





APPENDIX.D
Fiscal Impact Summary

FISCAL IMPACT SUMMARY

As part of the comprehensive planning process for the City of Dripping Springs, Catalyst Commercial conducted the fiscal analysis based upon the preferred land use scenario prepared by DTJ.

SUMMARY

The proposed scenario is projected to result in an estimated total of \$695.9M in net new property tax benefits to all taxing entities and a total of over \$93.2M of net new sales tax benefits over the 15-20 year plan horizon (2023 to 2045) for the City of Dripping Springs and the Dripping Springs ETJ (the sales tax calculation includes the 2% that contributes to local taxing entities and excludes the 6.25% that contributes to the State of Texas). Net fiscal benefits include both property and sales taxes that would be generated from potential future development. In addition, the Preferred Scenario is estimated to create 3,556 new jobs and increase population by 9,164 new residents that can contribute to the local economy.

Fiscal impacts for parcels within the City of Dripping Springs over the same plan horizon are \$21.7M in net new property tax benefits to all taxing entities and a total of over \$10.4M of net new sales tax.

Fiscal impacts for parcels within the Dripping Springs ETJ but outside the city limits over the same plan horizon are \$674.2M in net new property tax benefits to all taxing entities and a total of over \$82.8M of net new sales tax.

The analysis area includes 10,633 acres (existing City limits and ETJ). For each Land Use Type, Catalyst Commercial used the following assumptions regarding the balance of land uses that will likely be developed.

Table 1. Land Use Program Breakdown

Land Use (city + ETJ)	Total Area (Ac)	City Area (Ac)	ETJ Area (Ac)	Open Space	SF Residential	Multifamily	Office	Retail	Industrial
Existing Entitled Residential	3,489	924	2,564						
Existing Entitled Commercial	194	194	0						
Rural Preserve	503	0	503	90%	10%	0%	0%	0%	0%
Rural Reserve	5,668	108	5,560	70%	30%	0%	0%	0%	0%
Hill Country Estate	326	0	326	50%	50%	0%	0%	0%	0%
Suburban Neighborhood	1,346	0	1,346	50%	35%	0%	5%	10%	0%
Neighborhood Commercial	129	19	110	25%	25%	0%	20%	20%	10%
Village Center	232	28	205	20%	20%	20%	15%	25%	0%
Village Residential	82	0	82	25%	45%	10%	5%	15%	0%
Mixed Use	38	2	36	25%	35%	15%	10%	15%	0%
Hill Country Destination	110	6	104	30%	0%	0%	10%	35%	25%
Grand Total	12,118	1,281	10,837						

Density: To estimate density, Catalyst Commercial and DTJ used the following floor area ratios (FAR) to estimate land coverage for each Land Use Type.

Table 2. Place Type FAR

Land Use (city + ETJ)	SF Residential Units Per Acre	Multifamily Units Per Acre	Office FAR	Retail FAR	Industrial FAR
Rural Preserve	0.05	0	20%	20%	50%
Rural Reserve	0.1	0	20%	20%	50%
Hill Country Estate	0.2	0	20%	20%	50%
Suburban Neighborhood	4.0	0	40%	40%	50%
Neighborhood Commercial	4.0	0	20%	20%	50%
Village Center	6.0	12	20%	20%	50%
Village Residential	8.0	16	20%	20%	50%
Mixed Use	8.0	20	20%	20%	50%
Hill Country Destination	0.0	0	20%	20%	50%

Program: Based upon the above assumptions, the following represents the total additional program for each land use type.

Table 3. Additional Program by Land Use

Place Type (city + ETJ)	SF Residential Units	Multifamily Units	Office SF	Retail SF	Industrial SF
Existing Entitled Residential	6,854	949	-	-	-
Existing Entitled Commercial	-	-	338,113	1,098,866	147,924
Rural Preserve	3	-	-	-	-
Rural Reserve	170	-	-	-	-
Hill Country Estate	33	-	-	-	-
Suburban Neighborhood	1,884	-	1,172,322	2,344,643	-
Neighborhood Commercial	129	-	225,014	225,014	281,267
Village Center	279	558	303,648	506,080	-
Village Residential	294	131	35,567	106,700	-
Mixed Use	106	114	32,975	49,462	-
Hill Country Destination	-	-	96,006	336,022	600,039
Grand Total	9,751	1,751	2,203,644	4,666,788	1,029,230

To estimate fiscal impact, Catalyst Commercial used the demand assumptions from the Market Analysis to estimate the future absorption through the planning year horizon of 2045.

Annual Absorption Estimates:

SF Residential	413 units (city) 250 units ETJ
Multifamily	73 units (city) 291 units ETJ
Office	7,200 sf (city) 21,200 sf ETJ
Retail	22,500 sf (city) 28,500 sf ETJ
Industrial	5,700 sf (city) 32,300 sf units ETJ

Note: Projected absorption is based upon historical and future projections and actual absorption is subject to the regulatory environment, business conditions, market factors, and other external influences.

Fiscal Impact: Based upon the proposed Place Types and above assumptions, Catalyst Commercial estimated the future sales tax and property tax implications for the City of Dripping Springs through 2045.

Table 4. Cumulative Additional Program by Year (2023-2045)

City + ETJ		Cumulative SF Residential	Cumulative Multifamily Units	Cumulative Office SF	Cumulative Retail SF	Cumulative Industrial
2023	Year 1	663	364	28,400	51,000	38,000
2024	Year 2	1,326	728	56,800	102,000	76,000
2025	Year 3	1,989	949	85,200	153,000	114,000
2026	Year 4	2,652	1,022	113,600	204,000	152,000
2027	Year 5	3,315	1,095	142,000	255,000	190,000
2028	Year 6	3,978	1,168	170,400	306,000	228,000
2029	Year 7	4,641	1,241	198,800	357,000	266,000
2030	Year 8	5,304	1,314	227,200	408,000	304,000
2031	Year 9	5,842	1,387	255,600	459,000	342,000
2032	Year 10	6,092	1,460	284,000	510,000	380,000
2033	Year 11	6,342	1,533	312,400	561,000	418,000
2034	Year 12	6,592	1,606	340,800	612,000	456,000
2035	Year 13	6,842	1,679	369,200	663,000	494,000
2036	Year 14	7,092	1,751	397,600	714,000	532,000
2037	Year 15	7,342	1,751	426,000	765,000	570,000
2038	Year 16	7,592	1,751	454,400	816,000	608,000
2039	Year 17	7,842	1,751	482,800	867,000	646,000
2040	Year 18	8,092	1,751	511,200	918,000	684,000
2041	Year 19	8,342	1,751	539,600	969,000	722,000
2042	Year 20	8,592	1,751	568,000	1,020,000	760,000
2043	Year 21	8,842	1,751	596,400	1,071,000	798,000
2044	Year 22	9,092	1,751	624,800	1,122,000	836,000
2045	Year 23	9,342	1,751	653,200	1,173,000	874,000

To calculate fiscal impact, Catalyst Commercial used the following assumptions:

Sales per SF	\$300.00
Sales Tax Rate	2.0%
City Parcel Property Tax Rate	1.88340/\$100
ETJ Parcel Property Tax Rate	2.29088/\$100
City Parcel Sales Tax Rate	2% (Dripping Springs 1.25%, Hays Co 0.5%, DS Library 0.25%)
ETJ Parcel Sales Tax Rate	2% (Other such as ESD 1.25%, Hays Co 0.5%, DS Library 0.25%)
Residential Unit Size	2,800
Multifamily Unit Size	1,000

To calculate values, Catalyst Commercial used the following values per square foot assumptions:

- Residential: \$140
- Office: \$180
- Retail \$180

Industrial: \$60

Multifamily: \$150

To estimate the number of additional jobs and population, Catalyst Commercial used the following assumptions:

JOBS EST.	SF/JOB
Retail	980
Industrial	450
Office	600
POPULATION	
People per SF unit	2.61
People per MF unit	1.50

Net Fiscal Benefits: Based upon the above values and tax rate assumptions, Catalyst Commercial calculated the estimated net fiscal benefits of the Preferred Scenario. The results are shown below.

- Total Net New Taxable Property Value: the new value that year plus the previous years of new value

Table 5. Dripping Springs (city + ETJ) Preferred Scenario Net Fiscal Benefits (2023-2045)

Fiscal Benefits (city + ETJ)	Total Net New Taxable Property Value	Annual Property Tax	Annual Net New Sales Tax	Annual Additional Jobs	Annual Increase in Population
Year 1	\$331,068,000	\$6,856,880	\$306,000	184	2,276
Year 2	\$662,136,000	\$13,713,761	\$612,000	184	2,276
Year 3	\$971,735,700	\$20,078,828	\$918,000	184	2,062
Year 4	\$1,259,153,700	\$25,935,739	\$1,224,000	184	1,840
Year 5	\$1,546,571,700	\$31,792,650	\$1,530,000	184	1,840
Year 6	\$1,833,989,700	\$37,649,561	\$1,836,000	184	1,840
Year 7	\$2,121,407,700	\$43,506,472	\$2,142,000	184	1,840
Year 8	\$2,408,825,700	\$49,363,383	\$2,448,000	184	1,840
Year 9	\$2,647,394,777	\$54,300,274	\$2,754,000	184	1,515
Year 10	\$2,772,916,777	\$57,108,036	\$3,060,000	184	762
Year 11	\$2,898,438,777	\$59,915,798	\$3,366,000	184	762
Year 12	\$3,023,960,777	\$62,723,560	\$3,672,000	184	762
Year 13	\$3,149,482,777	\$65,531,321	\$3,978,000	184	762
Year 14	\$3,274,851,177	\$68,336,190	\$4,284,000	184	760
Year 15	\$3,389,423,177	\$70,937,720	\$4,590,000	184	653
Year 16	\$3,503,995,177	\$73,539,250	\$4,896,000	184	653
Year 17	\$3,618,567,177	\$76,140,779	\$5,202,000	184	653
Year 18	\$3,733,139,177	\$78,742,309	\$5,508,000	184	653
Year 19	\$3,847,711,177	\$81,343,838	\$5,814,000	184	653
Year 20	\$3,962,283,177	\$83,945,368	\$6,120,000	184	653
Year 21	\$4,076,855,177	\$86,546,897	\$6,426,000	184	653
Year 22	\$4,191,427,177	\$89,148,427	\$6,732,000	184	653
Year 23	\$4,305,999,177	\$91,749,957	\$7,038,000	184	653
		\$1,328,906,998	\$84,456,000	4,228	27,010

Table 6. Dripping Springs (city only) Preferred Scenario Net Fiscal Benefits (2023-2045)

Fiscal Benefits (city)	Total Net New Taxable Property Value	Annual Property Tax	Annual Net New Sales Tax	Annual Additional Jobs	Annual Increase in Population
Year 1	\$178,534,000	\$3,362,509	\$135,000	48	1,187
Year 2	\$357,068,000	\$6,725,019	\$270,000	48	1,187
Year 3	\$535,602,000	\$10,087,528	\$405,000	48	1,187
Year 4	\$714,136,000	\$13,450,037	\$540,000	48	1,187
Year 5	\$892,670,000	\$16,812,547	\$675,000	48	1,187
Year 6	\$1,071,204,000	\$20,175,056	\$810,000	48	1,187
Year 7	\$1,249,738,000	\$23,537,565	\$945,000	48	1,187
Year 8	\$1,428,272,000	\$26,900,075	\$1,080,000	48	1,187
Year 9	\$1,557,957,077	\$29,342,564	\$1,215,000	48	862
Year 10	\$1,574,595,077	\$29,655,924	\$1,350,000	48	110
Year 11	\$1,591,233,077	\$29,969,284	\$1,485,000	48	110
Year 12	\$1,607,871,077	\$30,282,644	\$1,620,000	48	110
Year 13	\$1,624,509,077	\$30,596,004	\$1,755,000	48	110
Year 14	\$1,640,993,477	\$30,906,471	\$1,890,000	48	108
Year 15	\$1,646,681,477	\$31,013,599	\$2,025,000	48	-
Year 16	\$1,652,369,477	\$31,120,727	\$2,160,000	48	-
Year 17	\$1,658,057,477	\$31,227,855	\$2,295,000	48	-
Year 18	\$1,663,745,477	\$31,334,982	\$2,430,000	48	-
Year 19	\$1,669,433,477	\$31,442,110	\$2,565,000	48	-
Year 20	\$1,675,121,477	\$31,549,238	\$2,700,000	48	-
Year 21	\$1,680,809,477	\$31,656,366	\$2,835,000	48	-
Year 22	\$1,686,497,477	\$31,763,493	\$2,970,000	48	-
Year 23	\$1,692,185,477	\$31,870,621	\$3,105,000	48	-
		\$584,782,218	\$37,260,000	1,095	10,908

Table 7. Dripping Springs (ETJ only) Preferred Scenario Net Fiscal Benefits (2023-2045)

Fiscal Benefits (ETJ)	Total Net New Taxable Property Value	Annual Property Tax	Annual Net New Sales Tax	Annual Additional Jobs	Annual Increase in Population
Year 1	\$152,534,000	\$3,494,371	\$171,000	136	1,089
Year 2	\$305,068,000	\$6,988,742	\$342,000	136	1,089
Year 3	\$436,133,700	\$9,991,300	\$513,000	136	874
Year 4	\$545,017,700	\$12,485,701	\$684,000	136	653
Year 5	\$653,901,700	\$14,980,103	\$855,000	136	653
Year 6	\$762,785,700	\$17,474,505	\$1,026,000	136	653
Year 7	\$871,669,700	\$19,968,907	\$1,197,000	136	653
Year 8	\$980,553,700	\$22,463,309	\$1,368,000	136	653
Year 9	\$1,089,437,700	\$24,957,710	\$1,539,000	136	653
Year 10	\$1,198,321,700	\$27,452,112	\$1,710,000	136	653
Year 11	\$1,307,205,700	\$29,946,514	\$1,881,000	136	653
Year 12	\$1,416,089,700	\$32,440,916	\$2,052,000	136	653
Year 13	\$1,524,973,700	\$34,935,317	\$2,223,000	136	653
Year 14	\$1,633,857,700	\$37,429,719	\$2,394,000	136	653
Year 15	\$1,742,741,700	\$39,924,121	\$2,565,000	136	653
Year 16	\$1,851,625,700	\$42,418,523	\$2,736,000	136	653
Year 17	\$1,960,509,700	\$44,912,925	\$2,907,000	136	653
Year 18	\$2,069,393,700	\$47,407,326	\$3,078,000	136	653
Year 19	\$2,178,277,700	\$49,901,728	\$3,249,000	136	653
Year 20	\$2,287,161,700	\$52,396,130	\$3,420,000	136	653
Year 21	\$2,396,045,700	\$54,890,532	\$3,591,000	136	653
Year 22	\$2,504,929,700	\$57,384,934	\$3,762,000	136	653
Year 23	\$2,613,813,700	\$59,879,335	\$3,933,000	136	653
		\$744,124,780	\$47,196,000	3,132	16,102