

Special Service District Discussion

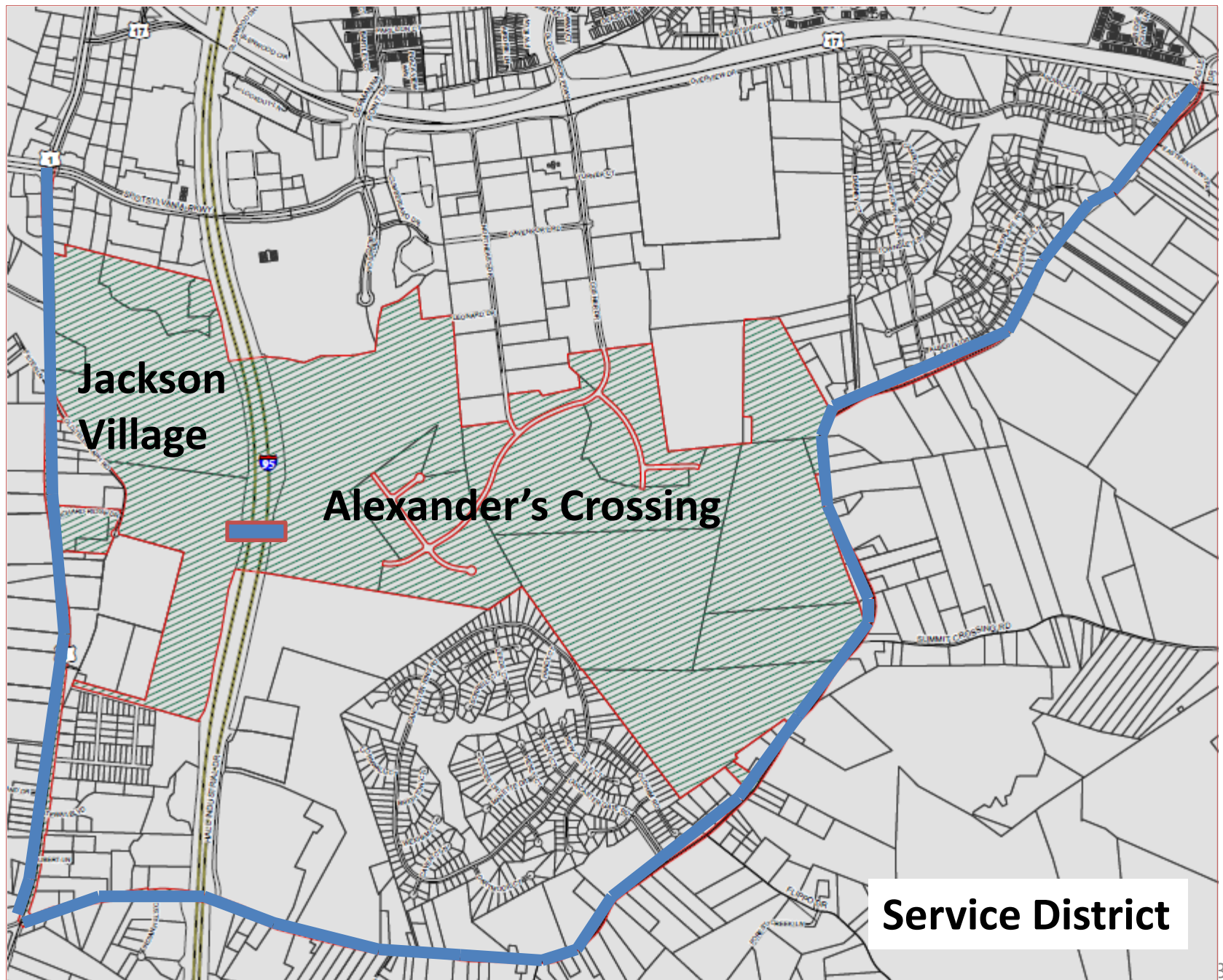
Board of Supervisors
September 26, 2017

Proposed District

Includes property rezoned as part of Jackson Village and Alexander's Crossing

Issues with limiting boundary to non-residential uses at this time:

- Largely undeveloped Mixed Use zone
- Parcel lines do not follow land bays identified on Generalized Development Plan (GDP)
- Development may occur in different patterns than shown on GDP



Service District

Cost Concepts

- Project list = \$66 - \$89M
- Need referendum authority to issue GO bonds (lowest rate option)
- For every \$1 million borrowed, the County can expect \$71,000 in annual debt service for 25 years on transportation projects
- Maximum debt capacity beyond existing CIP is an additional \$50M

Tax Revenues

- Total current assessed value of \$24M
- Every penny on a special tax rate for the SD would bring \$2,411 annually at current assessed values
- The following slide shows the annual special tax rate necessary to fund project(s) based on current estimated costs and assumed build-out of the commercial portion of each development
 - Assumes debt issued at interest only for first 5 years to allow time for build-out to begin and values to increase
 - Build-out values derived from data provided in each development's Fiscal & Economic Impact Analysis report
 - Assumes 1% natural growth in assessed values over time

| | Potential Jackson Village/Alexander's Crossing Commercial Special Service District Estimated Special Tax Assessment Over Life of Funds Borrowed - | | | | | | | Estimated Annual Revenue for Each | Estimated Cumulative |
|---------|--|--------------------|-------------------------------|------------------------------|---------------------------|-------------------------------|------------------------------|--------------------------------------|-------------------------------|
| | For each \$1M in Improvements | Bridge - \$8.8M | Mass Ch. 2-lane - \$42.57M | Mass Ch. 4-lane - \$65.5M | Rt. 1 Widening - \$15M | All (MC 2 Lane) - \$66.37M | All (MC 4 Lane) - \$89.3M | \$0.01 in Special Tax Rate | Special Tax Rev. at \$0.30 |
| | A | B | C | D | E | F = B + C + E | G = B + D + E | H | I |
| Year 1 | \$0.15 | \$1.32 | \$6.39 | \$9.83 | \$2.25 | \$9.96 | \$13.40 | \$2,411 | \$72,326 |
| Year 2 | \$0.15 | \$1.32 | \$6.39 | \$9.83 | \$2.25 | \$9.96 | \$13.40 | \$2,435 | \$145,375 |
| Year 3 | \$0.15 | \$1.32 | \$6.39 | \$9.83 | \$2.25 | \$9.96 | \$13.40 | \$2,459 | \$219,155 |
| Year 4 | \$0.15 | \$1.32 | \$6.39 | \$9.83 | \$2.25 | \$9.96 | \$13.40 | \$2,484 | \$293,673 |
| Year 5 | \$0.15 | \$1.32 | \$6.39 | \$9.83 | \$2.25 | \$9.96 | \$13.40 | \$7,681 | \$524,111 |
| Year 6 | \$0.05 | \$0.44 | \$2.13 | \$3.28 | \$0.75 | \$3.32 | \$4.47 | \$13,072 | \$916,282 |
| Year 7 | \$0.05 | \$0.44 | \$2.13 | \$3.28 | \$0.75 | \$3.32 | \$4.47 | \$18,517 | \$1,471,804 |
| Year 8 | \$0.05 | \$0.44 | \$2.13 | \$3.28 | \$0.75 | \$3.32 | \$4.47 | \$24,017 | \$2,192,311 |
| Year 9 | \$0.05 | \$0.44 | \$2.13 | \$3.28 | \$0.75 | \$3.32 | \$4.47 | \$29,571 | \$3,079,451 |
| Year 10 | \$0.01 | \$0.09 | \$0.43 | \$0.66 | \$0.15 | \$0.66 | \$0.89 | \$35,181 | \$4,134,892 |
| Year 11 | \$0.01 | \$0.09 | \$0.43 | \$0.66 | \$0.15 | \$0.66 | \$0.89 | \$40,847 | \$5,360,316 |
| Year 12 | \$0.01 | \$0.09 | \$0.43 | \$0.66 | \$0.15 | \$0.66 | \$0.89 | \$46,570 | \$6,757,424 |
| Year 13 | \$0.01 | \$0.09 | \$0.43 | \$0.66 | \$0.15 | \$0.66 | \$0.89 | \$52,350 | \$8,327,931 |
| Year 14 | \$0.02 | \$0.18 | \$0.85 | \$1.31 | \$0.30 | \$1.33 | \$1.79 | \$58,188 | \$10,073,573 |
| Year 15 | \$0.02 | \$0.18 | \$0.85 | \$1.31 | \$0.30 | \$1.33 | \$1.79 | \$58,770 | \$11,836,671 |
| Year 16 | \$0.02 | \$0.18 | \$0.85 | \$1.31 | \$0.30 | \$1.33 | \$1.79 | \$59,358 | \$13,617,400 |
| Year 17 | \$0.02 | \$0.18 | \$0.85 | \$1.31 | \$0.30 | \$1.33 | \$1.79 | \$59,951 | \$15,415,937 |
| Year 18 | \$0.01 | \$0.09 | \$0.43 | \$0.66 | \$0.15 | \$0.66 | \$0.89 | \$60,551 | \$17,232,459 |
| Year 19 | \$0.01 | \$0.09 | \$0.43 | \$0.66 | \$0.15 | \$0.66 | \$0.89 | \$61,156 | \$19,067,146 |
| Year 20 | \$0.01 | \$0.09 | \$0.43 | \$0.66 | \$0.15 | \$0.66 | \$0.89 | \$61,768 | \$20,920,180 |
| Year 21 | \$0.01 | \$0.09 | \$0.43 | \$0.66 | \$0.15 | \$0.66 | \$0.89 | \$62,385 | \$22,791,744 |
| Year 22 | \$0.01 | \$0.09 | \$0.43 | \$0.66 | \$0.15 | \$0.66 | \$0.89 | \$63,009 | \$24,682,024 |
| Year 23 | \$0.01 | \$0.09 | \$0.43 | \$0.66 | \$0.15 | \$0.66 | \$0.89 | \$63,639 | \$26,591,206 |
| Year 24 | \$0.01 | \$0.09 | \$0.43 | \$0.66 | \$0.15 | \$0.66 | \$0.89 | \$64,276 | \$28,519,481 |
| Year 25 | \$0.01 | \$0.09 | \$0.43 | \$0.66 | \$0.15 | \$0.66 | \$0.89 | \$64,919 | \$30,467,038 |
| Year 26 | \$0.01 | \$0.09 | \$0.43 | \$0.66 | \$0.15 | \$0.66 | \$0.89 | \$65,568 | \$32,434,071 |
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Assumes a 25 year financing term where the first five financed years are interest only ahead of build-out, and are level debt service thereafter.

Assumes commercial construction built out equally over 10 years beginning in year 5 of the development.

Direction Needed

Should staff develop an ordinance to establish the Special Service District for consideration?

If Yes, the following information is necessary to develop the ordinance:

- Boundaries of the SSD?
- Which road improvement projects should be included?
 - New bridge over I-95 at JV/AC
 - Route 1
 - Massaponax Church Road (2 or 4 lane)
- Exclude single family attached and detached residential?
- Tax rate?