single-Family (4 DU / 1 AC)	1.9	12,054.9	22.9	-$85,462	25.0%	-$2,609,908
Single-Family (6 DU / 1 AC)	1.9	8,066.6	15.3	-$85,462	25.0%	-$1,746,441
Multifamily	1.9	10,052.0	19.1	-$85,462	25.0%	-$2,176,285
Subtotal			**63.7**			**-$7,254,389**
CCSC						
Single-Family (1 DU / 1 AC)	1.9	0.0	0.0	-$85,462	25.0%	$0
Single-Family (2 DU / 1 AC)	1.9	1,574.1	3.0	-$85,462	25.0%	-$340,797
Single-Family (4 DU / 1 AC)	1.9	16,154.4	30.7	-$85,462	25.0%	-$3,497,472
Single-Family (6 DU / 1 AC)	1.9	5,824.7	11.1	-$85,462	25.0%	-$1,261,063
Multifamily	1.9	5,056.0	9.6	-$85,462	25.0%	-$1,094,638
Subtotal			**54.4**			**-$6,193,970**
SLB						
Single-Family (1 DU / 1 AC)	1.9	0.0	0.0	-$85,462	25.0%	$0
Single-Family (2 DU / 1 AC)	1.9	3,166.8	6.0	-$85,462	25.0%	-$685,610
Single-Family (4 DU / 1 AC)	1.9	16,196.8	30.8	-$85,462	25.0%	-$3,506,651
Single-Family (6 DU / 1 AC)	1.9	2,729.5	5.2	-$85,462	25.0%	-$590,944
Multifamily	1.9	6,600.0	12.5	-$85,462	25.0%	-$1,428,918
Subtotal			**54.5**			**-$6,212,123**
Other						
Single-Family (1 DU / 1 AC)	1.9	1,764.9	3.4	-$85,462	25.0%	-$382,106
Single-Family (2 DU / 1 AC)	1.9	11,577.9	22.0	-$85,462	25.0%	-$2,506,636
Single-Family (4 DU / 1 AC)	1.9	16,167.7	30.7	-$85,462	25.0%	-$3,500,340
Single-Family (6 DU / 1 AC)	1.9	3,264.8	6.2	-$85,462	25.0%	-$706,838
Multifamily	1.9	4,072.0	7.7	-$85,462	25.0%	-$881,599
Subtotal			**70.0**			**-$7,977,519**
TOTAL						
Single-Family (1 DU / 1 AC)		1,764.9	3.4			-$382,106
Single-Family (2 DU / 1 AC)		19,652.4	37.3			-$4,254,798
Single-Family (4 DU / 1 AC)		60,573.7	115.1			-$13,114,371
Single-Family (6 DU / 1 AC)		19,885.6	37.8			-$4,305,286
Multifamily		25,780.0	49.0			-$5,581,440
Subtotal		**127,656.6**	**242.5**			**-$27,638,001**

Source: Economic & Planning Systems

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Fire Service Costs

The MAN Consultants team worked with the Aurora Fire Department (AFD) to estimate the number of fire stations that would be needed to maintain current Aurora Fire Department standards and the City's fire insurance ratings in the EAAA. It was estimated that Areas 1, 2, and 3 would each require a new fire station, and that Area 4 would need two stations due to its non-contiguous geography (**Table 13**). The AFD estimates that Stations 1, 2, and 4 would require 15 firefighters per station (2 stations in Area 4). Station 3 would need 30 firefighters per plus three Battalion Chiefs for a total of 93 new personnel. At an estimated cost of $118,000 per new firefighter and $143,400 per Battalion Chief, the total impact to the Fire Department is estimated at $11.9 million per year, with individual estimates by area provided below.

Table 13
Annual Fire Staffing Costs by Area

Description	Factor	Area 1 Prosper	Area 2 CCSC	Area 3 SLB	Area 4 Other	Total
Population		**33,507**	**28,609**	**28,693**	**36,847**	**127,657**
Fire Stations		**1**	**1**	**1**	**2**	**5**
Firefighters		**15**	**15**	**30**	**30**	**90**
Battalion Chiefs		**0**	**0**	**3**	**0**	**3**
ONGOING COSTS						
Firefighters						
Base Salary	-$73,066	$ (1,095,990)	$ (1,095,990)	$ (2,191,980)	$ (2,191,980)	$ (6,575,940)
Health Care	-$12,388	$ (185,820)	$ (185,820)	$ (371,640)	$ (371,640)	$ (1,114,920)
Dental	-$515	$ (7,725)	$ (7,725)	$ (15,450)	$ (15,450)	$ (46,350)
Pensions (10.5%)	-$6,815	$ (102,219)	$ (102,219)	$ (204,438)	$ (204,438)	$ (613,315)
Life & Long Term Disability (2.6%)	-$1,687	$ (25,311)	$ (25,311)	$ (50,623)	$ (50,623)	$ (151,869)
Total Salary & Benefits	**-$94,471**	**$ (1,417,066)**	**$ (1,417,066)**	**$ (2,834,131)**	**$ (2,834,131)**	**$ (8,502,394)**
Overhead and Admin	25%	$ (472,355)	$ (472,355)	$ (944,710)	$ (944,710)	$ (2,834,131)
Subtotal	**-$118,089**	**$ (1,889,421)**	**$ (1,889,421)**	**$ (3,778,842)**	**$ (3,778,842)**	**$ (11,336,525)**
Battalion Chiefs						
Base Salary	-$122,000	$ -	$ -	$ (366,000)	$ -	$ (366,000)
Health Care	-$12,388	$ -	$ -	$ (37,164)	$ -	$ (37,164)
Dental	-$515	$ -	$ -	$ (1,545)	$ -	$ (1,545)
Pensions (10.5%)	-$6,815	$ -	$ -	$ (20,444)	$ -	$ (20,444)
Life & Long Term Disability (2.6%)	-$1,687	$ -	$ -	$ (5,062)	$ -	$ (5,062)
Total Salary & Benefits	**-$143,405**	**$ -**	**$ -**	**$ (430,215)**	**$ -**	**$ (430,215)**
Overhead and Admin	25%	$ -	$ -	$ (143,405)	$ -	$ (143,405)
Subtotal		**$ -**	**$ -**	**$ (573,620)**	**$ -**	**$ (573,620)**
Total Annual Fire Staff Cost		**$ (1,889,421)**	**$ (1,889,421)**	**$ (4,352,462)**	**$ (3,778,842)**	**$ (11,910,145)**

Source: City of Aurora Fire Department; Economic & Planning Systems

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PROS Service Costs

The Parks, Recreation, and Open Space (PROS) Department manages activities and programs under multiple funds. Of the $37.3 million annual budget, $13.2 million in expenditures are accounted for under the General Fund. The General Fund is the main operating fund, although there are important functions organized under the other funds as described at the end of this section.

The impacts to the PROS Department general fund activities were estimated by assigning average cost multipliers to the Administration and Planning functions, with variable costs estimated at 75 percent given the magnitude of potential growth contained in the EAAA. The Forestry Division within PROS maintains trees and other plantings in publicly maintained spaces – largely City parks and recreation areas (**Table 14**). Open Space and Natural Resources and Parks Operations and Management are the divisions that maintain city park and open space assets. Their costs vary most directly with the number of acres they maintain. PROS reported that management and maintenance costs average $1,000 per acre for developed parks and $650 per acre for open space. These factors are applied to the new park acreage in the conceptual master plan. Multiplying these factors by the conceptual land use plan yields an annual cost of $2.4 million to the City, an 18 percent increase in the current PROS budget (**Table 15**).

Table 14
PROS Budget and Estimating Methods (General Fund Activities)

Description	Budget Amount 2015	Nexus $/Person Served	Denominator	Gross Factor	Pct. Variable Costs	Net Factor
Administration	$1,105,511	Peak Person Served (PPS)	408,209	$2.71	75%	$2.03
Forestry	1,237,187	Total Parks & OS Acreage	9,176	$134.83	100%	$134.83
Open Space and Natural Resources	1,300,073	Case Study	---	$650/ac.	100%	$650.00
Parks Operations and Management	9,350,436	Case Study	---	$1,000/ac.	100%	$1,000.00
Planning, Design, and Construction	212,421	Peak Person Served (PPS)	408,209	$0.52	75%	$0.39
Total	**$13,205,628**					

Source: Economic & Planning Systems

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Table 15
PROS Annual Service Costs

Description	Nexus $/Person Served	Net Factor	EAAA Land Use Plan	Cost
Prosper				
Administration	Peak Person Served (PPS)	$2.03	36,882 PPS	$74,913
Forestry	Total Parks & OS Acreage	$134.83	867.6 Acres	116,977
Open Space and Natural Resources	Case Study	$650/ac.	831.7 Acres	540,605
Parks Operations and Management (Community Parks)	Case Study	$1,000/ac.	35.9 Acres	35,900
Planning, Design, and Construction	Peak Person Served (PPS)	$0.39	36,882 PPS	14,394
Total				**$782,789**
CCSC				
Administration	Peak Person Served (PPS)	$2.03	29,022 PPS	$58,947
Forestry	Total Parks & OS Acreage	$134.83	359.2 Acres	48,430
Open Space and Natural Resources	Case Study	$650/ac.	287.2 Acres	186,680
Parks Operations and Management (Community Parks)	Case Study	$1,000/ac.	61.6 Acres	61,600
Planning, Design, and Construction	Peak Person Served (PPS)	$0.39	29,022 PPS	11,327
Total				**$366,984**
SLB				
Administration	Peak Person Served (PPS)	$2.03	29,504 PPS	$59,927
Forestry	Total Parks & OS Acreage	$134.83	612.2 Acres	82,542
Open Space and Natural Resources	Case Study	$650/ac.	500.2 Acres	325,130
Parks Operations and Management (Community Parks)	Case Study	$1,000/ac.	39.3 Acres	39,300
Planning, Design, and Construction	Peak Person Served (PPS)	$0.39	29,504 PPS	11,515
Total				**$518,414**
Other				
Administration	Peak Person Served (PPS)	$2.03	37,127 PPS	$75,411
Forestry	Total Parks & OS Acreage	$134.83	747.2 Acres	100,744
Open Space and Natural Resources	Case Study	$650/ac.	783.2 Acres	509,080
Parks Operations and Management (Community Parks)	Case Study	$1,000/ac.	44.4 Acres	44,400
Planning, Design, and Construction	Peak Person Served (PPS)	$0.39	37,127 PPS	14,490
Total				**$744,124**
Total Department Impact				
Administration	Peak Person Served (PPS)	$2.03	132,535 PPS	$269,198
Forestry	Total Parks & OS Acreage	$134.83	2,586.2 Acres	348,694
Open Space and Natural Resources	Case Study	$650/ac.	2,402.3 Acres	1,561,495
Parks Operations and Management	Case Study	$1,000/ac.	181.2 Acres	181,200
Planning, Design, and Construction	Peak Person Served (PPS)	$0.39	132,535 PPS	51,726
Total				**$2,412,312**

Source: Economic & Planning Systems

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Other PROS Funds and Activities

The other funds and activities managed by the PROS department are described below, along with a qualitative assessment of potential impacts due to growth in the EAAA.

Golf Fund

The $8.6 million golf fund covers the operations and maintenance of the City's golf courses. It is organized as an enterprise fund, which means that the user fees are set at a level necessary to cover costs. The golf fund is therefore treated as a "fiscally neutral" fund and is not analyzed. Growth in the EAAA would likely generate more golf course use and hence more user fees. While no new golf courses are specifically identified in the EAAS Land Use Plan, if any new courses are constructed there would a capital cost.

Recreation Fund

The $9.8 million recreation fund supports recreation programming for Aurora residents. Approximately half of the budget, or $4.7 million, comes from user fees (fees for program/activity participation). Approximately 40 percent of the funds expenses are paid for through transfers from the General Fund. General Fund transfers are accounted for under the "Non-Departmental" line item in the General Fund and are modeled on a per capita basis. The impact of increased subsidies to the Recreation Fund from the General Fund is therefore accounted for in the overall analysis.

Open Space Fund

The Open Space Fund is funded by the 0.25 percent Arapahoe and Adams County Open Space taxes. The Arapahoe County sales tax can be used for capital projects and park land acquisition, and maintenance not to exceed 10.0 percent of revenues. The Adams County portion can only be used for land acquisition and capital projects. Both are collected by the counties and distributed to the municipalities according to a complex formula.

The new households and spending, and new commercial space in the EAAA will generate additional open space sales tax funding which could be used towards capital projects, and any land acquisitions needed above the park and open space dedication requirements. These funds are pooled citywide however, and would not be dedicated to EAAA-specific projects. The Arapahoe County sales tax however sunsets in 2023, as does the Adams County sales tax in 2026. Voter approval is required to extend these sales taxes; if they are not extended the City would need to find supplemental funding or cut services.

Capital costs that could be expected in the EAAA as development occurs could include:

- New trail construction (significant cost)
- Trail/open space access and parking (significant cost)
- Drainage and erosion improvements
- Gathering areas, shelters, restrooms, etc.

New City-Maintained Parks

In greenfield or peripheral development settings in Aurora, neighborhood parks are typically built by a project developer and maintained by a metro district or Homeowners Association (HOA). The FIA therefore assumes that neighborhood parks in the EAAA have no fiscal impact to the City if they are built and maintained under these assumptions.

Community parks however are usually built and maintained by the City. The City's service standard is 1.1 acres of community parks per 1,000 people (approximately 377 dwelling units). The City collects a $488.06 per single family unit impact fee for Community Parks that is derived from a construction cost per acre of $167,430. A challenge for the City is that parks are often desired by residents before adequate fee revenue has accrued to fund the construction of new community parks because the fees are tied to the pace of construction. The City faces a similar challenge in funding Large Urban and Special Use parks. To maintain the City's community park standards, 181.2 acres of community parks would be needed at a cost of $30.3 million at 2016 costs over the buildout of the EAAA.

Public Works Service Costs

The number of lane miles of roads maintained by the City is a major cost driver for Public Works. Arterial and collector lane miles in the conceptual land use plan were estimated from the Transportation Master Plan prepared by David Evans and Associates, a subconsultant on the MAN Consultants team. Local road lane miles were estimated at 0.099 lane miles per acre for residential development (**Table 16**). Lane miles internal to commercial development were assumed to be privately maintained and were not estimated.

Table 16
Estimated Local Road Lane Miles per Acre of Residential Development

Description	Calculation
One Acre	1.00
Sq. Ft. per Acre	43,560.00
Pct. Right of Way (ROW) in Residential Develompent	30%
Sq. ft. of ROW per Acre	13,068.00
Street Width (2 lanes)	50.00
Linear Feet of ROW	261.36
Feet per Mile	5,280.00
Centerline Miles per Acre	0.0495
Local Road Lane Miles per Acre (X2)	**0.0990**

Source: MAN Consulting; Economic & Planning Systems

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The largest operating budget item in Public Works is street operations maintenance and repairs, comprising $6.4 million of the $29.0 million operating budget (**Table 17**). Public utility bills for the City are managed by Public Works, and $5.5 million of the $8.05 million line item is the cost of operating street and other public lighting. These functions are tied closely to the amount of road lane miles maintained by the City. The impacts of potential development in the EAAA are estimated by dividing these budget items by the number of lane miles maintained by the City (2,187 lane miles), and multiplying the resulting number by the number of new lane miles that could be added in the EAAA.

It is noted that Public Works staff reports that the City cannot fund street maintenance adequately, and there is extensive degradation of pavement condition citywide and the department cannot keep up with maintenance needs at the current funding level.

There are several other functions within Public Works that are estimated on a PPS basis. The Building Division and Public Improvements functions are not estimated as they are largely fee-for-service functions in which the fee recovers the cost of the service. Full buildout of the EAAA would have an estimated cost impact of $11.6 million per year on Public Works (**Table 18**).

Table 17
Public Works Department Budget

Description	Budget Amount 2015	Nexus Factor	Denominator	Gross Factor	Pct. Variable Costs	Net Factor
Public Works Expenditures						
Administration	$ 1,075,744	Peak Person Served (PPS)	408,209	$ 2.64	75%	$ 1.98
Building Division	$ 5,350,502	Cost Recovery - Not Estimated	---	$ -	---	$ -
Engineering Services	$ 2,848,577	Peak Person Served (PPS)	408,209	$ 6.98	75%	$ 5.23
Facilities Operations	$ 3,941,189	Peak Person Served (PPS)	408,209	$ 9.65	75%	$ 7.24
Public Improvements (inspections)	$ 966,818	Cost Recovery - Not Estimated	---	$ -	75%	$ -
Public Utilities [1]	$ 5,500,000	Public Works: Lane Mile Miles Maintained	2,187 ln. mi.	$ 2,515.22	100%	$ 2,515.22
Real Property Services	$ 983,988	Public Works: Lane Mile Miles Maintained	2,187 ln. mi.	$ 449.99	75%	$ 337.49
Street Operations	$ 6,400,152	Public Works: Lane Mile Miles Maintained	2,187 ln. mi.	$ 2,926.88	100%	$ 2,926.88
Traffic Operations	$ 2,011,266	Public Works: Lane Mile Miles Maintained	2,187 ln. mi.	$ 919.78	100%	$ 919.78
Total	**$ 29,078,236**					
Total by Nexus Factor						
Peak Person Served (PPS)	$ 7,865,510			$ 19.27	75%	$ 14.45
Public Works: Lane Mile Miles Maintained	$ 14,895,406			$ 6,811.87	98%	$ 6,699.37
Total	**$ 22,760,916**			**$ 6,831.14**		**$ 6,713.82**

[1] $5.50 million out of $8.05 million budget line item is street and public lighting annual utility costs.
Source: Economic & Planning Systems
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Table 18
Public Works Annual Service Costs

Description	Factors		Annual Cost
New Lane Miles			
Local			
Prosper	266.8		
CCSC	237.4		
SLB	251.9		
Other	470.4		
Arterial			
Prosper	66.1		
CCSC	51.6		
SLB	82.1		
Other	26.3		
New Peak Persons Served			
Prosper	36,882		
CCSC	29,022		
SLB	29,504		
Other	37,127		
Public Works Expenditures	**Factors**	**$/Maintained LM**	
Prosper	-$14.45	-$6,699	-$2,763,010
CCSC	-$14.45	-$6,699	-$2,355,599
SLB	-$14.45	-$6,699	-$2,663,760
Other	-$14.45	-$6,699	-$3,864,446
Subtotal			**-$11,646,814**

Source: Economic & Planning Systems

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Total General Fund Expenditures

The annual expenditures from the General Fund resulting from the annexation of the EAAA and full development of the land use plan are estimated at $81.2 million (**Table 19**). The expenditures by area are the lowest at $16.9 million for Area 2, which has the least amount of development at 11,400 residential units, and highest for Area 4 at $24.1 million on 14,400 residential units. This is a 28 percent increase in General Fund expenditures on an estimated population increase of 36 percent. Revenues from new development are estimated in the next chapter.

Table 19
Total General Fund Expenditures (Annual)

Description	**Factors**	**Area 1** Prosper	**Area 2** CCSC	**Area 3** SLB	**Area 4** Other	**Total**
Development Program						
Residential Units		13,877	11,416	11,637	14,404	51,334
Commercial		11,914,249	722,921	2,384,126	364,597	15,385,893
Population		33,507	28,609	28,693	36,847	127,657
Peak Persons Served (PPS)		36,882	29,022	29,504	37,127	132,535
Expenditures						
Parks, Open Space, & Rec.	Case Study	$ (782,789)	$ (366,984)	$ (518,414)	$ (744,124)	$ (2,412,312)
Public Works	Case Study	$ (2,763,010)	$ (2,355,599)	$ (2,663,760)	$ (3,864,446)	$ (11,646,814)
Police	Case Study	$ (7,254,389)	$ (6,193,970)	$ (6,212,123)	$ (7,977,519)	$ (27,638,001)
Fire	Case Study	$ (1,889,421)	$ (1,889,421)	$ (4,352,462)	$ (3,778,842)	$ (11,910,145)
General Fund (Others)	Pers. Served, Etc.	$ (7,689,498)	$ (6,050,702)	$ (6,151,298)	$ (7,740,611)	$ (27,632,109)
Subtotal		**$ (20,379,107)**	**$ (16,856,675)**	**$ (19,898,057)**	**$ (24,105,542)**	**$ (81,239,381)**

Source: Economic & Planning Systems

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4. General Fund Revenues

This chapter summarizes the analysis, methods, and underlying estimates and assumptions used in estimating the General Fund Revenue impacts of potential development of the EAAA. It begins with a summary of the Development and Market Assumptions. Next, Property Tax and Sales Tax calculations are presented.

Development and Market Assumptions

In order to estimate the revenues generated from new development, estimates of market values, retail sales levels, and other factors are needed. Development timing, housing and commercial development product types are highly speculative at this point in time. Values and resulting revenues are therefore difficult to predict. In this analysis, we have reviewed pricing for active residential developments in eastern Aurora (Chapter 2), and reviewed recent project files for commercial development in Aurora, and South Metro Denver including Arapahoe and Douglas Counties.

Single family home values are estimated at $300,000 for the 4 to 6 unit per acre (gross density) homes, $400,000 for 2 units-per acre homes, and $500,000 for one unit per acre homes (**Table** 20). General retail and commercial development is estimated to have a market value of $120 per square foot, and mixed use space is estimated at $140 per square foot in market value as it is assumed to have a higher level of construction quality and associated amenities.

Table 20
Development Market Assumptions

Description	Estimates	
RESIDENTIAL	**Market Value/Unit**	**HH Size**
Single-Family (1 DU / 1 AC)	$500,000	2.65
Single-Family (2 DU / 1 AC)	$400,000	2.65
Single-Family (4 DU / 1 AC)	$300,000	2.65
Single-Family (6 DU / 1 AC)	$300,000	2.65
Multifamily	$225,000	2.00

COMMERCIAL	**Market Value/Sq. Ft.**	**Sq. Ft./Emp**	**Sales/Sq. Ft.**	**Pct. Taxable**	**Eff. Sales / Sq. Ft.**	**Additional Inflow (Net New (%))**
Commercial/Retail	$120	750	$250	85%	$213	15.0%
MU Commercial	$140	450	$225	35%	$79	15.0%
Industrial/Flex/R&D (EMP)	$80	1,500	$0	0%	$0	15.0%

Source: Economic & Planning Systems

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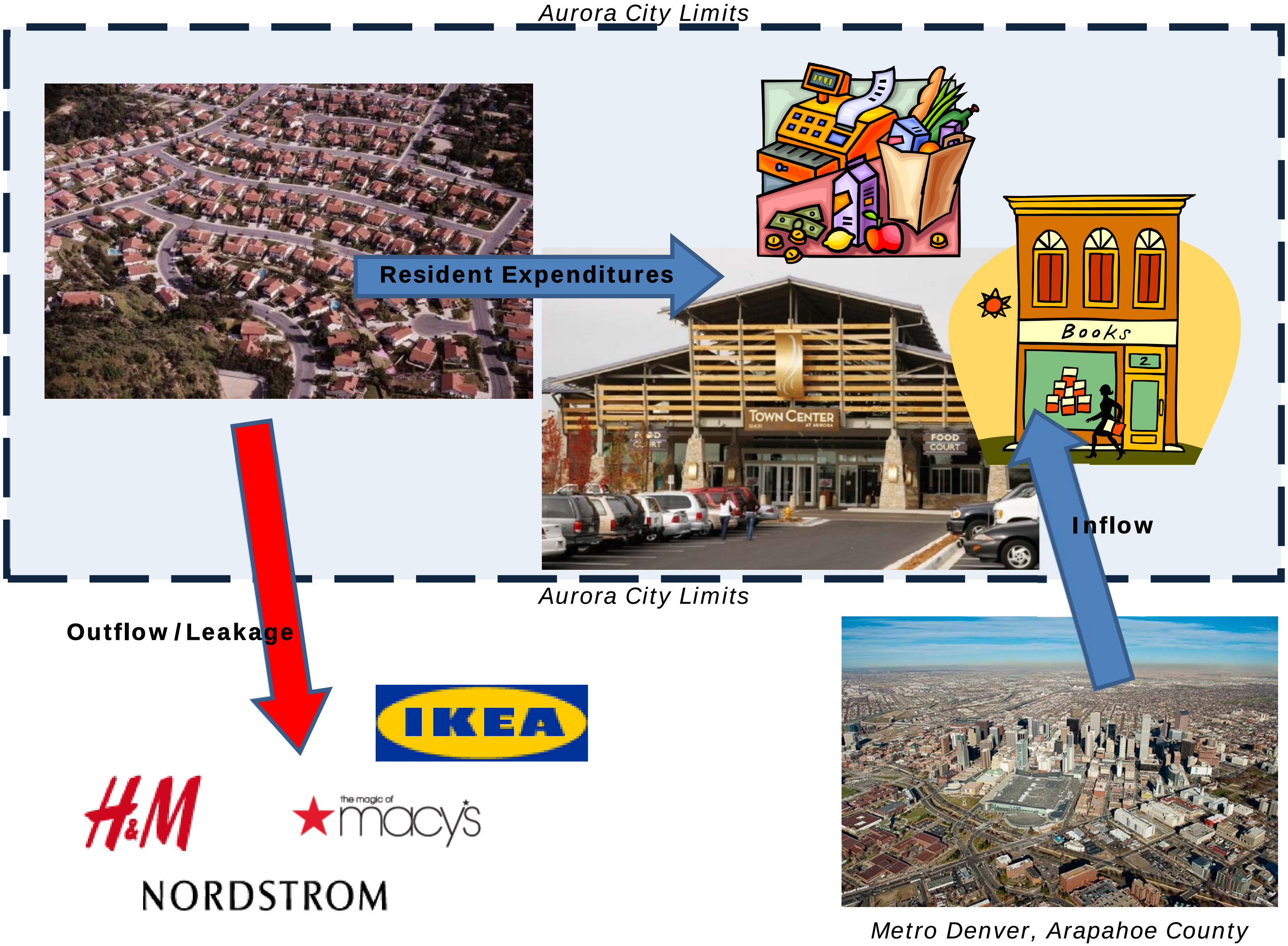
Retail sales are estimated at $225 to $250 per square foot per year, with 85 percent of sales estimated to be taxable in general retail space. The demand for retail in a mixed use setting is likely to be lower in the EAAA than in more urban and more centrally located areas. We have therefore assumed that the majority of the space would be non-retail by assigning an estimate of 35 percent taxable sales. As described further below, retail sales are generated from household spending in Aurora, and from sales inflow, which are any sales attracted to Aurora originating outside Aurora. We estimate that 15 percent of the sales in retail/commercial space would be inflow.

Sales Tax

The FIA accounts for sales tax generation from two sources: households and retail space. Households contribute to city sales tax revenues through their spending on retail goods in Aurora. In the FIA, it is estimated that 75 percent of a household's retail spending occurs in the city. Retail development relies on household growth which provides the spending potential and resulting sales according to the adage "retail follows rooftops." Retail space or "point of sale" is credited only with an amount of sales tax estimated to be new to the city, primarily through sales inflows from surrounding communities or areas. Sales inflow is estimated at 15 percent of the new retail sales. **Figure 2** provides an illustration of these sales flows.

Figure 2
Sales Tax Flows



To calculate sales tax from household spending, household income is multiplied by the average amount of income a household spends on retail and restaurant goods. In total this percentage is 35.3 percent on average in Colorado. The City of Aurora does not tax grocery sales, and on average approximately 5.0 percent of household income is spent in grocery stores. Therefore 5.0 percent is deducted leaving 30.3 percent of household income spent on taxable items. Spending captured by Aurora and future EAAA residents is estimated at 75 percent of retail spending. Sales tax is calculated using the City's 3.75 percent tax rate which includes the 0.25 percent public safety sales tax. At buildout, $31.4 million in annual sales tax is estimated, compared to current sales tax of $155 million (**Table 21**).

Table 21
Household Spending and Sales Tax

Description	FACTORS					Total
RESIDENTIAL			**Retail**	**City**	**Sales**	
Prosper	**Total HH**	**HH Inc.**	**Spending [1]**	**Capture**	**Tax Rate**	
Single-Family (1 DU / 1 AC)	0	$117,910	30.3%	75.0%	3.750%	$0
Single-Family (2 DU / 1 AC)	1,258	$95,062	30.3%	75.0%	3.750%	$1,019,707
Single-Family (4 DU / 1 AC)	4,549	$72,213	30.3%	75.0%	3.750%	$2,801,044
Single-Family (6 DU / 1 AC)	3,044	$72,213	30.3%	75.0%	3.750%	$1,874,341
Multifamily	5,026	$55,076	30.3%	75.0%	3.750%	$2,360,352
Subtotal						**$8,055,445**
CCSC						
Single-Family (1 DU / 1 AC)	0	$117,910	30.3%	75.0%	3.750%	$0
Single-Family (2 DU / 1 AC)	594	$95,062	30.3%	75.0%	3.750%	$481,483
Single-Family (4 DU / 1 AC)	6,096	$72,213	30.3%	75.0%	3.750%	$3,753,609
Single-Family (6 DU / 1 AC)	2,198	$72,213	30.3%	75.0%	3.750%	$1,353,417
Multifamily	2,528	$55,076	30.3%	75.0%	3.750%	$1,187,221
Subtotal						**$6,775,730**
SLB						
Single-Family (1 DU / 1 AC)	0	$117,910	30.3%	75.0%	3.750%	$0
Single-Family (2 DU / 1 AC)	1,195	$95,062	30.3%	75.0%	3.750%	$968,640
Single-Family (4 DU / 1 AC)	6,112	$72,213	30.3%	75.0%	3.750%	$3,763,461
Single-Family (6 DU / 1 AC)	1,030	$72,213	30.3%	75.0%	3.750%	$634,222
Multifamily	3,300	$55,076	30.3%	75.0%	3.750%	$1,549,774
Subtotal						**$6,916,097**
Other						
Single-Family (1 DU / 1 AC)	666	$117,910	30.3%	75.0%	3.750%	$669,600
Single-Family (2 DU / 1 AC)	4,369	$95,062	30.3%	75.0%	3.750%	$3,541,414
Single-Family (4 DU / 1 AC)	6,101	$72,213	30.3%	75.0%	3.750%	$3,756,688
Single-Family (6 DU / 1 AC)	1,232	$72,213	30.3%	75.0%	3.750%	$758,603
Multifamily	2,036	$55,076	30.3%	75.0%	3.750%	$956,163
Subtotal						**$9,682,468**
TOTAL						
Single-Family (1 DU / 1 AC)	666					$669,600
Single-Family (2 DU / 1 AC)	7,416					$6,011,244
Single-Family (4 DU / 1 AC)	22,858					$14,074,802
Single-Family (6 DU / 1 AC)	7,504					$4,620,584
Multifamily	12,890					$6,053,510
Subtotal	**51,334**					**$31,429,740**

[1] Total retail spending is approximately 35.3% of household income. Groceries are deducted since the City of Aurora does not tax groceries or "food for home consumption", estimated at 5% of household income.

Source: Economic & Planning Systems

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Commercial space is only credited for any new sales it attracts to Aurora, estimated at 15 percent of sales generated on-site. Crediting commercial space with the full amount of sales tax on gross sales would double count the sales tax generated by future residents. In general, retail development "follows rooftops" and requires a supporting trade area population to generate sales. The 15 percent inflow estimate originates from an estimate in a previous EPS study in Aurora on the Buckingham Square Mall redevelopment. As shown, sales tax from sales inflow is estimated at $3.8 million per year with full buildout of the commercial component of the land use plan (**Table 22**).

Table 22
Additional Sales Tax from Commercial Space

Description	FACTORS				Total
COMMERCIAL					
Prosper	**Total Sq. Ft.**	**Ann. Sales/SF**	**Sales Inflow**	**Tax Rate**	
Commercial/Retail	1,681,700	$213	15%	3.750%	$2,010,157
MU Commercial	454,200	$79	15%	3.750%	$201,196
Industrial/Flex/R&D (EMP)	9,778,349	$0	15%	3.750%	$0
Subtotal					**$2,211,353**
CCSC					
Commercial/Retail	464,175	$213	15%	3.750%	$554,834
MU Commercial	258,746	$79	15%	3.750%	$114,616
Industrial/Flex/R&D (EMP)	0	$0	15%	3.750%	$0
Subtotal					**$669,451**
SLB					
Commercial/Retail	537,879	$213	15%	3.750%	$642,933
MU Commercial	257,178	$79	15%	3.750%	$113,922
Industrial/Flex/R&D (EMP)	1,589,069	$0	15%	3.750%	$0
Subtotal					**$756,855**
Other					
Commercial/Retail	0	$213	15%	3.750%	$0
MU Commercial	364,597	$79	15%	3.750%	$161,505
Industrial/Flex/R&D (EMP)	0	$0	15%	3.750%	$0
Subtotal					**$161,505**
TOTAL					
Commercial/Retail	2,683,754				$3,207,925
MU Commercial	1,334,721				$591,240
Industrial/Flex/R&D (EMP)	11,367,418				$0
Total	**15,385,893**				**$3,799,164**

[1] Total retail spending is approximately 35.3% of household income. Groceries are deducted since the City of Aurora does not tax groceries or "food for home consumption", estimated at 5% of household income.

Source: Economic & Planning Systems

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Property Tax

Property tax is calculated by multiplying the estimated market values for each land use type by the appropriate assessment ratios, 7.96 percent for residential property (**Table 23**) and 29 percent for commercial property (**Table 24**), to calculate assessed value. Assessed value is then multiplied by the City's general mill levy of 8.605 dollars per $1,000 of assessed value. Property tax from residential development is estimated at $9.4 million. Commercial property tax is estimated at $3.2 million, with a total of $12.6 million per year (**Table 25**) compared to $25.4 million in the 2015 budget.

Table 23
Residential Property Tax

Description	Market Value	Appraised Value	Assessment Rate	General Levy	Total
		90%	7.960%		
RESIDENTIAL					
Prosper					
Single-Family (1 DU / 1 AC)	$500,000	90.0%	7.96%	8.605	$0
Single-Family (2 DU / 1 AC)	$400,000	90.0%	7.96%	8.605	$310,204
Single-Family (4 DU / 1 AC)	$300,000	90.0%	7.96%	8.605	$841,286
Single-Family (6 DU / 1 AC)	$300,000	90.0%	7.96%	8.605	$562,953
Multifamily	$225,000	90.0%	7.96%	8.605	$697,126
Subtotal					**$2,411,569**
CCSC					
Single-Family (1 DU / 1 AC)	$500,000	90.0%	7.96%	8.605	$0
Single-Family (2 DU / 1 AC)	$400,000	90.0%	7.96%	8.605	$146,471
Single-Family (4 DU / 1 AC)	$300,000	90.0%	7.96%	8.605	$1,127,386
Single-Family (6 DU / 1 AC)	$300,000	90.0%	7.96%	8.605	$406,495
Multifamily	$225,000	90.0%	7.96%	8.605	$350,644
Subtotal					**$2,030,996**
SLB					
Single-Family (1 DU / 1 AC)	$500,000	90.0%	7.96%	8.605	$0
Single-Family (2 DU / 1 AC)	$400,000	90.0%	7.96%	8.605	$294,669
Single-Family (4 DU / 1 AC)	$300,000	90.0%	7.96%	8.605	$1,130,345
Single-Family (6 DU / 1 AC)	$300,000	90.0%	7.96%	8.605	$190,487
Multifamily	$225,000	90.0%	7.96%	8.605	$457,723
Subtotal					**$2,073,224**
Other					
Single-Family (1 DU / 1 AC)	$500,000	90.0%	7.96%	8.605	$205,282
Single-Family (2 DU / 1 AC)	$400,000	90.0%	7.96%	8.605	$1,077,329
Single-Family (4 DU / 1 AC)	$300,000	90.0%	7.96%	8.605	$1,128,311
Single-Family (6 DU / 1 AC)	$300,000	90.0%	7.96%	8.605	$227,844
Multifamily	$225,000	90.0%	7.96%	8.605	$282,401
Subtotal					**$2,921,168**
TOTAL					
Single-Family (1 DU / 1 AC)					$205,282
Single-Family (2 DU / 1 AC)					$1,828,673
Single-Family (4 DU / 1 AC)					$4,227,328
Single-Family (6 DU / 1 AC)					$1,387,780
Multifamily					$1,787,894
Subtotal					**$9,436,957**

Source: Economic & Planning Systems

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Table 24
Commercial Property Tax

Description	Market Value	Appraised Value	Assessment Rate	General Levy	STABILIZATION
		90%	29%		
COMMERCIAL					
Prosper					
Commercial/Retail	$120	90.0%	29.00%	8.605	$453,233
MU Commercial	$140	90.0%	29.00%	8.605	$142,813
Industrial/Flex/R&D (EMP)	$80	90.0%	29.00%	8.605	$1,756,899
Subtotal					**$2,352,945**
CCSC					
Commercial/Retail	$120	90.0%	29.00%	8.605	$125,099
MU Commercial	$140	90.0%	29.00%	8.605	$81,357
Industrial/Flex/R&D (EMP)	$80	90.0%	29.00%	8.605	$0
Subtotal					**$206,456**
SLB					
Commercial/Retail	$120	90.0%	29.00%	8.605	$144,963
MU Commercial	$140	90.0%	29.00%	8.605	$80,864
Industrial/Flex/R&D (EMP)	$80	90.0%	29.00%	8.605	$285,512
Subtotal					**$511,338**
Other					
Commercial/Retail	$120	90.0%	29.00%	8.605	$0
MU Commercial	$140	90.0%	29.00%	8.605	$114,639
Industrial/Flex/R&D (EMP)	$80	90.0%	29.00%	8.605	$0
Subtotal					**$114,639**
TOTAL					
Commercial/Retail					$723,295
MU Commercial					$419,672
Industrial/Flex/R&D (EMP)					$2,042,411
Total					**$3,185,378**

Source: Economic & Planning Systems

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Table 25
Total Property Tax

Area	Residential	Commercial	Total
SLB	$2,411,569	$2,352,945	$4,764,514
CCSC	$2,030,996	$206,456	$2,237,452
Prosper	$2,073,224	$511,338	$2,584,563
Other	$2,921,168	$114,639	$3,035,807
Total	**$9,436,957**	**$3,185,378**	**$12,622,335**

Source: Economic & Planning Systems

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5. *Annual Net Fiscal Impact*

In this chapter, the annual municipal service costs are combined with the annual general fund operating revenues estimated in previous chapters to calculate the annual net fiscal impact (annual revenues minus annual costs) to the General Fund. The sets of results are presented in this chapter to illustrate the sensitivity of the fiscal impact estimates to the amount of commercial development that occurs in the plan area.

- **Full Buildout –** Full buildout of the conceptual land use plan including the entire capacity for residential and commercial development, estimated at 51,334 dwelling units and 15.4 million square feet of non-residential development.
- **No Commercial Development** – In this scenario, no commercial development is assumed to occur. While unrealistic in the long run, it illustrates the impacts by area if commercial development significantly lags residential development which has occurred in parts of eastern Aurora.
- **Half of the Commercial Development** – The retail development component of the plan was sized with EPS' input and thresholds of supportable retail square footage per household, there are still large employment areas in the concept plan that are speculative. In addition, some suburban and exurban areas have experienced difficulty attracting retail development despite having a large enough supporting population. This is another level of sensitivity testing.

Net Fiscal Impact – Full Buildout

The net fiscal impact to the General Fund of full buildout of the EAAS conceptual land use plan is estimated at -$15.1 million per year with revenues of $66.2 million and costs of $81.2 million (**Table 26**). On a per dwelling unit basis, the cost to the City is estimated at $294 per year. As noted in Chapter 3, the largest department cost impact is to the Police Department, estimated at -$27.6 million per year including a requirement to add 242.5 new police officers under the 1.9 per-thousand agreement. If the full commercial buildout implied in the Prosper planning area is achieved, this portion of the EAAA would be essentially fiscally neutral with an annual impact of -$10 per housing unit.

Table 26
Net Fiscal Impact – Full Buildout (Annual)

Description	Factors	Area 1 Prosper	Area 2 CCSC	Area 3 SLB	Area 4 Other	Total
Development Program						
Residential Units		13,877	11,416	11,637	14,404	51,334
Commercial		11,914,249	722,921	2,384,126	364,597	15,385,893
Population		33,507	28,609	28,693	36,847	127,657
Peak Persons Served (PPS)		36,882	29,022	29,504	37,127	132,535
Annual Fiscal Impact (Ongoing)						
Revenues						
Property Tax - General	Case Study	$ 4,764,514	$ 2,237,452	$ 2,584,563	$ 3,035,807	$ 12,622,335
Sales Tax	Case Study	$ 10,266,798	$ 7,445,181	$ 7,672,952	$ 9,843,973	$ 35,228,904
General Fund (Others)	Pers. Served, Etc.	$ 5,204,391	$ 3,979,184	$ 4,092,181	$ 5,037,336	$ 18,313,091
Subtotal		**$ 20,235,703**	**$ 13,661,816**	**$ 14,349,696**	**$ 17,917,116**	**$ 66,164,331**
Expenditures						
Parks, Open Space, & Rec.	Case Study	$ (782,789)	$ (366,984)	$ (518,414)	$ (744,124)	$ (2,412,312)
Public Works	Case Study	$ (2,763,010)	$ (2,355,599)	$ (2,663,760)	$ (3,864,446)	$ (11,646,814)
Police	Case Study	$ (7,254,389)	$ (6,193,970)	$ (6,212,123)	$ (7,977,519)	$ (27,638,001)
Fire	Case Study	$ (1,889,421)	$ (1,889,421)	$ (4,352,462)	$ (3,778,842)	$ (11,910,145)
General Fund (Others)	Pers. Served, Etc.	$ (7,689,498)	$ (6,050,702)	$ (6,151,298)	$ (7,740,611)	$ (27,632,109)
Subtotal		**$ (20,379,107)**	**$ (16,856,675)**	**$ (19,898,057)**	**$ (24,105,542)**	**$ (81,239,381)**
Net Fiscal Impact (Ongoing)		**$ (143,404)**	**$ (3,194,859)**	**$ (5,548,361)**	**$ (6,188,426)**	**$ (15,075,050)**
Per Residential Unit		$ (10)	$ (280)	$ (477)	$ (430)	$ (294)

Source: Economic & Planning Systems

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100% Residential, 0% Commercial Buildout

If no commercial space is constructed, the annual net fiscal impact decreases to -$21.6 million per year (**Table 27**). The costs do not change appreciably, at $80.1 million compared to $81.2 million with 100 percent of the commercial space. The project still generates sales tax to the City without commercial development as the new residents would still make the estimated 75 percent of their purchases within the City of Aurora, just not within the EAAA study area. Sales tax is estimated at $31.4 million from resident spending, compared to $35.2 million from residents and commercial space at full buildout. The estimated revenues do decline from $66.2 million per year to $58.5 million per year as a result of less property tax revenues and slightly less sales tax. The net fiscal impact per dwelling unit is $-421.

Table 27
Net Fiscal Impact – 0% Commercial Buildout (Annual)

Description	Factors	Area 1 Prosper	Area 2 CCSC	Area 3 SLB	Area 4 Other	Total
Development Program						
Residential Units		13,877	11,416	11,637	14,404	51,334
Commercial		-	-	-	-	-
Population		33,507	28,609	28,693	36,847	127,657
Peak Persons Served (PPS)		33,507	28,609	28,693	36,847	127,657
Annual Fiscal Impact (Ongoing)						
Revenues						
Property Tax - General	Case Study	$ 2,411,569	$ 2,030,996	$ 2,073,224	$ 2,921,168	$ 9,436,957
Sales Tax	Case Study	$ 8,055,445	$ 6,775,730	$ 6,916,097	$ 9,682,468	$ 31,429,740
General Fund (Others)	Pers. Served, Etc.	$ 4,710,450	$ 3,936,920	$ 3,985,304	$ 5,011,765	$ 17,644,438
Subtotal		**$ 15,177,464**	**$ 12,743,646**	**$ 12,974,625**	**$ 17,615,401**	**$ 58,511,136**
Expenditures						
Parks, Open Space, & Rec.	Case Study	$ (774,617)	$ (365,986)	$ (516,450)	$ (743,447)	$ (2,400,500)
Public Works	Case Study	$ (2,714,241)	$ (2,349,640)	$ (2,652,039)	$ (3,860,401)	$ (11,576,321)
Police	Case Study	$ (7,254,389)	$ (6,193,970)	$ (6,212,123)	$ (7,977,519)	$ (27,638,001)
Fire	Case Study	$ (1,889,421)	$ (1,889,421)	$ (4,352,462)	$ (3,778,842)	$ (11,910,145)
General Fund (Others)	Pers. Served, Etc.	$ (6,985,899)	$ (5,964,727)	$ (5,982,208)	$ (7,682,266)	$ (26,615,100)
Subtotal		**$ (19,618,567)**	**$ (16,763,742)**	**$ (19,715,283)**	**$ (24,042,474)**	**$ (80,140,067)**
Net Fiscal Impact (Ongoing)		**$ (4,441,103)**	**$ (4,020,096)**	**$ (6,740,658)**	**$ (6,427,074)**	**$ (21,628,931)**
Per Residential Unit		$ (320)	$ (352)	$ (579)	$ (446)	$ (421)

Source: Economic & Planning Systems

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100% Residential, 50% Commercial Buildout

With half of the commercial development, the annual net fiscal impact to the General Fund is estimated at -$18.4 million (**Table 28**). Property tax is estimated at $11.0 million per year and sales tax is estimated at $33.3 million per year which when combined with other miscellaneous revenues bring the total to $62.3 million per year. Annual service costs are estimated at $80.7 million for a net fiscal impact of -$358 per dwelling unit.

Table 28
Net Fiscal Impact – 50% Commercial Buildout (Annual)

Description	Factors	Area 1 Prosper	Area 2 CCSC	Area 3 SLB	Area 4 Other	Total
Development Program						
Residential Units		13,877	11,416	11,637	14,404	51,334
Commercial		5,957,124	361,461	1,192,062	182,299	7,692,946
Population		33,507	28,609	28,693	36,847	127,657
Peak Persons Served (PPS)		35,195	28,815	29,099	36,987	130,096
Annual Fiscal Impact (Ongoing)						
Revenues						
Property Tax - General	Case Study	$ 3,588,042	$ 2,134,224	$ 2,328,893	$ 2,978,487	$ 11,029,647
Sales Tax	Case Study	$ 9,161,122	$ 7,110,456	$ 7,294,524	$ 9,763,221	$ 33,329,322
General Fund (Others)	Pers. Served, Etc.	$ 4,957,420	$ 3,958,052	$ 4,038,742	$ 5,024,550	$ 17,978,765
Subtotal		**$ 17,706,584**	**$ 13,202,732**	**$ 13,662,159**	**$ 17,766,259**	**$ 62,337,734**
Expenditures						
Parks, Open Space, & Rec.	Case Study	$ (778,703)	$ (366,485)	$ (517,432)	$ (743,786)	$ (2,406,406)
Public Works	Case Study	$ (2,738,625)	$ (2,352,620)	$ (2,657,899)	$ (3,862,424)	$ (11,611,568)
Police	Case Study	$ (7,254,389)	$ (6,193,970)	$ (6,212,123)	$ (7,977,519)	$ (27,638,001)
Fire	Case Study	$ (1,889,421)	$ (1,889,421)	$ (4,352,462)	$ (3,778,842)	$ (11,910,145)
General Fund (Others)	Pers. Served, Etc.	$ (7,337,699)	$ (6,007,714)	$ (6,066,753)	$ (7,711,438)	$ (27,123,604)
Subtotal		**$ (19,998,837)**	**$ (16,810,209)**	**$ (19,806,670)**	**$ (24,074,008)**	**$ (80,689,724)**
Net Fiscal Impact (Ongoing)		**$ (2,292,253)**	**$ (3,607,477)**	**$ (6,144,511)**	**$ (6,307,749)**	**$ (18,351,990)**
Per Residential Unit		$ (165)	$ (316)	$ (528)	$ (438)	$ (358)

Source: Economic & Planning Systems

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6. CAPITAL COSTS

Annexation of new land for urban development requires construction of new roads, water and sewer infrastructure, and public facilities such as parks, and police and fire stations. Capital infrastructure is funded separately from operations through sales and use tax allocations, capital impact fees, developer agreements, and state and federal grants. This chapter quantifies the capital costs associated with serving development in the EAAA for the major capital costs including Fire, Police, Water, Sanitary Sewer, Storm Drainage, and Roads. Total costs to provide trunk infrastructure to the EAAS are also estimated on a per-dwelling unit and per acre basis and compared to the City's capital impact fees. This comparison estimates whether the City's costs to construct public infrastructure and facilities will be adequately recovered through capital impact fees.

Fire Department

As described in Chapter 3, the MAN Consultants team worked with Aurora Public Safety to estimate the number of fire stations that would be needed to maintain current Aurora Fire Department standards and the City's fire insurance ratings in the EAAA. It was estimated that Areas 1, 2, and 3 would each require a new fire stations with an approximate cost of $8.5 million. Area four would need two stations due to its non-contiguous geography (**Table 29**). In Area 2, a joint police and fire public safety complex on 6 acres is proposed with an estimated cost of $17.0 million allocated evenly between the two departments ($8.5 million each).

Three engine/pumper trucks would be needed at $785,200 each including all equipment and City fit-up needed to place the trucks into service for a total of $2.35 million. One fire truck at $1.14 million would be assigned to Area 1, as would one quint truck at $1.42 million. Two battalion chief vehicles would be needed with a base vehicle price of $55,000 plus $65,000 each in emergency equipment for a total of $130,000. Each firefighter requires roughly $7,500 in personal protective equipment (PPE) such as fireproof clothing, tools, and self-contained breathing apparatus (SCBA). For the 93 fire personnel estimated, the cost of PPE is $697,500.

Total fire department capital costs are estimated at $48.8 million, or $951 per dwelling unit. The City charges a capital impact fee of $92 per dwelling unit for fire protection. Cities frequently adjust downward their impact fees for policy and economic development reasons, and the current impact fee does not reflect the full cost of constructing fire facilities to keep up with growth.

Table 29
Fire Department Capital Cost Estimates

Description	Factor	Area 1 Prosper	Area 2 CCSC	Area 3 SLB	Area 4 Other	Total
Fire Stations		**1**	**1**	**1**	**2**	
Stations						
Joint Police-Fire Public Safety Complex [1]	$8,500,000	$ -	$ 8,500,000	$ -	$ -	$ 8,500,000
Fire Stations	$8,500,000	$ 8,500,000	$ -	$ 8,500,000	$ 17,000,000	$ 34,000,000
Furnishings and Equipment	$150,000	$ 150,000	$ 150,000	$ 150,000	$ 300,000	$ 750,000
Stations Subtotal		**$ 8,650,000**	**$ 8,650,000**	**$ 8,650,000**	**$ 17,300,000**	**$ 43,250,000**
Engine/Pumper Apparatus	3.0	-	1.0	1.0	1.0	3.0
Cost	$570,000	$ -	$ 570,000	$ 570,000	$ 570,000	$ 1,710,000
Engine/Pumper Equipment	35.1%	$ -	$ 200,213	$ 200,213	$ 200,213	$ 600,639
City Parts and Labor	$15,000	$ -	$ 15,000	$ 15,000	$ 15,000	$ 45,000
Subtotal		**$ -**	**$ 785,213**	**$ 785,213**	**$ 785,213**	**$ 2,355,639**
Truck	1.0	1.0	-	-	-	1.0
Cost	$860,000	$ 860,000	$ -	$ -	$ -	$ 860,000
Engine/Pumper Equipment	30.6%	$ 262,963	$ -	$ -	$ -	$ 262,963
City Parts and Labor	$15,000	$ 15,000	$ -	$ -	$ -	$ 15,000
Subtotal		**$ 1,137,963**	**$ -**	**$ -**	**$ -**	**$ 1,137,963**
Quint Truck Apparatus	1.0	1.0	-	-	-	1.0
Cost	$921,000	$ 921,000	$ -	$ -	$ -	$ 921,000
Equipment	21.8%	$ 200,763	$ -	$ -	$ -	$ 200,763
City Parts and Labor	$20,000	$ 20,000	$ -	$ -	$ -	$ 20,000
Subtotal		**$ 1,141,763**	**$ -**	**$ -**	**$ -**	**$ 1,141,763**
Battalion Chief Vehicle						
Cost	$55,000	$ -	$ -	$ -	$ 110,000	$ 110,000
Equipment	$65,000	$ -	$ -	$ -	$ 130,000	$ 130,000
Subtotal		**$ -**	**$ -**	**$ -**	**$ 240,000**	**$ 240,000**
Safety Equipment (per Firefighter)						
Firefighters		15.0	15.0	33.0	30.0	93.0
PPE/Safety Equipment	$7,500	$ 112,500	$ 112,500	$ 247,500	$ 225,000	$ 697,500
Subtotal		**$ 112,500**	**$ 112,500**	**$ 247,500**	**$ 225,000**	**$ 697,500**
Total Fire Capital Costs		**$ 11,042,226**	**$ 9,547,713**	**$ 9,682,713**	**$ 18,550,213**	**$ 48,822,865**
Cost per Dwelling Unit		**$ 796**	**$ 836**	**$ 832**	**$ 1,288**	**$ 951**
Cost per Equivalent Residential Unit		**$ 696**	**$ 828**	**$ 805**	**$ 1,282**	**$ 906**
Aurora Fire Impact Fee (Single Family)		**$ 92**	**$ 92**	**$ 92**	**$ 92**	**$ 92**

[1] Estimated $17.0M facility cost assumed to be shared 50:50 with Police and Fire Departments

Source: City of Aurora; Economic & Planning Systems

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Police Department

The City has an agreement with the Aurora Police Department to increase the service standard to 1.9 officers per 1,000 residents by 2021. Since the development timing of the EAAS Plan area is likely to be well into the future, this service standard is used in the FIA. The population generated from full buildout of the Plan area is nearly 128,000 which would require 243 new police officers.

Aurora Police supplies approximately one vehicle per three officers at a cost of approximately $50,000 per vehicle including equipment (**Table 30**). The Department would need to purchase 81 new vehicles at a total cost of $4.0 million. A new police station would be needed and would be part of a 6-acre joint police and fire station in Area 2 at a cost of approximately $17.0 million, with half of the cost allocated to Police and Fire equally. To put an officer into service requires approximately $7,500 in costs for uniforms, equipment, and training.

The total estimated capital costs for Police are $14.4 million, or $280 per dwelling unit. The City charges a capital impact fee of $94 per dwelling unit for police capital needs. Cities frequently adjust downward their impact fees for policy and economic development reasons, and the current impact fee does not reflect the full cost of constructing facilities and acquiring equipment to keep up with growth.

Table 30
Police Department Capital Cost Estimates

Description	Factor	Phase 1 Prosper	Phase 2 CCSC	Phase 3 SLB	Phase 4 Other	Total
Police Stations		**0**	**1**	**0**	**0**	
Police						
Police Officers		63.7	54.4	54.5	70.0	242.5
Officer Training and Equipment	$7,500	$477,477	$407,681	$408,876	$525,073	$1,819,107
Police Station [1]	$8,500,000	$0	$8,500,000	$0	$0	$8,500,000
Police Vehicles [2]	$50,000	$1,061,060	$905,958	$908,613	$1,166,828	$4,042,459
Police Capital Costs		**$1,538,537**	**$9,813,639**	**$1,317,489**	**$1,691,901**	**$14,361,566**
Cost per Dwelling Unit		**$111**	**$135**	**$132**	**$107**	**$280**
Aurora Police Impact Fee (Single Family)		**$94**	**$94**	**$94**	**$94**	**$94**

[1] Joint Police-Fire Public Safety Complex. Estimated $17.0M facility cost assumed to be shared 50:50 with Police and Fire Departments.
[2] 1 vehicle per 3 officers
Source: City of Aurora; Economic & Planning Systems

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Water

Aurora Water, the City's water utility department, would be responsible for providing potable water to homes, businesses, and public spaces within the EAAA upon annexation. The capital cost of providing water service is comprised of several components which are expressed in dollars per gallon per day. The City's connection fee is a one-time charge that is designed to recover the cost of the infrastructure and water resources needed to supply the amount of water used. The connection fee recovers the *capital costs* of providing water, which are distinct from the cost associated with water use by a resident or business. Water rates paid by the user cover the cost of maintaining the system and vary according to how much water is used, measured at the meter.

Currently, the cost to acquire the water resources sufficient to supply one gallon per day (GPD) to the tap annually is $15.68 based on a market cost of $14,000 per acre foot for South Platte River Basin water (**Table 31**). The cost to store and move this "raw water" to the City's treatment facilities is $20.02 per GPD. Treatment to potable water quality standards costs $9.81 per gpd. The City also has carrying costs (financing, and administrative and overhead costs) of $1.96 per gpd. Water loss due to evaporation in storage, raw water conveyance, treatment, and distribution needs to be accounted for in the supply needed to guarantee a certain number of gallons per day to the tap. While the City is continually working to minimize losses, it adds approximately $9.98 (17 percent) to the cost of supplying one GPD. This brings the total connection fee to $57.45 per GPD.

Table 31
Aurora Water Connection Fee per Gallon per Day

Item	Connection Fee
Water Resource Cost	$15.68
Source of Supply	20.02
Treatment and Distribution	9.81
Carrying Costs	1.96
Water Losses	9.98
Total	**$57.45**
Total Less Water Loss and Carrying Cost	**$45.51**

Source: Aurora Water, MWH Global, Economic & Planning Systems

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Separate studies commissioned by Aurora Water provided water demand forecasts and water supply and infrastructure costs for the EAAA land use plan. The forecasted water demand for the EAAA is 12.1 million GPD at the tap. This demand estimate does not include adjustments for water loss. The cost of water loss therefore needs to be deducted from the connection fee in order to compare the costs anticipated in the connection fee to the anticipated costs in the EAAA. Carrying costs are also not included in the EAAA water cost estimates. After deducting water losses and carrying costs, the adjusted connection fee is $45.51 per GPD.

The cost of infrastructure and water rights to provide capacity of 12.1 million GPD are estimated at $639.0 million for all four phases of the Plan (**Table 32**). The cost of acquiring the water rights to meet this demand is estimated at $312.0 million at today's market costs, and the treatment capacity for 12.1 million GPD is estimated at $128.0 million.

Table 32
EAAA Estimated Water Infrastructure and Supply Costs, All Phases

Description	Factors	Cost (All Phases)
Hard Costs		
Water Conveyance Pipe (C200 Pipe, <0.5")		$108,754,520
Valves and Controls		1,075,000
Pumping		6,074,000
Storage		23,000,000
Hard Costs		**$138,903,520**
Construction Allowances and Contingency	43.14%	**59,924,715**
Total Infrastructure		**$198,828,235**
Raw Water Conveyance		**$312,000,000**
Water Treatment		**$128,000,000**
Total City Costs		**$638,828,235**
Rounded		**$639,000,000**
Development Distribution Network (Developer Cost)		$32,948,400

Source: Aurora Water, MWH Global, Economic & Planning Systems

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After dividing the total infrastructure cost of $639.0 million by the forecasted water demand of 12.1 million GPD, the cost to serve the EAAA is estimated at $52.81 per GPD (**Table 33**). The adjusted connection fee is $45.51 per GPD indicating that the costs to provide water service to the EAAA are currently estimated to be higher than what is anticipated in the City's water connection fee. This is at least partially due to the system upgrades such as additional pumping and storage capacity that are needed to serve the area. There is also off-site pipe upsizing on existing City water mains that would be needed.

Any new development will be required to pay connection fees in place at the time of development, and there may be a need to adjust connection and other capital fees in the future as costs change.

Table 33
EAAA Estimated Water Infrastructure and Supply Costs, All Phases

Description	Amount
Total Infrastructure and Supply Costs	$639,000,000
EAAA Forecasted Water Demand (GPD)	12,100,000
EAAA Cost per GPD	**$52.81**
Adjusted Connection Fee	**$45.51**

Source: Aurora Water, MWH Global, Economic & Planning Systems

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Future Water Supply

Even with relatively predictable engineering costs, this analysis is still speculative as costs will vary with time. Water supply technology and delivery standards may change as well. There is also the potential for advances in indoor and outdoor water conservation. The biggest unknown is the future cost of water at the time of development, and if sufficient water will be available. The cost of securing water resources (e.g. an acre foot of water) fluctuates according to market demand and supply conditions. Supply conditions are especially uncertain as they will change according to complex external factors such as drought, climate, average snowpack, and water acquisition by other jurisdictions and water speculators/investors.

The City of Aurora does not currently have sufficient water rights to serve all of the potential development in the EAAA. Aurora staff have indicated that the City's ability to secure water rights is becoming more difficult and more expensive. In the future connection fees will likely need to increase to recover the full cost of water rights and the water treatment and distribution system. Any new development regardless of location in the City will be required to pay connection fees in place at the time of development.

Sanitary Sewer

Compared to the water cost analysis, the sanitary sewer costs are more consistent with the costs on which the City's sanitary sewer connection fees are based. The cost of public sewer interceptors is estimated at $33.5 million (**Table 32**). A lift station and force main are needed which add $19.2 million. "Downstream" system upgrades (offsite improvements) add $63.7 million in costs bringing the total cost to over $116 million. This equates to $2,268 per dwelling unit on average. The City's sanitary sewer connection fee is $2,400 per unit, indicating that the estimated costs are within approximately 5 percent of the costs on which the connection fee is based.

Table 32
Sanitary Sewer Costs

Capital Cost	Total
EAAA Sanitary Sewer Interceptors	
18" Line	$19,573,373
21" Line	1,865,381
24" Line	3,769,673
30" Line	1,151,605
36" Line	7,121,196
Subtotal	**$33,481,228**
Force Main	9,045,806
Lift Station	10,192,000
Total	**$52,719,034**
System Upgrades due to EAAA Development	
Coal Creek Interceptor	$27,798,835
First Creek Interceptor	23,247,243
Sand Creek Interceptor	24,882,232
Less Sand Creek Planned 2030 Improvements	-12,199,044
Subtotal	**$63,729,266**
Total	**$116,448,300**
EAAA Cost Per Dwelling Unit	**$2,268**
Aurora Sanitary Sewer Connection Fee per Dwelling Unit	**$2,400**

Source: City of Aurora, Manhard Consulting, Economic & Planning Systems

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Water treatment facilities are operated by the Metro Wastewater District. Aurora collects user fees and connection fees on behalf of the Metro Wastewater District. There will likely be a need to expand treatment capacity as well, but that was not within the scope of the EAAS.

Regional Storm Drainage

In general, the City of Aurora is responsible for constructing and maintaining regional storm drainage improvements. These are facilities (detention ponds, channels, and channel improvements such as check structures) that move and treat storm water and general runoff. They are often connected to developer-built local storm drainage infrastructure within development projects. If these facilities are built to the standards of the Urban Drainage and Flood Control District (UDFCD), UDFCD may maintain them, but this is not always the case.

The cost of regional storm drainage facilities is estimated at $84.3 million or nearly $5,700 per acre for the EAAA (**Table 33**). The costs of culverts and bridges are included in the transportation costs. On average for the entire EAAA the cost per acre is estimated to be higher than what the City collects in storm drainage fees which is $2,818 per acre. The City should more closely evaluate the storm drainage needs when development planning becomes more specific and certain in the EAAA. There may be a need to adjust fee levels or negotiate cost sharing with development. On the other hand, there is also the potential that some regional projects would be constructed by the UDFCD which would reduce the City's costs.

Table 33
Regional Storm Drainage Costs

Basin	Qty.	Cost/Ea.	Total
First Creek			
Check structures	6	75,140	$450,840
Maintenance trail	---	---	68,803
Detention pond	---	---	5,459,496
Detention pond land acquisition	---	---	0
Subtotal			**$5,979,139**
Sand Creek			
Check structures - Coal Creek	14	156,664	$2,193,292
Check structures - Coal Creek Tributaries	12	156,664	1,879,965
Detention and water quality	5,261 Acres	$1,953/Acre	10,276,570
Subtotal			**$14,349,827**
Box Elder Creek			
Channel grading and detention pond	---	---	$3,754,975
Detention and water quality			26,374,121
Check structures	27	24,012	648,330
Subtotal			**$30,777,426**
Total Construction Costs			**$51,106,392**
Construction Allowances and Contingency		**65.0%**	**$33,219,155**
Total			**$84,325,546**
	Residential	Commercial	
EAAA Cost per Acre	**12,389 Acres**	**2,428 Acres**	**$5,691/Acre**
Aurora Storm Drainage Development Fee			**$2,818/Acre**

Source: City of Aurora, Economic & Planning Systems

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Public Roads

Aurora's Model Annexation Agreement states that the developer is responsible for constructing all internal roads needed to serve the development. There are provisions for sharing the arterial road costs with adjoining property owners. There are also provisions to share the cost of roads along external property boundaries with the City, with each paying half the cost. At the level of planning in this Study and given the uncertain timing of development, it is not practical to try to predict which costs may be shared with adjoining property owners or the City. The cost to construct the internal roads for the EAAA land use plan is estimated at $748.5 million or $14,581 per dwelling unit on average (**Table 34**). The majority of these costs would be developer costs.

Table 34
Potential Developer Road Costs

Road Type	**Area 1** SLB	**Area 2** CCSC	**Area 3** Prosper	**Area 4** Other	**Total**
2-Lane Collector	$64,704,000	$37,482,000	$4,647,000	$63,537,000	$170,370,000
4-Lane Minor Arterial	0	17,952,000	62,331,000	0	80,283,000
4-Lane Arterial	81,067,000	41,352,000	15,032,000	27,446,000	164,897,000
6-Lane Arterial	62,551,000	33,755,000	33,286,000	0	129,592,000
Widen - Urban 2 to 4	0	14,972,000	0	0	14,972,000
Widen - Urban 2 to 6	0	0	85,883,000	0	85,883,000
Major Arterial Intersections	3,000,000	600,000	1,800,000	0	5,400,000
Minor Arterial/Collector Intersections	1,600,000	2,100,000	2,200,000	1,200,000	7,100,000
Roundabout Intersections	0	2,250,000	500,000	2,500,000	5,250,000
Water Crossings	11,600,000	7,600,000	10,800,000	6,000,000	36,000,000
8' Sidewalk	15,730,000	12,756,000	9,056,000	11,212,000	48,754,000
10' Path	0	0	0	0	0
Total	**$240,252,000**	**$170,819,000**	**$225,535,000**	**$111,895,000**	**$748,501,000**
Per Dwelling Unit	**$17,313**	**$14,963**	**$19,381**	**$7,768**	**$14,581**

Source: Economic & Planning Systems

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Several offsite road improvements would also be needed to connect the EAAS with the E-470 corridor and other arterials to the west. The following summary was developed from the Transportation Plan for the EAAS prepared by David Evans and Associates, a subconsultant on the MAN Consultants team.

- **I-70 Watkins Road Interchange –** When traffic volumes reach high enough levels, this interchange would need to be reconstructed to accommodate four to six lane arterials rather than the current two lane rural road. Costs for improvements to this interchange are estimated to be $15 million.
- **6th Avenue –** 6th Avenue would need to be realigned from approximately Tower Road to the E-470 interchange. It would also need to be widened from two to six lanes from Peak Preparatory Academy to New Castle Way, and a new six lane roadway would need to be extended to Hayesmount Road to reach EAAA development. The City is currently in the process of evaluating alternatives for the realignment portion and identifying funding. Total costs for these improvements would be approximately $96 million.
- **Jewell Avenue** – Jewell Avenue would need to be widened to a four or six lane cross section from E-470 to the EAAA and improvements to the E-470 interchange would be needed as well. Total costs for these improvements would be approximately $58 million.
- **Yale Avenue** – Yale Avenue may need to be extended to Gun Club Road and upgraded from its status as a gravel road to a four lane arterial. Total costs for these improvements would be approximately $33 million.
- **Quincy Avenue –** Quincy Avenue may need to be widened from a two lane rural road to a six lane arterial from the EAAA to the E-470 interchange. Total costs for these improvements would be approximately $50 million.

The cost of these improvements far exceeds the revenue that would be generated by the City's transportation impact fee of $589 per single family unit. The EAAS would generate roughly $28.0 million in impact fees at full buildout.

Parks, Recreation, and Open Space

Many of the open space areas as well as the corridors adjacent to arterial roadways would likely have multi-use bicycle and pedestrian paths. These are typically a concrete surface 10-foot wide path. The City's cost to construct these in recent years has been approximately $637,000 per mile. With approximately 11.3 miles of these trails in the land use plan, the capital cost would be roughly $7.2 million.

At least one additional regional recreation center would be needed in the EAAA. PROS recommends a minimum cost of approximately $30 million in today's dollars, which is the amount of funding approved for a new recreation center in central Aurora near South Tower Road at Telluride Street.

Other Infrastructure Funding and Financing Mechanisms

Reimbursement and Cost Sharing

The City has the ability to enter into reimbursement agreements with developers in which the City extends or constructs infrastructure to serve new development. The developer then pays the applicable development fees or other negotiated payments to reimburse the City. This is most commonly used for water and sanitary sewer.

The City can also influence other cost sharing arrangements between land owners or developers. Any infrastructure that is extended to or through development west of the EAAA, such as Eastern Hills, will also provide a benefit to EAAA properties. It is also conceivable that development will not occur in the EAAA until infrastructure has been extended further east. The City and the affected property owners could explore cost sharing arrangements to equitably distribute costs and potentially accelerate development.

Aurora Regional Improvements Mill Levy

Metropolitan district service plans need to be approved by the City. The City's Model Metro District Service Agreement includes provisions for metro districts to add a mill levy to finance regional transportation and related improvements outside the district that benefit the district's service area (e.g. intersection improvements, road widening). If included in a metro service plan, the ARI mill levy adds 1 mill in years 1 through 20 and 5 mills in years 21 through 40. For years 41 through 50, the mill levy is the average of the mill levy applied to the last 10 years of debt service. The ARI mill levy has been commonly used in east and southeast Aurora and would likely be a part of the infrastructure financing plan for the EAAA.

City Maintenance Facility

In order to more efficiently provide maintenance services, the Public Works and Parks Departments have indicated that a maintenance facility would be needed for these services plus Animal Control. This would be an approximately 5 acre facility which the Plan has located conceptually at Alameda and Box Elder Creek. The cost of this facility is estimated at approximately $1.5 to $2.0 million, based on a similar facility of approximately 56,000 square feet planned near Aurora Reservoir.

Public Transit

If property within the EAAA is annexed into Aurora, it will become part of the Regional Transportation District (RTD) (CRS 32-9-106, Regional Transportation District Act). This does not mean that RTD will be able to provide the same level of transit service to the EAAA as it does in other parts of Aurora or Metro Denver. Express and local transit service may be needed and desired, however the City may need to purchase additional service if desired.

Planning and Economic Development Policy Committee

Agenda Item Commentary

Item Title: Comprehensive Plan Update	
Item Initiator: Watkins, Robert	
Staff Source: Watkins, Robert	
Deputy City Manager Signature:	
Outside Speaker:	
Council Goal: 5.1: Support an environment conducive to business development and expansion--2012: 5.1--Support an environment conducive to business development and expansio	

ACTIONS(S) PROPOSED *(Check all appropriate actions)*

- ☐ Approve Item and Move Forward to Study Session
- ☐ Approve Item and Move Forward to Regular Meeting
- ☐ Information Only

HISTORY *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

Funding was provided in the 2016 budget for a Comprehensive Plan update. The project was previously discussed with PED on November 18.

ITEM SUMMARY *(Brief description of item, discussion, key points, recommendations, etc.)*

Staff has a national consultant firm, Houseal Lavigne Associates, under contract to lead the project and the consultant team. Currently, an Outreach Plan is being prepared as an initial step to ensure full community participation in the update process. As a part of that effort, staff and the consultant propose to use a Steering Committee to help manage the overall project.

It is envisioned that the Steering Committee would have approximately twenty members, half of whom would consist of community partners, including:

- Anschutz Campus (Probably more than one)
- Buckley Air Force Base
- Aurora Chamber of Commerce
- Arapahoe County
- Adams County
- Aurora Public Schools
- Cherry Creek Schools

In addition, staff suggests that the Steering Committee include two members of the Planning Commission.

Other members should include representatives of the following:

- Neighborhoods
- Major employers
- Non-profit organizations

An attempt should be made to make the Steering Committee representational of the community. Members of the committee need to be people who can focus on the broader, long-term needs of the overall city and not just focus on strictly localized issues.

Staff is projecting that this project will be completed by the middle of 2017.

QUESTIONS FOR Committee

1. Does the Committee wish to give input on the nature of the Steering Committee?

2. May staff proceed to a discussion of the project at Council Study Session?

EXHIBITS ATTACHED: