

**Town of Lyons, Colorado
Planning Commission
PCDC Agenda Cover Sheet
Agenda Item No:
Meeting Date: March 5, 2020**

TO: Planning Commission Members
FROM: Jill Johnson, Finance Director
DATE: March 5, 2020
ITEM: BBC Fiscal Impact of Lyons Valley Townhomes

_____ **ORDINANCE**
_____ **MOTION / RESOLUTION**
X **INFORMATION**

- I. **REQUEST OR ISSUE:** Fiscal Impact of Lyons Valley Townhomes
- II. **RECOMMENDED ACTION / NEXT STEPS:** Staff does not have any recommendations.
- III. **FISCAL IMPACTS:** Yes
- IV. **BACKGROUND INFORMATION:** The Town of Lyons Board of Trustees began negotiations with Summit Housing Group for affordable housing in the Town of Lyons called Lyons Valley Townhomes. The developer provided a fiscal impact study estimating how the addition of 40 homes would impact the town's finances. The net overall effect of these homes on the Town according to this study, is the new residential properties would create an operational deficit of approximately \$2,558 per household for 40 units; total \$102,320.

I believe there are several factors that are not included in the study but would be important to know.

- By Colorado Statute, the Town is not permitted to operate at a deficit. All expenses would have to be offset by revenues which is our current practice.
- The Study assumes 15% of sales taxes are generated by residents. With the new destination sourcing required by the Colorado Department of Revenue, sales originating outside of Lyons but shipped into Lyons have produced an increase over pre-July 2019 sales tax of approximately 13%. This would increase the resident contribution of sales tax however, 72% of the sales taxes would be non-resident produced. The 2018 figures shown are not reflecting the increase in sales taxes actually realized in 2019.
- The Town Board of Trustees, upon the recommendation of the Utility & Engineering Board increased water rates \$1.00 per 1,000 gallons in 2019, and increased sewer rates \$4.00 per 1,000 gallons in 2018 and \$4.00 per 1,000 gallons in 2019 to ensure

users, whether residential or commercial are covering the expenses of providing these services.

- The Parks and Recreation Fund is supported by sales and use taxes, however, 33% of the revenues come from fees (camping, parking, events) from non-residents which is not included in the impact calculation of the fund.

The Town of Lyons Board of Trustees ensures the operating budget is balanced and provides adequate reserves for unexpected costs. It is not expected, that by adding these units, the residents of Lyons will incur significant tax increases or decreases in services.

V. **LEGAL ISSUES:** None.

VI. **CONFLICTS OR ENVIRONMENTAL ISSUES:** N/A

VII. **SUMMARY AND ALTERNATIVES:** To not provide affordable housing.

VIII. **PROPOSED MOTION:** none.