

# Full Purpose Annexation Request

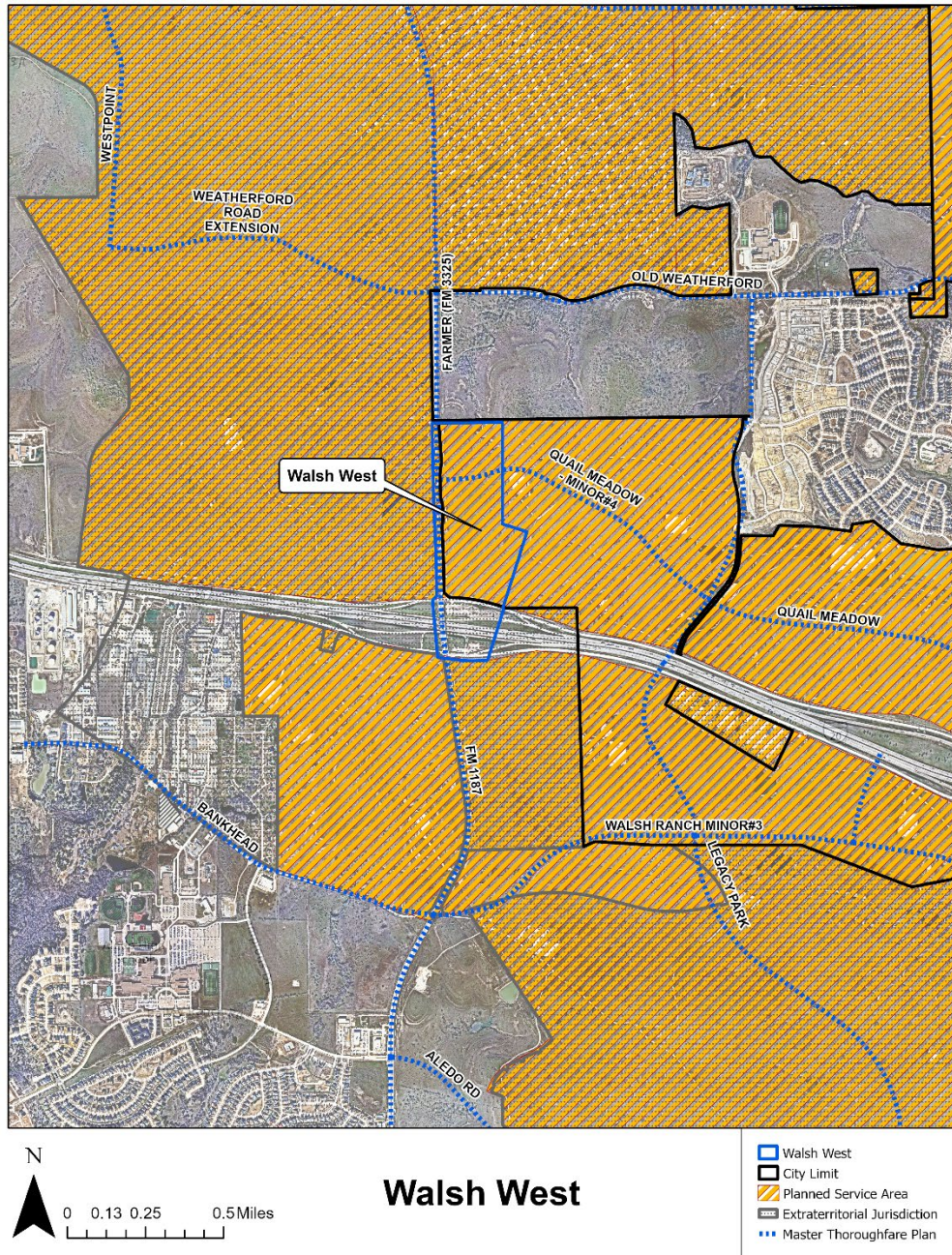
## Case # AX-24-008

### Walsh West

### Approximately 110.1 Acres

## Staff Report on Fiscal Sustainability Impact

Prepared for City Council by The FWLab



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## RECOMMENDATION HIGHLIGHTS

### Financial Overview:

The current financial analysis includes total revenue, expenditures, balance, and cumulative total. The Transportation and Public Works Department has calculated estimates for the cost per lane mile of construction, reconstruction, and maintenance expenses by street type.

Estimate Year	Cumulative Revenue	Cumulative Expenditures	Cumulative Total Net Revenue
Year 5	\$9,623,174	\$13,978,381	-\$4,355,207
Year 10	\$19,246,348	\$16,818,353	\$2,427,996
Year 15	\$28,869,522	\$19,871,529	\$8,997,993
Year 20	\$38,492,697	\$23,068,525	\$15,424,172
Year 40 (2066)	\$76,985,393	\$38,339,689	\$38,645,704

### Expenditures:

Anticipated future City expenditures include maintenance and reconstruction of public streets throughout the annexation area, parkland operational costs, stormwater management, emergency services, environmental quality, animal control, and water department extensions. The City's costs are expected to increase with development and infrastructure aging, impacting annual revenue requirements.

### Revenues:

The proposed development spans two phases, with construction of several commercial buildings estimated for phase one. The fiscal impact on the General Fund is expected to be negative within the first five years. However, the Cumulative Total Net Revenue is projected to reach \$2,427,996 over ten years and continue to increase to \$38,645,704 over forty years. Sales tax revenues will come from retail services.

### Comprehensive Plan Alignment:

Several Comprehensive Plan policies guide the proposed annexation, promoting fiscally sustainable growth, discouraging leapfrog development, and promoting commercial development within the Walsh Ranch and Veale Ranch Mixed-Use Growth Centers. The following land use policies support the proposed annexation:

1. Promote fiscally sustainable growth on the periphery of the city by encouraging development adjacent to existing adequate infrastructure and discouraging leapfrog development.
2. Promote commercial, mixed-use, and urban residential development within the Walsh Ranch and Veale Ranch Mixed-Use Growth Centers.
3. Locate large commercial and institutional uses adjacent to arterial streets, preferably at the intersections of other arterials and highways.
4. Provide interconnectivity of streets and trails, especially within residential subdivisions, to reduce vehicle trips on arterial streets, increase efficiency, reduce air pollution, distribute traffic, improve access to public places, improve efficiency in providing services and deliveries, and ensure access for emergency services.

**Land Use Recommendation:**

The proposed commercial land use is consistent with the adopted General Commercial Future Land Use designation. This designation aligns with the policy objectives that aim to foster fiscally sustainable growth and promote commercial and mixed-use development in designated areas. These policies include encouraging growth near existing infrastructure, supporting commercial and mixed-use development in specific growth centers, positioning large commercial uses near major roads, and enhancing street and trail connectivity within residential areas.

**Overall Recommendation:**

The proposed annexation aligns with strategic growth objectives, showcasing a balanced approach to development by accommodating new commercial development to support significant new residential development. The proposed annexation is within the larger Walsh Ranch development, improving its financial sustainability and infrastructure optimization.

The development's impact on the General Fund post-construction supports the recommendation for Walsh West's annexation. Staff supports the development, although acknowledging the unavailability of future cost estimates for a comprehensive analysis (i.e. Emergency Medical Services). Even though the proposed development will have a negative impact within the first five years, the overall development will continue to produce revenue after year ten, sufficient to cover currently forecast expenditures over the span of forty years.

## EXISTING CONDITIONS

<b>Description</b>	Approximately 110.1 acres of land located along the northeast corner of FM 3325 and Interstate Highway 20
<b>Request Type</b>	Annexation – Full Purpose.
<b>Council District</b>	3
<b>Comprehensive Plan Future Land Use</b>	The adopted 2023 Comprehensive Plan’s Future Land Use designations are General Commercial.
<b>Floodplain</b>	No.
<b>Current &amp; Proposed Zoning</b>	Current Zoning: AG (Agriculture) Proposed Zoning: F (General Commercial)
<b>Existing Land Use</b>	Vacant / Agriculture
<b>Included in Planned Service Area</b>	FM 3325/Walsh Ranch PSA
<b>Enclave</b>	No.
<b>Planning Sector</b>	Far West.
<b>ROW</b>	Yes.
<b>Concept Plan</b>	Yes, but concept plan subsequently withdrawn.
<b>Preliminary Plat</b>	No.
<b>Final Plat</b>	No.
<b>Independent School District</b>	Aledo ISD.








## COMPREHENSIVE PLAN CONSISTENCY

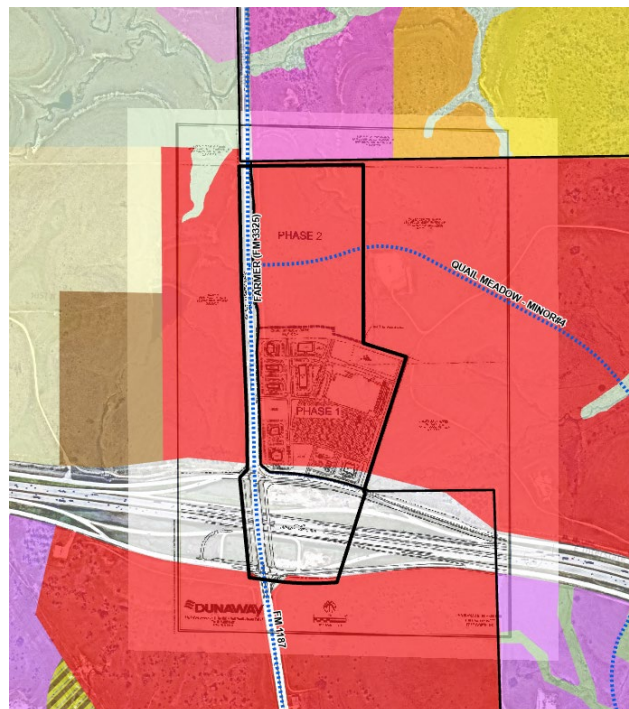
The adopted 2023 Comprehensive Plan designates the proposed annexation area as General Commercial on the City’s Future Land Use Map. The annexation application, development agreement, and land plan for the property propose General Commercial (110.1 acres, F zoning) uses.

The proposed uses within the annexation area are currently consistent with the adopted Future Land Use Map. The annexation proposal retains the general commercial land use type identified in the Comprehensive Plan for uses within the area. Given the adjacent developing Single-Family Residential neighborhoods to the north and east, the proposed land use and designation is compatible with the surrounding uses, both existing and currently planned.

Based on the compatible arrangement of existing land uses depicted in the City’s Future Land Use Map, staff recommends consideration of the annexation of Walsh West (AX-24-008) at this time. The Future Land Use Maps below show the currently adopted and proposed designations for the area.

### Adopted Future Land Use:

- |  |   |   |
|--|---|---|
|  Mixed-Use (top-center) |  Light Industrial (lower left/right) |  General Commercial        |
|  Subject Property       |  Low Density Residential             |  Single Family Residential |
|  Urban Residential      |   |   |



## WATER DEPARTMENT

It is anticipated that 5,000 linear feet of 12-inch water pipe, 5,000 linear feet of offsite 15-inch sewer pipe, and 4,000 linear feet of 8-inch sewer pipe will be constructed as part of Phase 1 of this annexation.

It is anticipated that 3,000 linear feet of 8-inch water pipe, and 2,000 linear feet of 8-inch sewer pipe will be constructed as part of Phase 2 of this annexation.

### Estimated Cumulative Expenditures and Revenues

Estimated Cumulative Expenditures (2024 Dollars)					
	5 Years	10 Years	15 Years	20 Years	40 Years
<b>Operations</b>	\$261,407	\$564,449	\$963,561	\$1,370,824	\$3,760,346
<b>Capital</b>	-	-	-	-	-

Estimated Cumulative Revenues (2024 Dollars, assuming 1% annual inflation starting in 2025)					
	5 Years	10 Years	15 Years	20 Years	40 Years
<b>Revenue</b>	\$2,162,085	\$4,434,458	\$6,822,744	\$9,332,858	\$20,720,718

**1. How does this proposal align with your department’s plans and policies? List policies from department’s plan that this annexation proposal supports (Strategic Plan, Master Plan, Neighborhood Plan, etc.):** Proposal is consistent with the City Comprehensive Plan. The proposed annexation aligns with the Water Department’s Water and Sewer Master Plans regarding land use.

**2. How will this proposal affect your key performance indicators?** This annexation is not expected to significantly impact KPIs for the maintenance of water and sewer assets. The cumulative impacts of all annexations on maintenance-related KPIs over time will be more significant. Utility management does not anticipate a need for additional City-constructed water/sewer capital improvements in this annexation area for the foreseeable future.

**3. Department Recommendation:** Water Department supports annexation request.

## TRANSPORTATION AND PUBLIC WORKS - ROADS AND STREETS

The following table provides an overview of estimated costs per lane mile categorized by street type, providing financial considerations associated with the proposed development. This data aims to highlight the distinct financial implications of developing and maintaining each proposed street type. The proposed development is bounded by the IH-20 service road and Farmer Road (FM 1187) both of which are maintained by TxDOT. North of the proposed development but within the area of annexation is Quail Meadow Road, which is a commercial connector arterial with 4 lanes and median. The overall developer (Walsh) has responsibility for constructing at least two of the four lanes. The maintenance of Quail Meadow Road and all public local streets within the annexation area, however, will be the City’s responsibility.

Estimated Cumulative Expenditures (2024 Dollars)					
	5 Years	10 Years	15 Years	20 Years	40 Years
<b>Maintenance</b>	\$1,000,750	\$2,001,500	3,002,250	\$4,003,000	\$8,006,000
<b>Capital</b>	\$4,400,000	\$4,400,000	\$4,400,000	\$4,400,000	\$4,400,000
<b>Departmental Review Comments — Expenditures:</b>					

Street Type	Average Construction Cost per Lane Mile	Lane Miles in Development	Estimated Costs for Development
<b>Quail Meadow-CCO-L2-TO-NTMS-PO-BOP (110)</b>	\$5,500,000	0.8 LM	\$4,400,000
Collectors & Locals			
Scope: Cost includes roadway pavement, drainage, street lights, traffic signals, 5 to 10-foot side paths (sidewalks) and traffic signs. Figures represent hard and soft construction cost. Soft costs include: engineering, ROW, permitting, project management, etc.			

Below are Transportation and Public Work’s street maintenance cost estimates per lane mile for a 40-year period:

<b>Without Reconstruction</b>	
<b>Net Present Value</b>	\$3,326,000
<b>Average Annual Expenditures (over 40 years)</b>	\$83,150
<b>With Reconstruction</b>	
<b>Net Present Value</b>	\$8,006,000
<b>Average Annual Expenditures (over 40 years)</b>	\$160,120
4% annual inflation assumed. Net Present Value discount rate not considered.	

**1. How does this proposal align with your department’s plans and policies?** Quail Meadow Road provides a vital east-west connection providing very minor relief to Old Weatherford Road and IH-20. Quail Meadow is projected to bear 20,000+ daily trips at full Walsh Ranch build out.

**2. How will this proposal affect your key performance indicators?**

**3. Recommendation:** Support annexation.



## TRANSPORTATION AND PUBLIC WORKS - STORMWATER

### Estimated Cumulative Expenditures and Revenues

Estimated Cumulative Expenditures (assuming 3% annual inflation)					
Infrastructure Operation & Maintenance	5 Years	10 Years	15 Years	20 Years	40 Years
74 Inlets and 26,195 Linear Feet of Pipe	\$ 14,262	\$30,385	\$ 48,368	\$ 68,211	\$94,424

#### Departmental Review Comments — Expenditures:

Based on the high-level information provided, Stormwater estimates that about 26,195 linear feet of storm sewer pipes and 74 new storm inlets will be installed as part of this proposed commercial development. Due to the limited development and design information available, a need for other infrastructure, such as detention/retention facilities, drainage channels, is not included in this analysis. The table below provides the estimated cumulative maintenance expenditures for the proposed drainage infrastructure from the best information currently available. Future expenses will be highly dependent on the actual development of the area as permitted by the City’s Development Services Department.

Estimated Cumulative Revenues (2024 Dollars)					
	5 Years	10 Years	15 Years	20 Years	40 Years
Revenue	\$874,055	\$1,748,111	\$2,622,166	\$3,496,221	\$6,992,442

#### 1. How does this proposal align with your department’s plans and policies?

The annexation will increase future maintenance costs and staff time required for the estimated storm system infrastructure associated with this development. Additional staff may be required to maintain existing service levels when the cumulative impacts of all annexations are considered.

#### 2. How will this proposal affect your key performance indicators?

The storm system infrastructure from this particular annexation is not expected to significantly impact KPIs. However, the cumulative impacts of all annexations on maintenance-related KPIs may be more significant. Stormwater management does not anticipate a need for City-constructed stormwater capital improvements in this annexation area for the foreseeable future. Therefore, no impact to our capital delivery key performance indicators is expected at this time.

#### 3. Recommendation:

Stormwater supports the annexation since the revenue is expected to be higher than the anticipated combined capital expenses and maintenance expenses, assuming that the new development will be built per the City’s standards.

## POLICE DEPARTMENT

The Police Department has projected demand for service based on the best information currently available. Future expenses are highly dependent on the expected uses, density level, transportation infrastructure, and timing of development. Operational, Capital, and Personnel expenses are unknown at this time and are dependent on if a new patrol division, additional personnel (patrol officers, neighborhood police officers, communications staff, etc.), or a new facility is necessary.

### Estimated Cumulative Expenditures and Revenues

Estimated Expenditures of Service (2024 Dollars)					
Costs per call	5 Years	10 Years	15 Years	20 Years	40 Years
Single-Family	\$0	\$0	\$0	\$0	\$0
Commercial	\$593,880	\$1,282,350	\$2,080,475	\$3,005,720	\$8,434,385
<b>Total</b>	\$593,880	\$1,282,350	\$2,080,475	\$3,005,720	\$8,434,385

**Departmental Review Comments — Expenditures:** Once the property is fully developed, call load is estimated to be approximately 70 calls for commercial a year. The average cost per call is \$799 per officer. Based on the assumption that at least two officers will respond to a call, \$1,598 per call is used to calculate the cost of service. The average annual cost of service for this development is estimated to be \$111,860 for commercial. Estimated expenditures assume that there are 70 calls per year and two officers responding to each call. An inflation rate of 3% was used to calculate the expenditures. Expenditures are rounded to the nearest whole dollar.

**1. How does this proposal align with your department’s plans and policies?** Additional calls for service will increase operational needs for the Police Department. As the land is developed, the Police Department will continue to evaluate call loads to determine whether a new patrol division, additional personnel (patrol officers, neighborhood police officers, communications staff, etc.), or a new facility is necessary.

**2. How will this proposal affect your key performance indicators?** Once the property is fully developed, Priority 1, 2, and 3 response times could increase for West Division, Police Beat L19, Police Reporting Area V080 depending on the expected uses, density level, transportation infrastructure, and timing of development.

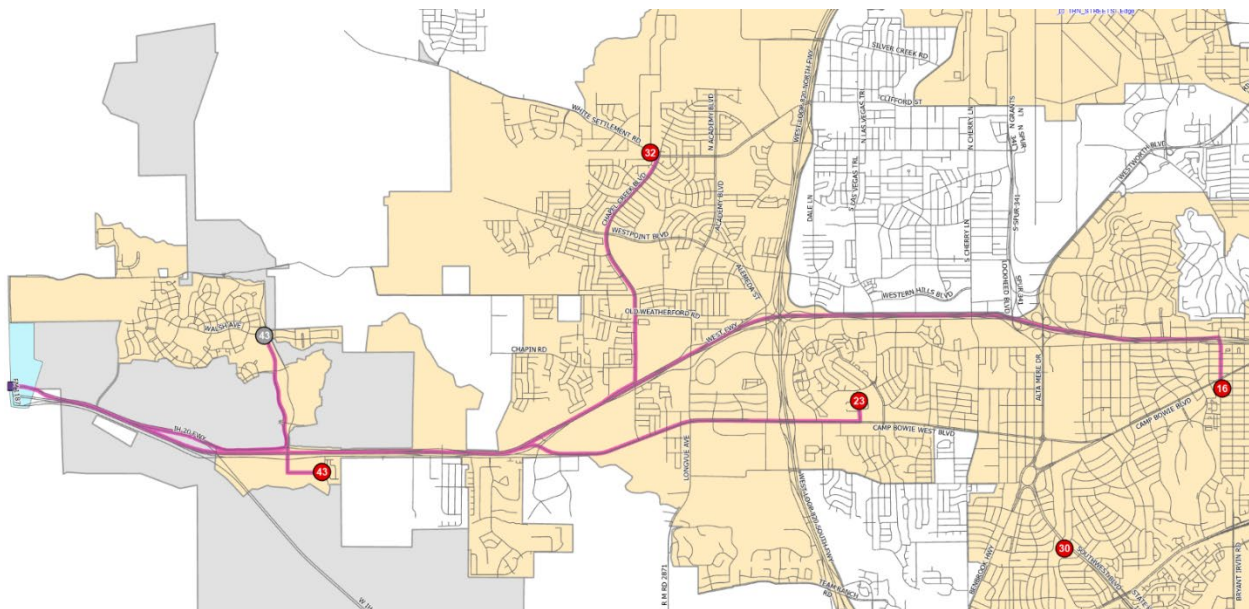
**3. Recommendation:** Support annexation.

## FIRE DEPARTMENT

The following table outlines the estimated response times for fire stations based on their designated locations. Prompt and efficient responses are crucial in emergency situations, and the times listed below represent the estimated durations it takes for each fire station response to reach the boundary of the proposed annexation area. These response times are essential factors in ensuring the timely deployment of resources for effective emergency management.

FIRE STATION		ESTIMATED RESPONSE TIME
<b>1<sup>st</sup> Due Company</b>	Station 43 13300 Highland Hills Dr	5.5 Minutes
<b>2<sup>nd</sup> Due Company</b>	Station 32 10201 White Settlement Rd	11.3 Minutes
<b>3<sup>rd</sup> Due Company</b>	Station 23 3201 Portales Dr	11.3 Minutes
<b>4<sup>th</sup> Due Company</b>	Station 16 5933 Geddes Ave	13.9 Minutes
<b>1<sup>st</sup> Aerial</b>	Station 23 3201 Portales Dr	11.3 Minutes

The responding fire stations' proximities to the Walsh West boundary are shown in the below map.



**Fire Department Response Time Comments:** Fire and EMS first responder services will be dispatched from existing temporary Fire Station 43, located at 13300 Highland Hills Dr, to the proposed annexation. Current Fire Department response time goal is to arrive on the scene of emergencies within five minutes from the time of dispatch at least 75% of the time. Based on the existing fire stations located close to this proposed annexation area, the Fire Department will not be able to meet this response time goal. Permanent Fire Station 43, located at the corner of Walsh Ave and Walsh Ranch Pkwy, is currently under construction and is scheduled to open January 2025. Response times from its permanent location are estimated to be 5.9 minutes.

**Fire Department Incidents Comments:** 2023 produced 1 incident for the largely vacant land within one half mile of the proposed annexation (not including the area of the proposed annexation itself). Based on a comparison of the vacant land area of the buffer to the area of the annexation, the estimated annual count of incidents in the annexation is less than 1. The estimated cost of an additional incident is \$968. Multiplied by 1 incident, the total additional annual cost of responding to the annexation is estimated to be less than \$968. However, once the area becomes more fully developed or if zoning for the area changes, this number will need to be adjusted.

An estimate of incidents within a similar size General Commercial area that is fully developed is 156 incidents annually. At approximately \$968 per incident, a reasonable estimate of annual cost for Fire Department services to the proposed annexation area would be \$151,008.

**Estimated Cumulative Expenditures and Revenues**

Estimated Expenditures of Service (2024 Dollars)					
Costs per incident	5 Years	10 Years	15 Years	20 Years	40 Years
Developed Commercial	\$801,722	\$1,731,137	\$2,808,585	\$4,057,642	\$11,386,193
Vacant Commercial	\$5,139	\$11,097	\$18,004	\$26,011	\$72,988
<b>Total</b>	\$5,139	\$11,097	\$18,004	\$26,011	\$72,988

1. How does this proposal align with your department’s plans and policies?
2. How will this proposal affect your key performance indicators?
3. Recommendation:

## PUBLIC SAFETY RADIO COMMUNICATIONS

Assessing the proposed population growth from the annexation on public safety radio communications will be important. The significant increase in population size heightens demands on emergency services and law enforcement, necessitating a comprehensive evaluation of our current communication infrastructure. As the population expands, so does the potential for emergencies and public safety incidents, highlighting the critical importance of a robust and scalable radio communication system. To ensure the efficacy of public safety efforts, strategic investments and enhancements to the radio communication technology will be continuously reviewed.

### Estimated Cumulative Expenditure:

Estimated Cumulative Expenditures (2024 Dollars)					
	5 Years	10 Years	15 Years	20 Years	40 Years
<b>Operations</b>	\$66,038	\$76,737	\$89,305	\$103,243	\$170,909
<b>Capital</b>	\$6,800,000	\$0	\$0	\$0	\$0
<b>Personnel</b>	\$0	\$0	\$0	\$0	\$0
<b>Maintenance</b>	\$11,231	\$15,226	\$19,507	\$25,731	\$34,841

Note: Expenditure forecasts assume 3% annual inflation

### Departmental Review Comments — Expenditures:

There is 52% radio coverage at best in the proposed area with existing communication infrastructure, and it will require a significant investment to improve Public Safety communication in this area. Costs to improve the radio coverage require building a new tower in Southwest Tarrant County or Southeast Parker County, recent quotes for property acquisition, feasibility studies, FCC licensing, and construction of a tower and shelter are \$6.8M. The use of mobile repeaters can improve coverage on a limited basis and will need to be purchased for responding Police, Fire, EMS, and Public Works resources in the area. Mobile repeaters are priced at \$19K each and provide local communications but not communication back to dispatch, risking responders’ safety. Additional operational costs are required for the long-term maintenance and upgrade.

Estimated Cumulative Revenues (2024 Dollars)					
	5 Years	10 Years	15 Years	20 Years	40 Years
Revenue	\$15,349	\$30,709	\$46,063	\$61,418	\$122,837

Note: Revenue forecasts do not account for any fee increase

**1. How does this proposal align with your department’s plans and policies?** The proposal aligns with the department's existing plans to improve coverage in this area, through new towers in both the Northwest and Southwest. The department has implemented use of the LTE (FirstNet) to expand radio coverage. However, use long term of this solution would be a less cost-effective approach due to subscription costs, which would exceed the purchase and build out cost of the communication towers.

**2. How will this proposal affect your key performance indicators?** The proposal will impact the availability of radio communications in the area, as users will experience “BONKS” and an inability to communicate with one another or dispatch.

**3. Recommendation:** Without the construction of a new communication tower, this area is moderately supported by the current infrastructure.

**Reviewer(s): Lawrence Crockett**

## CODE COMPLIANCE - CODE ENFORCEMENT

### Estimated Cumulative Expenditures and Revenues

Estimated Cumulative Expenditures (2024 Dollars)					
	5 Years	10 Years	15 Years	20 Years	40 Years
<b>Operations</b>	\$100	\$200	\$400	\$500	\$4000
<b>Capital</b>	0	0	0	0	0
<b>Personnel</b>	0	0	1	1	1
<b>Maintenance</b>					

Estimated Cumulative Revenues (2024 Dollars)					
	5 Years	10 Years	15 Years	20 Years	40 Years
<b>Revenue</b>	0	0	0	0	0

- 1. How does this proposal align with your department’s plans and policies?** The proposed annexation aligns with the Code Compliance plans regarding land use.
- 2. How will this proposal affect your key performance indicators?** This proposal will not affect Code Enforcements KPIs. Commercial Complaints will increase as the facility ages.
- 3. Recommendation:** Proceed as planned.

## CODE COMPLIANCE - ANIMAL CONTROL

### Estimated Cumulative Expenditures and Revenues

Estimated Cumulative Expenditures (2024 Dollars)					
	5 Years	10 Years	15 Years	20 Years	40 Years
Operations					
Capital					
Personnel					
Maintenance					
•					

Estimated Cumulative Revenues (2024 Dollars)					
	5 Years	10 Years	15 Years	20 Years	40 Years
Revenue					

1. How does this proposal align with your department's plans and policies? None provided
2. How will this proposal affect your key performance indicators? None provided
3. Recommendation: None provided

## ENVIRONMENTAL SERVICES DEPARTMENT - SOLID WASTE SERVICES

### Estimated Cumulative Expenditures and Revenues

Estimated Cumulative Expenditures (2024 Dollars)					
	5 Years	10 Years	15 Years	20 Years	40 Years
<b>Operations</b>	\$0	\$0	\$0	\$0	\$0
<b>Capital</b>	\$0	\$0	\$0	\$0	\$0
<b>Personnel</b>	\$0	\$0	\$0	\$0	\$0
<b>Maintenance</b>	\$0	\$0	\$0	\$0	\$0

**Departmental Review Comments — Expenditures:** Based on the proposed commercial land use, any occupants of the subject site would be required to obtain their own solid waste disposal contract with a private solid waste hauler. As a result, the addition of the subject area is not expected to incur any expenditures from the Solid Waste Fund. Any private solid waste hauler providing services in the subject area would be required to have an active Grant of Privilege issued by the City of Fort Worth.

Estimated Cumulative Revenues (2024 Dollars)					
	5 Years	10 Years	15 Years	20 Years	40 Years
<b>Revenue</b>	\$0	\$0	\$0	\$0	\$0

**Departmental Review Comments — Revenues:** Based on the proposed commercial land use, any occupants of the subject site would be required to obtain their own solid waste disposal contract with a private solid waste hauler. As a result, the addition of the subject area is not expected to incur any expenditures from the Solid Waste Fund.

### 1. How does this proposal align with your department's plans and policies?

As the subject site is expected to include only industrial and commercial land use, this proposal does not impact implementation of the Comprehensive Solid Waste Management Plan.

### 2. How will this proposal affect your key performance indicators?

This proposal does not impact any key performance indicators associated with residential waste collection services.

### 3. Recommendation: Neutral



# ENVIRONMENTAL SERVICES DEPARTMENT - ENVIRONMENTAL QUALITY

## Estimated Cumulative Expenditures and Revenues

Estimated Cumulative Expenditures (2024 Dollars)					
	5 Years	10 Years	15 Years	20 Years	40 Years
<b>Operations</b>	\$5,553	\$8,541	\$12,260	\$16,677	\$44,342
<b>Capital</b>	\$149	\$331	\$559	\$830	\$2,529
<b>Personnel</b>	\$3,237	\$6,522	\$10,675	\$15,608	\$46,502
<b>Maintenance</b>	\$743	\$1,654	\$2,796	\$4,152	\$12,646

Expenditures at the subject site over 40 years are expected to remain lower than revenues. During development, the site will be subject to the grading permit process and associated inspections by Environmental Quality staff. Following development, the site will be subject to additional inspections and an estimated one complaint response per year.

Over the 40-year period, it is estimated the site may require four abatements of illegal dumps, nuisances, and/or homeless camps. These services would require an average 8 staff hours a year and an average of \$263 per year for vehicle operating, maintenance, and replacement costs.

Estimated Cumulative Revenues (2024 Dollars)					
	5 Years	10 Years	15 Years	20 Years	40 Years
<b>Revenue</b>	\$14,940	\$68,940	\$122,940	\$176,940	\$194,495

As noted above, revenues are expected to exceed expenses for the duration of the 40-year period included in the analysis. Additional revenue sources through fee increases, etc. will impact these projections.

### 1. How does this proposal align with your department’s plans and policies?

The proposed commercial land use is expected to have a moderate service need from our division. Grading and land disturbance will be subject to the grading permitting process and subsequent inspections. However, current staffing is sufficient to complete these duties. This inspection type is documented in Chapter 4 of the Environmental Master Plan.

### 2. How will this proposal affect your key performance indicators?

Once development begins, the subject site would increase the number of routine investigations for the Water Quality team included in KPI 4.5.5.3. However, current staffing is sufficient to complete these during authorized timelines. Therefore, this proposal is not expected to negatively impact this key performance indicator.

### 3. Recommendation: Approve annexation.

## PARK AND RECREATION

### Estimated Cumulative Expenditures and Revenues

Estimated Cumulative Expenditures (assuming 3.5% annual inflation)					
	5 Years	10 Years	15 Years	20 Years	40 Years
Operations					
Capital					
Personnel					
Maintenance (Contract Mow)	\$15,291	\$18,161	\$21,570	\$25,619	\$50,975
Maintenance (Forestry)					
<b>Departmental Review Comments — Expenditures:</b> <b>PARD Forestry:</b> <b>PARD ROW:</b> In current state, annual cost of \$12,875 for 2.20 R/T miles x \$95 for 1st 0.1/mi, then \$20 each additional 0.1; 7-day mow cycle \$515*25 cycles (Cumulative expenditures based upon compounding interest with an annual rate of 3.5%) <b>PARD ROW: PARD PRM-Planning:</b>					

## SUMMARY AND OVERALL RECOMMENDATION

### Expenditures, Revenues, and Cumulative Total Summary

The calculations below present total revenue, total expenditures, balance, and cumulative total. However, it is essential to note that significant future City expenditures are currently excluded such as public local street maintenance and eventual reconstruction throughout the annexation area. The Transportation and Public Works Department has calculated estimates for the cost per lane mile of construction and maintenance expenses by street type.

Collaborative efforts with other departments, facilitated by the FWLab, are underway to enhance the precision of future cost estimates. This collaborative initiative is anticipated to bring greater clarity to the Balance and Cumulative Total figures in forthcoming fiscal impact analysis.

Estimate Year	Cumulative Revenue	Cumulative Expenditures	Cumulative Total Net Revenue
Year 5	\$9,623,174	\$13,978,381	-\$4,355,207
Year 10	\$19,246,348	\$16,818,353	\$2,427,996
Year 15	\$28,869,522	\$19,871,529	\$8,997,993
Year 20	\$38,492,697	\$23,068,525	\$15,424,172
Year 40 (2066)	\$76,985,393	\$38,339,689	\$38,645,704

### Expenditures

- Service and infrastructure costs will increase over time as additional development occurs and as infrastructure ages and needs maintenance and eventual replacement. Depending on the development's tax generation over time, the annual revenue needed to maintain infrastructure and services to the development may be strained to cover costs associated with the development. Future costs to the City include:
  - o Maintenance, construction, and eventual reconstruction of public streets within the development
  - o Mowing, forestry, and operational costs for parkland
  - o Stormwater operation and maintenance
  - o Police, Fire, and EMS services
  - o Environmental quality operational costs and code compliance operations
  - o Water Department will extend service through cost participation as needed.

### Revenues

- The proposed development spans two phases, with construction of several commercial buildings estimated for phase one. The fiscal impact on the General Fund is expected to be negative within the first five years. However, the Cumulative Total Net Revenue is projected to reach \$2,427,996 over ten years and continue to increase to \$38,645,704 over forty years.
- Sales tax revenues will come from retail services.

### Applicable Comprehensive Plan Land Use Policies

The following land use policies support the proposed annexation:

1. Promote fiscally sustainable growth on the periphery of the city by encouraging development adjacent to existing adequate infrastructure and discouraging leapfrog development.

2. Promote commercial, mixed-use, and urban residential development within the Walsh Ranch and Veale Ranch Mixed-Use Growth Centers.
3. Locate large commercial and institutional uses adjacent to arterial streets, preferably at the intersections of other arterials and highways.
4. Provide interconnectivity of streets and trails, especially within residential subdivisions, to reduce vehicle trips on arterial streets, increase efficiency, reduce air pollution, distribute traffic, improve access to public places, improve efficiency in providing services and deliveries, and ensure access for emergency services.

**Land Use Recommendation**

The proposed commercial land use is consistent with the adopted General Commercial Future Land Use designation. This designation aligns with the policy objectives that aim to foster fiscally sustainable growth and promote commercial and mixed-use development in designated areas. These policies include encouraging growth near existing infrastructure, supporting commercial and mixed-use development in specific growth centers, positioning large commercial uses near major roads, and enhancing street and trail connectivity within residential areas.

**Overall Recommendation**

The proposed annexation aligns with strategic growth objectives, showcasing a balanced approach to development by accommodating new commercial development to support significant new residential development. The proposed annexation is within the larger Walsh Ranch development, improving its financial sustainability and infrastructure optimization.

Even though the proposed development will have a negative impact within the first five years, the overall development will continue to produce revenue after year ten, sufficient to cover currently forecast expenditures over the span of forty years. Due to the ability of the area to meet the City’s criteria for full-purpose annexation, based on the Comprehensive Plan Future Land Use Map and policy guidance, staff recommends that the Walsh West (AX-24-008) be considered for annexation at this time.