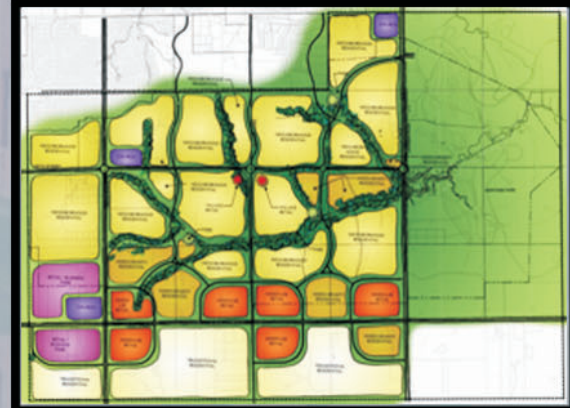
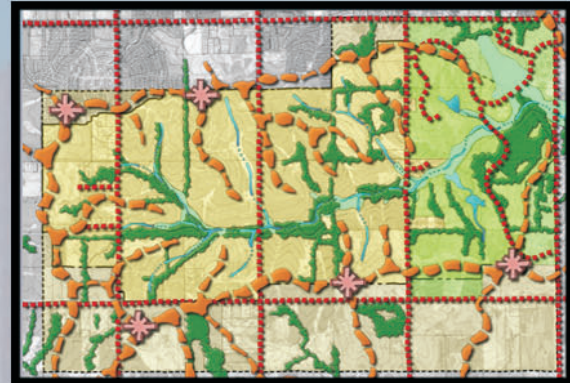


# COFFEE CREEK MASTER PLAN

JULY 2005



  
**OLATHE**  
K A N S A S

**HNTB**  
IN ASSOCIATION WITH:  
TISCHLER AND ASSOCIATES  
AND  
DEVELOPMENT STRATEGIES

RESOLUTION NO. 05-01

**A RESOLUTION ADOPTING THE COFFEE CREEK MASTER PLAN INTO THE OLATHE COMPREHENSIVE PLAN**

**WHEREAS**, the Governing Body adopted the *Comprehensive Plan* for the City of Olathe on April 1, 1997, by Ordinance No. 97-48; and

**WHEREAS**, the *Comprehensive Plan* contains several elements; and

**WHEREAS**, the *Comprehensive Plan* states that several corridor studies would be completed; and

**WHEREAS**, a corridor study for the area south of Olathe between Ridgeview Road and Pflumm Road was needed to ensure consistent and appropriate growth; and

**WHEREAS**, the City of Olathe expects that the land encompassed by the *Coffee Creek Master Plan* will one day be within the corporate limits of the city; and

**WHEREAS**, a corridor study was completed with the participation of the plan area property owners, local governing entities, and other interested parties; and

**WHEREAS**, on April 11, 2005 the Olathe Planning Commission, after giving the required notice, held a public hearing on the *Coffee Creek Master Plan*;

**WHEREAS**, on June 27, 2005 the Olathe Planning Commission, adopted the *Coffee Creek Master Plan*; and

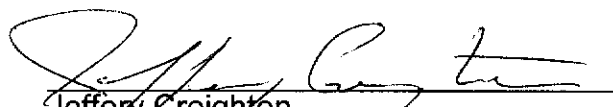
**NOW, THEREFORE, BE IT RESOLVED THAT:**

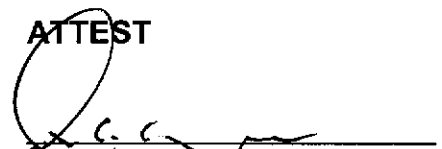
**SECTION ONE:** The *Coffee Creek Master Plan* and accompanying land use plan is adopted.

**SECTION TWO:** The *Coffee Creek Master Plan* shall be incorporated as part of the *Comprehensive Plan* for the City of Olathe.

**SECTION THREE:** The *Coffee Creek Master Plan* shall be used as city policy guidelines.

**SECTION FOUR:** The *Coffee Creek Master Plan* shall be reviewed annually as part of the *Comprehensive Plan* update.

  
Jeffery Creighton  
Planning Commission Chair

ATTEST  
  
Secretary

**ORDINANCE NO. 05-75**

**AN ORDINANCE ADOPTING THE COFFEE CREEK MASTER PLAN INTO  
THE OLATHE COMPREHENSIVE PLAN**

**WHEREAS**, the Governing Body adopted the *Comprehensive Plan* for the City of Olathe on April 1, 1997, by Ordinance No. 97-48; and

**WHEREAS**, the *Comprehensive Plan* state that several corridor studies would be completed; and

**WHEREAS**, a corridor study for the area south of Olathe between Ridgeview Road and Pflumm Road was needed to ensure consistent and appropriate growth; and

**WHEREAS**, the City Olathe of expects that the land encompassed by the *Coffee Creek Master Plan* will one day be within the corporate limits of the city; and

**WHEREAS**, the City entered into an agreement with several property owners agreeing to jointly develop a master plan for the Coffee Creek area; and

**WHEREAS**, a corridor study was completed with the participation of the plan area property owners, local governing entities, and other interested parties; and

**WHEREAS**, on April 11, 2005 the Olathe Planning Commission, after giving the required notice, held a public hearing on the *Coffee Creek Master Plan*;

**WHEREAS**, on June 27, 2005 the Olathe Planning Commission, by PC resolution No. 05-01, adopted the *Coffee Creek Master Plan*; and,

**NOW, THEREFORE, BE IT RESOLVED THAT:**

**SECTION ONE:** The *Coffee Creek Master Plan* and accompanying land use plan is adopted.

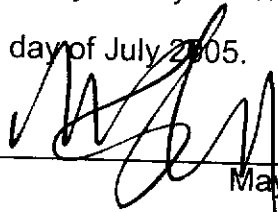
**SECTION TWO:** The *Coffee Creek Master Plan* shall be incorporated as part of the *Comprehensive Plan* for the City of Olathe.

**SECTION THREE:** The *Coffee Creek Master Plan* shall be used as city policy guidelines.

**SECTION FOUR:** That this Ordinance shall take effect from and after its passage and publication as provided by law.

**PASSED** by the Council this 19<sup>th</sup> day of July 2005.

**SIGNED** by the Mayor this 19<sup>th</sup> day of July 2005.

  
\_\_\_\_\_  
Mayor

ATTEST:

Delora Stragg  
City Clerk

(Seal)

APPROVED AS TO FORM:

John A. [Signature]  
Municipal Counsel

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# 1. Introduction

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## PLAN PURPOSE AND NEED

In the Spring of 2001, Johnson County Wastewater commissioned bids for the construction of sewer lines to serve the newly formed Blue River 12 Sewer District located just south of Olathe City limits. As a result of the formation of the new district, the City of Olathe and property owners within the district agreed to work together to commission a study to guide future development within the area. This unique collaboration called for the City, property owners, developers and concerned residents to work together to develop a common vision for the area.

Creating a vision required determining a unique identity and sense of place that will attract residents and businesses to the area. To kick off this effort, the consultant team led City and County staff, public officials and property owners through an exercise to help determine a name for the area. After much deliberation, it was decided that the area be named after Coffee Creek, the dominant natural feature that traverses the area.

## STUDY AREA

The original study area encompassed the Blue River 12 Sewer District, but was expanded to address the issues of development along an improved 175th Street corridor. As shown in Exhibit 1 on the following page, the Plan Area is bound by Pflumm Road to the east, 159th Street to the north, the half section line between Ridgeview Road and US Highway 169 to the west and the half section line between 175th Street and 183rd Street to the south. The Plan area is approximately 4,800-acres or 7.5 square miles, including 1,200-acre Heritage Park.

## PLAN PROCESS AND COMMUNITY INVOLVEMENT

In order to be successful, the Plan must reflect the community's needs and values. Therefore, public participation is essential. The Coffee Creek Master Plan (Plan) concepts, direction and final recommendations were created as a result of an inclusive public process. This process included two public open houses held at the Heritage Park Golf Course Clubhouse. Publicity for public meetings included

press releases in the Johnson County Sun. Additionally, notices were sent to all property owners within the study area. A full summary of each workshop is included in Appendix A.

To start this process, the City formed an advisory committee comprised of property owners, developers, City staff, County staff, area service providers and concerned residents. The direction of this group was to develop a Plan that met two key directives:

1. New development within the Plan Area must ***pay for itself***, that is, not rely on general City funds to pay for infrastructure provision. Currently, there is no funding identified in the Capital Improvements Program (CIP) for the area. Additionally, the City will not sacrifice existing levels of service to accommodate new growth. Therefore, City revenues generated within the Plan Area must sustain all improvements and services provided to the area.
2. New development proposed within Coffee Creek should be ***high quality***. In this case, quality means encouraging the introduction of multiple housing products in a variety of price ranges not currently served within the Olathe market. Currently, Olathe has an abundance of housing in the \$150,000 to \$220,000 range. The houses within this range tend to have the same appearance, square footage, floor plans and offer few amenity choices. There should be additional choices, including quality housing products in the \$260,000 to \$400,000 range that provide a variety of styles, materials, articulation, floor plans and amenities. New commercial and office development should also be encouraged to broaden their range of service and employment opportunities to make Olathe a multi-dimensional community.

To address these objectives, the consultant team led an interactive two-day design charette with the advisory committee. During the charette, the advisory committee helped generate several alternative concept plans. Each of these concept plans illustrate different ways the Plan Area could develop. A summary of these concept plans are included in

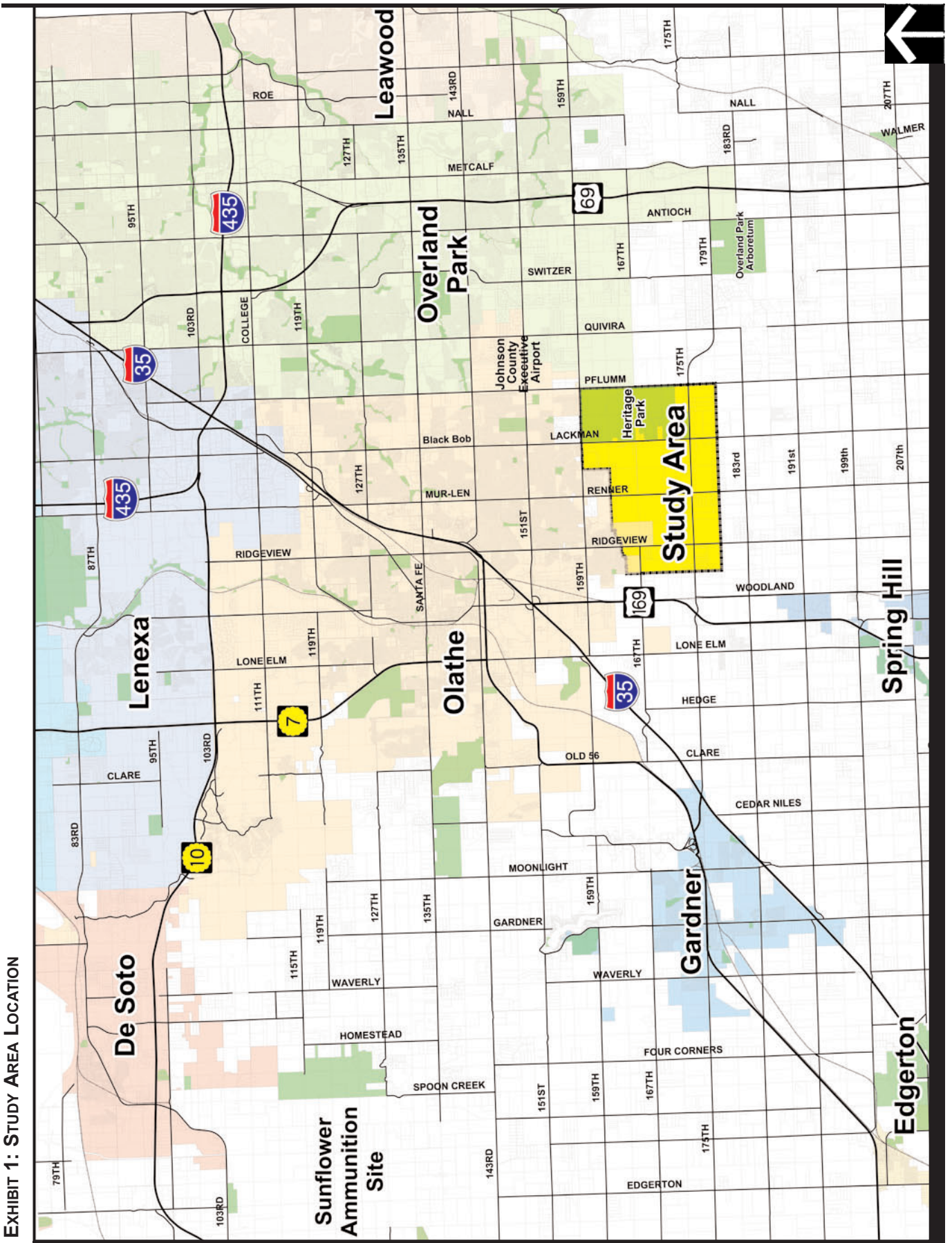


EXHIBIT 1: STUDY AREA LOCATION

## Introduction

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Appendix A. The fiscal implications of each of these concepts were evaluated to test their ability to meet the first objective. This report is included in Appendix C.

### PLAN GOALS

The following goals were based on the issues and concerns of public officials, the advisory committee, property owners, developers and concerned residents during the planning process. The goals represent the purpose that the Plan is designed to achieve.

- Goal 1: Provide a sense of place.
- Goal 2: Promote quality of life.
- Goal 3: Encourage Environmentally sensitive development patterns.
- Goal 4: Create timeless development.
- Goal 5: Promote walkable/pedestrian friendly development.
- Goal 6: Provide an inclusive process.
- Goal 7: New development pays its share of the costs of City improvements and services that are necessary to serve the area.
- Goal 8: Provide a balance of land uses.

Together, these goals help provide the basis for the selection of the preferred concept and the development of the Plan direction.

### PLAN USE

Following this Introduction, Chapter 2 (Plan Influences) establishes the analysis that influences the planning decisions outlined in proceeding chapters. This analysis includes a summary of existing conditions for land use trends, natural conditions, transportation, services, infrastructure, demographic and market considerations. Chapter 3 (Plan Recommendations) provides the recommendations for the Preferred Plan. Chapter 4 (Implementation) provides a set of recommendations including action steps and potential funding mechanisms to achieve the goals of the Plan.

The Plan should be consulted by City staff, the Planning Commission and the City Council when considering development proposals and updating

land use regulations within Coffee Creek. The Plan should be used as a resource for residents, land owners and project applicants concerning land planning and community development objectives. Additionally, City staff and public officials should use this document to guide future Capital Improvement Plan (CIP) considerations in the area. The Plan should be reviewed annually and revised as specific actions are achieved and new strategies are identified. Goals and objectives should also be reviewed periodically when new circumstances or changing conditions warrant reconsideration.



## 2. PLAN INFLUENCES

### COUNTY GROWTH PATTERNS

Today, approximately 51 percent of Johnson County is within incorporated jurisdictions. The direction of this growth has generally been southwestwardly from Kansas City, Missouri. More recently, the growth to the south seems to have outpaced growth to the west. As a result, Olathe has benefited from this southwest expansion while Lenexa's westward growth has been slow by comparison.

Because of this growth pattern, the County is now facing the prospect of new sewer districts forming in the unincorporated area ahead of annexation, as is the case with the Blue River 12 Sewer District. The City of Olathe is particularly concerned about development in the unincorporated area if the development does not adhere to City standards. When these areas are annexed, without the appropriate public facilities, it will be the City's responsibility to provide the necessary improvements to raise the current levels of service within the area to municipal standards.

### EXISTING LAND USE PATTERNS

Exhibit 2, on the following page, provides a graphic illustration of the generalized land use patterns in Southwest Johnson County. Within Olathe, north of the study area, a majority of the industrial and office uses occur along US 169 and I-35. A majority of the commercial land uses are concentrated along 135th Street/Sante Fe Road and at the I-35 interchanges. One of the largest retail centers in the County, The Great Mall of the Great Plains, is located north of the I-35 interchange at 151st Street. Other commercial areas and multi-family developments occur in small nodes at major intersections of arterials forming a one-mile grid. The areas between the one-mile grids contain a majority of Olathe's single-family neighborhoods.

Existing land uses within the study area include parks and open space, single-family residences, large-lot rural residences and agriculture. Agricultural uses comprise almost 70 percent of all land within the study area.



*A majority of the study area is comprised of rural residences and agriculture.*

Heritage Park comprises approximately 25 percent of the study area. Purchased in 1979 through voter-approved bonds, the park was dedicated on July 4, 1981. Recreational facilities include 10 picnic shelters, a 45-acre lake, marina with pedal boat and sailboard rentals, concessions, shelters and picnic areas, play areas, athletic fields for softball, football, soccer, and an 18-hole championship golf course and driving range.

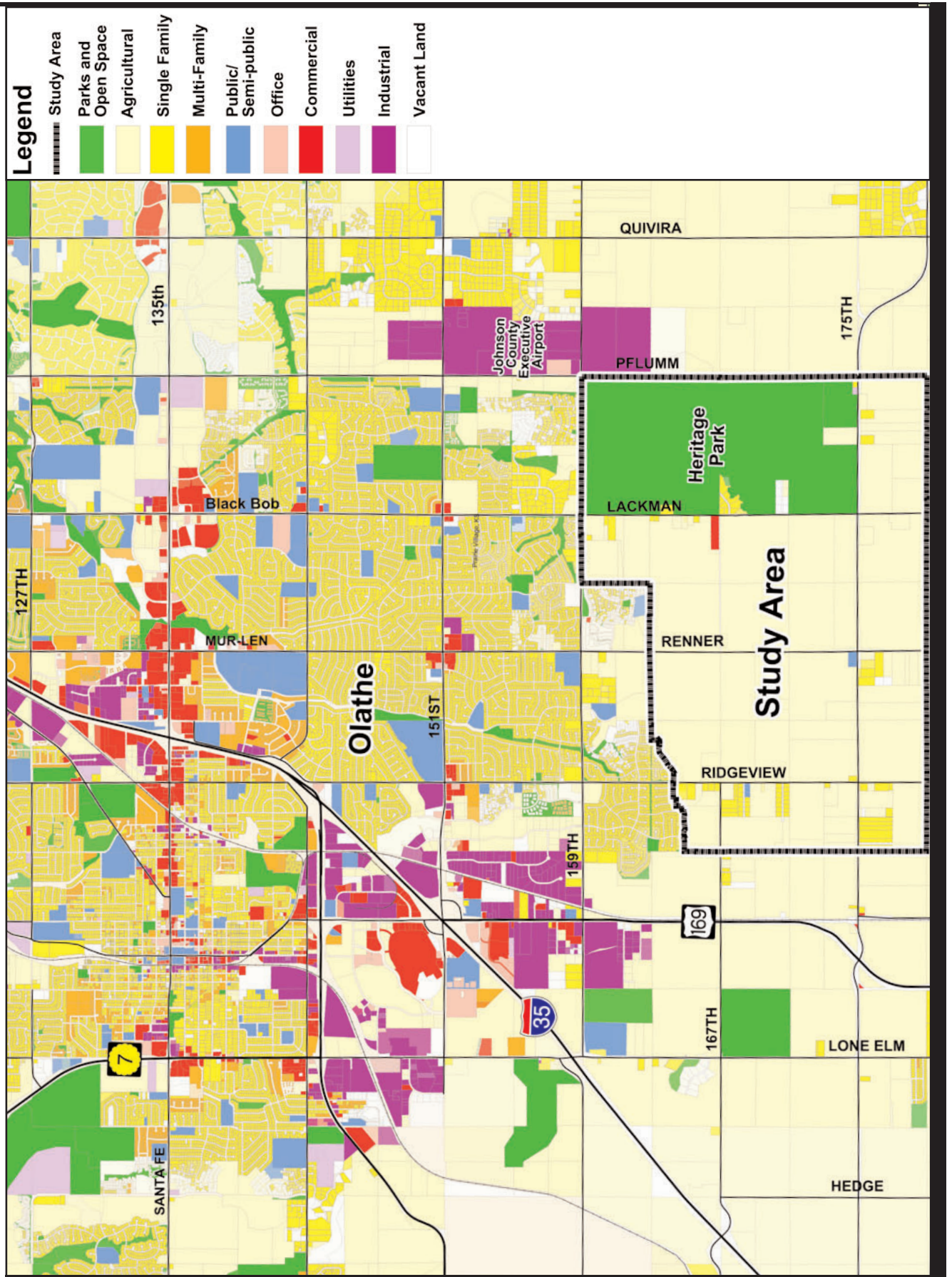
A majority of the property within the study area is in large-tracts. Not counting publicly-owned tracts, there are less than 160 property owners within the study area. As the table below indicates, lots greater than 60-acres comprise 72 percent of the total privately held acreage in the study area while lots less than 5-acres comprise only 6 percent of this total. Currently, there is approximately 80 single-family residences which comprise a majority of the tracts less than 5-acres. A majority of these residences are clustered in small subdivisions along portions of Ridgeview Road, Lackman Road and 175th Street. A small residential enclave is located east of Lackman Road, adjacent to Heritage Park.

**TABLE 1: LOT SIZE BREAKDOWN BY ACRES**

Lot Size Breakdown	Number of Lots	Total Acres	Percentage of Acres
Less than 5-acres	97	180	6%
5 to 19-acres	20	220	7%
20 to 59-acres	12	500	15%
60 to 109-acres	12	1,000	31%
110-acres or greater	9	1,335	41%

*\*Lot size comparison does not include public lands.*

EXHIBIT 2: EXISTING LAND USE PATTERNS



## PLAN INFLUENCES

### NATURAL CONDITIONS

As illustrated in Exhibit 3: Site Analysis, on the following page, the dominant natural feature within the study area is Coffee Creek. This creek (shown in light blue) meanders southwest to northeast across the study area. The floodplain adjacent to the creek contains significant vegetation including moderately to heavily wooded areas comprised of mature tree stands and hedgerows. Slopes within the study area are gradual and not constraining. A majority of the study area drains into Coffee Creek. The creek corridor, including the floodplain, has the potential to make an ideal greenbelt that can be utilized for trails, parks and open space. Additionally, preserving the creek and floodplain areas as natural detention areas will help stormwater management efforts within the study area.



Coffee Creek is the dominant natural feature within the study area.

Soils within the study area are a combination of Polo and Clay soils. Clay soils have absorption characteristics which provide difficulties for most on-site septic systems. Polo soils are the only soil type commonly found in Johnson County that present slight limitations for septic tank use. The County recommends that lots utilizing septic systems be a minimum of 2-acres in size.

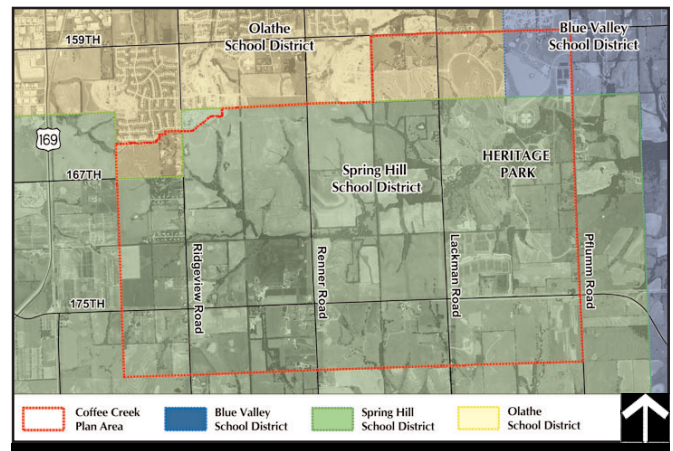
### JURISDICTION

A majority of the study area resides within unincorporated Johnson County and is subject to all County codes and restrictions. A small part of the north portion of the study area along Ridgeview Road is within Olathe's municipal limits.

### SCHOOL DISTRICTS

The plan area is split between three school districts: As shown in Exhibit 4 below, the Olathe School District comprises a small portion of the study area north of the quarter section line between 167th Street and 159th Street ending at the quarter section line between Lackman and Pflumm Roads. The Blue Valley School District is directly east of this area occupying the northeast corner of Heritage Park. The Spring Hill School District, makes up a majority of the study area, is located south of the Olathe School District. Currently, the Spring Hill School District operates a small elementary school (Hilltop Elementary), located near the intersection of 175th Street and Renner Road.

### EXHIBIT 3: SCHOOL DISTRICTS



### COUNTY RURAL COMPREHENSIVE PLAN

The Johnson County Rural Comprehensive Plan, 2004, delineates several policy areas and guidelines for development within unincorporated Johnson County. The study area is designated as Urban Fringe Policy Area. This policy area serves as a joint planning area between the County and adjacent municipalities. The minimum lot size standard within this area is one dwelling unit per two acres. There are a number of exclusions to this policy, but generally, developers requesting densities in excess of the standard are encouraged to request a joint City/County Area Plan. To date, four Area Plans have been completed: the Blue Valley Plan, Johnson County Executive Airport Plan, Lone Elm Plan and Sunflower Ammunition Plan.

EXHIBIT 4: SITE ANALYSIS



### COUNTY ZONING

A majority of the study area is zoned by the County as RUR or Rural District. Permitted uses within this district include agricultural uses and structures and permanent single-family structures. The balance of the rest of the area is zoned RLD or Residential Low Density District. Permitted uses within this district include permanent single-family structures, neighborhood parks, playgrounds, community buildings open to residents of the neighborhood.

### AIRPORTS

The Johnson County Executive Airport is located northeast of the study area on 500-acres of land with a single 4,100-foot runway. This airport is the second busiest in the state, with over 100,000 flying flight operations annually. Activity is expected to increase over the next twenty years to the effective of 180,000 flight operations annually. Due to limited load-bearing capacity and length of runway, flying operations are limited to small propeller planes weigh less than 12,500 pounds, including turboprop aircraft and small business jets. There are no plans to expand the runway in the future.

The New Century AirCenter is located west of the study area at 175th Street and Interstate 35 on 2,500-acres of land with a 7,300-foot main runway and 5,000-foot crosswind runway. This airport is the fourth busiest airport in the state, with approximately 90,000 flight operations annually. However, with ample room to expand, the New Century AirCenter is expected to surpass the Johnson County Executive Airport in annual operations.

### REGIONAL AND LOCAL ACCESS

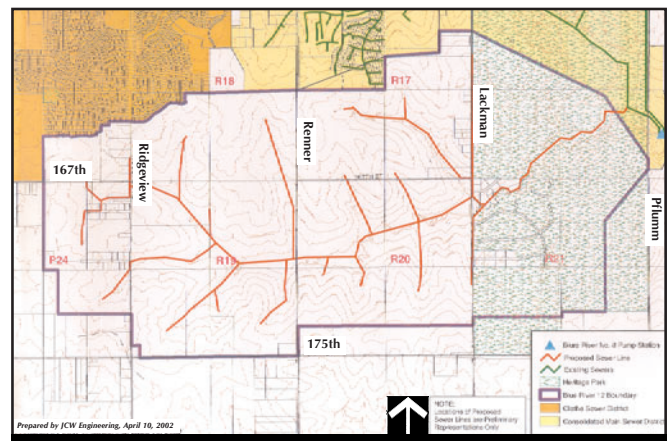
The plan area has excellent access to Interstate 35 and US Highway 169. The study area is within two miles of an the 151st Street and I-35 Interchange. An additional interchange for I-35 is planned for 159th Street. US Highway 169, a four-lane highway, runs north and south one mile west of the study area.

The County's Comprehensive Arterial Road Network Plan (CARNP) identifies 175th Street as a Type III Route. This designation calls for the improvement of 175th Street to two-to-four lanes with paved shoulders and 150 to 250 feet of right-of-way. It is anticipated that 175th and 199th Streets will serve as the major east-west traffic carriers, replacing the concept of the 21st Century Parkway, which was intended to serve as the south beltway for Johnson County. CARNP identifies Ridgeview Road and Lackman Road as Type II Routes. This designation calls for the improvement of these roads to two-lane with paved shoulders and 120 feet of right-of-way.

### INFRASTRUCTURE

Sewer service provided by Johnson County Wastewater will be available for most of the study area by spring 2005. As shown in Exhibit 5, the Blue River 12 Sewer District will provide sewer service to the study area just north of 175th Street. Sewer service is not anticipated to be available south of 175th Street for at least 10 to 15 years. It is possible to serve these areas with pumping stations but this is unlikely at this time due to cost.

EXHIBIT 5: BLUE RIVER 12 SEWER DISTRICT



Water service for the plan area is provided by Johnson County Water District Number One (WaterOne). WaterOne currently serves over 350,000 individuals throughout Johnson County and has the capacity to serve the entire plan area. Electric service is provided by Kansas City Power and Light (KCPL). Gas service is provided by Atmos

Energy. Telephone service is provided by Southwestern Bell.

**MARKET CONSIDERATIONS**

Johnson County is the most populous county in Kansas. The 2001 population estimate for Johnson County is 463,900 while Sedgwick County, the next closest county, is at 457,000. Johnson County also accounts for almost half of the total population in the Kansas City metropolitan area.

Between 1990 and 2000, Johnson County's population grew nearly 27 percent, twice the national rate, and continues at an average annual growth rate of about 10,000 people. Moreover, it added 120,000 new jobs during the 1990s, accounting for over half of the job growth in the metropolitan area. The annual growth is about 12,000 jobs on average. Johnson County continues to be a "net bedroom community" where more people commute to other counties for jobs (primarily to Jackson County) than commute in from other counties, but this gap has become quite narrow in recent years. If trends continue, Johnson County should be attracting more jobs than it has in resident labor force by 2010. As a result of these and other related factors, Johnson County has earned the much-deserved reputation of being an economic engine for both the Kansas City metro area and the state of Kansas.

Growth within Johnson County has generally been southwestwardly from Kansas City, Missouri. More recently, the growth to the south seems to have out-paced growth to the west. Olathe has benefited from these southwest forces, while Lenexa's westward growth has been slower than Olathe's growth to the south.

To concentrate on the potential and timing of growth in the study area, local trend data was obtained from public and private sources. We have focused on an area within about five miles of the center of the proposed development area.

POTENTIAL DEVELOPMENT PROGRAM

A project at a scale of 3,500 acres (not including Heritage Park) at a generally undeveloped "edge" of a metropolitan area is difficult to predict in terms of build-out and timing. However, utilizing recent growth trends and development patterns within Southwest Johnson County and based upon the initial study objectives, the consultant team drafted the following potential development program:

**TABLE 2: POTENTIAL DEVELOPMENT PROGRAM**

Land Use Category	Residential Price Ranges	Total Dwelling Units/ Square Footage
Single-Family	\$ 240,000 to \$ 450,000	4,700 Dwelling Units
Duplex/Townhomes	\$ 200,000 to \$ 300,000	1,600 Dwelling Units
Condominium	\$ 350,000 to \$ 400,000	500 Dwelling Units
Rental Apartments	\$ 600 to \$ 1,200 per month	1,000 Dwelling Units
<b>Total Housing Units</b>	<b>NA</b>	<b>7,800 Dwelling Units</b>
Retail and Professional Office	NA	2,000,000 Square Feet
Office Park	NA	500,000 Square Feet

Build-out for the area should require at least 25-years. This is consistent with many major development projects, mixed-use or otherwise, of the scale anticipated for Coffee Creek. The Single-family designation assumes a variety of densities ranging in size from large estates south of 175th Street to neo-traditional development on narrow lots. Single-family residential will comprise approximately 60 to 70 percent of the study area land mass and will likely reach build-out within the first ten years. Other residential product types such as townhomes and condominiums will likely develop over the next fifteen years or longer. Retail and office development generally proceed near or after full residential build-out.

Residential prices ranges were based upon current trends within the Southwest Johnson County market and include Lenexa, Overland Park, unincorporated Johnson County as well as Olathe.

## PLAN INFLUENCES

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The 2001 Growth Strategies Report by BWR Corporation, anticipates that Olathe will attract between 3.2 and 3.6 million square feet of new retail over the next twenty-years. This figure is based upon assuming 70 square feet of retail per new resident. According to this figure, the Coffee Creek area could attract approximately 1.5 million square feet of retail. Due to the planned improvements along 175th street, the Plan Area has the potential to attract an additional 500,000 square feet of regional retail along 175th Street at the intersections of Ridgeview and Renner Roads. 175th Street along with 199th Street is anticipated to become a major east-west connector for southern Johnson County.

### 3. PLAN RECOMMENDATIONS

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#### COFFEE CREEK DEVELOPMENT MASTER PLAN

This plan will be used by developers, property owners, business owners, residents, public officials and city staff as a framework for future development decisions and serves as a guide for the Coffee Creek Plan Area. This section identifies infrastructure improvements, delineates development locations, outlines types of uses and recommends development parameters such as densities (lot sizes) and minimum infrastructure guidelines.

#### TRANSPORTATION RECOMMENDATIONS

The transportation recommendations balance the need for a safe and efficient transportation system with the desire to utilize public improvements to leverage development opportunities.

#### ARTERIAL ROADS

Arterial roads will carry the bulk of traffic through the Plan Area. Existing and planned arterial roads within the study area include 167th Street, 175th Street, Ridgeview Road, Renner Road and Lackman Road.

#### 167TH STREET

Currently, 167th Street dead-ends just east of Ridgeview Road. It is recommended that 167th Street be extended to Lackman/Black Bob to provide east-west access through Coffee Creek. The 167th Street extension will serve as a catalyst for future development within the area.

The recommended 167th Street alignment will meander east-west through the study area generally following the section line but moving slightly north and south to preserve tree stands and to add visual interest. 167th Street will be at least one-half of a divided arterial.

#### 175TH STREET

CARNP identifies 175th Street as a Type III Route. This designation calls for the improvement of 175th Street to 4-lanes with paved shoulders with a minimum of 200 feet of right-of-way. CARNP envisions

175th Street along with 199th Street as a major east-west connector for Southern Johnson County. As such, it should maintain its intended function as a high-mobility corridor with access points every quarter to half-mile. Properties within the study area fronting 175th Street are encouraged to share access. Major traffic generators including retail, office and multi-family developments are encouraged to locate at major signalized intersections.

After all, or half, of 175th Street is annexed, the road will need improvement in order to bring it up to City standards. These improvements will include stormwater, curb, gutter and traffic signals at major intersections.

#### RIDGEVIEW ROAD

Ridgeview Road will serve as a primary arterial providing north-south access from 175th Street to US Highway 169 and I-35 from 159th Street.

#### RENNER ROAD (MUR-LEN ROAD)

Renner Road serves north-south traffic through Coffee Creek connecting adjacent neighborhoods and businesses to 175th Street, 167th Street and 159th Street. This road will be built as a typical arterial street with a 120-foot right-of-way including curb, gutter and sidewalks. The City should rename Renner to Mur-Len to eliminate potential confusion for motorists and to provide continuity between Coffee Creek and Olathe.

#### LACKMAN (BLACK BOB) ROAD

Lackman Road will serve north-south traffic through the Plan Area connecting adjacent neighborhoods and Heritage Park to 175th Street. The right-of-way for Lackman Road should be between 100 to 120-feet including curb, gutter and sidewalks. The City should work with the County to coordinate future improvements and maintenance. The City will rename Lackman Road to Black Bob Road to eliminate potential confusion for motorists and to provide continuity between Coffee Creek and Olathe.



## PLAN RECOMMENDATIONS

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### COLLECTOR ROADS

These roads "collect" and distribute traffic from local neighborhoods to arterial roads and are the responsibility of adjacent developers. It is recommended that a system of collectors be built to provide connections from local neighborhoods to 167th Street and other arterial streets. Right-of-ways for collectors should be between 80 to 100-feet with two lanes, curb, gutter and sidewalks.

### LOCAL ROADS

Local roads provide access within neighborhoods and are the responsibility of the developer. It is recommended that the future local roads be designed to connect to existing and planned neighborhoods. Interconnectivity between adjacent neighborhoods and developments can help alleviate traffic congestion on arterials and collectors as well as provide improved level of service for emergency vehicles. Cul-de-sacs and closed subdivisions with a single point of entry/egress are discouraged.

## PLAN RECOMMENDATIONS

### LAND USE RECOMMENDATIONS

The land use recommendations represent the community's desire to promote compatible and beneficial growth. Both community leaders and the public recognize the importance of economic development in providing amenities and jobs for residents as well as a solid tax base for services and infrastructure. This Plan provides a balance between Olathe's need to increase its tax base and the desire to preserve the area's character

The Coffee Creek Land Use Plan is divided into seven Plan Areas:

- TRANSITIONAL RESIDENTIAL
- NEIGHBORHOOD RESIDENTIAL
- MIXED-DENSITY RESIDENTIAL
- Mixed-Use Retail
- VILLAGE RETAIL
- RETAIL/BUSINESS PARK
- PARKS

Upon adoption, the Coffee Creek Land Use Master Plan (On the following page) will serve as a guide for development and infrastructure decisions within the Coffee Creek Planning Area. The land use designations are for planning purposes and may be made to correspond to certain zoning districts, but do not represent zoning or a change to existing zoning. Plan classifications may be amended through the Plan amendment process. Zoning designations remain as currently recorded and show how the property may currently be used. Zoning may be changed only through the appropriate rezoning process, which includes a public hearing related to the specific property.

#### TRANSITIONAL RESIDENTIAL (TR)

These areas are characterized by large residential lots, ranging in size from 2 to 10-acres located outside of the Blue River 12 Sewer District generally south of 175th Street. These development types are typical of unincorporated Johnson County with larger lots and fewer homes per acre than typical residential neighborhoods within the city. Sewer extension to these areas may take as long as 10-15 years. Upon extension of sewer and city services,

these areas will be transitioned to suburban (1 to 4 units per acre) residential densities.



*Transitional residential areas support a range of single-family residential lot sizes and densities.*

#### TR Recommended Densities:

- Minimum of one unit per ten acres or greater on septic systems
- Upon extension of sewers 1-4 units per acre

#### TR Minimum Required Infrastructure:

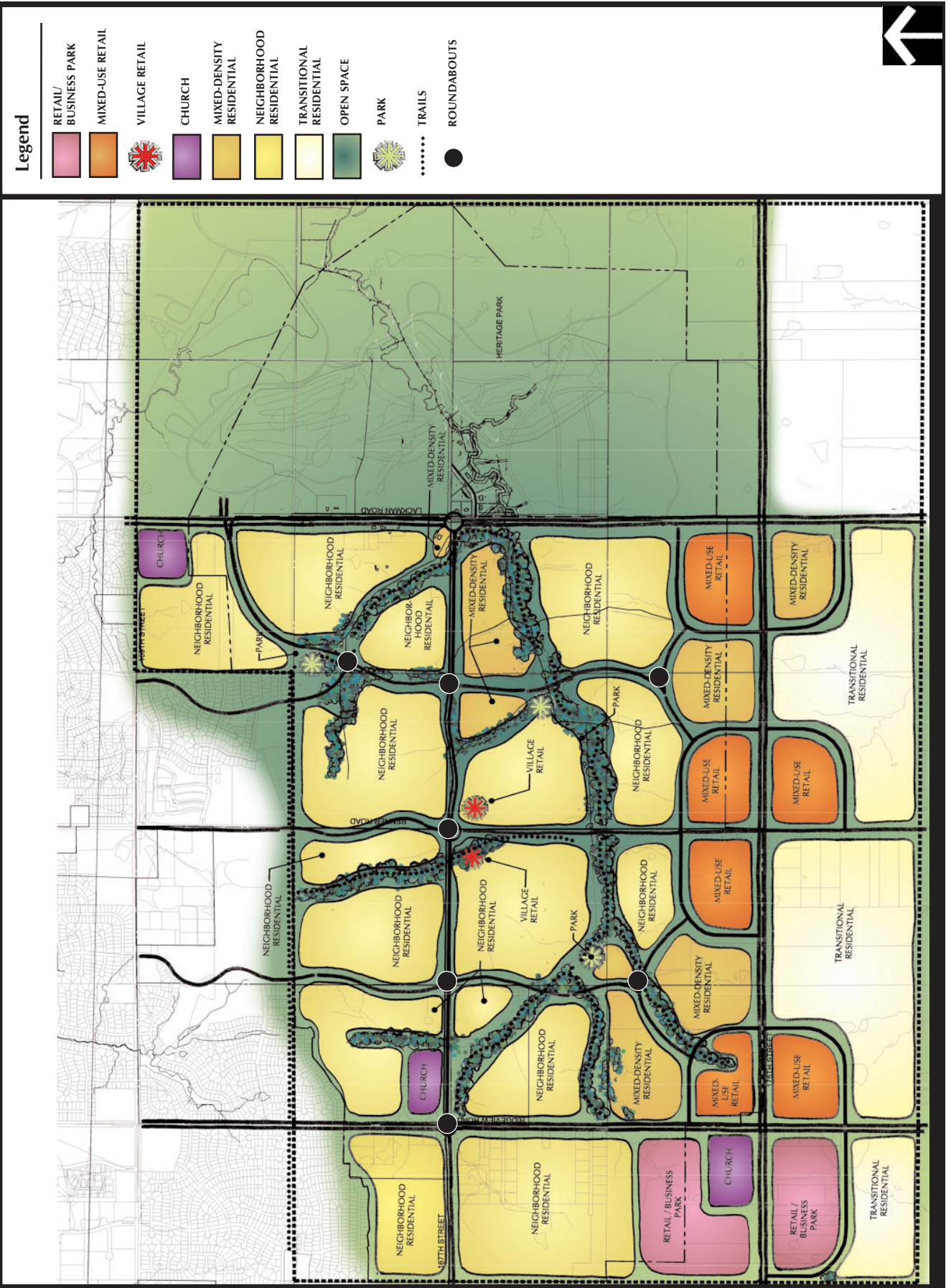
- On-site septic system: one unit per two acres or greater on septic systems
- Central Sewer: 1-4 units per acre

#### TR Allowed Uses:

- Single-family residences
- Institutional uses
- Agricultural uses
- Parks and open space
- Recreational uses

# PLAN RECOMMENDATIONS

EXHIBIT 6: COFFEE CREEK LAND USE MASTER PLAN



## PLAN RECOMMENDATIONS

### NEIGHBORHOOD RESIDENTIAL (NR)

The recommended land use for this area is single-family detached residential. Recommended densities within these areas may range between 2-4 dwelling units per acre. Secondary uses within these areas may include fourplexes, duplexes, townhomes and villas. At least 70 percent of these areas are recommended to be detached single-family residences. Subject to current regulations, R-1 Single-Family zoning shall be permitted in the Plan area. Areas zoned RP-1 Planned Single-Family Residential District within the Plan area shall conform to the Single-Family Homes Design Palette on page 21.



Single-family detached residences will comprise a majority of the uses in Neighborhood Residential areas.

Open spaces should be provided in these areas to create a focal point for the neighborhood. Additionally, trails should be provided to connect all open space areas within the development and to create pedestrian linkages with surrounding residential and commercial developments.



Open spaces should provide a focal point for the neighborhood.

### NR Recommended Densities:

- 2-4 units per acre

### Allowed Uses:

- Single-Family detached residences

### NR Secondary Uses:

- Fourplexes
- Duplexes
- Townhomes

### NR Optional Densities:

Additional densities (up to 6-units per acre) may be allowed upon discretion from the Planning Commission for developments that demonstrate exemplarily design solutions including but not limited to neo-traditional development with quality product types on small or narrow lots. Development areas with optional densities shall be zoned in a Planned District. Exemplary design solutions include but are not limited to the following:

#### 1. Quality Design:

##### *Materials*

Primary materials for homes should be: horizontal siding, stucco, board, battens style and wood shingles. Accent materials should include real or cultured masonry materials, horizontal siding and wood shingles. Use of plain siding is discouraged as a primary siding material. The practice of an upgraded material on the front of the home such as horizontal siding with panel siding on the sides and rear is discouraged.



All sides of a building shall display a similar level of quality and architecture.

## PLAN RECOMMENDATIONS

### *Building Articulation*

New homes should incorporate a variety of features such as overhangs, dormers, bay windows, cantilevers, porches, entries, accent materials to provide articulation and interest. All sides of a building shall display a similar level of quality and architectural interest. The majority of a building's architectural features and treatments shall not be restricted to a single façade. However, direct window conflicts across side property and/or rear property lines should be avoided.



Garages should be set back from the front elevation. When possible, alleys should be utilized with rear loaded garages.



Developments should offer a variety of housing designs and products.

### *2. Variety of Housing Designs and Products:*

Houses within developments of more than 25 dwelling units should have a minimum of three distinctive floor plans, with a minimum of three elevations per floor plan. Front and back elevations should vary between adjoining houses and the number of stories should vary between homes. Homes should include single story elements such as porches, covered entries and second stories that are set back from the first floor on two story homes. Homes should utilize a wide variety of colors, materials and building treatments within each block.

### *3. Integration of Pedestrian Scale Streets:*

Integrate narrow tree-lined and landscaped streets with pedestrian scale lighting. Buildings should be oriented to the street. Front porches and stoops should be encouraged.



Narrow tree-lined streets provide a pedestrian-friendly environment.

### MIXED-DENSITY RESIDENTIAL (MDR)

These areas are intended to provide for the housing needs of a growing population through the construction of a mixture of quality housing products including condominiums, assisted living facilities, garden apartments, fourplexes, duplexes and town-homes. Secondary uses may include villas and single-family detached units. At least 60 percent of these areas should be reserved for attached residential uses. Recommended residential densities within these areas range between 4-10 units per acre.



Mixed-density residential areas support a mix of attached residential types.

## PLAN RECOMMENDATIONS

### MDR Recommended Densities:

- ❑ 4-10 units per acre

### MDR Allowed Uses:

- ❑ Condominiums
- ❑ Assisted living facilities
- ❑ Garden apartments
- ❑ Fourplexes
- ❑ Townhomes

### MDR Secondary Use:

- ❑ Single-family detached

### MIXED-USE RETAIL (MUR)

The intent of these areas are to allow a mix of retail, professional office and attached residential. This district encourages shared parking, economical use of land, and creates a compact pattern of development. Allowed retail uses within these areas may include; drug and grocery stores, personal services, convenience retail, apparel stores, restaurants, small professional offices, banking, religious, and City neighborhood services. Secondary uses include condominiums, assisted living facilities, garden apartments, fourplexes, duplexes and townhomes. At least 60 percent of these areas should be reserved for retail or professional office uses.



Mixed-use areas provide the ability to integrate retail, professional office and attached residential within a single development.

### MUR Recommended Densities:

- ❑ 6-12 units per acre

### MUR Infrastructure:

- ❑ Frontage to arterial or collector with access through frontage/reverse frontage roads, cross-access easements or shared driveway.

### MUR Allowed Uses:

- ❑ Retail
- ❑ Professional office

### MUR Secondary Uses:

- ❑ Condominiums
- ❑ Assisted living facilities
- ❑ Garden apartments
- ❑ Fourplexes
- ❑ Townhomes

### RETAIL/BUSINESS PARK (R/BP)

Retail/Business Park uses are limited to areas adjacent to major arterials such as 175th Street and Ridgeview Road. Allowed uses within these areas include big-box retail, retail pad sites, office and flex-office. Big-box retail developments will be required to provide necessary setbacks, berms and landscape buffers from adjacent uses. Office developments will be designed to integrate open space, ample landscaping and amenities to create a campus environment.



Retail/business park areas support regional big-box retail and pad sites.



Big-box retail developments will be required to provide necessary landscape buffers from adjacent uses.

## PLAN RECOMMENDATIONS

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### R/BP Recommended Densities:

- Big-box development is encouraged to be at least 100,000 square feet.

### R/BP Infrastructure:

- Access to arterial through signalized intersection with dedicated turn lane(s).

### R/BP Allowed Uses:

- Big-box retail
- Retail pad sites
- Office park

### VILLAGE RETAIL (VR)

Village Retail is established as a neighborhood mixed use node. Building heights within this area should be up at least two stories with the front façade addressing the street. Parking should be located to the side or rear of the development. Shared parking is highly encouraged. The mix of uses are concentrated in the heart of the Coffee Creek at the intersection of Renner Road and 167th. The rendering (shown in Exhibit 8) shows the vision for this area. Some of the key development concepts and considerations for the area are included on the following page:



Building heights should be up at least two stories with the front façade addressing the street.

Active pedestrian uses such as restaurant/retail are located on the ground floor with direct street access. The mix of land uses can include one of the

following relationships, retail (ground floor) with residential above, office (ground floor) with residential above, and retail (ground floor) with office or institutional uses above. In the City of Olathe, Village Retail centers are zoned NC Neighborhood Center, CP-1 Planned Neighborhood Business District, or CP-2 Planned General Business District. If the center is zoned CP-1 or CP-2, the rezoning typically includes use restrictions to ensure that the commercial center will function as a Village or Neighborhood Center.

A range of supporting retail, office and civic amenities (such as a library and community center) are encouraged in these areas. These amenities may include but are not limited to a Community Center, Recreation Center and Public Library.

This area should integrate open space, parks, plazas and courtyards which act as community gathering places. These areas should be connected to the developments and adjacent neighborhoods through a system of sidewalks and trails.

### VR Recommended Densities:

- 6-12 dwelling units per acre

### VR Minimum Required Infrastructure:

- Access to improved collector or arterial with dedicated turn lanes.

### VR Allowed Uses

- Retail
- Restaurant
- Neighborhood Bar
- Professional office
- Bank with drive-through
- Service
- Institutional
- Condominiums
- Second story residential units.

### SCHOOLS

Coffee Creek is transacted by two school districts: The Olathe School District is located north of the

EXHIBIT 7: VILLAGE CENTER CONCEPT





## PLAN RECOMMENDATIONS

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quarter section line between 167th Street and 159th Street. The Spring Hill School District, makes up a majority of the study area and is located south of the Olathe School District. Currently, the Spring Hill School District operates a small elementary school (Hilltop Elementary), located near the intersection of 175th Street and Renner Road. Upon build-out of the study area, there will be a demand for an additional elementary school and a middle school. The elementary school will need a minimum of 10-acres. The middle school will need a minimum of 15-acres. When possible, it is desirable that schools be located adjacent to one another allowing them to share facilities and amenities.

### PARKS

Parks are intended to provide both passive and active recreational opportunities to residents of Coffee Creek. It is recommended that at least three seven to eight-acre neighborhood parks be constructed with connections to the trail system. These neighborhood parks, along with open space along the creek will serve the recreational needs of the residents within the Plan Area.

### OPEN SPACE

The Plan recommends an increased focus on the preservation and enhancement of quality natural areas, open space, and greenways/trails. Open space areas represent the city's desire to protect and preserve riparian (creek) corridors, floodplain areas and trail connections.

### TRAILS

A series of trails shall be constructed adjacent to the creek, along green spines and open spaces to provide a connections from neighborhoods to major activity centers such as Heritage Park, neighborhood parks, schools and retail areas.

### Stormwater

As development occurs in the Plan area there will likely be an increase in the velocity and volume of stormwater runoff. In order to not increase the level of downstream flooding, development proj-

ects should be designed so that the completed project does not increase the amount and rate of stormwater runoff. As an option to each individual development projects handling its stormwater runoff, regional detention for the Plan area is strongly encouraged.

### **SINGLE-FAMILY HOME DESIGN PALETTE OF ARCHITECTURAL ELEMENTS**

Subject to current regulations and requirements, R-1 Single-Family zoning shall be permitted in the Plan Area. Property that is zoned RP-1 Planned Single-Family Residential District shall conform to the Single-Family Home Design Palette of Architectural Elements standards that are contained within this Plan. This Palette is intended to provide a minimum guideline for quality single-family detached residential development within Coffee Creek. The palette consists of two lists - the Primary List and Secondary List. The two lists contain a total of 13 elements. A single-family home built in the Plan Area must have at least six (6) of the elements listed in the Design Palette with a minimum of four (4) elements from the Primary List.

#### Building Materials

The following materials are acceptable for covering the building exteriors. All synthetic or imitation materials shall appear to be authentic and not "tacked on" to the structure. Pressed wood panels and paneling, installed either vertically or horizontally, is acceptable building materials for the sides and rear of single-family homes that do not face the street.

1. Brick, manufactured stone, natural stone;
2. Stucco (stucco shall be applied stucco - not E.I.F.S. or pre-manufactured stucco panels);
3. Cedar Shingles;
4. Minimum eight (8) inch wide lap siding;
5. "Hardi" or comparable panel, and;
6. Vinyl lap siding with a six (6) inch minimum.

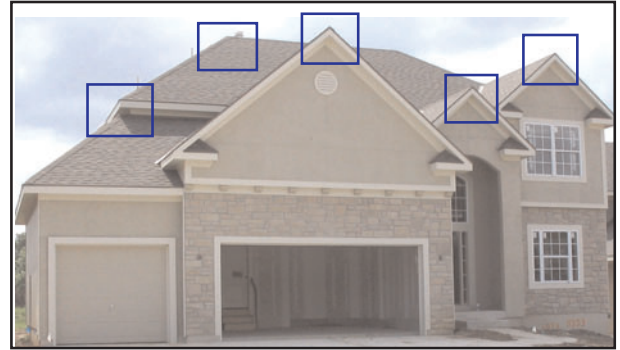
## PLAN RECOMMENDATIONS

### Primary List

1. Three (3) car garage
2. Side or rear entry garage.
3. Masonry (stone, brick, and/or stucco) materials on exterior walls that are facing streets.
4. Front entry porch that has a minimum of fifty (50) square feet, with a minimum depth of five (5) feet.
5. Roof has changes or articulation in roof pitch and/or roofline.
6. Foundation landscaping (not including any required street tree plantings) that is equal to at least 0.5 percent of the structure value stated on the building permit.
7. Roof(s) over the garage with a height and pitch that is consistent with the roof over the main portion of the habitable area. The garage roof(s) must appear to be integrated into the main portion of the structure's roof.
8. Exterior wall offsets such as projections and recesses and/or the use of contrasting trim color on all sides of the structure. The trim must be least six (6) inches in width.



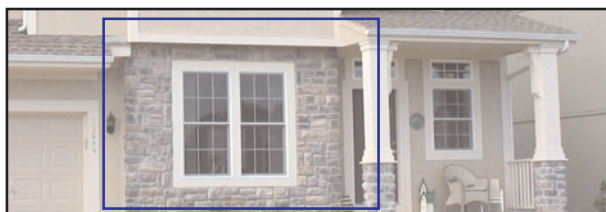
Extensive foundation landscaping



Multiple changes in roof line and pitch



The garage roof(s) appears to be integrated into the main portion of the structure's roof



Masonry on side facing the street



Large porch on two sides of structure

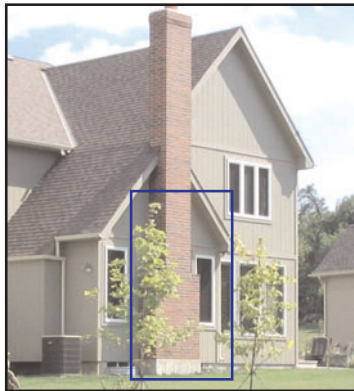


Painted trim on all sides of the structure and multiple exterior wall offsets and projections

## PLAN RECOMMENDATIONS

### Secondary List

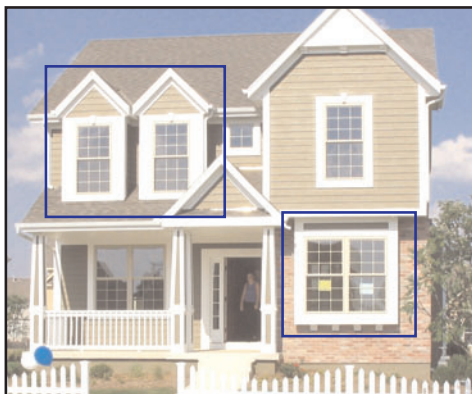
1. Chimneys extend to building grade level with a masonry foundation.
2. All four (4) sides of the structure have exterior windows.
3. Dormers and/or bay windows.
4. Architectural details such as shutters/coins/ relief in roof peaks/eyebrows/attic windows/etc.



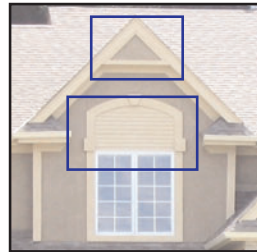
Chimney to the at-grade level with masonry foundation



Rear wall windows and side wall windows

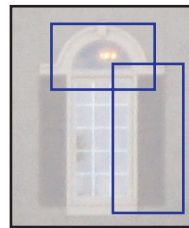


Dormers and bay windows



Relief in roof peak

Detail above window



Upper eyebrow window

Shutters

### Additional Standards

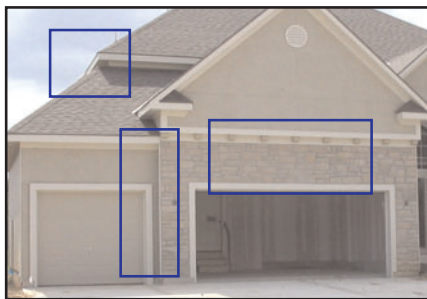
These additional standards are to be applied to single-family structures that have garages that project more than seven (7) feet in front of the habitable portion of the front façade and/or have a porch that is less than seventy (50) square feet, with a minimum depth of seven (5) feet.

#### Garages that project seven (7) feet or more beyond the front façade

1. For a three (3) car garage, the "third car" or secondary portion of the garage shall be setback from the main portion of the garage.
2. Roof(s) over the garage shall have a height and pitch that is consistent with the roof over the main portion of the habitable area. Garage roof(s) that do not appear to be integrated into the main portion of the roof are prohibited.
3. Masonry material shall be used around the main portion of the garage. The masonry material must match the type of material used on the habitable portion of the structure. The minimum wall height of the masonry material must be equal to the height of the masonry material used on the habitable portion of the structure.

## PLAN RECOMMENDATIONS

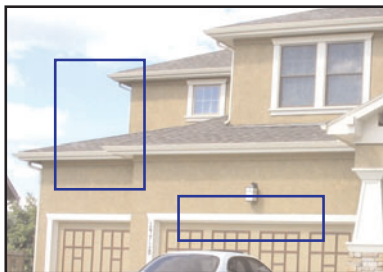
4. Return walls consisting of the same masonry materials used on the habitable portion of the structure shall be used. The height of the masonry materials on the return wall must be consistent with the height of the masonry material used on the habitable portion of the structure.
5. The garage doors shall have the following elements
  - windows, raised trim painted a secondary color and/or a raised or stamped pattern.
6. All garages shall be designed to appear integrated with the habitable portion of the house.



Roof over garage is similar in pitch and height as main roof

Masonry material around main portion of garages

Third car garage is setback



Garage appearance is integrated with the habitable portion of the house

Raised trim painted a secondary color



### **NOT ACCEPTABLE**

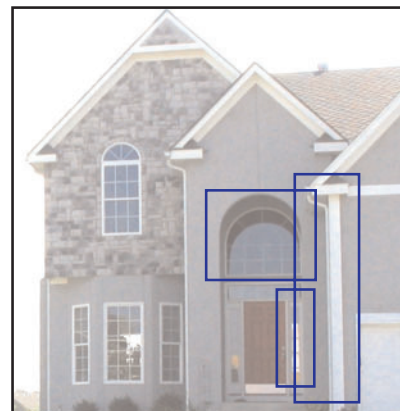
Roofline does not match roofline of habitable area

Garage is not designed as an integrated part of the main structure

No windows and/or raised trim on garage doors

Porches (stoop) smaller than seventy (50) square feet and with a minimum depth of seven (5) feet.

1. If the porch ceiling is higher than the second story floor, the porch will have the following attributes:
  - Window above the entry door;
  - Entry door sidelights, and;
  - Columns or pillars that are a minimum of six (6) inches in width.



Window above the entry door

Columns are a minimum of six (6) inches in width

Entry door sidelights

### Third-Party Architectural Review

Designs of single-family structures that cannot meet these standards because of unique circumstances may go through the "Third-Party Architectural Review" process. The third-party review will be done by an architect that is chosen by the City. This review will be paid for by the builder that requests the third-party review of a particular home design.

A builder wishing to construct a home that cannot comply with the above design standards must request, in writing, that the City Planner submit the house plan to a third-party architect. The request must outline the uniqueness of the home design and must state the unique circumstances for why the plan cannot comply with the design standards. Referring the design to the third-party architect is at the discretion of the City Planner.

## PLAN RECOMMENDATIONS

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The review of the design will be based only on the structure's exterior features. The third-party architect shall review the house design based upon the following criteria:

- ❑ Quality of materials used
- ❑ Uniqueness of the design
- ❑ Why the design cannot meet the design standards
- ❑ Does the design comply with the "spirit" of the design standards
- ❑ How the proposed design relates to the surrounding homes
- ❑ How the proposed design relates to the surrounding natural environment

The builder will be required to submit house plans and any additional information needed to complete the review and address the above listed criteria.

Upon receiving the report from the third-party architect, the City Planner has ten (10) working days to either approve or deny the home design. If the design is approved, the approval of the design is applicable for only the lot for which the design was submitted. If the design is to be used on another lot, the builder must request another "third-party architectural review" for the plan.

The "third-party architectural review" process is only for the review of home designs that cannot meet the design standards because of unique circumstances. The "third-party architectural review" is not for the purpose of appealing a decision made by the City Planner or to challenge the City Planner's interpretation of the design standards. Additionally, the "third-party architectural review" cannot be used to avoid complying with the design standards.

The third-party review will add additional time to the normal building permit review process. Any builder that submits a design for third-party review should expect an increase in the length of time for the issuance of a building permit. No building per-

mit will be issued for any plan that has been submitted to the third-party review process until the City Planner has approved the design and the third-party architect has received his/her review fee.

### Multi-Family Design Standards

Subject to current regulations and requirements, RP-3 zoning shall be permitted in the Plan area provided that, RP-3 regulations and development and performance standards set forth in the City's Unified Development Ordinance (UDO) shall be modified to incorporate the adopted *City of Olathe Guidelines for Multi-Family Development Design* standards with the exception for the requirement that 75 percent of the exterior walls be finished with decorative masonry, stone, or stucco.

An exception to this requirement may be granted by the City Planner if the proposed multi-family structure meets the following standards.

1. 50 percent of the exterior walls are finished with decorative masonry, stone, or stucco,
2. The remaining 50 percent of the exterior walls are covered with two distinctively different finishes, and;
3. Neither of the two non-masonry finishes covers more than 30 percent of the exterior walls.

### Example

- ❑ 50 percent of the exterior walls covered with stone
- ❑ 30 percent of the exterior walls covered with lap siding
- ❑ 20 percent of the exterior walls covered with shingles

Third-party architectural review of the design of multi-family structures is not permitted.

### SUMMARY

The land use recommendations and development policies represent Olathe's desire to promote com-

## PLAN RECOMMENDATIONS

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patible and beneficial growth. This plan provides a balance between the City's desire to attract quality new development and the the community's desire to preserve and enhance the existing character of the area.

## 4. Implementation

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### IMPLEMENTATION TASKS

Implementation of this Plan is dependent upon three critical tasks: Plan adoption by the City of Olathe; implementation of a successful annexation strategy; and selection and implementation of a preferred financing package to pay for Plan improvements.

### ANNEXATION STRATEGY

Annexation is the process by which a city extends its municipal services, regulations, voting privileges and taxing authority to new territory. Because of the fiscal implications of annexation, the costs of providing municipal services should be estimated and weighed against the anticipated revenues of areas proposed for annexation. Performing a fiscal impact analysis does not mean that only areas with positive cash flow should be annexed. There will be instances when health, safety, environmental, or other factors will override fiscal considerations and an area may need to be annexed despite its fiscal impact. As a policy, future annexation proposals should benefit existing residents of the city.

Annexation Recommendations:

- ❑ At this time, it is recommended that the City annex the study area north of 175th Street.
- ❑ The City should consider annexing properties south of 175th Street when sewers become available.

### FINANCING PACKAGE

As noted in the Fiscal Analysis (See Appendix B), the Coffee Creek Master Plan (“Preferred Plan”) generates substantial net deficits incurred over the first 10 to 15 years. As discussed, the majority of these deficits are a result of the need to “up-front” capital facilities such as a fire station, roads and several park and recreation facilities in order to implement the Master Plan. All capital improvements are assumed to be directly funded in this analysis. By showing a pay-as-you-go funding for all growth-related capital improvements, the true

costs of capital improvements are depicted. If those facilities were bonded, debt service payment for some improvements would continue beyond the last projection year and therefore would not adequately be captured in this analysis. Although net deficits occur over the short-term for the operating budget, these deficits are nowhere near the magnitude as those for the capital budget.

To ameliorate these net deficits, the City should ensure that current revenue rates are adequate and/or seek alternative revenue sources or financing mechanisms. Presented below are potential options for funding the capital budget shortfalls. To develop fair, practical and efficient ways to increase revenues, it is recommended that attention be paid to the following characteristics of each: equity, economic development, adequacy, ease of administration and legal feasibility.

#### Impact Fees

Impact fees can be defined as new growth's fair share of the cost to provide necessary capital facilities. Impact fees have been used to address the costs of many different types of facilities, including water supply, wastewater treatment, roads, schools, open space and parks, government facilities, public safety and stormwater management. While developers have traditionally provided project specific infrastructure improvements, impact fees address the costs of needed system improvements.

#### Excise Tax

Similar to impact fees, excise taxes are often used to fund new infrastructure and services necessitated by new growth. This revenue mechanism has greater flexibility than impact fees because it is a tax, rather than a development exaction that must withstand a rational nexus and direct benefit test. The City currently collects excise taxes for parks and road construction. However, one of the findings from the fiscal impact analysis is that a substantial shortfall exists when excise tax revenue generated by the Coffee Creek Plan is compared against the costs for park-related facilities and road capacity.

## Implementation

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### Special Assessment

Special assessments are an old and widely used financing method where the cost of a facility such as a road improvement is allocated fully or partially against benefited property. Typical methods of assessment include the lot method, in which each lot (or equivalent) pays an equal share; the area method, in which costs are allocated in proportion to the area/front footage of each property; and based on assessed value.

An innovative variation of the special assessment is the Facilities Benefit Assessment (FBA). Like the special assessment, the FBA is assessed on land receiving benefit from infrastructure improvements. Unlike special assessments, FBA's are applied to new development only. FBA assessments are initiated by the designation of an "area of benefit" consisting of those developments "directly or indirectly" creating a need for the improvement.

### Developer Exactions

Exactions are developer funded, in-kind contributions of land, facilities, or services that are demanded as a condition of development approval. Negotiated agreements between the developer and the local jurisdiction traditionally include off-site infrastructure, such as roads, water and sewer lines and site contributions (e.g. land parks).

### Special Taxing Districts

A special taxing district, sometimes also known as a municipal service district (MSD), permits the additional taxation of property owners within certain geographic boundaries, to fund additional special services provided within the service district. Revenues raised by an MSD can be used to pay for both capital improvements and operating expenses. Depending on State law, the municipal service district may be managed by the municipal government or by an autonomous governing body with the power to levy taxes and borrow funds. MSD's can be organized around a variety of different services and facilities, such as ambulance and police services, trash removal, sewage, stormwater management, beautification, and recreation.

### PLAN ADOPTION AND USE

The plan will be adopted by the Olathe Planning Commission and City Council. The document will serve as a resource for City staff, the Planning Commission and City Council when reviewing development proposals within the Coffee Creek Plan Area. The plan should also be used to guide residents, land owners, and project applicants concerning land planning and development initiatives in the area. The Plan is a flexible dynamic plan that will be modified as conditions in and around the Plan Area change. The Plan should be reviewed annually and revised as specific actions are achieved and new strategies are identified. Policies should also be reviewed periodically when new circumstances or changing conditions warrant reconsideration.



## APPENDIX A - PUBLIC WORKSHOP SUMMARY

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### **WORKSHOP SUMMARY**

*In order to be successful, the Plan must reflect the community's needs and values. Therefore, public participation is essential. The Plan concepts, direction and final recommendations were created as a result of an inclusive public process. This process included two public open houses as well as numerous stakeholder interviews.*

### **STAKEHOLDER INTERVIEWS**

*Throughout the process City staff and the consultant team identified key public officials, service providers, property owners and residents to share information and concerns regarding the Plan Area. The consultant team utilized this group to gather information concerning the study area and as a sounding board for potential ideas.*

### **PUBLIC WORKSHOP ONE**

*The first public workshop was held on July 9th at the Heritage Park Golf Course Club House. The session was held to gather public input on issues and concerns for growth in the study area. The meeting was held in an open-house format. The consultant provided the public with a brief overview of existing conditions and trends affecting the study area. This overview included exhibits depicting existing land use patterns and environmental conditions.*

### **PUBLIC WORKSHOP TWO**

*The second public workshop was held November 19th at the Heritage Park Golf Course Club House. The session held to gather public input on the concept plans generated at a two-day design charette attended by the advisory committee, city staff and County service providers. The consultant and city staff solicited public comment concerning each of the plan concepts. Based upon these comments, the consultant under the direction of city staff and the advisory committee developed a fifth composite plan based upon the most desirable aspects of each concept.*

*The following is a summary of the public comments gathered at both workshops:*

*If Olathe annexes, residents should be able to get SBC (telephone) service. Currently, BR12 residents have Sprint and have to pay extra charges to call outside of area. Also wonders about other services including garbage. (current service provided by Defenbaugh Industries)*

*Developers should pay for new infrastructure improvements.*

*This is a rural area. We bought not to be jammed up with a bunch of Apartment and Business. If I wanted to that I would live in Overland Park or Olathe. Any commercial development needs to be west of Lackman! No commercial development south of 175th. No large lighting in this area. Do not want it lit up like in the city.*

*Do not want property value to decrease. If changes must be made it should only increase my property value. I would prefer for the area to retain a more rural quality. But if roads are going to expand and the area development, then just buy my property for a good price and I won't care what you put in.*

*I prefer bike lanes in both places by roads for serious bikers, by stream ways for kids and families.*

*Large lots only! Developers will profit. Let them (developers) pay for all infrastructure.*

*175th is a major bike route for serious bicyclists, therefore, bike lanes need to be provided. Kids and families need bike paths along the streams.*

*I prefer my taxes not to go up - I want my property value to go up.*

*I don't want increased traffic.*

*I want a good bike path and pike trail connecting to Olathe/Overland Park trail.*

*People in the BR12 district should pay higher taxes, if they want to resist development pressures and retain rural character. Bike/hike lanes should be*

## PUBLIC WORKSHOP SUMMARY

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*provided on multi-use trail systems, but transportation (alternative) higher speed bike lanes should also be provided on the roadways.*

*I Understand progress but I am absolutely positive that I do not want any commercial or apartments being built across the street from me! I have a major grocery store less than 10 minutes; I have a drug store and gas station less than 10 minutes from my front door; I have plenty of restaurants and a movie theater very close by; I do not want any major development around me! That is why we moved were we are!*

*Residential lots need to be at least 3 acres. No large commercial and adult shops. Concerned about traffic.*

*I am extremely concerned about road widening and I increased traffic on Lackman. There are quite a few homes that are too close to the road as it is (including ours!). I would be interested in information regarding road development plans. The newer homes in the area are susceptible to falling property values if development of infrastructure imposes lot-size losses or if new development is not the quality and substance currently seen here.*

*Effective transition policies to buffer existing uses, existing acreage home sites and Heritage Park. Large Lot development would be an effective transitional tool. More intense use should be toward the middle of Blue River 12 Sewer District with the use of New Urbanism design concepts. Past policies in place show the failure of effective transitional areas as exemplified by the area of Executive Estates and the development to the north at 155th and Black bob. Another example is Arbor Creek and John and Susan Wilson's property on 159th St, which is basically the existing hedge row. Although Arbor Creek must be given credit for taking initial steps of incorporating aspects of the New Urbanism design.*

*Transfer of development rights - marketability of excess development rights, based on 2.5 to 3 units per acre (the overall density determined by this study) of all of the study area, including between 175th and 179th. This would help to create the*

*needed mass in the present Blue River 12 Sewer District area and allow estate and future large lot development (minimum of 1 home per 3 acres) to the south of 175th St. in the Wolf Creek drainage basin. Selling of development rights would not trigger annexation.*

*Annexation - no forced annexation, voluntary annexation as development occurs. South of 175th should be studied to see if large lot development would be better served in the county.*

*Excise tax - based on sliding scale of density of use with 19 cents per SF as maximum fee structure. Developers to maintain right to use monies, instead of paying excise tax, to upgrade infrastructure.*

*South of 175th - 1 unit per 3 acres minimum with no requirement of dry sewers. On site disposal systems are more environmentally sound than large regional sewage treatment plants. Olathe large lot infrastructure requirements to be reviewed to include rural open ditch (curb and gutter not required) help encourage this type of development in transitional areas and also create more open space. Street requirements, including width and overall specs of streets. Cluster home sites to be an option, with density to be based on total gross area.*

*School facilities - the citizens of Springhill can not subsidize, pay for, the costs of providing education services for an Olathe development, especially in the historic old Hilltop School District. All options should be on the table including in depth, independent feasibility studies for both the Olathe and Springhill School Districts. The determining factor must be how \$80 to \$90,000,000 of infrastructure can be provided with the least amount of impact on current and future residents of Springhill and the Blue River 12 area. For once the pocketbooks of taxpayers must have higher priority than egos or empire building mentality. Every School District in this county will have ample opportunity to grow in an orderly and fiscally sound manner.*

## APPENDIX B - ALTERNATIVE CONCEPTS

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### DEVELOPMENT OF CONCEPT PLANS:

Preparing conceptual land use maps ("concepts") is an exercise designed to develop a set of possible but different futures. These futures are based upon a set of realistic choices available to a community and are not intended to represent an entire universe of options. Each community has identifiable limits on what recommendations and policy choices are achievable.

Based on citizen comments, stakeholder interviews, public workshops and Steering Committee meetings, four initial concepts were prepared during a two day design charette held July 29th and 30th (2003). A fifth alternative was generated later in the process to combine the most appealing elements of each of the concepts. Each concept was created to test the fiscal implications of various development scenarios. Additionally, each concept was scrutinized based on its ability to meet the identified vision and goals developed at the onset of the process. The identified concepts are provided below:

- Concept 1. Business as Usual
- Concept 2. 175 Business Park Corridor
- Concept 3. Coffee Creek Parkway
- Concept 4. Renner Main Street
- Concept 5. Preferred Plan

Each of the descriptions on the following pages provide a probable snapshot of the study area in 2030 for each concept:

#### CONCEPT 1: BUSINESS AS USUAL

This concept is based on current area growth trends and typical suburban development patterns. Existing City policies and standards are unchanged. The typical section line road grid is maintained with the extension and improvement of 167th Street. Arterial street improvements occur incrementally over time as excise taxes are collected. Minimal open space and park dedications garner a few scattered neighborhood parks and a small trail along portions of Coffee Creek. The Spring Hill School district continues to utilize the Hilltop Elementary and works with property owners to

secure land for an additional Elementary and Middle School.

A majority of the study area north of 175th Street develops as a collection of internalized single-family detached neighborhoods with similar product types and amenities. A small pocket of Townhomes and Duplexes occur along Renner Road. Residential price points continue to be geared toward first time home buyers and young professionals. Small pockets of large-lot residential development remain in all portions of the study area preventing higher densities. Residential densities range between one to three units per acre with higher residential densities up to six units per acre.

The 175th Street corridor develops slowly in a linear "strip" development pattern with scattered auto-oriented commercial and professional office uses. A small retail node occurs at the intersection of a new 167th Street and Renner Road to serve the study area.

#### PROBABLE DEVELOPMENT YIELD:

- 5,200 dwelling units
- 115,000 square feet of office
- 2,200,000 square feet of retail

#### CONCEPT ADVANTAGES:

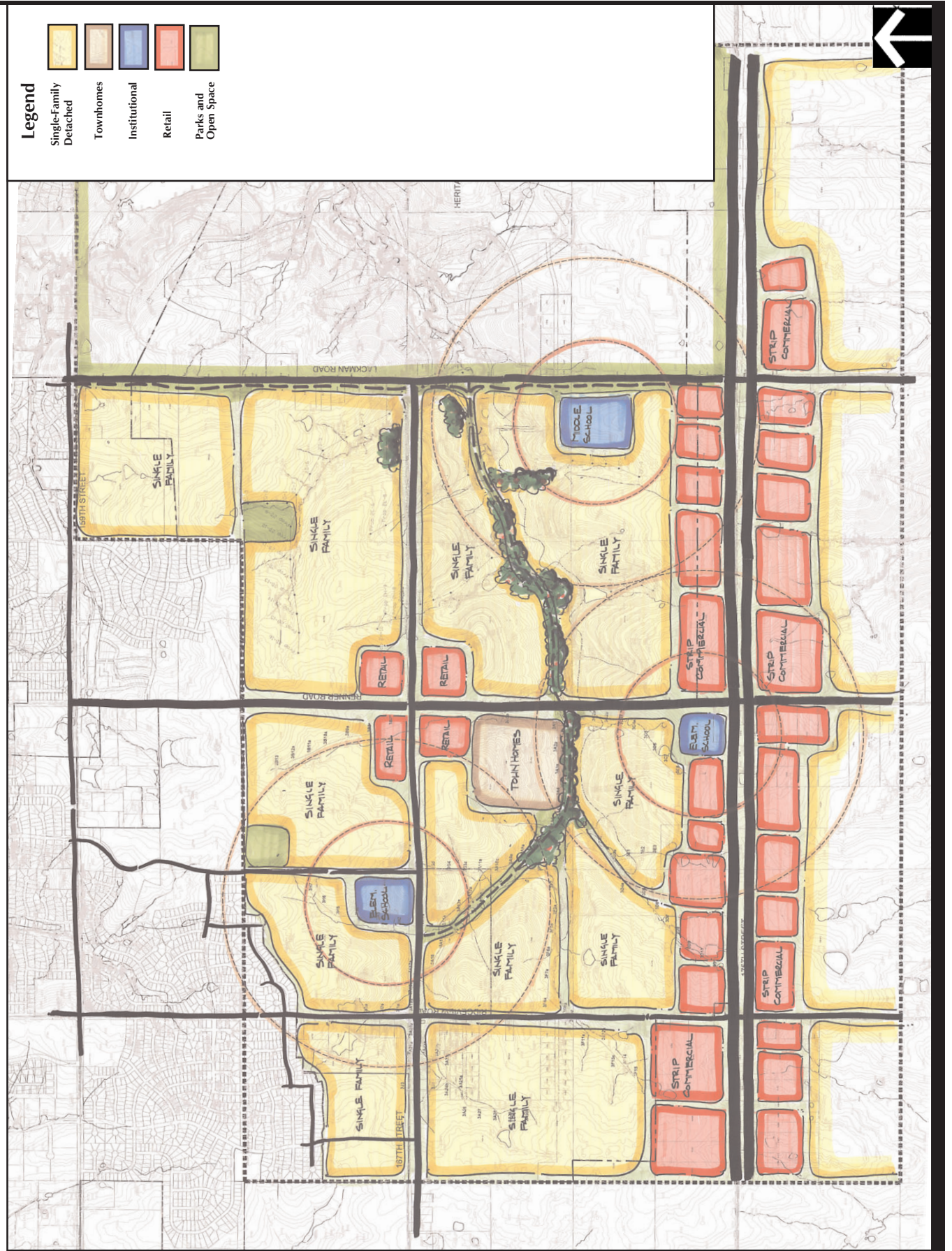
- Requires few City policy changes
- Maximizes property rights

#### CONCEPT DISADVANTAGES:

- Promotes inefficient development pattern
- Provides few amenities
- High traffic congestion along 175th Street
- Represents the least "cost effective" concept according to the Fiscal Impact analysis

# ALTERNATIVE CONCEPTS

EXHIBIT 8: CONCEPT 1 "BUSINESS AS USUAL"



## ALTERNATIVE CONCEPTS

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### CONCEPT 2: 175TH STREET BUSINESS PARK CORRIDOR

Under this concept the City maximizes 175th Street's potential as a major employment corridor. This concept places a priority on developing a parkway character along an improved 175th Street (175 Parkway) to serve as a catalyst for the development of office parks and supporting businesses. Access along the parkway is provided at designated one-mile intervals with reverse frontage roads serving adjacent properties. Arterial road improvements including the integration of the parkways are financed through a combination of special assessment districts and the road excise tax allowing the City to provide improvements in advance of development.

A majority of the study area north of 175 Parkway develops as a collection of interconnected single-family detached neighborhoods with similar product types, amenities and price points. Alternative product types and price points are provided through townhomes, duplexes, condominiums and Apartments located primarily north of the business park uses along 175 Parkway. Residential densities vary between two to three units per acre for typical neighborhoods and up to twelve units per acre for high density areas.

A meandering Village Parkway serves as an improved 167th Street east of Ridgeview Road designed to provide an east-west connection through the study area north of 175 Parkway. Roundabouts are utilized along this parkway in place of signalized intersections. The parkway is anchored to the west by a Village Center and to the east by a Cultural/Educational Campus. The Village Center provides retail and services to adjacent neighborhoods. The Cultural/Educational Campus is utilized as a shared resource between for the Spring Hill School District and as a possible Extension for Johnson County Community College. An extensive trail and an open space spine occur along the Coffee Creek Parkway connect these anchors to adjacent neighborhoods, schools and parks.

#### PROBABLE DEVELOPMENT YIELD:

- ❑ 5,600 Dwelling Units.
- ❑ 700,000 Square Feet of Retail.
- ❑ 2,000,000 Square Feet of Office.

#### CONCEPT ADVANTAGES:

- ❑ Village Center and Cultural Educational Campus provide unique community amenities
- ❑ Parkways provide a sense of place
- ❑ Extensive open space and trail connections

#### CONCEPT DISADVANTAGES:

- ❑ Disproportionate amount of office compared with retail hurts City's ability to generate additional sales tax
- ❑ Office parks competing with established developments along Kansas Highway 7 (K-7), US Highway 69 and Interstate 35

# ALTERNATIVE CONCEPTS

**Legend**

- Single-Family Estates
- Single-Family Detached
- Townhomes
- Condominiums
- Apartments
- Assisted Living
- Institutional
- Retail
- Business Park
- Parks and Open Space

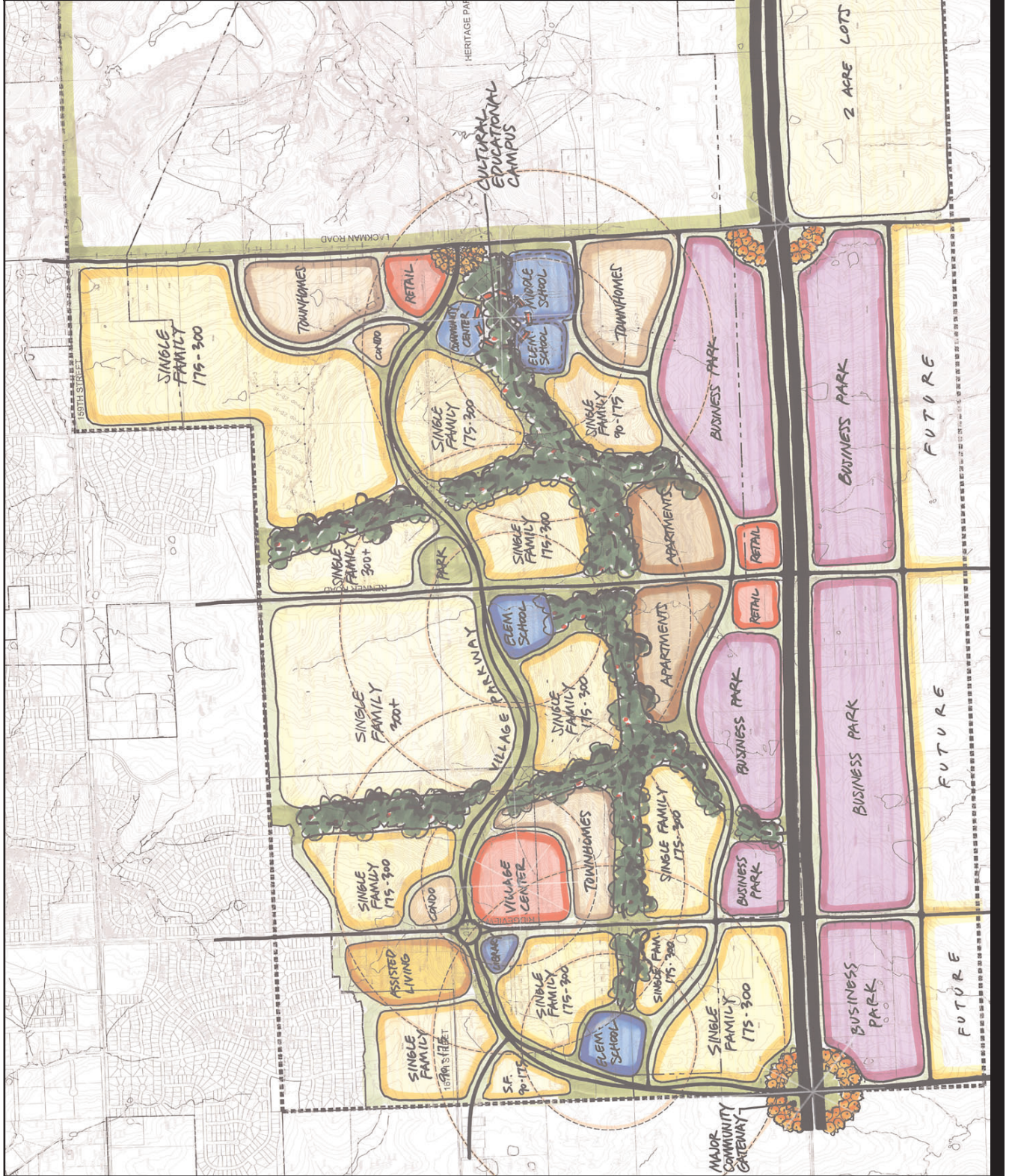


EXHIBIT 9: CONCEPT 2 "175TH STREET BUSINESS PARK"

## ALTERNATIVE CONCEPTS

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### CONCEPT 3: COFFEE CREEK PARKWAY

This concept integrates a parkway along Coffee Creek to serve as the major catalyst for new development within the study area. The Coffee Creek Parkway and adjacent trails provide a high image transportation corridor intended to connect neighborhoods, schools, parks, open space and retail areas. Floodplain along the creek is utilized for open space and natural vegetation including trees are preserved creating pastoral character. Roundabouts are utilized along the parkway in place of signalized intersections. Renner Road remains a two-lane collector, maintaining its rural character. Arterial road improvements including the integration of the parkway are financed through benefit districts allowing the City to provide improvements in advance of development.

A majority of the study area north of 175th Street develops as a collection of interconnected single-family detached neighborhoods with a range of densities, product, amenities and price points. Large-lot estate homes located along Renner Road and in small pockets north of 175th Street. Townhomes, duplexes and apartments occur along Ridgeview Road and Lackman Road fronting Heritage Park. Residential densities vary between one to three units per acre for typical neighborhoods and up to twelve units per acre for high density areas.

A Village Center is located on the northeast corner of Ridgeview Road and 175th Street, providing retail and services to adjacent neighborhoods. Regional/big-box retail is located at the southwest corner of Ridgeview Road and 175th Street. A business park is located at the corner of 175th Street and Ridgeview. A Community/Cultural Center is located at the corner of Renner Road and the parkway.

### PROBABLE DEVELOPMENT YIELD:

- ❑ 5,900 Dwelling Units
- ❑ 1,450,000 Square Feet of Retail
- ❑ 1,300,000 Square Feet of Office

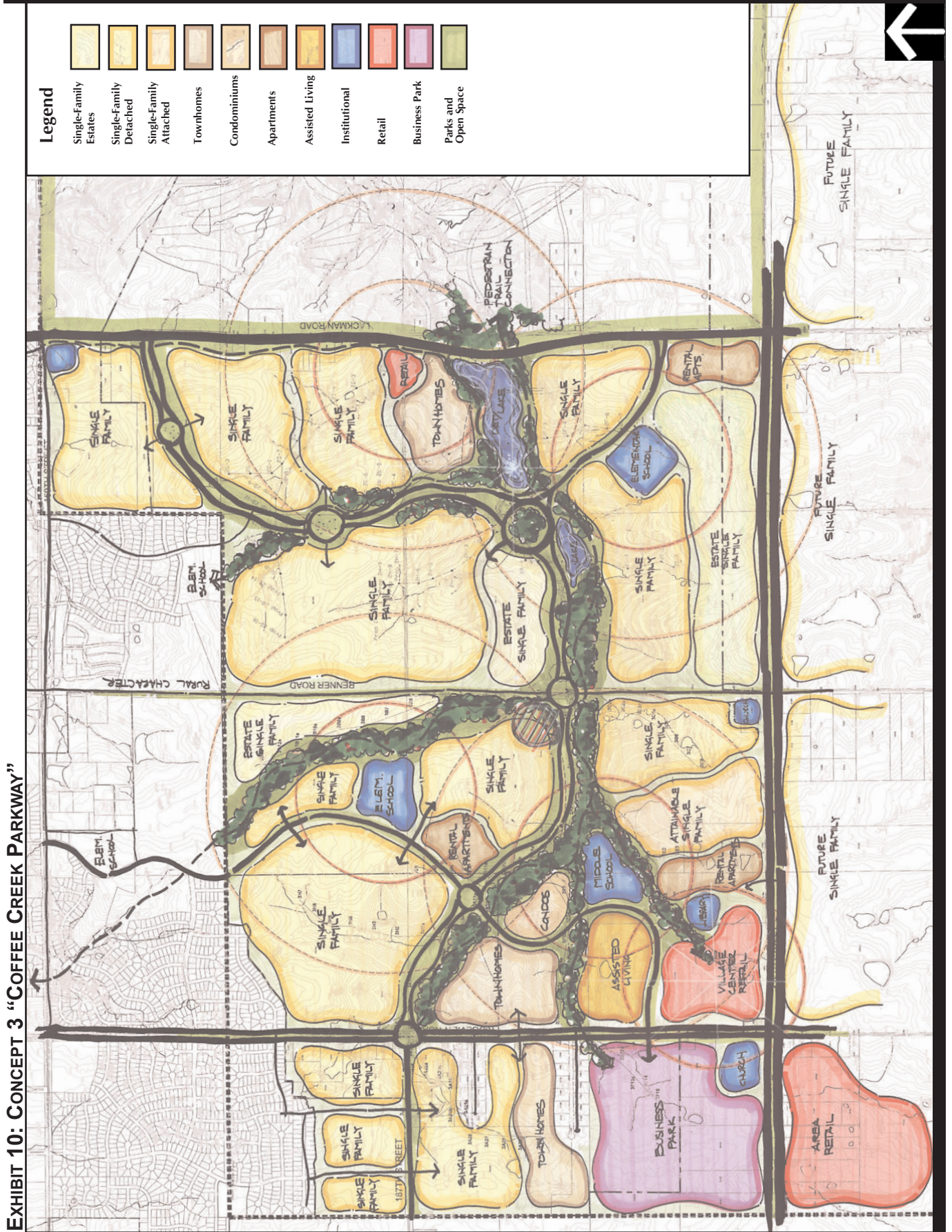
### CONCEPT ADVANTAGES:

- ❑ Village Center and Community/Cultural Campus provide unique community amenities
- ❑ Parkway provides a unique sense of place
- ❑ Extensive open space and trail connections
- ❑ Preserves rural character
- ❑ Balance of commercial and office uses

### CONCEPT DISADVANTAGES:

- ❑ Does not maximize development potential of 175th Street Corridor

# ALTERNATIVE CONCEPTS





## ALTERNATIVE CONCEPTS

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### CONCEPT 4: RENNER MAIN STREET

Under this concept, the Coffee Creek Parkway meanders throughout the study area, creating a variety of park spaces and development sites. West of Ridgeview Road, the parkway is located at the low point for railroad grade separated crossing. Extensive greenways and trails occur adjacent to the parkway connecting neighborhoods, schools, parks, open space and retail areas. Roundabouts are utilized along the parkway in place of signalized intersections. Arterial road improvements including the integration of the parkway are financed through a combination of special assessment districts and the road excise tax allowing the City to provide improvements in advance of development.

An internal Village Center is incorporated at the intersection of Renner Road and the parkway with a "main street" feel. Renner Road north of the parkway is realigned to create visual interest and to integrate a combined elementary and middle school campus. Arterial road improvements including the integration of the parkway are financed through benefit districts allowing the City to provide improvements in advance of development.

A majority of the study area north of 175th Street and west of Ridgeview Road develops as a collection of interconnected single-family detached neighborhoods with a range of densities, product, amenities and price points. Large-lot estate homes occur south of 175th Street and in small pockets west of Ridgeview Road. Townhomes, duplexes and condominiums occur around the Village Center providing a transition to adjacent single-family neighborhoods. Residential densities vary between one to three units per acre for typical neighborhoods and up to twelve units per acre for high density areas.

Business parks are located along both sides of Renner Street south of the parkway extending just south of 175th Street. Commercial and office uses are located at the northwest corner of 175th Street and Lackman Road adjacent to Heritage Park.

### PROBABLE DEVELOPMENT YIELD:

- 5,500 Dwelling Units
- 400,000 Square Feet of Retail
- 2,000,000 Square Feet of Office

### CONCEPT ADVANTAGES:

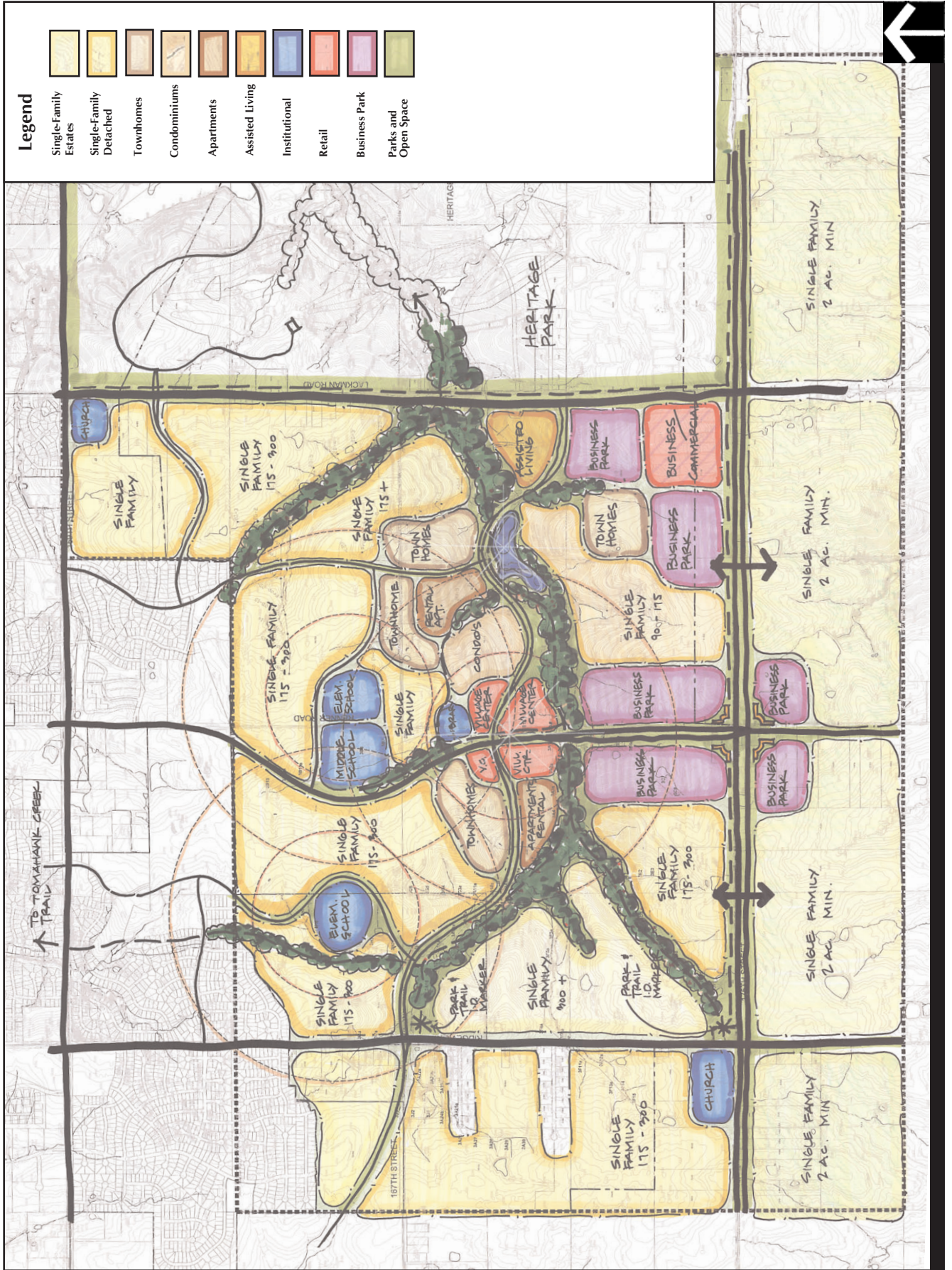
- Village Center and Community/Cultural Campus provide unique community amenities
- Parkway provides a unique sense of place
- Extensive open space and trail connections
- Preserves rural character
- Balance of commercial and office uses

### CONCEPT DISADVANTAGES:

- Does not maximize development potential of 175th Street Corridor

# ALTERNATIVE CONCEPTS

EXHIBIT 11: CONCEPT 4 "RENNER MAIN STREET"



# Appendix C

## FISCAL IMPACT ANALYSIS

Prepared by:  
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**COFFEE CREEK FISCAL IMPACT ANALYSIS**  
*City of Olathe, Kansas*

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- Fiscal Impact Analysis
- 
- Capital Improvements Programs
- 
- Impact Fees
- 
- Growth Policy Planning
- 
- Economic and Market Analysis
- 
- Fiscal and Economic Software

## **I. EXECUTIVE SUMMARY**

### **A. Background**

Tischler & Associates, Inc. (TA), as part of a team led by HNTB, is under contract with the City of Olathe to evaluate the fiscal impact of annexing an area known as Coffee Creek under different land use plans, which vary by mix and rates of residential and nonresidential growth. A fiscal impact analysis determines whether revenues generated by new growth in the Coffee Creek area are sufficient to cover the resulting costs to the City.

As a first step in this analysis, TA developed levels of service as well as cost and revenue assumptions. These assumptions are based on TA's on-site interviews and subsequent discussions with department heads, their representatives, and other related personnel in addition to a detailed analysis of Olathe's adopted 2003 fiscal year Budget. A number of these assumptions are included and discussed in this document.

The revenue and cost projections are based on the assumption that in most cases current level of spending, as provided in the 2003 Budget, will continue over the next 25-years as well as those improvements the City has identified as likely to occur in the future. The current level of spending is referred to as the current level-of-service in this type of analysis. Most enterprise funds (i.e., self-funded operations) such as the wastewater utility are not included in this analysis since revenues generated from fees are assumed to cover costs to provide those services. Current 2004 dollars are used throughout.

### **B. Fiscal Impact Methodology**

The fiscal impact analysis conducted by TA incorporates a marginal cost approach wherever possible. The case study-marginal methodology is the most realistic method for evaluating fiscal impacts. This methodology attempts to take site or geographic-specific information into consideration. Therefore, any unique demographic or locational characteristics of new development are accounted for, as well as the extent to which a particular infrastructure or service operates under, over or close to capacity. Therefore, available facility capacity determines the need for additional capital facilities and associated operating costs. Many of the administrative/general government costs that are impacted by general growth in the City, regardless of location, are projected using a marginal/average cost hybrid methodology that attempts to determine capacity and thresholds for staffing but projects non-salary operating costs using an average cost approach.

### **C. Development Scenarios**

To analyze the fiscal impact of annexing the Coffee Creek area, the following five scenarios were evaluated:

- Scenario 1. *Business as Usual*
- Scenario 2. *175 Business Park Corridor*
- Scenario 3. *Coffee Creek Parkway*
- Scenario 4. *Renner Main Street*
- Scenario 5. *Preferred Plan*

The table below shows growth by scenario. The fiscal impact analysis is based on projections over a 25-year time-period. See Section II for further detail on the scenarios.

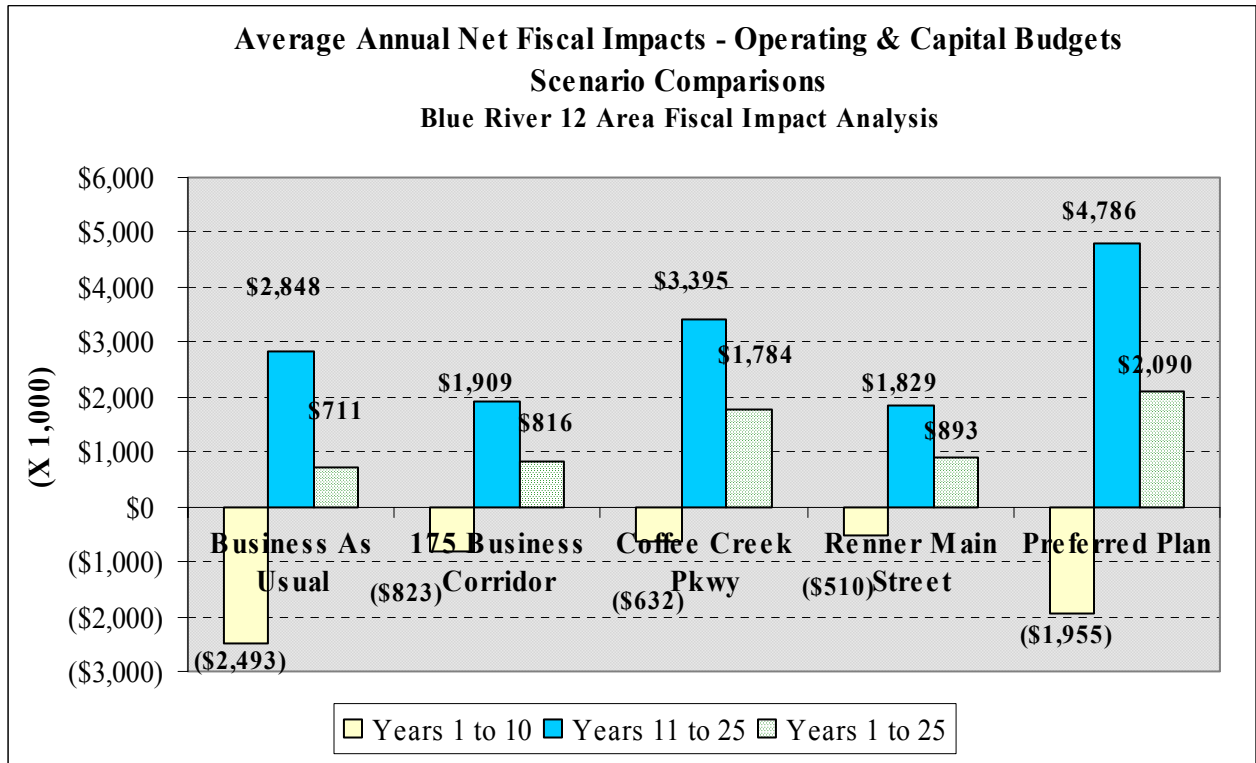
### Blue River 12 Scenario Summary

	<b>Business as Usual</b>	<b>175 Business Park Corridor</b>	<b>Coffee Creek Parkway</b>	<b>Renner "Main Street"</b>	<b>Preferred Plan</b>
<b>Total Population</b>	<b>17,676</b>	<b>15,928</b>	<b>18,039</b>	<b>17,822</b>	<b>22,587</b>
Estate Single Family	623	630	880	877	843
Single Family	1,194	2,448	3,162	3,324	2,793
Attainable Single Family	3,030	0	0	0	0
Condominium	0	180	140	270	896
Townhome	368	1,035	795	743	2,686
Rental Apartments	0	984	648	180	564
Assisted Living Units	0	296	272	184	0
<b>Residential Units</b>	<b>5,214</b>	<b>5,573</b>	<b>5,897</b>	<b>5,578</b>	<b>7,782</b>
Village Retail	0	457,380	598,950	402,930	65,340
Area Retail	2,318,263	248,292	853,790	0	1,984,159
Office/Business Park	0	2,025,540	1,306,800	2,047,320	565,191
<b>Nonresidential Square Footage</b>	<b>2,318,263</b>	<b>2,731,212</b>	<b>2,759,540</b>	<b>2,450,250</b>	<b>2,614,690</b>

## D. Fiscal Impact Results

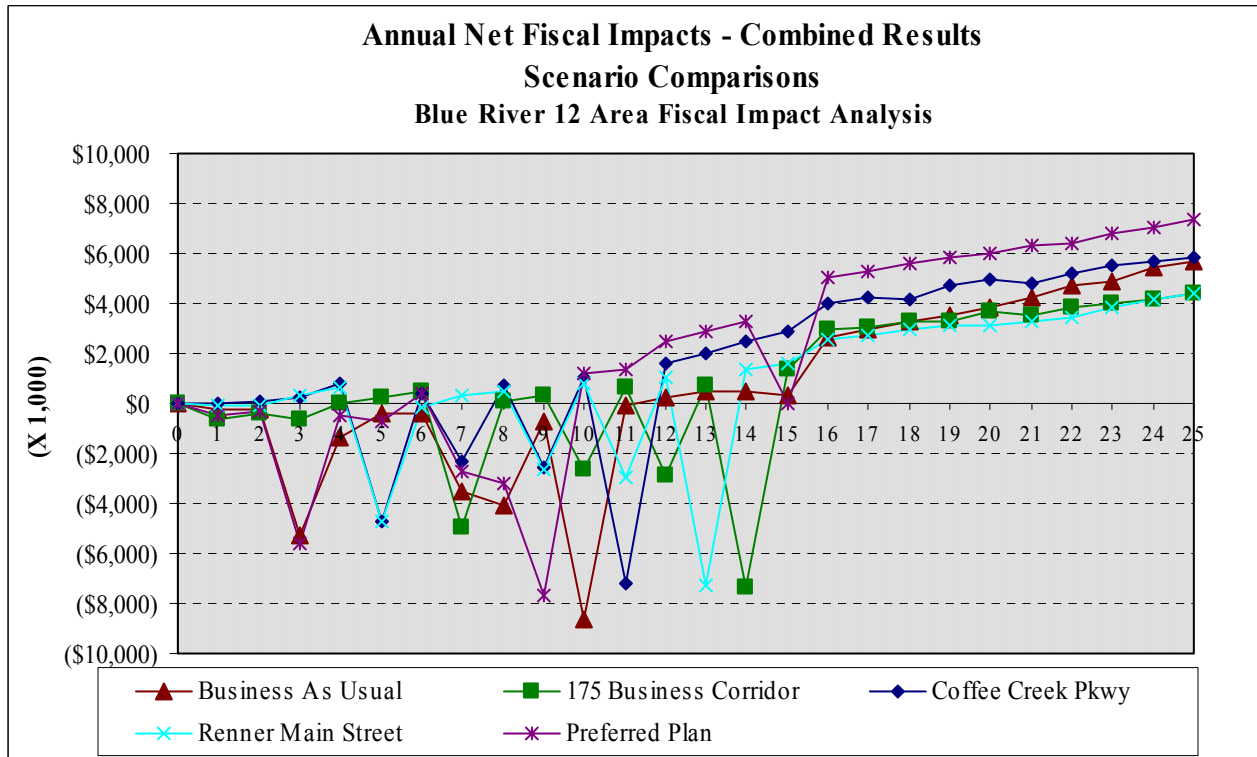
### 1. Average Annual Net Impacts

The chart below shows the average annual net fiscal impact (revenues minus expenditures) over the 25-year development period for the five land use scenarios. The fiscal results are shown for three time periods: 1) Years 1-10, 2) Years 11-25, and 3) Years 1-25 and include both operating and capital impacts. *All results are those accruing from new growth only, and do not include costs and revenues from the existing population and employment base of the City.* As the chart below indicates, new growth in the Coffee Creek area generates average annual net surpluses over the long-term, but net deficits in the short-term (years 1-10).



## 2. Annual Net Impacts

The chart below shows the annual net impacts to the City for each of the five scenarios over the 25-year development period. By showing the results annually, the magnitude, rate of change, and timeline of deficits and revenues can be observed over time. Data points above the \$0 line represent annual surpluses; points below the \$0 line represent annual deficits. The “bumpy” nature of the annual results during particular years represents the opening of capital facilities and/or major operating costs being incurred.



## E. Discussion of the Results

Although long-term net surpluses are generated by the five land use scenarios, there are substantial net deficits incurred over the first 10-15 years, depending on the scenario. As discussed further in this report, the majority of these deficits are a result of the need to “upfront” capital facilities such as a fire station, roads and several park and recreation facilities in order to implement the various land use alternatives. In summary:

- This analysis reflects the cash flow to the City. Depicting cash flow captures the actual annual cost to the City during the projection period, as opposed to assuming debt financing where debt service payments will continue beyond the projection period and therefore will not be reflected in the fiscal impact analysis. Furthermore, this enables policymakers and City staff to further discuss financing options and tradeoffs regarding pay-go versus debt financing as it relates to operating and capital needs.
- Transportation improvements represent the largest capital expense over the 25-year development period for all five scenarios. The number and cost of road improvements was estimated by HNTB as part of the development of the scenarios with City staff.



- New parks and recreation facilities include an Aquatics Center, Community Center and neighborhood/community parkland. The facilities are “built” (and expenses incurred) for purposes of the analysis when a specified population threshold is reached. The faster growth scenarios trigger these facilities sooner and the related operating costs that accompany them. With additional parks and recreation facilities, expenses for parks, grounds, and facilities maintenance will grow proportionally.
- Discussions with City staff indicate that an additional fire station and associated apparatus will be needed to serve the Coffee Creek area. As with parks and recreation, the faster growth occurs, the sooner the need for facility construction. Due the large operating costs associated with a fire station, the largest operating cost for all scenarios is for fire.
- The majority of operating revenues are sales taxes from retail space, followed by property taxes and franchise taxes.

## F. Analysis Highlights

The following major conclusions can be drawn from this analysis:

- The Preferred Plan scenario generates the greatest average annual net surpluses over the 25-year development period at \$2.09 million. This is primarily a result of the amount of retail space assumed under this scenario (2.0 million square feet). Although the retail space is not as much as that assumed under the Business As Usual scenario, it is absorbed at a faster rate, which allows sales tax revenue to begin accruing earlier.
- The Coffee Creek Parkway scenario generates the second best result over the 25-year development period with an average annual net surplus of \$1.78 million. This scenario benefits from the amount of retail space assumed over the first fifteen years as well as the amount of residential development assumed over the first ten years, particularly the percentage of higher value single family housing units, resulting in the second highest overall revenue. As discussed further in this report, the market/assessed values assumed for new housing units in this area are substantially higher than the citywide average for the *existing* housing stock.
- The Renner Main Street scenario assumes the lowest amount of retail space of all the scenarios (403,000 square feet). This is the primary reason this scenario generates the lowest overall costs. However, it is also the same reason this scenario generates the lowest amount of overall revenue. Less retail development detracts from the bottom line, since sales tax is the largest revenue source for the City.
- The 175 Business Corridor scenario generates the best *operating budget* result over the first ten years, primarily due to a slower pace of residential development relative to the other scenarios, which results in the large, facility-related operating costs being incurred later than the other scenarios. However, this slower pace of growth also

- means that property and sales tax revenues are generated later than the other scenarios with faster development and therefore have less time to accumulate and offset operating and capital deficits that occur in the mid-to later years. As a result, this scenario generates the fourth best overall result.
- The Business As Usual scenario assumes the highest amount of retail space, from which it derives sales tax revenue. However, this retail space is absorbed at a slower pace than most of the scenarios. In addition, this scenario has the greatest amount of residential development over the first ten years in percentage terms, which triggers the need for capital facilities and associated operating costs. Because this is the only scenario to assume a portion of the single family housing units with “attainable” market values, less property tax revenue is generated. As a result of these factors, this scenario generates the greatest short-term net deficits and lowest net surplus over the long-term.
  - Over the long-term, all five scenarios generate average annual net surpluses to the City’s *operating* budget. A primary reason is the higher market/assessed values assumed for new housing units in this area, which are substantially higher than the citywide average for the *existing* housing stock.
  - On an average annual basis, the *operating* costs to the serve the Coffee Creek area outpace the revenues generated by new development over the short-term (years 1-10), resulting in net deficits for three of the five scenarios. These short-term net deficits are due in large part to the operating costs associated with capital facilities that are needed in the earlier years of the analysis period.
  - Capital costs outpace the revenues generated by new development over the first ten years under all five scenarios due to the need to “upfront” certain capital facilities, resulting in significant average annual net deficits during that time-period. Therefore, the City should either consider re-examining its current revenue structure to ensure that current rates are adequate and/or seek alternative revenue sources (i.e. additional excise taxes or impact fees) or financing mechanisms (i.e. developer agreements, special assessment districts, etc.) to offset these deficits.
  - From a land use policy perspective, it is important to acknowledge that fiscal issues are only one concern. Environmental, housing affordability, jobs/housing balance, traffic and other issues must also be taken into consideration when making final assessments on what is best for the City.

## II. SCENARIOS

In evaluating the fiscal impacts of future growth in the Coffee Creek area, the following scenarios were developed by City staff and the consulting team.

- Scenario 1. *Business as Usual*
- Scenario 2. *175 Business Park Corridor*
- Scenario 3. *Coffee Creek Parkway*
- Scenario 4. *Renner Main Street*
- Scenario 5. *Preferred Plan*

The acreage for each land use, population, dwelling units by type and nonresidential square footage by type for each scenario, as well as the underlying assumptions are presented below.

### A. Scenario 1: Business As Usual

Major assumptions for this scenario include:

- Extension of one-mile grid roads
- Extension of current single family-detached lot pattern
- Some townhomes along Renner Road
- Major retail and commercial use along 175<sup>th</sup> Street
- Typical retail pattern (mainly convenience retail) at all four corners of Renner and 167<sup>th</sup> Street
- Minimal open space and park dedications as required by current City ordinances
- Designated school sites
- Trail along Coffee Creek and Lackman Road

**BLUE RIVER 12 FUTURE LAND USE SCENARIO 1**  
**Business As Usual**

**Development North of 175th Street**

Land Use	Acres	Population	DWELLING UNITS/NONRES SQUARE FEET					Total
			Year 5	Year 10	Year 15	Year 20	Year 25	
Estate Single-Family	80	280	36	36	8	-	-	80
Single-Family	434	4,237	477	358	179	119	60	1,194
Attainable Single-Family	1,010	10,302	1,515	1,061	455	-	-	3,030
Condominium	0	-	-	-	-	-	-	-
Townhomes	49	956	37	129	165	37	-	368
Rental Apartments	0	-	-	-	-	-	-	-
Assisted Living	0	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,573</b>	<b>15,775</b>	<b>2,065</b>	<b>1,583</b>	<b>807</b>	<b>156</b>	<b>60</b>	<b>4,671</b>
Village Retail	0	-	-	-	-	-	-	-
Area Retail	256	-	-	111,514	223,027	446,054	557,568	1,338,163
Office/Business Park	0	-	-	-	-	-	-	-
Schools/Library/Churches	95	-	-	-	-	-	-	-
Parks	22	-	-	-	-	-	-	-
Open Space	125	-	-	-	-	-	-	-
R.O.W.	366	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>864</b>	<b>-</b>	<b>-</b>	<b>111,514</b>	<b>223,027</b>	<b>446,054</b>	<b>557,568</b>	<b>1,338,163</b>

**Development South of 175th Street**

Land Use	Acres	Population	DWELLING UNITS/NONRES SQUARE FEET					Total
			Year 5	Year 10	Year 15	Year 20	Year 25	
Estate Single-Family	543	1,901	54	136	190	109	54	543
Single-Family	0	-	-	-	-	-	-	-
Attainable Single-Family	0	-	-	-	-	-	-	-
Condominium	0	-	-	-	-	-	-	-
Townhomes	0	-	-	-	-	-	-	-
Rental Apartments	0	-	-	-	-	-	-	-
Assisted Living	0	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>543</b>	<b>1,901</b>	<b>54</b>	<b>136</b>	<b>190</b>	<b>109</b>	<b>54</b>	<b>543</b>
Village Retail	0	-	-	-	-	-	-	-
Area Retail	250	-	-	-	217,800	326,700	435,600	980,100
Office/Business Park	0	-	-	-	-	-	-	-
Schools/Library/Churches	0	-	-	-	-	-	-	-
Parks	0	-	-	-	-	-	-	-
Open Space	150	-	-	-	-	-	-	-
R.O.W.	166	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>566</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>217,800</b>	<b>326,700</b>	<b>435,600</b>	<b>980,100</b>

**B. Scenario 2:175 Business Park Corridor**

Major assumptions for this scenario include:

- Create “Parkway” character (175 Parkway) – controlled access at 1 mile intervals
- Create Business Park along 175 Parkway – reverse frontage roads
- “Village Parkway” to intersect with 175 Parkway east of Ridgeview Road – create major community gateway
- Village Center internal at SE corner of Ridgeview Road and Village Parkway
- Cultural/Educational Campus on Lackman Road
- Coffee Creek “open space spine” links the two major community anchors – Village Center and Cultural/Education Campus

- Some retail on Renner Road and 175 Parkway to serve residential and business communities
- Elementary schools, parks and some neighborhood retail located as neighborhood focal points
- Higher densities around community and neighborhood focal points
- Extensive open space connections and trails throughout

## BLUE RIVER 12 FUTURE LAND USE SCENARIO 2

### 175 Business Park Corridor

#### Development North of 175th Street

Land Use	Acres	Population	DWELLING UNITS/NONRES SQUARE FEET					Total
			Year 5	Year 10	Year 15	Year 20	Year 25	
Estate Single-Family	203	711	71	81	41	10	-	203
Single-Family	816	8,690	979	979	490	-	-	2,448
Attainable Single-Family	0	-	-	-	-	-	-	-
Condominium	18	342	-	9	54	72	45	180
Townhomes	138	2,691	52	104	466	311	104	1,035
Rental Apartments	82	1,673	148	197	541	98	-	984
Assisted Living	37	326	-	-	-	-	296	296
<b>TOTAL</b>	<b>1,294</b>	<b>14,433</b>	<b>1,250</b>	<b>1,370</b>	<b>1,591</b>	<b>491</b>	<b>445</b>	<b>5,146</b>
Village Retail	42	-	68,607	160,083	160,083	68,607	-	457,380
Area Retail	38	-	33,106	49,658	66,211	66,211	33,106	248,292
Office/Business Park	210	-	-	-	228,690	343,035	457,380	1,029,105
Schools/Library/Churches	147	-	-	-	-	-	-	-
Parks	11	-	-	-	-	-	-	-
Open Space	329	-	-	-	-	-	-	-
R.O.W.	366	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,143</b>	<b>-</b>	<b>101,713</b>	<b>209,741</b>	<b>454,984</b>	<b>477,853</b>	<b>490,486</b>	<b>1,734,777</b>

#### Development South of 175th Street

Land Use	Acres	Population	DWELLING UNITS/NONRES SQUARE FEET					Total
			Year 5	Year 10	Year 15	Year 20	Year 25	
Estate Single-Family	427	1,495	128	149	107	43	-	427
Single-Family	0	-	-	-	-	-	-	-
Attainable Single-Family	0	-	-	-	-	-	-	-
Condominium	0	-	-	-	-	-	-	-
Townhomes	0	-	-	-	-	-	-	-
Rental Apartments	0	-	-	-	-	-	-	-
Assisted Living	0	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>427</b>	<b>1,495</b>	<b>128</b>	<b>149</b>	<b>107</b>	<b>43</b>	<b>-</b>	<b>427</b>
Village Retail	0	-	-	-	-	-	-	-
Area Retail	0	-	-	-	-	-	-	-
Office/Business Park	366	-	-	-	-	398,574	597,861	996,435
Schools/Library/Churches	0	-	-	-	-	-	-	-
Parks	0	-	-	-	-	-	-	-
Open Space	150	-	-	-	-	-	-	-
R.O.W.	166	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>682</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>398,574</b>	<b>597,861</b>	<b>996,435</b>

## C. Scenario 3: Coffee Creek (Tomahawk) Parkway

Major assumptions for this scenario include:

- Create Coffee Creek Parkway as high image community road, major greenway – retain natural vegetation, natural landscaping, traffic calming techniques such as roundabouts

- Coffee Creek Parkway to begin as extension of 167<sup>th</sup> Street and terminates at Heritage Park entrance at Lackman Road
- Village Center at NE corner of 175<sup>th</sup> Street and Ridgeview Road, with inward community focus and carefully controlled access
- Business Park at NW corner of 175<sup>th</sup> Street and Ridgeview Road
- Higher density of development occurs along Ridgeview Road and along Lackman Road
- Renner Road retains rural character - 2 lane, horse fencing, pastoral landscape
- Higher end single family homes and estate homes along Renner Road
- Community cultural/recreation center at corner of Renner and Coffee Creek Parkway
- Estate 2-3 acre lots along northern side of 175<sup>th</sup> Street (eastern end) in area not sewerable by gravity sewers
- Extensive trails and open space throughout

### BLUE RIVER 12 FUTURE LAND USE SCENARIO 3

#### Coffee Creek (Tomahawk) Parkway

##### Development North of 175th Street

Land Use	Acres	Population	DWELLING UNITS/NONRES SQUARE FEET					Total
			Year 5	Year 10	Year 15	Year 20	Year 25	
Estate Single-Family	180	630	54	54	54	18	-	180
Single-Family	1,054	11,225	1,265	1,265	632	-	-	3,162
Attainable Single-Family	0	-	-	-	-	-	-	-
Condominium	14	266	-	14	35	42	49	140
Townhomes	106	2,067	-	199	278	239	80	795
Rental Apartments	54	1,102	130	227	194	65	32	648
Assisted Living	34	299	-	109	163	-	-	272
<b>TOTAL</b>	<b>1,442</b>	<b>15,589</b>	<b>1,448</b>	<b>1,867</b>	<b>1,357</b>	<b>363</b>	<b>161</b>	<b>5,197</b>
Village Retail	55	-	59,895	149,738	209,633	119,790	59,895	598,950
Area Retail	5	-	-	-	8,712	15,246	19,602	43,560
Office/Business Park	120	-	-	-	261,360	392,040	653,400	1,306,800
Schools/Library/Churches	109	-	-	-	-	-	-	-
Parks	11	-	-	-	-	-	-	-
Open Space	340	-	-	-	-	-	-	-
R.O.W.	355	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>995</b>	<b>-</b>	<b>59,895</b>	<b>149,738</b>	<b>479,705</b>	<b>527,076</b>	<b>732,897</b>	<b>1,949,310</b>

##### Development South of 175th Street

Land Use	Acres	Population	DWELLING UNITS/NONRES SQUARE FEET					Total
			Year 5	Year 10	Year 15	Year 20	Year 25	
Estate Single-Family	700	2,450	280	245	140	35	-	700
Single-Family	0	-	-	-	-	-	-	-
Attainable Single-Family	0	-	-	-	-	-	-	-
Condominium	0	-	-	-	-	-	-	-
Townhomes	0	-	-	-	-	-	-	-
Rental Apartments	0	-	-	-	-	-	-	-
Assisted Living	0	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>700</b>	<b>2,450</b>	<b>280</b>	<b>245</b>	<b>140</b>	<b>35</b>	<b>-</b>	<b>700</b>
Village Retail	0	-	-	-	-	-	-	-
Area Retail	93	-	-	-	283,576	324,100	202,554	810,230
Office/Business Park	0	-	-	-	-	-	-	-
Schools/Library/Churches	0	-	-	-	-	-	-	-
Parks	0	-	-	-	-	-	-	-
Open Space	150	-	-	-	-	-	-	-
R.O.W.	166	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>409</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>283,576</b>	<b>324,100</b>	<b>202,554</b>	<b>810,230</b>

#### **D. Scenario 4: Renner Main Street**

Major assumptions for this scenario include:

- Internal Village Center at Renner Road and modified alignment of Coffee Creek Parkway
- Coffee Creek Parkway meanders and creates variety of park spaces and development sites and crosses south of Coffee Creek to connect to Lackman Road. West of Ridgeview, it is located at low point for railroad grade separated crossing
- Business Park flanking Renner Road between the Village Center and 175th Street (southern segment)
- Create "Main Street" feel with Village Center and business uses
- Realignment of Renner Road to create visual interest and combined elementary and middle school campus (northern segment)
- Business park and business/commercial at northwest corner of 175th Street and Lackman Road
- Single family west of Ridgeview Road
- Higher densities around community and neighborhood focal points
- Extensive open space and trails throughout, greenways are extended as gateway features at some intersections
- Single family, two-acre minimum lots south of 175th Street as holding pattern for future development

**BLUE RIVER 12 FUTURE LAND USE SCENARIO 4**  
**Renner "Main Street"**

**Development North of 175th Street**

Land Use	Acres	Population	DWELLING UNITS/NONRES SQUARE FEET					Total
			Year 5	Year 10	Year 15	Year 20	Year 25	
Estate Single-Family	123	431	37	37	31	12	6	123
Single-Family	1,108	11,800	1,330	1,163	831	-	-	3,324
Attainable Single-Family	0	-	-	-	-	-	-	-
Condominium	27	513	-	-	14	95	162	270
Townhomes	99	1,931	-	-	74	297	371	743
Rental Apartments	15	306	-	18	63	72	27	180
Assisted Living	23	202	-	-	46	46	92	184
<b>TOTAL</b>	<b>1,395</b>	<b>15,183</b>	<b>1,367</b>	<b>1,218</b>	<b>1,059</b>	<b>522</b>	<b>658</b>	<b>4,824</b>
Village Retail	37	-	-	40,293	80,586	120,879	161,172	402,930
Area Retail	0	-	-	-	-	-	-	-
Office/Business Park	149	-	-	162,261	405,653	567,914	486,783	1,622,610
Schools/Library/Churches	131	-	-	-	-	-	-	-
Parks	11	-	-	-	-	-	-	-
Open Space	348	-	-	-	-	-	-	-
R.O.W.	366	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,042</b>	<b>-</b>	<b>-</b>	<b>202,554</b>	<b>486,239</b>	<b>688,793</b>	<b>647,955</b>	<b>2,025,540</b>

**Development South of 175th Street**

Land Use	Acres	Population	DWELLING UNITS/NONRES SQUARE FEET					Total
			Year 5	Year 10	Year 15	Year 20	Year 25	
Estate Single-Family	754	2,639	151	226	264	75	38	754
Single-Family	0	-	-	-	-	-	-	-
Attainable Single-Family	0	-	-	-	-	-	-	-
Condominium	0	-	-	-	-	-	-	-
Townhomes	0	-	-	-	-	-	-	-
Rental Apartments	0	-	-	-	-	-	-	-
Assisted Living	0	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>754</b>	<b>2,639</b>	<b>151</b>	<b>226</b>	<b>264</b>	<b>75</b>	<b>38</b>	<b>754</b>
Village Retail	0	-	-	-	-	-	-	-
Area Retail	0	-	-	-	-	-	-	-
Office/Business Park	39	-	-	-	-	127,413	297,297	424,710
Schools/Library/Churches	0	-	-	-	-	-	-	-
Parks	0	-	-	-	-	-	-	-
Open Space	150	-	-	-	-	-	-	-
R.O.W.	166	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>355</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127,413</b>	<b>297,297</b>	<b>424,710</b>

**E. Scenario 5: Preferred Plan**

Major assumptions for this scenario include:

- Large-lot transitional residential development south of 175<sup>th</sup> Street
- Retail/business park uses are limited to areas adjacent to major arterials such as 175<sup>th</sup> and Ridgeview Road
- Coffee Creek Parkway meanders and creates variety of park spaces and development sites and crosses south of Coffee Creek to connect to Lackman Road
- Business Park flanking Renner Road between the Village Center and 175th Street (southern segment)
- Create "Main Street" feel with Village Center and business uses
- Realignment of Renner Road to create visual interest



- Extensive open space and trails throughout, greenways are extended as gateway features at some intersections

**BLUE RIVER 12 FUTURE LAND USE SCENARIO 5**

**Preferred Plan**

**Development North of 175th Street**

Land Use	Acres	Population	DWELLING UNITS/NONRES SQUARE FEET					Total
			Year 5	Year 10	Year 15	Year 20	Year 25	
Estate Single-Family	0	-	-	-	-	-	-	-
Single-Family	859	9,911	1,117	978	698	-	-	2,793
Attainable Single-Family	0	-	-	-	-	-	-	-
Condominium	112	1,617	179	314	403	-	-	896
Townhomes	336	6,984	537	940	1,209	-	-	2,686
Rental Apartments	30	575	48	84	108	-	-	240
Assisted Living	0	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,337</b>	<b>19,087</b>	<b>1,881</b>	<b>2,316</b>	<b>2,418</b>	-	-	<b>6,615</b>
Village Retail	6	-	-	-	16,335	16,335	32,670	65,340
Area Retail	96	-	89,298	121,968	284,229	206,910	148,104	850,509
Office/Business Park	26	-	-	-	70,785	99,099	84,942	254,826
Schools/Library/Churches	50	-	-	-	-	-	-	-
Parks	276	-	-	-	-	-	-	-
Open Space	276	-	-	-	-	-	-	-
R.O.W.	366	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,096</b>	<b>-</b>	<b>89,298</b>	<b>121,968</b>	<b>371,349</b>	<b>322,344</b>	<b>265,716</b>	<b>1,170,675</b>

**Development South of 175th Street**

Land Use	Acres	Population	DWELLING UNITS/NONRES SQUARE FEET					Total
			Year 5	Year 10	Year 15	Year 20	Year 25	
Estate Single-Family	674	2,949	211	421	211	-	-	843
Single-Family	0	-	-	-	-	-	-	-
Attainable Single-Family	0	-	-	-	-	-	-	-
Condominium	0	-	-	-	-	-	-	-
Townhomes	0	-	-	-	-	-	-	-
Rental Apartments	41	551	-	-	113	162	49	324
Assisted Living	0	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>715</b>	<b>3,500</b>	<b>211</b>	<b>421</b>	<b>324</b>	<b>162</b>	<b>49</b>	<b>1,167</b>
Village Retail	0	-	-	-	-	-	-	-
Area Retail	124	-	-	-	273,285	443,332	417,033	1,133,650
Office/Business Park	29	-	-	-	77,591	124,146	108,628	310,365
Schools/Library/Churches	0	-	-	-	-	-	-	-
Parks	39	-	-	-	-	-	-	-
Open Space	77	-	-	-	-	-	-	-
R.O.W.	166	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>435</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>350,876</b>	<b>567,478</b>	<b>525,661</b>	<b>1,444,015</b>

### III. MAJOR ASSUMPTIONS

- Specific assumptions pertaining to revenue and cost factors are discussed wherever relevant throughout this report.
- The revenue and cost projections are based on the assumption that the current level of spending, as provided in the 2003 Budget, will continue throughout the 25-year analysis period. The current level of spending is referred to as the current level-of-service in this type of analysis.
- Most enterprise operations such as the City's wastewater utility are not included in this analysis since it is assumed that these services continue to be self-funded; that is, revenues generated from fees are sufficient to cover related expenses.
- The rate of inflation is assumed to be zero throughout the projection period, and cost and revenue projections are in constant 2004 dollars. This assumption is in accord with current budget data and avoids the difficulty of forecasting as well as interpreting results expressed in inflated dollars. In general, including inflation is very complicated and unpredictable. This is particularly the case given that some costs, such as salaries, increase at different rates than other operating and capital costs such as contractual and building construction costs. And these costs, in turn, almost always increase in variation to the appreciation of real estate. Using constant 2004 dollars reinforces the snapshot approach and avoids these problems.
- Population estimates in addition to the current number of dwelling units and employment levels, were used to calculate unit costs and service level thresholds.
- For this analysis, costs and revenues that are directly attributable to new growth are included. Both *operating and capital* costs are taken into consideration. Wherever possible, a marginal cost approach was used, where available facility capacities determine the staging of new capital facilities and associated operating costs. In some cases, the data used are average costs, based on a decision by City staff and TA that this is the best information available at this time. Some costs are not expected to be impacted by demographic changes, and may be fixed in this analysis. This is true for some functions included under the City Council budget as well as one-time expenses such as special studies.
- It should be noted that while a fiscal impact analysis is an important consideration in planning decisions, it is only one of several issues that should be considered. Environmental and social issues, for example, should also be considered when making planning and policy decisions. The above notwithstanding, this analysis will enable interested parties to understand the fiscal implications of future development.

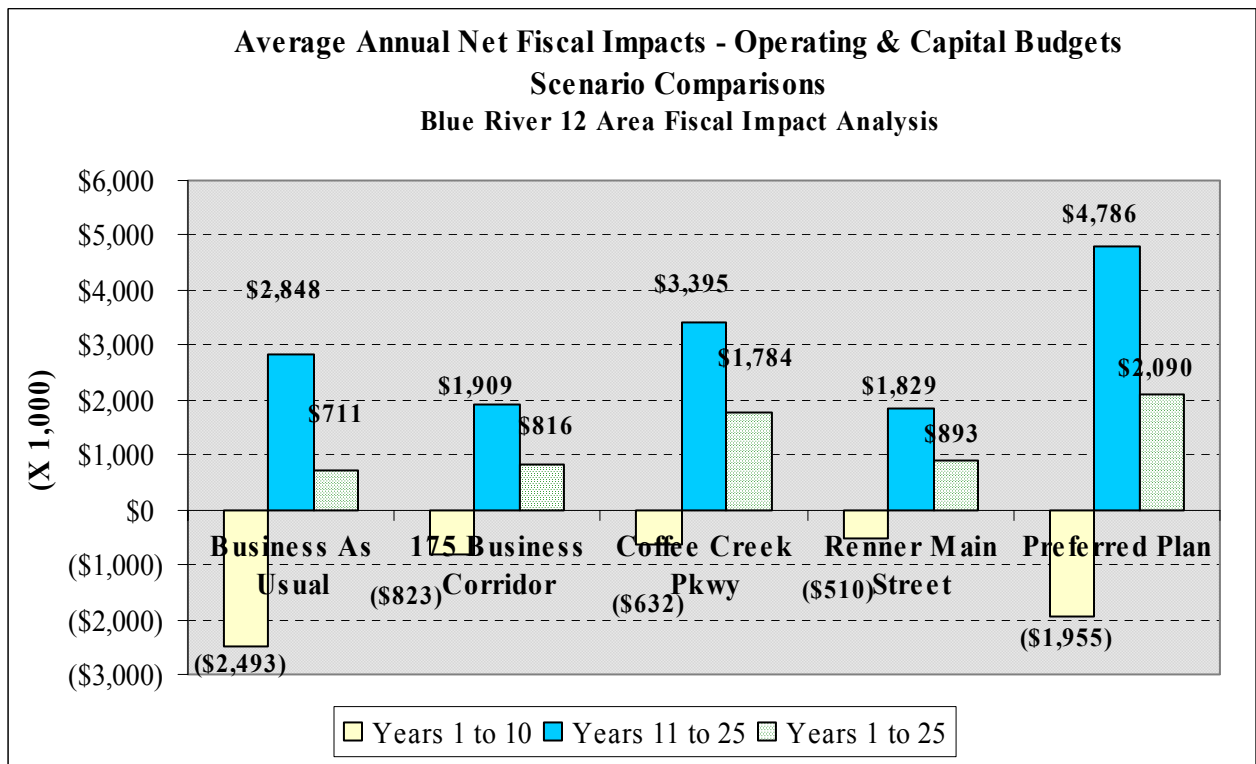
## IV. FISCAL IMPACT RESULTS

The fiscal results are discussed in terms of average annual and annual net impacts. The average annual net fiscal impacts are discussed first in Part A below, followed by annual net fiscal impacts. Revenue and expenditure details are discussed in Section V. All net results are those from new growth only and do not include costs and revenues from the existing population and employment base of the City.

### A. Average Annual Results

#### 1. Combined Impacts - Operating and Capital Budgets

The chart below summarizes the average annual net fiscal impacts (operating and capital revenues minus operating and capital expenditures) to the City of Olathe for the Coffee Creek area. The results are shown for three time periods: 1) Years 1-10, 2) Years 11-25, and 3) Years 1-25 and include both operating and capital impacts.



As the chart above indicates, when the fiscal results for the operating and capital budgets are combined, new growth in the Coffee Creek area generates average annual net *surpluses* over the long-term, but net *deficits* in the short-term (years 1-10). As discussed further in this report, this is a result of the need to “upfront” various capital facilities. The Business As Usual scenario generates the greatest net deficit over the short-term at \$2.49 million annually. This scenario

assumes the greatest amount of residential development in percentage terms over the first ten years, with less property tax accruing from these units, as this is the only scenario to assume a portion of the single family housing units with “attainable” market values, more reflective of the market values of the City’s *existing* housing stock. The Preferred Plan scenario assumes the greatest amount of residential development in absolute terms during this period. However, due to greater property tax and sales tax over the same period, average annual net deficits are lower at \$1.95 million.

Conversely, scenarios that assume the greatest residential development during the first ten years generate the largest net surpluses during years 11-25. Although these scenarios trigger thresholds for one-time capital facilities sooner—and the related operating expenses associated with those facilities, the *cumulative* revenue generated from the development offsets these expenditures in the later years, especially as the amount of retail development absorbed annually begins to increase. That is, since these scenarios assume earlier (as well as more) development relative to the other scenarios, property and sales tax revenues are generated earlier than under the scenarios with later and less development and therefore accumulates over time to offset cumulative deficits brought about by the early capital expenditures.

The Preferred Plan scenario generates the greatest average annual net surpluses over the 25-year development period at \$2.09 million. This is primarily a result of the amount of retail space assumed under this scenario (2.0 million square feet). Although the retail space is not as much as that assumed under the Business As Usual scenario, it is absorbed at a faster rate, which allows sales tax revenue to begin accruing earlier.

The Coffee Creek Parkway scenario generates the second best result over the 25-year development period with an average annual net surplus of \$1.78 million. This scenario benefits from the amount of retail space assumed over the first fifteen years as well as the amount of residential development assumed over the first ten years, particularly the percentage of higher value single family housing units, resulting in the second highest overall revenue. As discussed further in this report, the market/assessed values assumed for new housing units in this area are substantially higher than the citywide average for the *existing* housing stock. This scenario also benefits from having only the third highest costs.

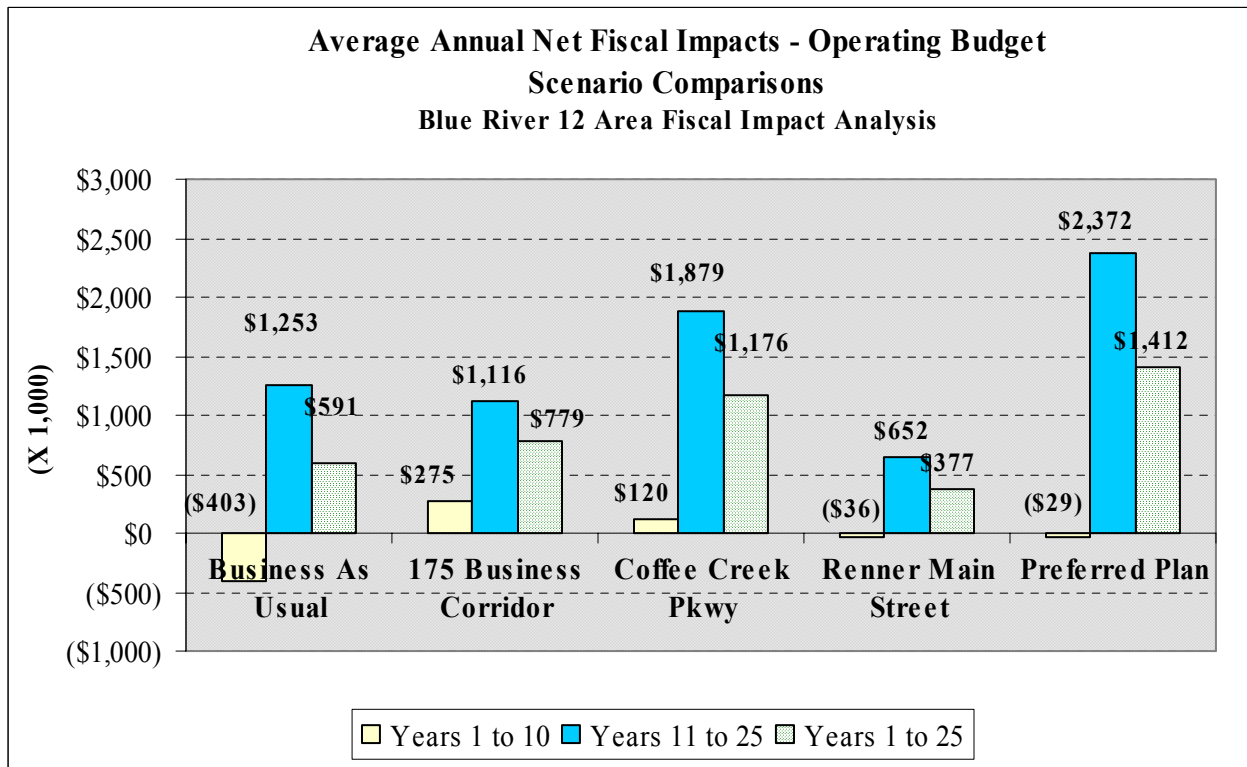
The Renner Main Street scenario assumes the lowest amount of retail space of all the scenarios (403,000 square feet). This is the primary reason this scenario generates the lowest overall costs. However, it is also the same reason this scenario generates the lowest overall revenue. Less retail development detracts from the bottom line, since sales tax is the largest revenue source for the City.

The 175 Business Corridor scenario generates the fourth best overall result with an average annual net surplus of \$816,000 over the 25-year development period. The slower pace of growth assumed for this scenario in the early years results in lower costs initially. However, this slower pace of growth also means that property and sales tax revenues are generated later than under the other scenarios with faster development and therefore have less time to accumulate and offset operating and capital deficits that occur in the mid-to later years.

The Business As Usual scenario generates the lowest average annual net surplus over the long-term at \$711,000. Although this scenario assumes the highest amount of retail space from which it derives sales tax revenue, this retail space is absorbed at a slower pace than most of the scenarios. In addition, this scenario has the greatest amount of residential development over the first ten years in percentage terms, which triggers the need for capital facilities and associated operating costs. Because this is the only scenario to assume a portion of the single family housing units with “attainable” market values, less property tax revenue is generated.

## 2. Operating Budget Impacts

The chart below summarizes the average annual net fiscal impacts (operating revenues minus operating expenditures) to the operating budget as a result of the Coffee Creek area. The results are shown for three time periods: 1) Years 1-10, 2) Years 11-25, and 3) Years 1-25.



As the chart above indicates, all five scenarios generate average annual net surpluses to the City’s operating budget over the 25-year development period. A contributing factor is the higher market/assessed values assumed for new housing units in this area, which are substantially higher than the citywide average for the existing housing stock. The Preferred Plan scenario generates the greatest net surplus over the 25-year development period at \$1.4 million.

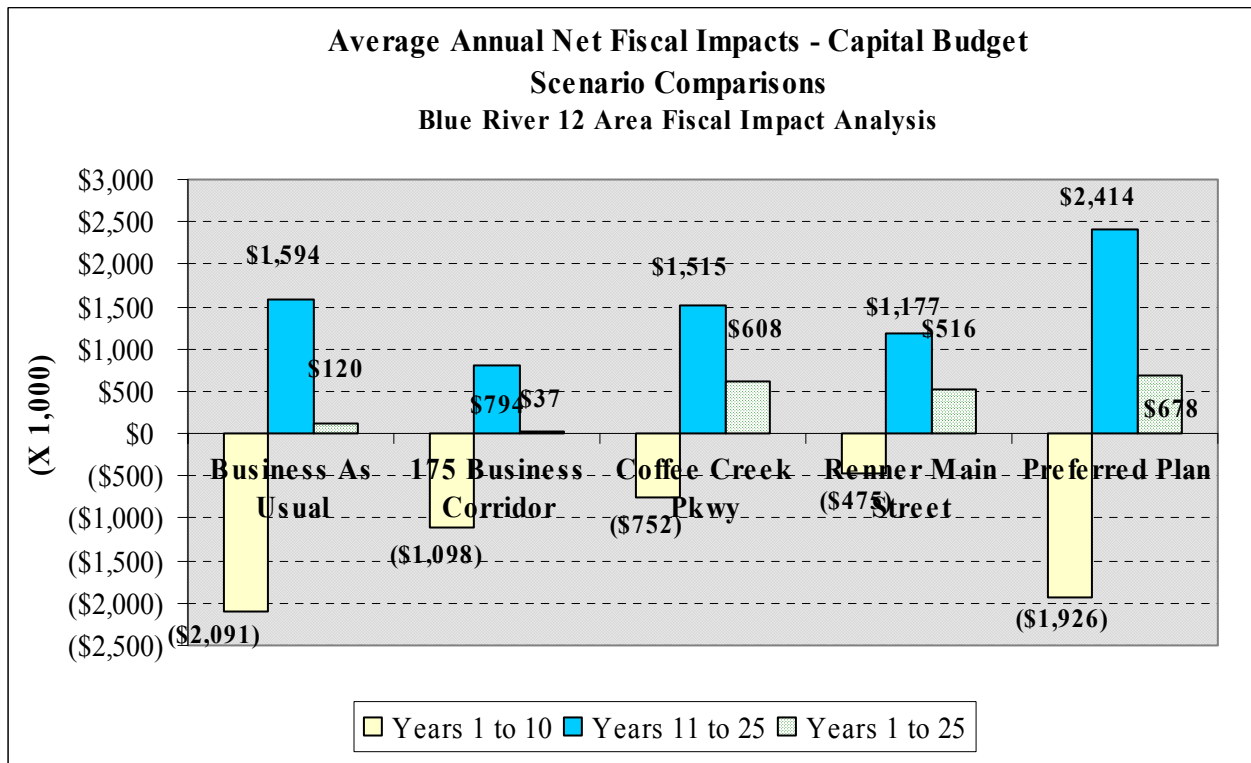
Only the 175 Business Corridor and Coffee Creek Parkway scenario generate net surpluses over first ten years. The net surpluses for the 175 Business Corridor are primarily due to a slower

pace of residential development relative to the other scenarios, which results in the large, facility-related operating costs being incurred later. In addition, this scenario has the fastest absorption of retail space over the first ten years from which it receives sales tax. The Coffee Creek Parkway scenario also benefits from a relatively high amount of retail space over the first ten years. Also, of the residential units constructed during this time period, a high percentage are single family-estate units, which have a higher assessed value (property tax) relative to other housing types. The net deficits generated by the Renner Main Street and Preferred Plan scenario are quite modest at \$36,000 and \$29,000, respectively, and can be considered fiscally neutral. The Business As Usual scenario generates an average annual net deficit of \$403,000 over the first ten years, primarily because this is the only scenario to assume a portion of the single family housing units with “attainable” market values, more reflective of the market values of the City’s *existing* housing stock. This results in lower property tax revenue relative to the other scenarios. The poorer results over the first ten years occur because more than 50% of the residential development under all five scenarios is absorbed during the first ten years. As a result, large “lumpy” operating costs associated with capital facility construction are incurred, thresholds are reached for certain staffing needs, and annual property and sales tax revenues from new growth have not had time to accumulate compared to the later years.

Average annual net surpluses are generated for all five scenarios during years 11-25, where the Preferred Plan scenario generates the greatest surplus at \$2.3 million. Net surpluses are generated for all scenarios during the later part of the analysis for two reasons. First, since over 50% of the residential development assumed is absorbed over the first ten years of the analysis period property tax generated by this development begins accruing early and their cumulative impact begins to be realized over the back half of the analysis period. Second, the majority of retail space assumed under each scenario is absorbed during years 11-25, which from which the City begins realizing substantial sales tax revenue.

### **3. Capital Budget Impacts**

The chart below summarizes the average annual net fiscal impacts (capital revenues minus capital expenditures) to the capital budget as a result of the Coffee Creek area. The results are shown for three time periods: 1) Years 1-10, 2) Years 11-25, and 3) Years 1-25.



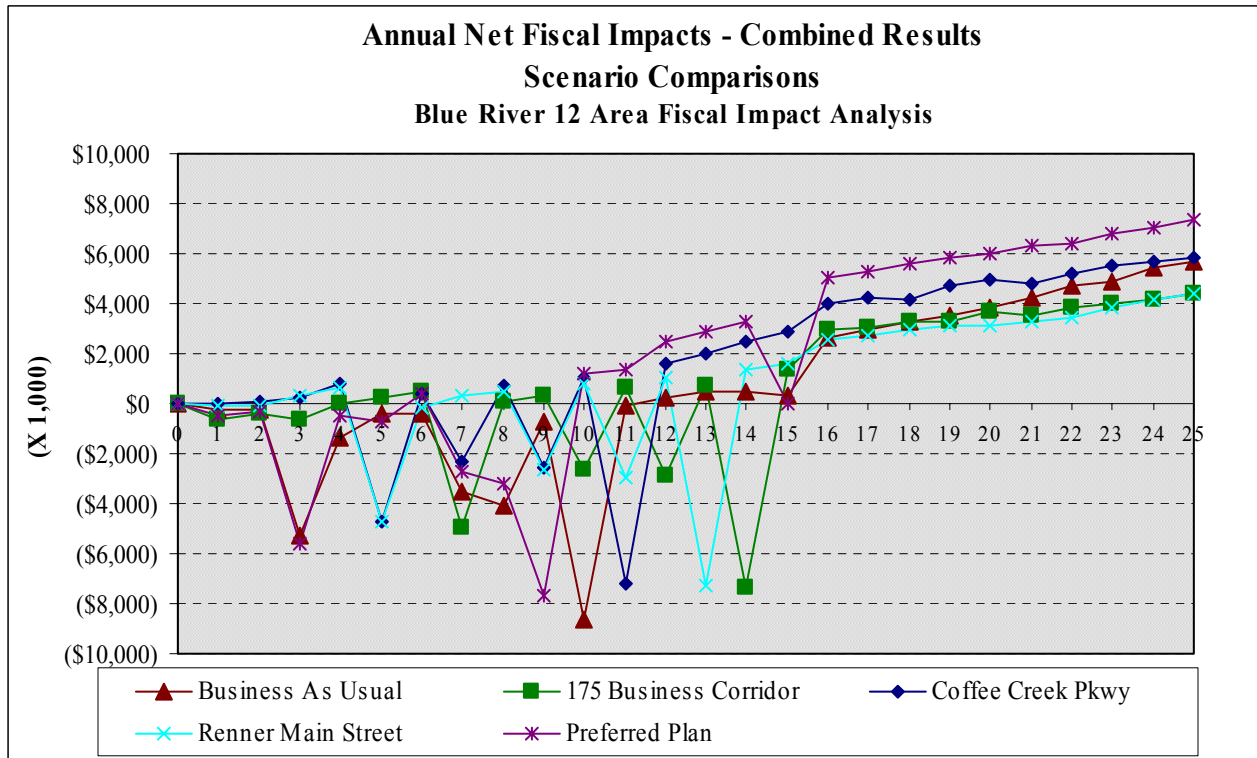
As the chart above indicates, all five scenarios generate average annual net surpluses to the City’s capital budget over the 25-year development period. However, substantial net deficits are generated over the short-term due to the need to “upfront” certain capital facilities, such as a fire station, roads and park-related improvements as a result of the development that occurs during this period. As mentioned previously, more than 50% of the residential development under all five scenarios occurs during the first ten years. In addition, as discussed elsewhere in this report, all capital expenditures are assumed to be directly funded (pay-as-you-go), so each year’s surplus or deficit is *not* carried forward into the next year. This enables a comparison from year-to-year of the net results without distorting the revenue or cost side of the equation. In reality, those surpluses would be carried forward or deficits would be funded through other means such as debt financing where there is a shortfall.

**B. Annual Results**

**1. Combined Operating and Capital Budget Impacts**

The chart below shows the annual net fiscal impacts to the City of Olathe for the Coffee Creek area. By showing the results annually, the magnitude, rate of change, and timeline of net deficits/surpluses can be observed. As the chart below indicates, annual deficits are larger initially as a result of several large capital improvements such as a fire station, several park improvements and road construction. For the most part, the annual results follow the same pattern for each of the five scenarios, with the differences reflected in variations in the timing of the deficits due to the phasing of new development. Between years 10 and 15, depending on

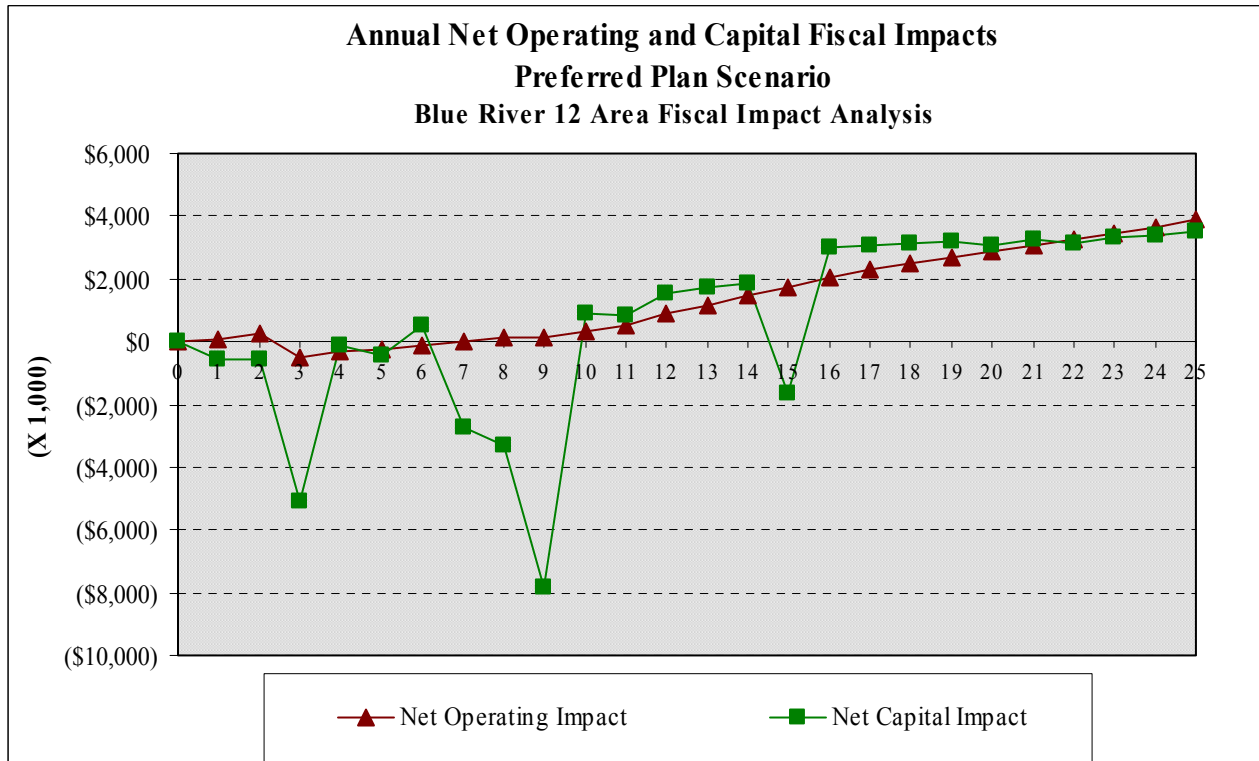
scenario, net surpluses begin to accrue, which for the most part, continue on an upward trend. This occurs for two reasons. First, residential development slows dramatically during this period and there are less capital facilities constructed (primarily parks) as a result. And secondly, there is more retail development during this period, from which the City receives sales taxes.



## 2. Operating and Capital Net Results

To further illustrate the results of the fiscal impact analysis, the chart below shows annual net impacts separately for operating and capital expenditures under the Preferred Plan scenario. (Results for the other four scenarios are not shown, but the same general relationship occurs, with variations due to timing.)





There are net operating surpluses generated over the first two projection years. Net deficits are incurred in years 3 through 9 as a result of the operating costs associated with the opening of a fire station to the serve the Coffee Creek area. Net surpluses begin accruing in year 10, which continue throughout the remaining years of the development period. As stated previously, in addition to the amount of retail space assumed, a contributing factor for the net operating surpluses over the long-term is the higher assessed values assumed for new housing units in the Coffee Creek area, which are substantially higher than the citywide average for the existing housing stock.

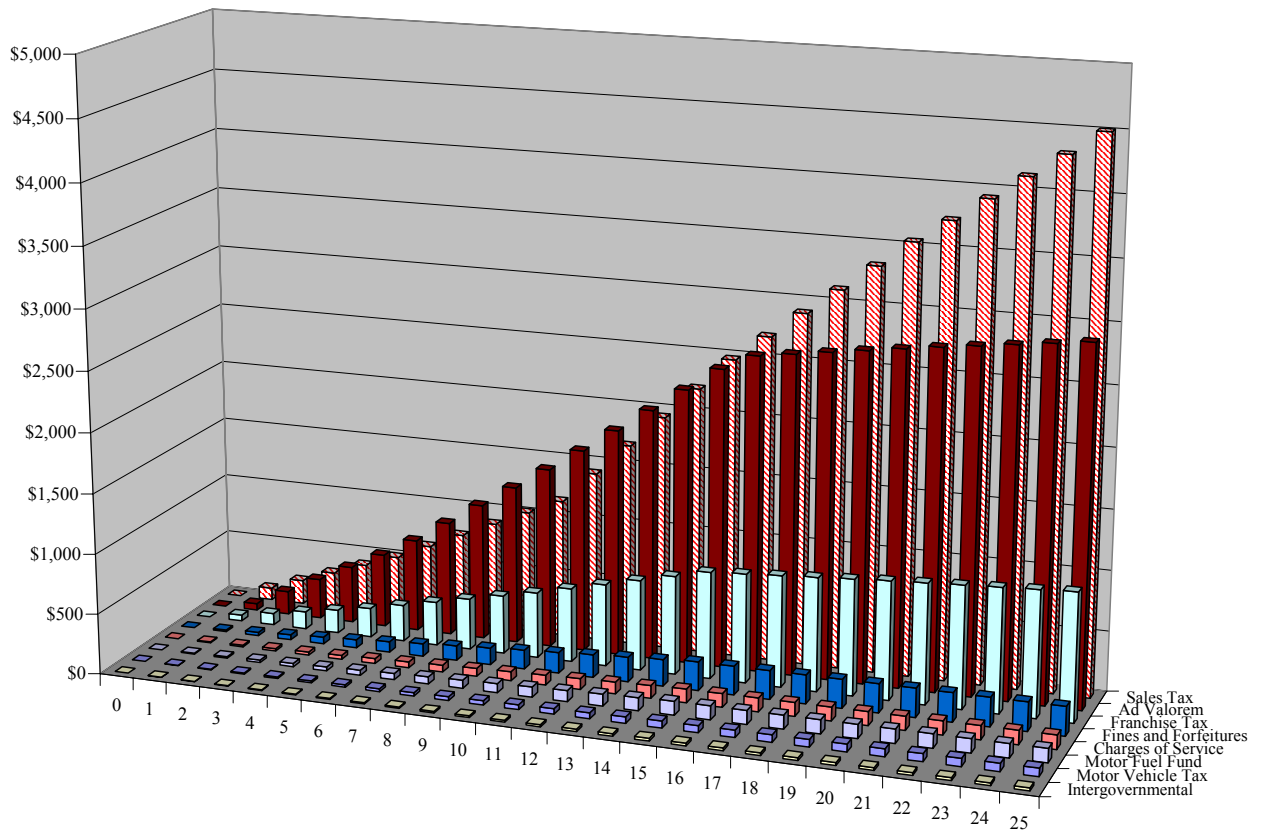
As discussed elsewhere in this report, all capital expenditures are assumed to be directly funded (pay-as-you-go). The chart above illustrates the results of assuming pay-as-you-go financing for capital facilities. For instance, significant net deficits are generated in years 3, 7-9 and 15 due to major capital expenditures.

## V. REVENUE AND COST DETAIL

### A. Operating Revenues

The chart below shows *growth-related* operating revenues under the Preferred Plan scenario. (See table on the following page for a complete list of revenue sources, including those that are considered fixed for purposes of this analysis.) Results for the other four scenarios are not shown, but the same general relationship occurs, with variations due to timing and minor variations of the relative differential among revenue categories. Revenues are shown in constant 2004 dollars. As indicated in the chart, the largest sources of revenue are from sales taxes, ad valorem taxes and franchise taxes.

Annual Operating Revenue (x\$1,000)  
 Preferred Plan Scenario



The following table shows cumulative operating revenue for each of the five scenarios over the 25-year development period, broken down by major source. These sources and the reasons for the results are then discussed briefly. As the table indicates, the Preferred Plan scenario generates the greatest cumulative operating revenue at \$123.8 million. This is due to the greater

amount of overall development assumed under this scenario. The Renner Main Street scenario generates the least cumulative operating revenue (\$74.6 million), due primarily to the low amount of retail space assumed under this scenario (403,000 square feet). It is worth noting that based on conversations with City staff, several revenue sources are considered fixed relative to new growth within the City.

**Cumulative Operating Revenue - Scenario Comparisons (x\$1,000)**  
**Blue River 12 Area Fiscal Impact Analysis**

Category	SCENARIO									
	Business As Usual	%	175 Business Corridor	%	Coffee Creek Pkwy	%	Renner Main Street	%	Preferred Plan	%
Ad Valorem	\$25,685	28%	\$28,302	35%	\$33,988	34%	\$32,105	43%	\$45,582	37%
Motor Vehicle Tax	\$844	1%	\$771	1%	\$899	1%	\$808	1%	\$1,057	1%
Sales Tax	\$44,549	49%	\$34,279	42%	\$45,370	45%	\$22,688	30%	\$51,894	42%
Intergovernmental	\$323	0%	\$264	0%	\$317	0%	\$288	0%	\$396	0%
Franchise Tax	\$13,161	14%	\$12,021	15%	\$14,019	14%	\$12,601	17%	\$16,482	13%
Licenses and Permits	\$67	0%	\$55	0%	\$66	0%	\$60	0%	\$82	0%
Charges of Service	\$1,653	2%	\$1,364	2%	\$1,638	2%	\$1,483	2%	\$2,032	2%
Fines and Forfeitures	\$3,472	4%	\$2,838	3%	\$3,417	3%	\$3,097	4%	\$4,261	3%
Investment Earnings*	\$0	0%	\$0	0%	\$0	0%	\$0	0%	\$0	0%
Other*	\$0	0%	\$0	0%	\$0	0%	\$0	0%	\$0	0%
Motor Fuel Fund	\$1,677	2%	\$1,370	2%	\$1,650	2%	\$1,495	2%	\$2,057	2%
<b>TOTAL</b>	<b>\$91,431</b>	<b>100%</b>	<b>\$81,264</b>	<b>100%</b>	<b>\$101,363</b>	<b>100%</b>	<b>\$74,625</b>	<b>100%</b>	<b>\$123,844</b>	<b>100%</b>

\*Fixed revenue sources relative to new growth.

The table above illustrates the City's reliance on sales tax, which comprises 30% to 49% of growth-related operating revenue, depending on scenario. Retail sales tax revenue is the largest single source of revenue and is projected based on retail space in the Coffee Creek area. Sales per square foot are assumed to be \$243 for village retail space and \$185 for area retail space, based on the National Research Bureau's 2002 *Shopping Center Census*, which tracks average sales per square foot for a range of shopping center types. To determine projected sales tax revenue, retail square footage is multiplied by sales per square foot and the City's tax rate of 1 percent. The Preferred Plan scenario generates the greatest sales tax, approximately \$51.8 million over the 25-year development period. Although this scenario does not assume as much retail space as the Business As Usual scenario, it is absorbed at a faster rate, which allows sales tax revenue to begin accruing earlier. The importance of the phasing of new development relative to sales tax is also illustrated in the results under the Coffee Creek Parkway and Business As Usual scenarios. Although the Coffee Creek Parkway scenario assumes approximately 865,500 square feet less than the Business As Usual scenario, cumulative sales tax revenue is slightly higher, \$45.3 million versus \$44.5 million, respectively. This occurs because more retail space is assumed over the first 15 years of the development period under the Coffee Creek Parkway scenario, which allows sales tax revenue to begin accruing sooner.

The next largest source of operating revenue generated by new growth is ad valorem, or property, tax, which comprises 28% to 43% of growth-related operating revenue, depending on scenario. Property tax was projected on a marginal basis based on a combination of assessed value assumptions for new construction. Assumptions for residential development was provided by HNTB and City staff, while nonresidential assumptions were obtained by TA

using a sample of new construction data obtained through the Johnson County Appraiser’s Office. The assumptions for residential development are shown in the table below. The Preferred Plan scenario generates the most property tax, approximately \$45.5 million over the 25-year development period. This is a direct result of the greater amount of overall development assumed under this scenario, as well as the phasing of new development. The Coffee Creek Parkway scenario generates the second highest cumulative property tax revenue (\$33.9 million). Conversely, the Business As Usual scenario, which assumes the least amount of overall development, generates the lowest cumulative property tax (\$25.6 million).

**Residential Market Value by Type of Unit  
Blue River 12 Area Fiscal Impact Analysis**

Housing Type	Value*
SF-Estate	\$370,000
SF	\$310,000
SF-Attainable	\$190,000
Condo	\$350,000
Townhome	\$260,000
Apartment	\$70,000
Assisted Living	\$120,000

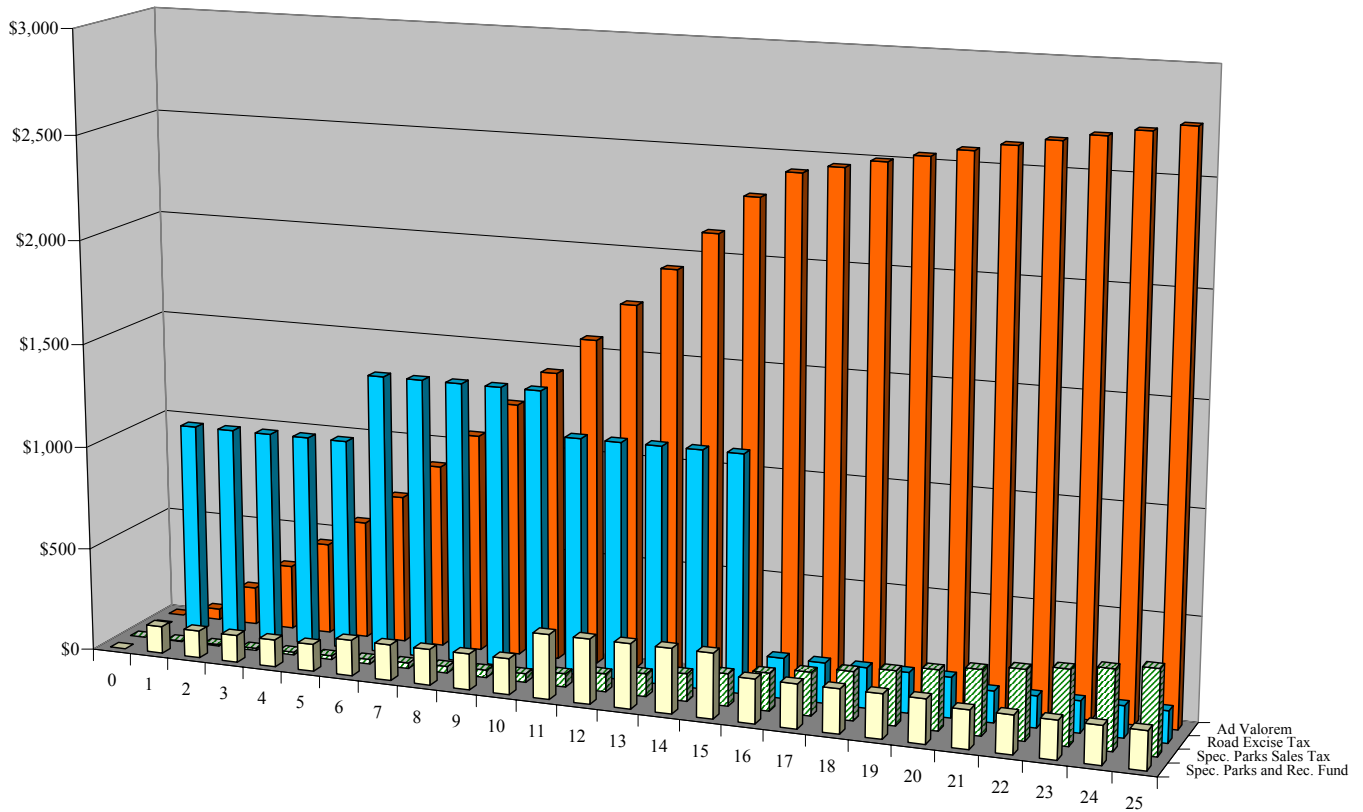
\*Assessed value is 11.5% of market value

The next largest source of growth-related operating revenue is franchise taxes from the various gas, electric and telecommunications utilities serving the City. Since these revenues are a function of overall residential and nonresidential development, the Preferred Plan and Coffee Creek Parkway scenarios generate the greatest franchise tax revenue, \$16.4 and \$14 million, respectively.

**B. Capital Revenues**

The chart below shows annual *growth-related* capital revenue under the Preferred Plan scenario. Results for the other four scenarios are not shown, but the same general relationship occurs, with variations due to timing and minor variations of the relative differential among revenue categories. Revenues are shown in constant 2004 dollars. This chart depicts the impact of one-time nature of excise taxes, as well as the compounding nature of annual revenues such as ad valorem tax.

Annual Capital Revenue (x\$1,000)  
 Preferred Plan Scenario



The following table shows cumulative revenue primarily used for capital improvements for each of the five scenarios over the 25-year development period, broken down by major source. These sources and the reasons for the results are then discussed briefly. As the table indicates, the Preferred Plan scenario generates the greatest cumulative capital revenue at \$70.5 million. Similar to operating revenues, this is due to the greater amount of overall development assumed under this scenario. The 175 Business Corridor generates the lowest cumulative capital revenue (\$48.9 million). As discussed further below, this is due in part to the slower pace of growth assumed under this scenario, as well as a relatively low percentage of single family housing units.

Cumulative Capital Revenue - Scenario Comparisons (x\$1,000)  
 Blue River 12 Area Fiscal Impact Analysis

Category	SCENARIO									
	Business As Usual	%	175 Business Corridor	%	Coffee Creek Pkwy	%	Renner Main Street	%	Preferred Plan	%
Special Parks & Rec. Fund	\$4,370	9%	\$3,785	8%	\$4,337	7%	\$3,407	6%	\$5,083	7%
Special Park Sales Tax Fund	\$3,322	6%	\$2,449	5%	\$3,461	6%	\$832	2%	\$3,730	5%
Road Excise Tax	\$19,717	38%	\$16,369	33%	\$19,989	34%	\$19,648	37%	\$19,347	27%
Ad Valorem	\$23,889	47%	\$26,324	54%	\$31,611	53%	\$29,860	56%	\$42,395	60%
<b>TOTAL</b>	<b>\$51,298</b>	<b>100%</b>	<b>\$48,926</b>	<b>100%</b>	<b>\$59,397</b>	<b>100%</b>	<b>\$53,748</b>	<b>100%</b>	<b>\$70,555</b>	<b>100%</b>

The City's primary revenue source for capital improvements is the ad valorem, or property, tax. As the table above illustrates, property tax comprises between 47% and 60% of growth-related capital revenue, depending on scenario. The Preferred Plan scenario generates the greatest property tax for capital expenditures, approximately \$42.4 million over the 25-year development period. This is a direct result of the greater amount of overall development assumed under this scenario. Conversely, the Business As Usual scenario, which assumes the least amount of overall development, generates the lowest cumulative property tax for capital expenditures (\$23.8 million).

The next largest source of capital revenue generated by new growth is road excise tax, which comprises 27% to 38% of growth-related capital revenue, depending on scenario. One-time excise taxes were projected on a marginal basis using the City's tax rates of \$.19 per acre and the densities and floor area ratio assumptions developed by HNTB for each scenario. The Coffee Creek Parkway, Business As Usual, Renner Main Street and Preferred Plan scenarios all generate similar amounts of road excise tax revenue. The 175 Business Corridor scenario generates less revenue due to the less acreage being devoted to residential uses.

Special Parks and Recreation Fund revenue, the primary revenue of which is the park excise tax, comprises 6% to 9% of growth-related capital revenue, depending on scenario. As mentioned previously, park excise tax is the primary revenue source for this Fund. One-time excise taxes were projected on a marginal basis using the City's tax rates of \$260 per housing unit, 7 cents per square foot of industrial/office space and 13 cents per square foot of retail space. The Preferred Plan scenario generates the greatest Special Parks and Recreation Fund revenue, at \$5.08 million. This is a direct result of the greater amount of overall development assumed under this scenario. Interestingly, the Business As Usual scenario generates the second greatest amount of Special Parks and Recreation Fund revenue (\$4.37 million), although this scenario assumes the least amount of overall development. This is because, unlike the other scenarios, all of the nonresidential development assumed under this scenario is retail space, which has an excise tax rate almost twice that of office and industrial uses.

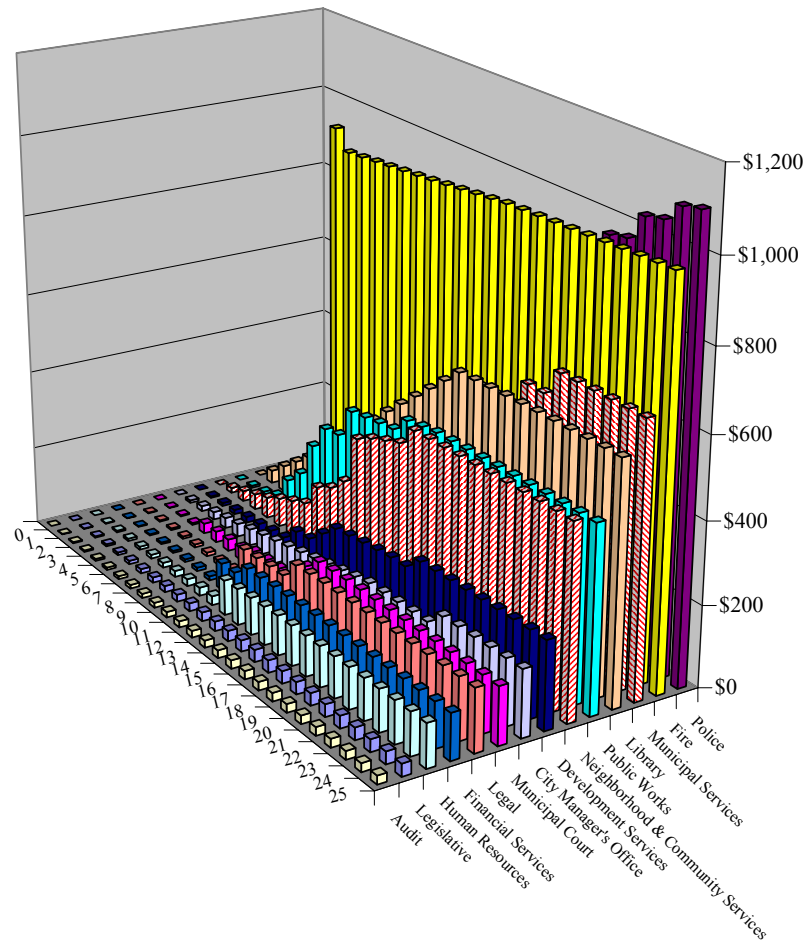
Special Park Sales Tax Fund revenue comprises 2% to 6% of growth-related revenues used for capital expenditures, depending on scenario. As mentioned previously, sales tax is projected based on retail space in the Coffee Creek area and sales per square foot assumptions from the National Research Bureau's 2002 *Shopping Center Census*. The Preferred Plan scenario generates the greatest sales tax, approximately \$3.7 million over the 25-year development period. As discussed previously, this is due to the faster rate at which retail space is absorbed under this scenario, which allows sales tax revenue to begin accruing earlier. The Renner Main Street scenario generates the least amount of sales tax (\$832,000), as this scenario assumes slightly more than 402,000 square feet of retail space.

### **C. Operating Expenditures**

The chart below shows operating expenditures over the 25-year development period under the Preferred Plan scenario. (See table on the following page for a complete list of expenditure categories.) Results from the other four scenarios are not shown but the same general

relationship exists, with differences only in magnitude and/or minor variations of the relative differential between expenditure types. As the chart indicates, the largest operating expenditures are for Fire and Police protection.

**Annual Operating Expenditures (x\$1,000)**  
**Preferred Plan Scenario**



The following table shows cumulative operating expenditures for each of the five scenarios over the 25-year development period, broken down by major category. These categories and the reasons for the results are then discussed briefly. As the table indicates, the Preferred Plan scenario generates the greatest cumulative operating expenditures at \$88.5 million. This is not surprising due to the greater amount of overall development assumed under this scenario. The 175 Business Corridor scenario generates the least cumulative operating expenditures (\$61.7 million). This is due to the phasing of development under this scenario, where less development is assumed over the first ten years.

**Cumulative Operating Expenditures - Scenario Comparisons (x\$1,000)**  
**Blue River 12 Area Fiscal Impact Analysis**

Category	SCENARIO									
	Business As Usual	%	175 Business Corridor	%	Coffee Creek Pkwy	%	Renner Main Street	%	Preferred Plan	%
Audit	\$309	0.4%	\$252	0.4%	\$304	0.4%	\$275	0.4%	\$379	0.4%
Legislative	\$449	1%	\$367	1%	\$442	1%	\$400	1%	\$551	1%
City Manager's Office	\$1,726	2%	\$1,470	2%	\$1,748	2%	\$1,580	2%	\$2,540	3%
Legal	\$1,917	3%	\$1,614	3%	\$2,085	3%	\$1,753	3%	\$2,378	3%
Financial Services	\$1,617	2%	\$1,358	2%	\$1,669	2%	\$1,460	2%	\$1,814	2%
Human Resources	\$1,350	2%	\$1,179	2%	\$1,448	2%	\$1,265	2%	\$1,611	2%
Library	\$8,587	11%	\$7,018	11%	\$8,449	12%	\$7,658	12%	\$10,538	12%
Municipal Services	\$6,724	9%	\$5,620	9%	\$6,774	9%	\$6,168	9%	\$9,587	11%
Development Services	\$2,395	3%	\$2,075	3%	\$2,524	4%	\$2,187	3%	\$3,084	3%
Municipal Court	\$1,490	2%	\$875	1%	\$1,563	2%	\$1,155	2%	\$2,262	3%
Fire	\$21,625	28%	\$17,830	29%	\$19,781	27%	\$19,646	30%	\$21,815	25%
Public Works	\$8,094	11%	\$7,758	13%	\$7,806	11%	\$7,116	11%	\$8,436	10%
Police	\$13,158	17%	\$9,190	15%	\$11,328	16%	\$9,011	14%	\$15,688	18%
Neighbor. & Comm. Serv.	\$7,218	9%	\$5,175	8%	\$6,046	8%	\$5,530	8%	\$7,867	9%
<b>TOTAL</b>	<b>\$76,657</b>	<b>100%</b>	<b>\$61,780</b>	<b>100%</b>	<b>\$71,967</b>	<b>100%</b>	<b>\$65,203</b>	<b>100%</b>	<b>\$88,548</b>	<b>100%</b>

The greatest operating expenditures under all scenarios are for Fire protection, which comprise between 25% and 30% of total expenditures. The majority of these expenditures were projected on a marginal basis and are a function of the need for an additional fire station to serve the Coffee Creek area. The need for this station varies by scenario, depending on the staging of development. For example, the Preferred Plan and Business As Usual scenarios assume substantially more development over the first 5 years of the 25-year development period; therefore, a new fire station is needed sooner under these two scenarios. As a result, these two scenarios generate the greatest cumulative operating expenditures for Fire. Conversely, the 175 Business Corridor scenario assumes the least amount of development in the earlier years of the development period and therefore generates the lowest expenditures for Fire.

The next largest operating expenditure under all scenarios is for Police protection, comprising between 14% and 18% of total operating expenditures, depending on scenario. Police operating expenditures are a function of the increase in calls for police service generated by new development in the Coffee Creek area. This increase in calls for service generates the need for additional police officers, support positions and associated operating costs. The ranking of operating expenditures for Police by scenario is dependent on two factors: 1) the amount of overall development assumed; and 2) the phasing of development. Accordingly, the Preferred Plan scenario generates the greatest cumulative expenditures at \$15.6 million. The Business As Usual scenario, with a faster absorption, generates the second greatest Police operating expenditures at \$13.1 million. The Renner Main Street scenario generates the least Police operating expenditures (\$9.0 million). This is due to primarily to the lower amount of retail development assumed under this scenario. Retail development generates higher costs per 1,000 square feet relative of other nonresidential land uses.

Depending on the scenario, the next greatest operating expenditures are for Public Works and Library. Operating expenditures for Public Works are largely a function of the number of road

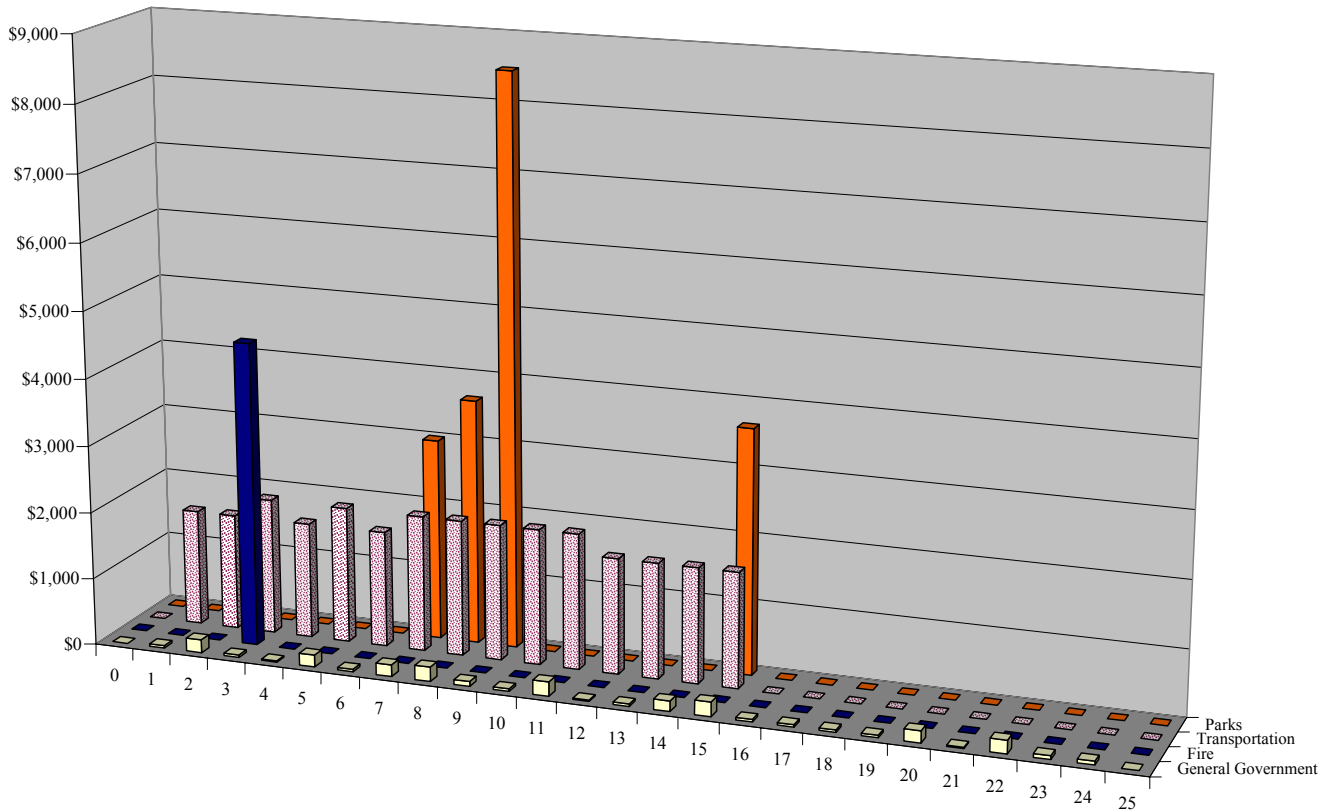


miles added to the City's road network as a result of the Coffee Creek area, as well as the phasing of new development. The calculation of marginal road mileage was provided by HNTB as part of their development of the five land use scenarios. The Preferred Plan and Business As Usual scenarios generate the greatest Public Works operating expenditures. The Renner Main Street scenario generates the least Public Works operating expenditures, as this scenario assumes the least amount of new road mileage. The City's contractual service expenditures for the Library are primarily a function of the amount and phasing of population growth as a result of the Coffee Creek area. The Preferred Plan scenario generates the greatest Library expenditures, whereas the 175 Business Park scenario generates the least Library expenditures.

#### **D. Capital Expenditures**

The chart below shows annual growth-related capital expenditures incurred by the City of Olathe over the 25-year development period under the Preferred Plan scenario. The expenditures are shown in constant 2004 dollars. This chart depicts the "lumpy", one-time nature of facility construction that occurs using a marginal cost approach for new facilities. The chart also illustrates the impact of having to "upfront" certain capital facilities as a result of the development that occurs during this period. As mentioned previously, more than 50% of the residential development under all five scenarios occurs during the first ten years.

Annual Capital Expenditures (x\$1,000)  
 Preferred Plan Scenario



The table below shows cumulative growth-related capital expenditures incurred by the City of Olathe over the 25-year development period under each of the five scenarios, broken down by category. These categories and the reasons for the results are then discussed briefly. As the table indicates, the Preferred Plan scenario generates the greatest cumulative capital expenditures at \$53.6 million. This is not surprising due to the greater amount of overall development assumed under this scenario. The Business As Usual scenario generates capital expenditures of \$48.2 million, followed the 175 Business Corridor by (\$48.0 million) and Coffee Creek Parkway (\$44.1 million). The Renner Main Street scenario generates the least capital expenditures (\$40.8 million). This is due in large part to the lower capital costs for road improvements assumed under this scenario.

**Cumulative Capital Expenditures - Scenario Comparisons (x\$1,000)**  
**Blue River 12 Area Fiscal Impact Analysis**

Category	SCENARIO									
	Business As Usual	%	175 Business Corridor	%	Coffee Creek Pkwy	%	Renner Main Street	%	Preferred Plan	%
General Government	\$1,741	4%	\$1,361	3%	\$1,741	4%	\$1,521	4%	\$2,296	4%
Parks	\$16,790	35%	\$15,153	32%	\$15,153	34%	\$15,153	37%	\$18,806	35%
Fire	\$4,535	9%	\$4,535	9%	\$4,535	10%	\$4,535	11%	\$4,535	8%
Transportation	\$25,227	52%	\$26,956	56%	\$22,756	52%	\$19,634	48%	\$27,974	52%
<b>TOTAL</b>	<b>\$48,292</b>	<b>100%</b>	<b>\$48,004</b>	<b>100%</b>	<b>\$44,185</b>	<b>100%</b>	<b>\$40,843</b>	<b>100%</b>	<b>\$53,611</b>	<b>100%</b>

As mentioned previously, all capital improvements are assumed to be directly funded in this analysis. By showing pay-go funding for all growth-related capital improvements, the true costs of capital improvements are depicted. If those facilities were bonded, debt service payment for some improvements would continue beyond the last projection year and therefore would not adequately be captured in this analysis.

Transportation improvements represent the largest capital expense over the 25-year development period for all five scenarios. The number and cost of road improvements was estimated by HNTB as part of the development of the scenarios with City staff. The table below shows the transportation improvements for each scenario in terms of linear feet for arterial and collector roads:

**Road Improvements by Scenario**  
**Blue River 12 Area Fiscal Impact Analysis**

Scenario	Linear Feet			Total
	Collector	Arterial	Parkway	
Business As Usual	25,530	18,130	0	<b>43,660</b>
175 Business Corridor	19,750	7,840	17,270	<b>44,860</b>
Coffee Creek Parkway	12,310	7,940	15,620	<b>35,870</b>
Renner Main Street	11,515	8,400	11,540	<b>31,455</b>
Preferred Plan	15,865	8,055	18,238	<b>42,158</b>

The Preferred Plan scenario generates the greatest transportation capital expenditures (\$27.9 million), primarily due to the large amount of parkway construction assumed under this scenario. Per linear foot costs are higher than for arterial and collector streets. The Renner Main Street scenario generates the least capital expenditures for transportation (\$19.6 million) due to the lower amount of overall road construction needed to implement this scenario.

The next largest capital expenditure under all scenarios is for park construction, comprising between 32% and 37% of total capital expenditures, depending on scenario. Park construction is projected on a marginal basis for each scenario. The following parks and recreation improvements are included in this analysis:

- Neighborhood parkland acquisition (based on current City level of service and only for the Business As Usual scenario. Neighborhood parkland is assumed to be captured in the greenways and trail associated with road construction in the other scenarios.)
- Community parkland acquisition (based on current City level of service)
- Aquatics Center
- Community Center

The Preferred Plan scenario generates the greatest park capital expenditures at \$18.8 million. This is due to the higher population generated under this scenario. The Business As Usual scenario generates the second greatest park capital expenditures at \$16.7 million. As mentioned previously, this is the only scenario that assumes the construction of neighborhood parks. The 175 Business Corridor, Coffee Creek Parkway and Renner Main Street scenarios all generate \$15.1 million in cumulative expenditures for park improvements. This is due to the fact that there are less than 400 persons separating each scenario in terms of population increase, which isn't enough to trigger additional construction thresholds in a marginal cost analysis such as this.

Expenditures for fire stations represent the next largest category of capital expenditure. Expenditures are same under all scenarios since only one additional station is required to serve the study area.

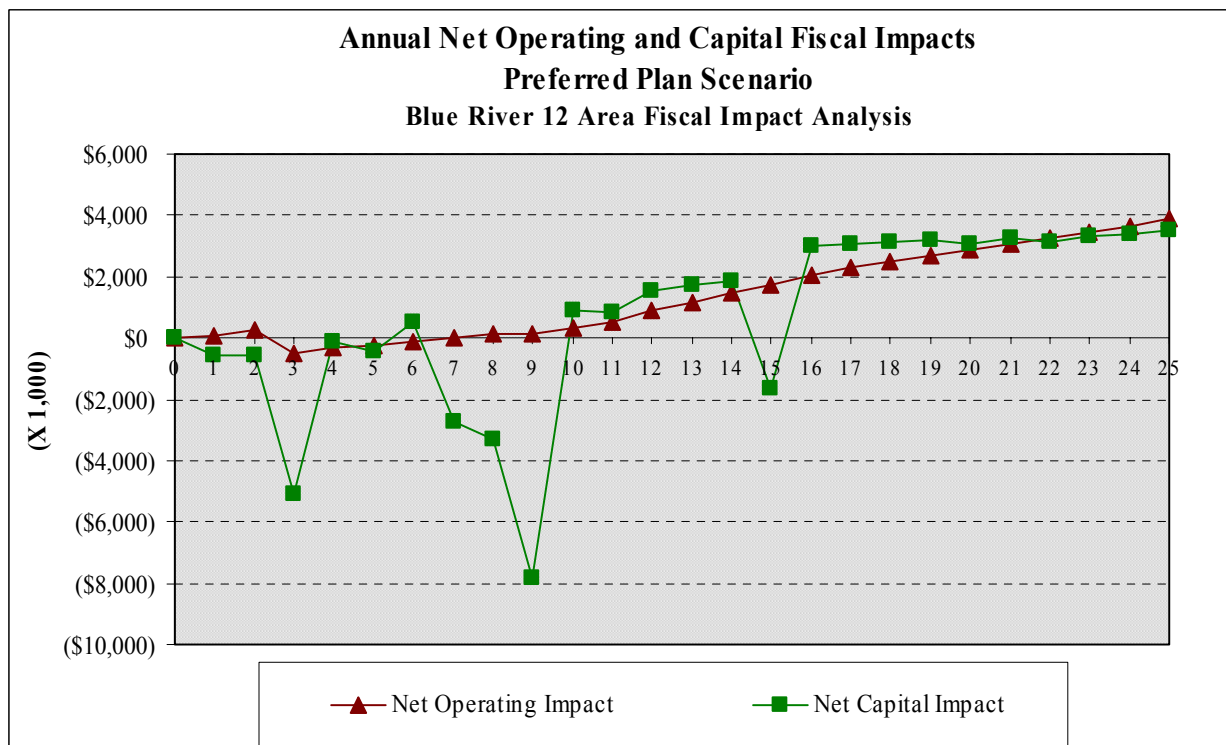
Expenditures for general government facilities represent the smallest category of capital expenditure. These expenditures are primarily related to the purchase of additional police cars and vehicles/equipment for solid waste.

## VI. IMPLEMENTATION

This section, together with the fiscal impact results, is intended to foster discussion about revenue enhancement and implementation issues.

### A. Implementation Options

As noted throughout this analysis and the chart below for the Preferred Plan scenario, there are substantial net deficits incurred over the first 10-15 years, depending on the scenario. As discussed previously, the majority of these deficits are a result of the need to “upfront” capital facilities such as a fire station, roads and several park and recreation facilities in order to implement the various land use alternatives. All capital improvements are assumed to be directly funded in this analysis. By showing pay-go funding for all growth-related capital improvements, the true costs of capital improvements are depicted. If those facilities were bonded, debt service payment for some improvements would continue beyond the last projection year and therefore would not adequately be captured in this analysis. Although net deficits occur over the short-term for the operating budget, these deficits are nowhere near the magnitude as those for the capital budget.



To ameliorate these net deficits, the City should ensure that current revenue rates are adequate and/or seek alternative revenue sources or financing mechanisms. Presented below are potential options for funding the capital budget shortfalls. To develop fair, practical and

effective ways to increase revenues, it is recommended that attention be paid to the following characteristics of each: equity, economic development, adequacy, ease of administration and legal feasibility.

### **1. Impact Fees/Excise Taxes**

Impact fees can be defined as new growth's fair share of the cost to provide necessary capital facilities. Impact fees have been used to address the costs of many different types of facilities, including water supply, wastewater treatment, roads, schools, open space and parks, government facilities, public safety and stormwater management. While developers have traditionally provided project specific infrastructure improvements, impact fees address the costs of needed system improvements.

Similar to impact fees, excise taxes are often used to fund new infrastructure and services necessitated by new growth. This revenue mechanism has greater flexibility than impact fees because it is a tax, rather than a development exaction that must withstand a rational nexus and direct benefit test. The City currently collects excise taxes for parks and road construction. However, one of the findings from the fiscal impact analysis is that a substantial shortfall exists when excise tax revenue generated by the Coffee Creek area is compared against the costs for park-related facilities and road capacity. TA recommends that: 1) the City recalibrate the current excise tax amounts; and 2) consider implementing impact fees/excise taxes for such categories as fire and police.

### **2. Special Assessment**

Special assessments are an old and widely used financing method where the cost of a facility such as a road improvement is allocated fully or partially against benefited property. Typical methods of assessment include the lot method, in which each lot (or equivalent) pays an equal share; 2) the area method, in which costs are allocated in proportion to the area/front footage of each property; and 3) based on assessed value.

An innovative variation of the special assessment is the Facilities Benefit Assessment (FBA). Like the special assessment, the FBA is assessed on land receiving benefit from infrastructure improvements. Unlike special assessments, FBA's are applied to new development only. FBA assessments are initiated by the designation of an "area of benefit" consisting of those developments "directly or indirectly" creating a need for the improvement.

### **3. Developer Exactions**

Exactions are developer funded, in-kind contributions of land, facilities, or services that are demanded as a condition of development approval. Negotiated agreements between the developer and the local jurisdiction traditionally include off-site infrastructure, such as roads, water and sewer lines and site contributions (e.g. land parks).

#### **4. Special Taxing Districts**

A special taxing district, sometimes also known as a municipal service district (MSD), permits the additional taxation of property owners within certain geographic boundaries, to fund additional special services provided within the service district. Revenues raised by an MSD can be used to pay for both capital improvements and operating expenses. Depending on State law, the municipal service district may be managed by the municipal government or by an autonomous governing body with the power to levy taxes and borrow funds. MSD's can be organized around a variety of different services and facilities, such as ambulance and police services, trash removal, sewage, stormwater management, beautification, and recreation.