

**Item 5A
Attachment 7**

WATERSTONE SOUTH

NET FISCAL IMPACT

TOWN OF HILLSBOROUGH, NC

OCTOBER 15, 2023

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Table of Contents

Summary of Fiscal and Economic Benefits	2
Fiscal Benefits – Town of Hillsborough	2
Economic Benefits – Town of Hillsborough	2
Introduction	3
Annual Net Fiscal Benefit – Town of Hillsborough	4
Annual General Fund Revenues	4
Annual General Fund Expenditures	9
Annual Net Fiscal Impact	13
Developer Contributions Town Water and Sewer System	14
Key Assumptions and Methodology	15
Methodology and Key Assumptions	15
General Limiting Conditions	17
Appendix	18
Table 1: Waterstone South Development Program	3
Table 2: Waterstone South Population Projection	3
Table 3: Waterstone South New Employment Projection	4
Table 4: Waterstone South Real Property Tax Base	5
Table 5: Waterstone South Annual Real Property Tax Revenue - Town	5
Table 6: Waterstone South Annual Business Property Tax Revenue - Town	5
Table 7: Waterstone South Annual Motor Vehicle Tax Revenue - Town	6
Table 8: Waterstone South Annual Local Option Sales Tax - Town	6
Table 9: Waterstone South Annual Auto Decal Fees - Town	7
Table 10: Waterstone South Annual Other General Fund Revenues - Town	7
Table 11: Waterstone South Annual Stormwater Fees - Town	8
Table 12: Waterstone South Annual General Fund Revenues - Town	9
Table 13: Waterstone South Annual General Fund Expenditures - Town	10
Table 14: Town of Hillsborough Annual General Fund Operating Expenditure Allocation	10
Table 15: Waterstone South Annual Police Expenditures - Town	11
Table 16: Waterstone South Annual Fire Expenditures – Orange Rural Fire Department	12
Table 17: Waterstone South Annual Streets Expenditures - Town	12
Table 18: Waterstone South Net Fiscal Benefit – Town	13
Table 19: Proposed Developer Contributions to Water and Sewer System - Town	15
Appendix Table 1: Fiscal Assumptions - Town	18
Appendix Table 2: Orange County Persons per Housing Unit	19
Appendix Table 3: Functional Population Calculations	20

SUMMARY OF FISCAL AND ECONOMIC BENEFITS

Capkov Ventures, Inc. is seeking approval from the Town of Hillsborough, North Carolina (“Town”) for a mixed-use, master-planned community referred to as Waterstone South (“Project”). At full buildout, the Project will include 450 apartments, 205 townhomes, 200,000 square feet of medical office space, and 40,000 square feet of retail, restaurant, and day care space.

Key fiscal and economic benefits of the Project at buildout are highlighted below.

FISCAL BENEFITS – TOWN OF HILLSBOROUGH

At full buildout, Waterstone South is expected to:

- Generate real property tax base of \$241.5 million.
- Generate annual real property tax revenue of \$1.4 million.
- Generate total annual revenue of \$2.0 million.
- Generate annual net fiscal benefit of \$958,000.
- Generate annual stormwater revenue of \$47,000.

Developer Town Water and Sewer System Proposed Improvements:

- Accelerate payment of \$4.7 million Water and Sewer Development Fees.
- Direct Water and Sewer Construction Improvements of \$3.3 million.

ECONOMIC BENEFITS – TOWN OF HILLSBOROUGH

At buildout, the operating activities of the new businesses in Waterstone South and the occupancy of the new residential units are expected to:

- Create total annual economic impact, in terms of output, of \$220.4 million.
- Create 1,014 direct onsite permanent jobs in the Town of Hillsborough, most of which are projected to be high-paying medical jobs.
- Create 1,647 total permanent jobs in the local area.
- Create total annual labor income of \$104.3 million in the local area.

The local spending by the new businesses and residents of Waterstone South will be significant to existing Hillsborough businesses.¹

¹ The economic benefits are described in the report, “Fiscal and Economic Impacts of Waterstone South (September 30, 2022).”

INTRODUCTION

The proposed development program for the Project is presented in Table 1.

Table 1: Waterstone South Development Program

	Phase 1	Phase 2	Total
Residential Product Type	Units	Units	Units
Apartments	225	225	450
Townhomes	70	135	205
Total	295	360	655
Non-Residential Product Type	Square Feet	Square Feet	Square Feet
Medical Office	100,000	100,000	200,000
Retail	15,000	-	15,000
Restaurant	15,000	-	15,000
Day Care	10,000	-	10,000
Total	140,000	100,000	240,000

Source: Capkov Ventures, Inc., DPFG, 2023

The 655 residential units are projected to generate 1,102 new residents as shown in Table 2.

Table 2: Waterstone South Population Projection

Residential Product	Units	Persons per Housing Unit	Projected Population
Apartments	225	1.54	346
Townhomes	70	2.00	140
Phase 1 Total	295		486
Apartments	225	1.54	346
Townhomes	135	2.00	270
Phase 2 Total	360		616
Grand Total	655		1,102
Apartments	450		692
Townhomes	205		410
Grand Total	655		1,102

Source: Town of Hillsborough, 2021 ACS Estimates, DPFG, 2023

As shown in Table 3, the non-residential land uses are projected to generate 1,014 new onsite employees. Most of the new jobs are high-paying medical jobs, but new job demand also includes jobs across all wage ranges.

Table 3: Waterstone South New Employment Projection

Non-Residential Land Uses	Square Feet	Occupancy %	Occupied Sq. Ft.	Sq Ft per Employee	New FTE Employees	FTE Conversion Factor	Total New Employees
Medical Office	100,000	100%	100,000	250	400	0.9124	438
Retail	15,000	100%	15,000	420	36	0.8571	42
Restaurant	15,000	100%	15,000	266	56	0.7925	71
Day Care	10,000	100%	10,000	450	22	0.8849	25
Phase 1 Total	140,000		140,000		514		576
Medical Office	100,000	100%	100,000	250	400	0.9124	438
Phase 2 Total	100,000		100,000		400		438
Grand Total	240,000		240,000		914		1,014

Source: Capkov Ventures, Inc., IMPLAN, ITE Trip Generation Manual 10th Edition, DPGF, 2023

This report analyzes the net fiscal benefit generated by the Project on the Town of Hillsborough ("Town"). The key assumptions and methodologies used in the analysis are described in the Methodology section of this report. Supporting tables are provided in the Appendix.

ANNUAL NET FISCAL BENEFIT – TOWN OF HILLSBOROUGH

ANNUAL GENERAL FUND REVENUES

Property Taxes

As shown in Table 4, the real property tax base of Waterstone South is projected to exceed \$241.5 million with the commercial real property tax base comprising 41 percent of the total. ²

² The tax base estimates are consistent with the estimates provided in the "Fiscal and Economic Impacts of Waterstone South (September 30, 2022)."

Table 4: Waterstone South Real Property Tax Base

Residential Land Use	Units	Market Value	Construction Price Index	Adjusted	Cost of Sales Factor	Tax Value	Tax Base	%
		per Unit (2022\$)				(Jan 1, 2021) Per Unit		
Apartments	450	\$ 230,000	0.918	\$ 211,000	5%	\$ 200,000	\$ 90,000,000	59%
Townhomes	205	\$ 350,000	0.774	\$ 271,000	6%	\$ 255,000	52,275,000	
Total	655						\$ 142,275,000	
Non-Residential Land Use		Sq. Ft.	Tax Value (Jan 1, 2021) Per Sq. Ft.		Tax Base		41%	
Medical Office	200,000	\$ 450	\$ 90,000,000					
Retail	15,000	\$ 250	3,750,000					
Restaurant	15,000	\$ 250	3,750,000					
Day Care	10,000	\$ 175	1,750,000					
Total	240,000		\$ 99,250,000					
		Total	\$ 241,525,000		100%			

Note: January 1, 2021 is the most recent Orange County reappraisal.

Source: Capkov Ventures, Inc., Orange County, DPGF, 2023

At buildout, the Project is expected to generate annual real property tax revenue of \$1.4 million for the Town as shown in Table 5.

Table 5: Waterstone South Annual Real Property Tax Revenue - Town

Real Property Tax	Total Project Annual
Real Property Tax Base	\$ 241,525,000
Property Tax Rate per \$100 Valuation	0.5870
Annual Real Property Tax	\$ 1,418,000
Collection %	97.00%
Annual Real Property Tax Net of Collection %	\$ 1,375,000

Source: Capkov Ventures, Inc., Town of Hillsborough, DPGF, 2023

At buildout, the Project is expected to generate annual business property tax revenue of \$50,000 as shown in Table 6.

Table 6: Waterstone South Annual Business Property Tax Revenue - Town

Business Personal Property	Total Project Annual
Commercial Assessed Value	\$ 99,250,000
% Furniture and Equipment	9%
Business Personal Property Assessed Value	\$ 8,933,000
Property Tax Rate per \$100 Valuation	0.5870
Annual Business Personal Property Tax	\$ 52,000
Collection %	97.00%
Annual Business Property Tax Net of Collection %	\$ 50,000

Source: Capkov Ventures, Inc., Town of Hillsborough, Orange County, DPGF, 2023

Estimated annual motor vehicle tax revenue at buildout is shown in Table 7.

Table 7: Waterstone South Annual Motor Vehicle Tax Revenue - Town

Motor Vehicle Property Tax	Total Project Annual
Motor Vehicle Tax Base	
Countywide Motor Vehicle Valuation	\$ 1,433,315,493
County Population	148,197
Motor Vehicle Tax Base per Capita	\$ 9,672
Watertone South Population	1,102
Watertone South Motor Vehicle Tax Base	\$ 10,658,544
Property Tax Rate per \$100 Valuation	0.5870
Annual Real Property Tax	\$ 63,000
Collection %	97.00%
Annual Motor Vehicle Tax Net of Collection %	\$ 61,000

Source: Town of Hillsborough, Orange County, DPFG, 2023

Local Option Sales Tax

The local sales and use taxes are levied by the Orange County Board of Commissioners and are collected by the State of North Carolina on behalf of Orange County. The local option sales tax rate of 2 cents consists of three separate taxes that are authorized by North Carolina General Statutes: Article 39 One-Cent tax, Article 40 One-Half Cent tax, and Article 42 One-Half Cent tax. Article 39 taxes are distributed back to counties based on a point-of-sale basis. Article 40 taxes are distributed back to counties on a statewide county per capita basis (with a factor adjustment applied). Article 42 taxes are distributed back to counties in the same manner as Article 39 taxes. Distributions of these funds are made to the Town monthly on a per capita basis.

For purposes of this analysis, it assumed the per capita taxable retail spending of Waterstone South residents will be consistent with that of the existing Town population.

Projected annual local option sales tax revenue is calculated in Table 8.

Table 8: Waterstone South Annual Local Option Sales Tax - Town

Local Option Sales Tax	Total Project Annual
Local Option Sales Tax	\$ 3,026,000
Town Population	9,868
Per Capita	\$ 307
Watertone South Resident Population	1,102
Total Sales Tax Revenue	\$ 338,000

Source: NC Department of Revenue, Town of Hillsborough, DPFG, 2023

Auto Decal Fees

The Town charges Auto Decal Fees of \$30 per vehicle. For purposes of this analysis, one vehicle per residential unit is assumed which is a conservative assumption.

Table 9: Waterstone South Annual Auto Decal Fees - Town

Auto Decal Fee	Total Project Annual
Vehicles in Waterstone South	655
Auto Decal Fees per Vehicle	\$ 30
Auto Decal Fee Revenue	\$ 20,000

Source: Town of Hillsborough, DPGF, 2023

Other General Fund Revenues

Projected other General Fund revenues are presented in Table 10.

Table 10: Waterstone South Annual Other General Fund Revenues - Town

Other Revenues	Total Project Annual
Intergovernmental - Est. Unrestricted	\$ 1,027,000
Total Other Revenue	\$ 1,027,000
Town Population	9,868
Per Capita	\$ 104
Watertone South Resident Population	1,102
Total Other Revenues	\$ 115,000

Source: NC Department of Revenue, Town of Hillsborough, DPGF, 2023

Stormwater Fees

The Town charges an annual stormwater fee of \$75 per residential property. Annual non-residential stormwater fees are subject to a fee schedule. Annual stormwater fees are estimated in Table 11.

Table 11: Waterstone South Annual Stormwater Fees - Town

Stormwater Fee	Phase 1 Annual	Phase 2 Annual	Total Project Annual
Residential			
Fee per Townhome	\$ 75	\$ 75	\$ 75
Watertone South Townhomes	70	135	205
Stormwater Fee Annual Revenue	\$ 5,000	\$ 10,000	\$ 15,000
Non-Residential (Apartments)	225	225	225
Tier 5, 200,000 sq. ft. and above	12,900	12,900	12,900
Parcels	1	1	2
Stormwater Fee Annual Revenue	\$ 13,000	\$ 13,000	\$ 26,000
Non-Residential (Medical Office and Retail)			
Tier 3, 30,001 to 100,000	1,800	1,800	1,800
Parcels	2	1	3
Stormwater Fee Annual Revenue	\$ 4,000	\$ 2,000	\$ 6,000
Total Stormwater Fee Annual Revenue	\$ 22,000	\$ 25,000	\$ 47,000

Source: Town of Hillsborough, DPFG, 2023

Total Annual General Fund Revenues

At buildout, the Project is projected to generate annual general fund revenue of over \$1.9 million for the Town.

Table 12: Waterstone South Annual General Fund Revenues - Town

General Fund	Annual Revenues
Revenues:	
Property Tax Revenue:	
Property Tax - Real Property	\$ 1,375,000
Property Tax - Business Personal	50,000
Property Tax - Motor Vehicle	61,000
Total Property Tax Revenue	<u>\$ 1,486,000</u>
Local Option Sales Tax	338,000
Auto Decal Fees	20,000
Other Town Revenues	115,000
Total Revenues	<u>\$ 1,959,000</u>
Stormwater Revenue	\$ 47,000

Source: DPFG, 2023

ANNUAL GENERAL FUND EXPENDITURES

DPFG worked closely with the Town to identify the departments which will generate demand for service from Watertone South and to develop estimates of annual operating and capital costs.

Total Annual General Fund Expenditures

Annual operating expenditures are provided in Table 13 using the case study approach for Police, Fire, and Streets, and the average cost approach for the remaining categories. A full-time equivalent functional population approach was integrated into the per capita demand calculations.

At buildout, Waterstone South is projected to generate annual Town expenditures of \$1.0 million.

Table 13: Waterstone South Annual General Fund Expenditures - Town

Department	Amount
Administration	\$ 26,000
Accounting	15,000
Planning	45,000
Information Technology	31,000
Police	473,000
Fire Protection	265,000
Fleet Maintenance	49,000
Streets	14,000
Solid Waste	34,000
Subtotal	\$ 952,000
Police Vehicles - Annual Debt Service	49,000
Annual Expenditures	\$ 1,001,000

Total Police - Operating and Capital 522,000

Source: Town of Hillsborough, DPFG, 2023

Table 14 provides the assumptions applied in projecting annual operating expenditures using the functional population per capita methodology.

Table 14: Town of Hillsborough Annual General Fund Operating Expenditure Allocation

Department	FY 2024 Grouping	Personnel, Operating, Cost Alloc. & Debt Service Cost	FY 2024 Budget Less I/F Transfers	Allocation Method	Town Allocation Base	Unit Cost	Demand Multiplier	Adjusted Unit Cost	Waterstone South Population	Annual Expenditures
Governing Body	\$ 160,903		160,903	Fixed	-	\$ -	\$ -	\$ -	-	-
Administration	802,789		802,789	Funct Pop	12,211	\$ 65.74	0.30	\$ 19.72	1,342	26,000
Accounting	447,647		447,647	Funct Pop	12,211	\$ 36.66	0.30	\$ 11.00	1,342	15,000
Planning	1,366,152		1,366,152	Funct Pop	12,211	\$ 111.88	0.30	\$ 33.56	1,342	45,000
Facilities Management	417,106		417,106	Fixed	-	-	-	-	-	-
Public Space	649,203		649,203	Fixed	-	-	-	-	-	-
Safety and Risk Management	289,094		289,094	Fixed	-	-	-	-	-	-
Information Technology	558,776		558,776	Funct Pop	12,211	\$ 45.76	0.50	\$ 22.88	1,342	31,000
Police	4,608,623	\$ 4,418,623		Calculated	12,211	\$ 361.86	0.97	\$ 352.10	1,342	473,000
Fire Protection	1,750,770		1,975,770	Calculated						265,000
Fleet Maintenance	446,423		446,423	Funct Pop	12,211	\$ 36.56	1.00	\$ 36.56	1,342	49,000
Streets	1,608,661	1,219,661		Calculated						14,000
Solid Waste	822,116		822,116	Town Home Population	9,868	\$ 83.31	1.00	\$ 83.31	410	34,000
Cemetery	15,560		15,560	Fixed	-	-	-	-	-	-
Special Appropriations	620,768		620,768	Fixed	-	-	-	-	-	-
Contingency	500,000		500,000	Fixed	-	-	-	-	-	-
Interfund Transfers	1,457,003			Fixed	-	-	-	-	-	-
General Fund Expenditures	\$ 16,521,594	\$ 5,638,284	\$ 9,072,307							\$ 952,000

Source: Town of Hillsborough, DPFG, 2023

Police Services

According to the Town's Police Chief, the new Waterstone South residents and businesses are expected to generate demand for four (4) new police full-time equivalent ("FTEs") positions. The annual Operating Cost of \$473,000 and the annual Capital Cost of \$49,000 are projected in Table 15. The total projected annual Police Service cost is \$522,000.

Table 15: Waterstone South Annual Police Expenditures - Town

Operating Cost	Amount
Personnel, Operating, Cost Alloc. & Debt Service Cost	\$4,418,623
Existing FTEs	37.40
Annual Cost per FTE	\$ 118,145
New FTEs	4.00
Annual Personnel, Operating, Cost Alloc & Debt Service Cost	\$ 473,000
Capital Cost	Amount
Town of Hillsborough Existing Level of Service:	
Functional Population	12,211
Police Department FTEs	37.40
Officers per 1,000 Population	3.06
Waterstone South:	
Functional Population	1,342
Officers per 1,000 Population	3.06
Projected Police Department FTEs	4.11
New Police Officers per Police Chief	4.00
Cost of New Vehicle	\$ 45,000
Total Vehicle Cost	\$ 180,000
Interest Rate	4.0%
Term, in Years	4
Annual Police Vehicle Cost	\$ 48,771
Annual Police Vehicle Cost - Rounded	49,000

Source: Town of Hillsborough, DPFG, 2023

Fire Protection Services

The Orange Rural Fire Department ("Fire Department") provides fire, rescue, hazmat, and emergency medical care services to the Central Orange Fire District and the Town of Hillsborough. The Fire Department estimates Waterstone South will generate demand for 1.5 additional firefighters for each shift at an annual cost of \$265,000 as shown in Table 16.

Table 16: Waterstone South Annual Fire Expenditures – Orange Rural Fire Department

Orange Rural Fire Department Estimate	Amount
Firefighter per Shift	1.5
# of Shifts	3.0
Annual Cost per Firefighter (Including Benefits)	\$ 54,530
Estimated Annual Cost	\$ 245,385
Estimated Cost Radios, Protective Clothing, etc.	\$ 20,000
Estimated Annual Cost	\$ 265,385
Estimated Annual Cost - Rounded	\$ 265,000

Source: Orange Rural Fire Department, Town of Hillsborough, DPFG, 2023

Streets

Capkov Ventures estimates Waterstone South will dedicate approximately 1.632 miles of public roads to the Town. The annualized cost of periodic road resurfacing is provided in Table 17.

Table 17: Waterstone South Annual Streets Expenditures - Town

Description	Amount
Miles of Public Roads	1.632
Resurfacing Cost per Mile	\$ 175,000
Resurfacing Cost	\$ 285,600
Resurfacing Cycle, in years	20
Annualized Resurfacing Cost	\$ 14,280
Annualized Resurfacing Cost - Rounded	\$ 14,000

Source: Capkov Ventures, Inc., Town of Hillsborough, DPFG, 2023

ANNUAL NET FISCAL IMPACT

At buildout, Waterstone South is projected to generate an annual net fiscal benefit of \$958,000 for the Town.

Table 18: Waterstone South Net Fiscal Benefit – Town

General Fund	Annual Revenues
Revenues:	
Property Tax Revenue:	
Property Tax - Real Property	\$ 1,375,000
Property Tax - Business Personal	50,000
Property Tax - Motor Vehicle	61,000
Total Property Tax Revenue	<u>\$ 1,486,000</u>
Local Option Sales Tax	338,000
Auto Decal Fees	20,000
Other Town Revenues	115,000
Total Revenues	<u>\$ 1,959,000</u>
Expenditures:	
Administration	\$ 26,000
Accounting	15,000
Planning	45,000
Information Technology	31,000
Police	522,000
Fire Protection	265,000
Fleet Maintenance	49,000
Streets	14,000
Solid Waste	34,000
Total Expenditures	<u>\$ 1,001,000</u>
Excess Annual General Fund Revenues	<u>\$ 958,000</u>
Stormwater Revenue	<u>\$ 47,000</u>

Source: DPGF, 2023

DEVELOPER CONTRIBUTIONS TOWN WATER AND SEWER SYSTEM

As part of the Waterstone South proposal to the Town, Capkov Ventures, Inc. will make a significant contribution to the Town's water and sewer system. The structure of the contribution is divided between the direct construction of needed improvements and accelerated "System Development Fees" for both water and sewer.

1. Direct Construction of Improvement

Capkov Ventures Inc. has proposed constructing the following to improve the existing Town sewer utility infrastructure. The estimated cost of the improvements is \$3.3 million.

- a. Demolish the old Nazarene lift station and construct a new lift station with significantly higher capacity. The new lift station will have the capacity to allow inflows from areas not currently being served along the I-86 corridor.
- b. Eliminate the existing Woods Edge South lift station on Alice Loop Drive and construct a new gravity sewer line. The Woods Edge South lift station is an antiquated lift station constructed to serve the Woods Edge Mobile Home community and was not constructed to municipal standards. The elimination of the lift station and conversion to gravity flow sewer will save the Town significant maintenance and replacement cost in the future.
- c. Run a new larger diameter forced main line from the Nazarene lift station to the Cates Creek Outfall, along Highway I-86 South and Waterstone Drive. This will allow more potential capacity from the public schools to the south and other potential future users.

2. Accelerate System Development Fee Payments

The Town needs to upgrade several elements of their existing system to handle the existing and committed sewer flows, and to add capacity for future development. Capkov Ventures proposes accelerating the System Development Fees for each townhome or apartment in the proposed community upon approval of each phase. This will provide immediate funding for the essential improvements.

The 2023 Sewer System Development Fee per unit is \$3,243, and the total 2023 Water System Development Fee per unit is \$3,864 for a total of \$7,107 per unit.

Table 19 summarizes the proposed developer contribution of \$8.0 million.

Table 19: Proposed Developer Contributions to Water and Sewer System - Town

Description	# of Units	Fees per Unit	Total
Phase II	205	\$ 7,107	\$ 1,456,935
Phase II	225	\$ 7,107	1,599,075
Phase III	225	\$ 7,107	1,599,075
Total System Development Fees	655		\$ 4,655,085
Direct Construction Improvements			3,300,000
Total Proposed Developer Contribution			\$ 7,955,085

Source: Capkov Ventures, Inc, 2023

KEY ASSUMPTIONS AND METHODOLOGY

METHODOLOGY AND KEY ASSUMPTIONS

Because substantial growth is projected for the Research Triangle area over the next decade, the residential and commercial impacts in this analysis are considered “new.” For example, even if new residents do not directly purchase or rent homes in the Project, vacancies left by existing residents will make existing units available for new residents. Likewise, population and job growth are expected to fuel the demand for the new commercial facilities in Waterstone South.

Market values for the residential properties in Waterstone South were estimated by Capkov Ventures, Inc. Residential market values were converted to taxable values by applying a (1) cost index to adjust values to the most recent County reappraisal (January 1, 2021) and (2) cost of sales factor. Non-residential tax values per product type were based on assessed values (January 1, 2021) of comparable Orange County properties.

The fiscal impact analysis of Waterstone South uses a marginal/average cost hybrid methodology to determine the Project’s impact on capital and operating costs. Revenues, such as property taxes, were projected on a marginal basis, whereas other revenues attributable to growth were reflected on an average cost basis. A full-time equivalent functional population approach was used in the per capita demand calculations to estimate certain annual expenditures.

The Town’s fiscal year (“FY”) 2024 budget forms the basis for the service levels and revenue and cost assumptions. This “snapshot” approach does not attempt to speculate how services, costs, revenues, and other factors will change over time. Instead, it evaluates the fiscal impact to the Town as it conducts business under the current budget. Tax rates in effect for FY 2024 are also held constant in this analysis.

All amounts in this report are presented in constant dollars (2023). Results are rounded to the nearest one thousand dollars (\$1,000).

The impacts of self-supporting funds (e.g., enterprise funds) were not included in this analysis as is typical in fiscal impact analysis. Utility rates and capacity fees are established through independent studies. Public utilities generally benefit from economies of scale (i.e., more customers) since rate structures are dependent upon recovering infrastructure costs which are considered fixed from a cost accounting perspective.

Supporting tables are provided in the Appendix.

GENERAL LIMITING CONDITIONS

Every reasonable effort has been made to ensure that the data contained in this report are accurate as of the date of this study; however, factors exist that are outside the control of DPFG and that may affect the estimates and/or projections noted herein. This study is based on estimates, assumptions and other information developed by DPFG from its independent research effort, general knowledge of the industry, and information provided by and consultations with the client and the client's representatives. No responsibility is assumed for inaccuracies in reporting by the client, the client's agent and representatives, or any other data source used in preparing or presenting this study.

This report is based on information that was current as of October 2023 and DPFG has not undertaken any update of its research effort since such date.

Because future events and circumstances, many of which are not known as of the date of this study, may affect the estimates contained therein, no warranty or representation is made by DPFG that any of the projected values or results contained in this study will actually be achieved.

Possession of this study does not carry with it the right of publication thereof or to use the name of DPFG in any manner without first obtaining the prior written consent of DPFG. No abstracting, excerpting or summarization of this study may be made without first obtaining the prior written consent of DPFG. This report is not to be used in conjunction with any public or private offering of securities, debt, equity, or other similar purpose where it may be relied upon to any degree by any person other than the client, nor is any third party entitled to rely upon this report, without first obtaining the prior written consent of DPFG. This study may not be used for purposes other than that for which it is prepared or for which prior written consent has first been obtained from DPFG. Any changes made to the study, or any use of the study not specifically prescribed under agreement between the parties or otherwise expressly approved by DPFG, shall be at the sole risk of the party making such changes or adopting such use.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

APPENDIX

Appendix Table 1: Fiscal Assumptions - Town

	Town of Hillsborough
0.587	FY 2024 Property Tax Rate per \$100
97.00%	Collection %
\$ 30	Motor License Vehicle Fee
\$ 1,433,315,493	2022-23 Countywide Motor Vehicle Valuation
148,197	Countywide Population NCDOR (July 2023)
9,601	Town Population - NCDOR (July 2023)
4,614	Town Employed Population 16+ 2020 ACS 5-Year Est.
9,868	Town Population - Town of Hillsborough (State Demographer)
	Census.Gov Single Family Construction Price Index
185.1	August 2022
143.2	January 1, 2021 (December 2020)
0.7736	Ratio
6%	Single Family Residential Cost of Sales Factor
	Census.Gov Multi-Family Construction Price Index
195.9	Second Quarter 2022
179.9	January 1, 2021 (December 2020)
0.9183	Ratio
5%	MF Residential Cost of Sales Factor
	Stormwater Fee
\$ 75	Residential per Year
\$ 1,800	Non-Residential 30,001 to 100,000 sq. ft.
	System Development Fee - Residential
\$ 3,864	Water Treatment per Unit
\$ 3,243	Wastewater Treatment per Unit

Source: Town of Hillsborough, Census. Gov, NCDOR, DPFG, 2023

Appendix Table 2: Orange County Persons per Housing Unit

Housing Type	Units B25024	Units	Population B25033	Persons per Housing Unit
1, detached	38,129			
1, attached	5,180	43,309	104,923	2.42
2	860			
3 to 4	2,091	2,951	4,839	1.64
5 to 9	3,075			
10 to 19	3,408			
20 to 49	1,880			
50 or more	3,658	12,021	18,466	1.54
Mobile Home	3,480	3,480	8,361	2.40
Boat, RV, Van	-	-	-	
Total	61,761	61,761	136,589	2.21
Townhome - per Town of Hillsborough				2.00

Source: 2021 ACS Estimates for Orange County, NC, DPGF, 2023

Appendix Table 3: Functional Population Calculations

Town of Hillsborough				
Full-Time Equivalent Functional Population				
Description	Hillsborough Population	24/7	24/7	%
		Functional Population Coefficient	Functional Population	
Working $\{[(24*7)-(9*5)]/(24*7)\}$	4,614	0.7321	3,378	
Non-Working (24/24)	5,254	1.0000	5,254	
Permanent Population	9,868	0.8747	8,632	71%
Hillsborough Employment Population				
Agriculture Forestry, Fishing, & Hunting	77	0.3002	23	
Construction	319	0.3002	96	
Manufacturing	196	0.2904	57	
Transportation	10	0.3002	3	
Communication	19	0.3002	6	
Utility	30	0.3002	9	
Wholesale Trade	571	0.3095	177	
Retail Trade	2,942	0.8663	2,549	
Finance, Insurance, Real Estate	347	0.3064	106	
Hotels & Lodging	31	0.3714	12	
Automotive Services	33	0.3002	10	
Health Services	656	0.4747	311	
Legal Services	63	0.3064	19	
Education Institutions & Libraries	749	0.2679	201	
Other Services	1,460	0.3002	438	
Government	1,592	0.4066	647	
Unclassified	100	0.3002	30	
Total	9,195	0.3892	3,579	29%
Full-Time Equivalent Functional Population			12,211	100%
Waterstone South				
Waterstone South	Estimated Residents/ Employees	24/7	24/7	%
		Functional Population Coefficient	Functional Population	
Apartments	692	0.8747	605	
Townhomes	410	0.8747	359	
Total Projected Residents	1,102	0.8748	964	72%
Projected Employees				
Office	876	0.3064	268	
Retail	113	0.8663	98	
Day Care	25	0.4747	12	
Total Employees	1,014	0.3729	378	28%
Full-Time Equivalent Functional Population			1,342	100%

Source: 2021 ACS Estimates for Town of Hillsborough, NC, Town of Hillsborough, NC, DPFG, 2023