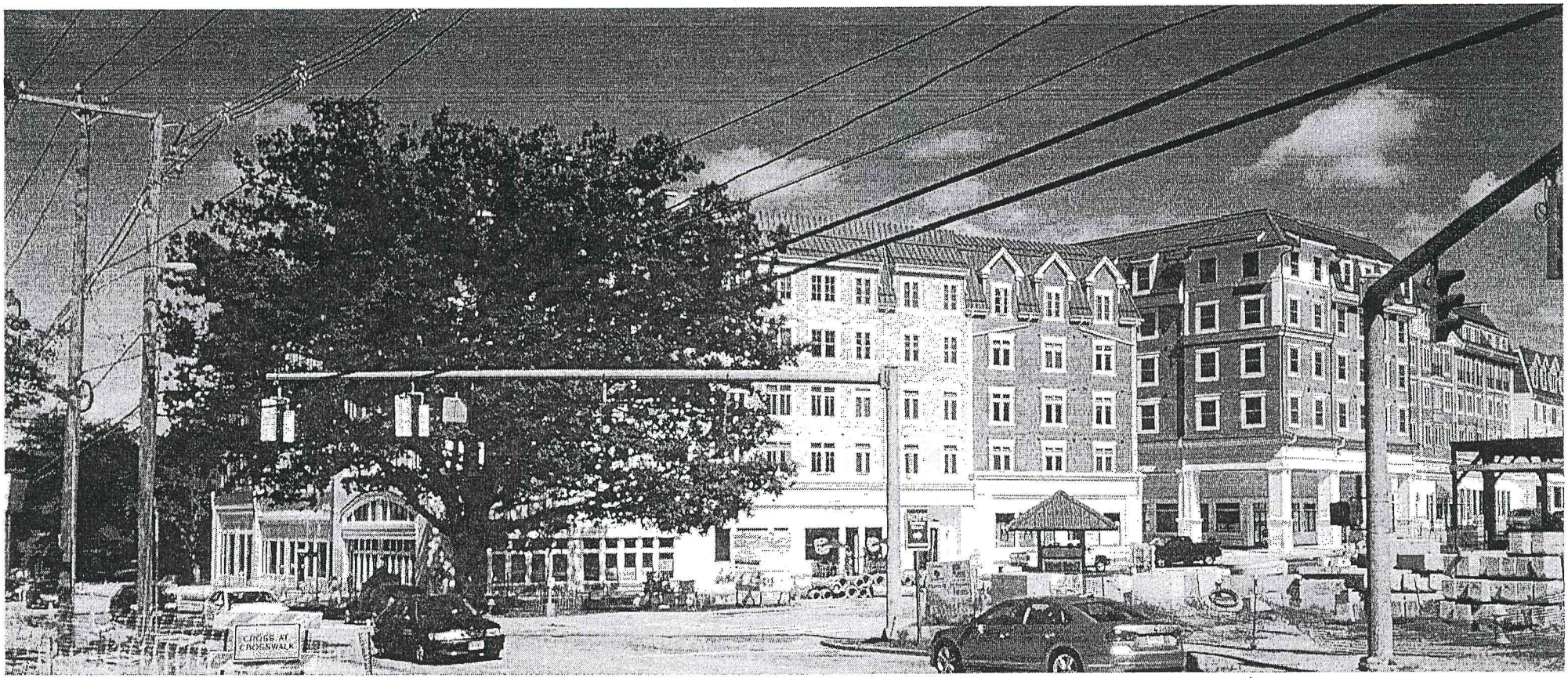
HR&A Analyze. Advise. Act.

Storrs Center Fiscal Impact Study

October 4, 2012



$3 M Tax Abatement Fund - Proposed Use Summary

Expenditure	Budgeted $	Obligated to date	Balance to be funded by other sources	Comments
FTA Grant Matching Funds	$1,235,000			
Dog Lane Streetlights	$115,000	$115,000		23 lights plus installation costs
Dog Lane Connector Construction	$260,000	$381,000	$121,000	Was Split out from Village Street Project
Post Office site improvements	$75,000		100,000	Also $125,000 Town in-kind
Town Square improvements	$30,000		70,000	Also $100,000 Town in-kind
Temp drainage costs (village street in front of TS-2)	$40,000	$40,000	$25,000	Leyland is other funding source for share of advance VS work for TS-2 constr
Demolition of Phase 1 Structures	$100,000			Per Development Agrt
Stone Wall (Rte 195)	$40,000		$28,000	EO Smith is other funding source
Additional costs -- Village Street & IMC	$1,105,000			To complete the VS and IMC projects
Total:	$3,000,000			

The initial four phases of Storrs Center exceed 526,000 gross square feet across all uses.

	Phase 1A	Phase 1B	Phase 1C	Market area	**Total**
Residential Rental	129,325	144,050	66,400		**339,775**
Retail	27,052	43,230	16,459	37,175	**123,916**
Mixed-use			62,698		**62,698**
Total	**156,377**	**187,280**	**145,557**	**37,175**	**526,389**

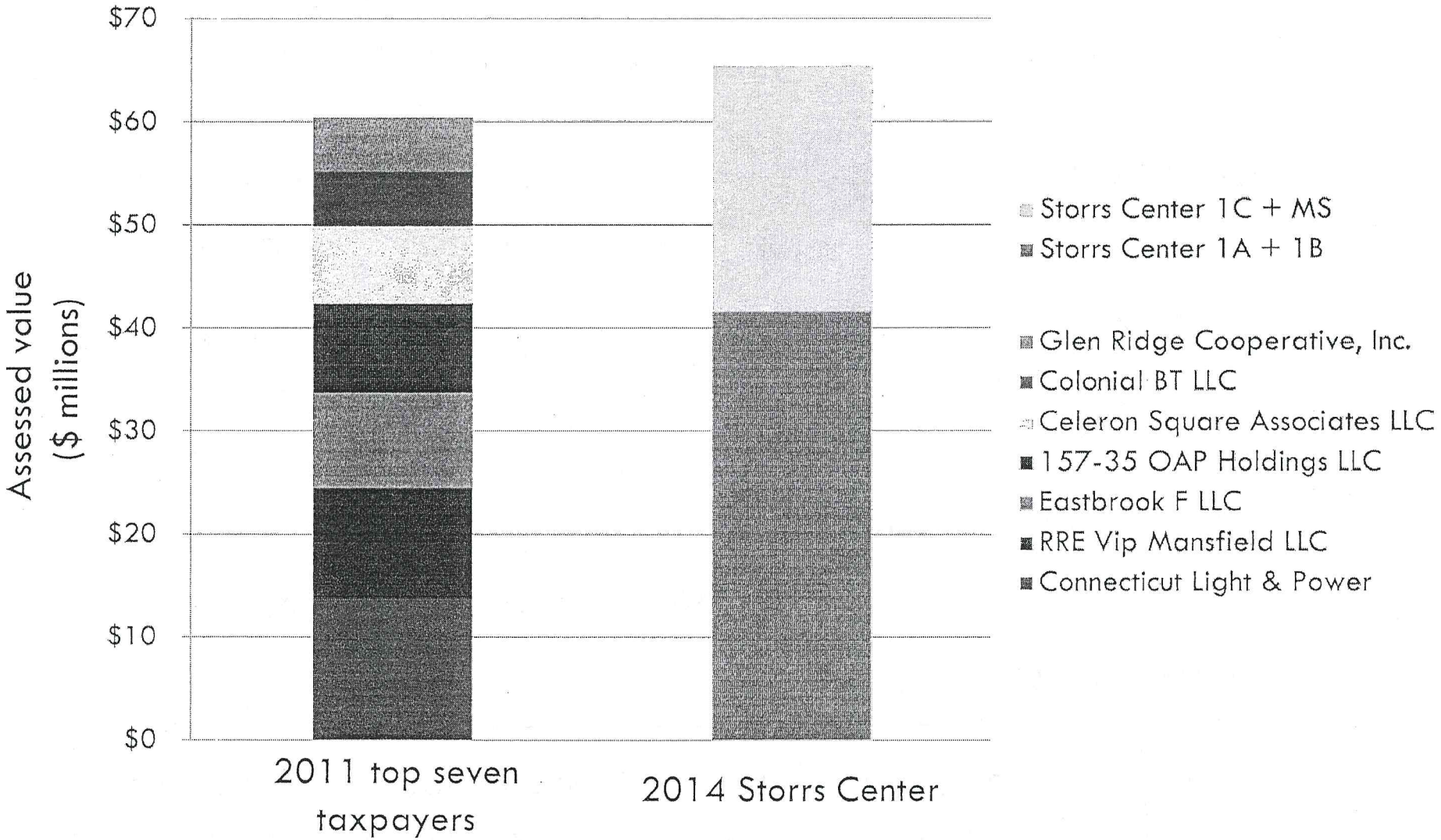
These phases add over $65 million in assessed value, raising the value of real property in the Town to over $967 million in assessment year 2014[1].

Line Item	Assessed Value
2014 Projected Grand List	
Gross Real Property[2]	$901,987,952
2014 Storrs Center Assessed Value	
Phases 1A and 1B	$41,522,000
Phases 1C and Market area	$23,705,000
Total	**$65,227,000**
2014 Estimated Grand List	
Gross Real Property	**$967,214,952**

[1] This is the first year all four initial phases of Storrs Center are fully assessed, and the next scheduled revaluation of all property in the Town

[2] Projected at 1% annually.

The 2014 assessed value of these initial phases is greater than the 2011 assessed values of the top seven taxpayers combined.



This equates to nearly $2 million in additional gross taxes in FY 2015-16, bringing the estimated gross taxes to the Town to over $31 million.

	Projected Tax Revenue
FY2015-16 Projected Tax Revenues[1]	
Property Taxes	$29,799,427
Storrs Center	
Phases 1A and 1B[2]	$1,270,000
Phases 1C and Market area	$725,000
Total	**$1,995,000**
FY2015-16 Estimated Tax Revenues	
Property Taxes	**$31,794,427**

[1] Estimate via adopted FY2012-13 Mansfield Town Budget.

[2] Excludes residential real estate tax abatement of $728,000.

In calculating costs to the Town, both average (per capita) costs and marginal costs were accounted for in Phases 1A and 1B.

Average costs	Community Services
Marginal costs	Public Safety
	Public Works
	Intermodal Center

Note: all costs inflated at 3% per year.

For Phases 1C and the Market area, only average costs were applied.

Average costs	General Government
	Public Safety
	Public Works
	Community Services
	Town-Wide Expenditures
Marginal costs	None

Note: all costs inflated at 3% per year.

For all phases with a residential component, we estimated costs associated with school-aged children.

	New students generated	Gross cost	State aid	**Net cost**[1]
Phase 1A	5.0	$76,646	($26,125)	**$50,521**
Phase 1B	6.3	$96,917	($33,035)	**$63,882**
Phase 1C	4.3	$65,750	($22,411)	**$43,339**

[1] Net school costs are applied in the first year in which a particular phase is operational.

Total Costs per Fiscal Year

	Fiscal year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Total average costs	$0	$5,167	$15,971	$50,001	$86,058	$118,419	$146,648	$151,047	$155,578	$160,246
Total school costs	$0	$52,036	$53,597	$125,011	$177,540	$182,866	$188,352	$194,002	$199,822	$205,817
Total marginal costs	$107,339	$201,652	$415,403	$427,865	$440,701	$453,922	$467,540	$481,566	$496,013	$510,894
Garage sinking fund	$0	$0	$50,000	$51,500	$53,045	$54,636	$56,275	$57,964	$59,703	$61,494
Total costs	$107,339	$258,855	$534,971	$654,377	$757,344	$809,843	$858,815	$884,579	$911,117	$938,450

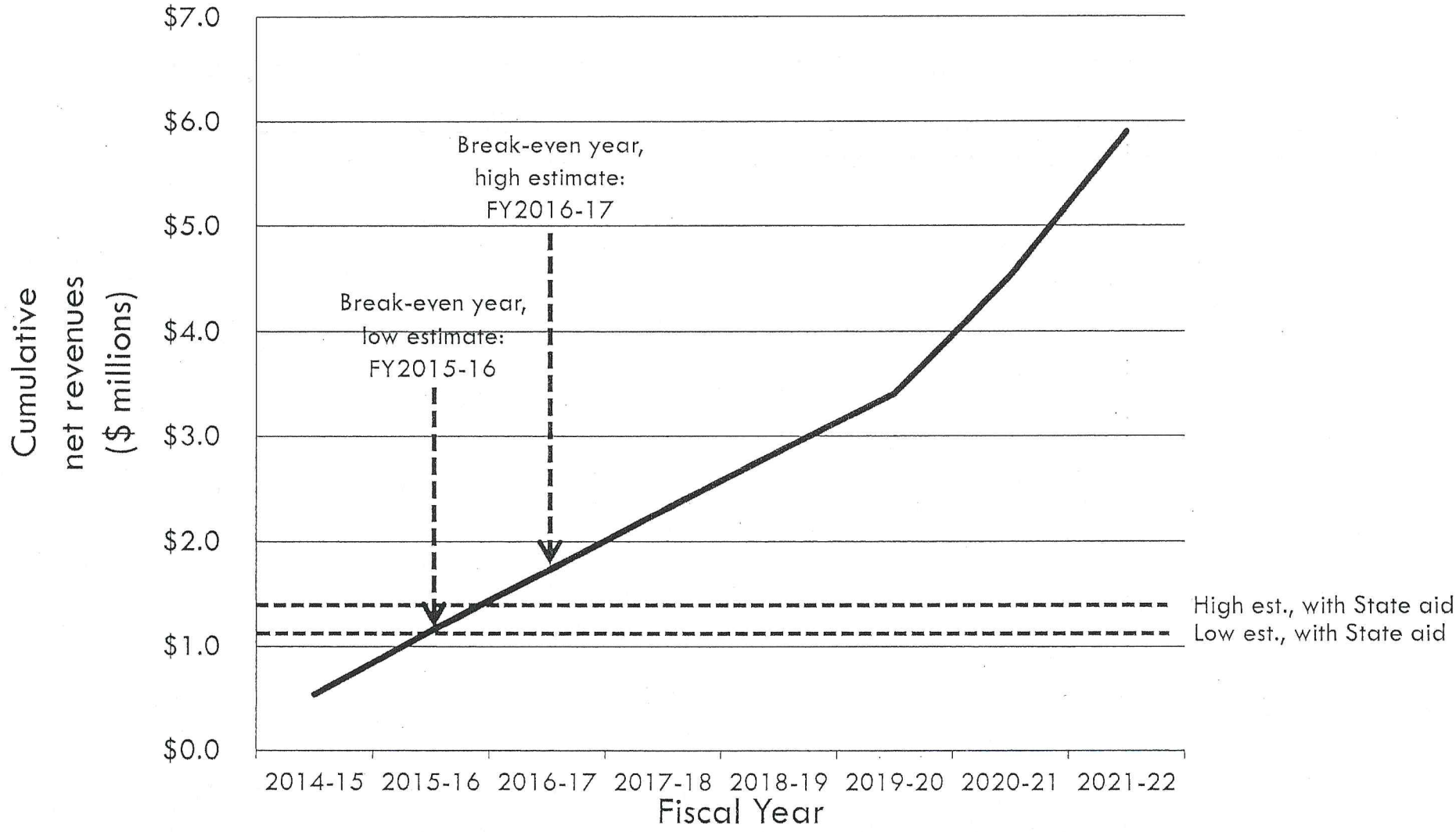
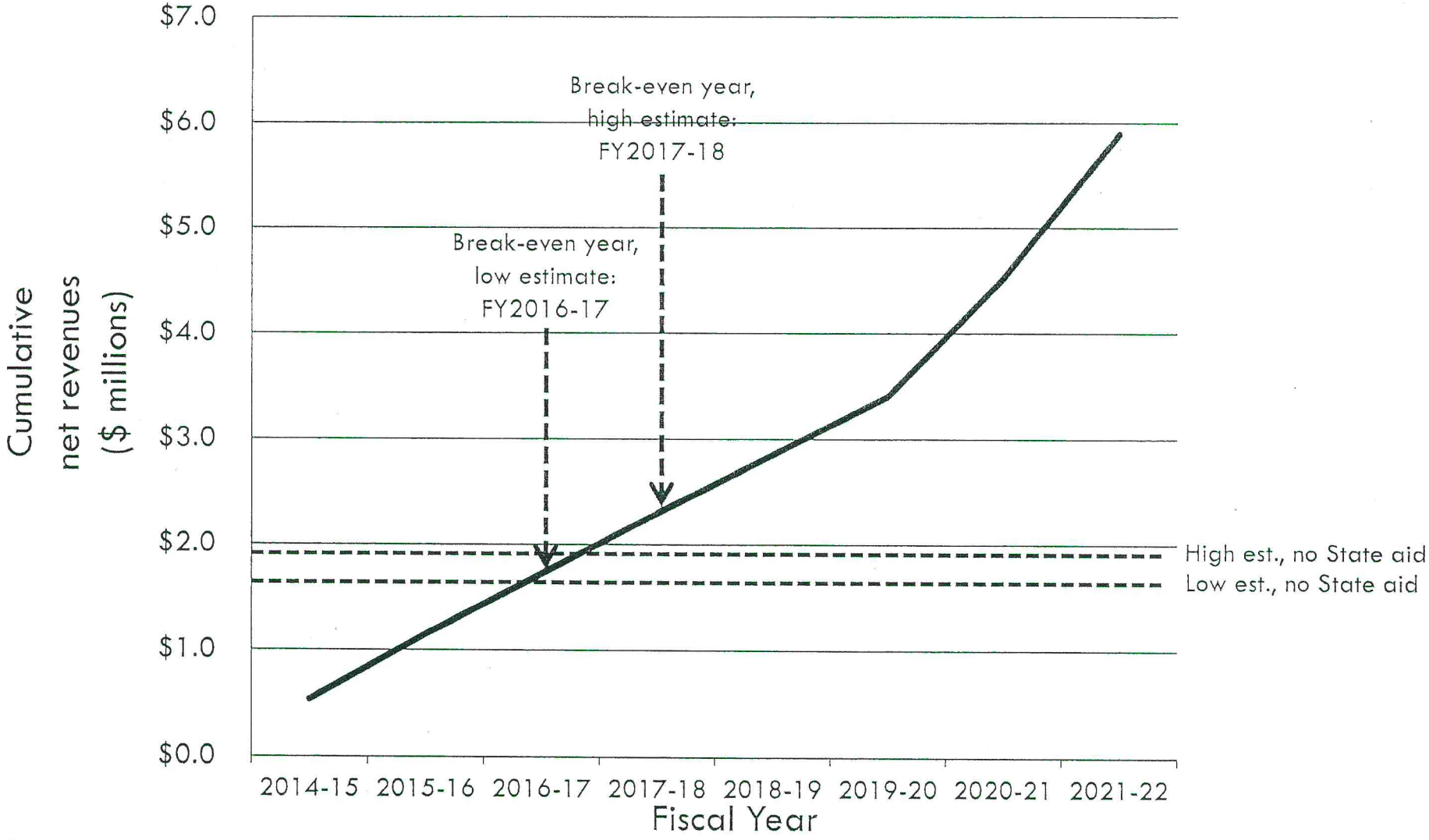
Net Fiscal Impact by Phase

	Fiscal year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Phase 1A + 1B										
Gross tax revenue	$68,217	$830,378	$1,371,770	$1,269,854	$1,269,854	$1,269,854	$1,269,854	$1,269,854	$1,472,109	$1,472,109
Tax abatement	$0	($321,000)	($715,000)	($728,000)	($671,000)	($606,000)	($581,000)	($554,000)	($291,000)	$0
Municipal costs	($107,339)	($258,855)	($484,971)	($580,295)	($609,002)	($633,093)	($652,086)	($671,649)	($691,798)	($712,552)
One-time net revenues	$705,100	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net fiscal impact	$665,978	$250,523	$171,799	($38,441)	($10,148)	$30,761	$36,768	$44,205	$489,311	$759,557
Phases 1C + Market area										
Tax revenue	$0	$0	$248,438	$724,970	$724,970	$724,970	$724,970	$724,970	$840,439	$840,439
Municipal costs	$0	$0	$0	($22,582)	($95,298)	($122,114)	($150,453)	($154,967)	($159,616)	($164,404)
One-time net revenues	$0	$0	$166,177	$0	$0	$0	$0	$0	$0	$0
Net fiscal impact	$0	$0	$414,615	$702,388	$629,673	$602,856	$574,517	$570,003	$680,823	$676,035
Other costs										
Garage sinking fund	$0	$0	($50,000)	($51,500)	($53,045)	($54,636)	($56,275)	($57,964)	($59,703)	($61,494)
Phases 1A + 1B + 1C + Ma										
Total net fiscal impact	$665,978	$250,523	$536,414	$612,447	$566,480	$578,981	$555,009	$556,245	$1,110,431	$1,374,098
Total cumulative net fiscal impact			$536,414	$1,148,861	$1,715,341	$2,294,322	$2,849,331	$3,405,576	$4,516,008	$5,890,105

Net fiscal revenues will be used to fund the infrastructure costs associated with the development. Additional State aid may be available.

Project	Deficit	
	High Estimate	Low Estimate
Parking Garage	$775,000	$525,000
Dog Lane and Storrs Road	$880,000	$880,000
Other Infrastructure	$300,000	$300,000
Total	**$1,995,000**	**$1,705,000**
Potential new State aid	($605,000)	($605,000)
Total with State aid	**$1,350,000**	**$1,100,000**

Between FY2014-15 and 2021-22, almost $6 million will be collected in net revenues from Storrs Center, leaving a considerable budget cushion.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