

**ESTIMATED COSTS AND REVENUES
FOR VINEYARD SQUARE ANNEXATION AREA**

Revised 03-21-05

Summary

A summary of cost and revenue estimates (rounded) for the Annexation Area is as follows:

	Year 1	Year 2
Town Costs	\$69,555	\$74,430
Town Revenues	\$168,886	\$287,924
Difference	\$99,331	\$213,494

Detailed cost and revenue estimates are provided on the attached Tables 1 and 2. There are no intangibles tax revenues included in the revenue estimates.

Comparison of Costs and Revenues for Vineyard Square Annexation Area

Year One Costs

- The costs for Year One are summarized in Table 1.
- The costs are calculated for the 2005-06 fiscal year. The annexation is proposed to be effective on June 30, 2005.
- Town multi-family refuse collection will be provided with current positions and equipment.
- North Carolina G.S. 160A-49.3 requires the Town to contract with or pay qualifying private sanitation firms for two years for their revenue lost due to annexation. To qualify, a sanitation firm must make a request to the Town and meet other conditions of the statute. In accordance with G.S. 160A-49.3(b), the Town will make a good faith effort to notify each private sanitation firm providing services in the annexation area.

- The annexation area has access to major water and sewer lines.
- The Town's police services will be provided with current positions and equipment.
- The Town's fire services will be provided with current positions and equipment.
- The annexation area is currently serviced by the Orange New Hope Volunteer Fire Department. We anticipate that the Orange New Hope Volunteer Fire Department will request a "First Responder" agreement with the Town in accordance with G.S. 160A-49.1.
- The annexation area has fire hydrants and water supply for fire protection consistent with the rest of the Town.
- The annexation areas are outside the existing one-fourth mile transit service area boundary. Residents would be offered "Shared Ride Feeder Service" which is an extension of transit service to areas of Town which do not receive regular bus service. The service provides trips between designated bus stops in the Feeder zones and the nearest bus routes or another Feeder zone. This service would be provided with current positions and equipment.

Year One Revenues

- Year One Revenues are summarized in Table 2.
- The total 2005-06 real property tax valuation of real estate in the annexation area is \$20,200,000 as of January 1, 2005 according to Orange County tax records. (This estimate is not altered by the 2005 County revaluation as the properties have been constructed since the revaluation in 2001). The estimated personal property tax valuation in the annexation area is \$2,100,000 as of January 1, 2005.

The 2004-05 ad valorem tax rate for real and personal property is 51.6 cents per \$100 for the Town's General Fund. The estimated total General Fund Tax Revenue is \$110,500 (96% collection rate).

- Estimates of franchise tax, sales tax, Powell Bill revenues, vehicle license fees, and beer and wine tax, are as follows:

➤ Franchise Tax	\$10,824
➤ Sales Tax	\$35,670
➤ Powell Bill Revenue	\$7,698
➤ Vehicle License Fees	\$3,210
➤ Beer and Wine Tax	\$984

- The total estimated revenue for Annexation Area 1 is **\$168,886**.

Year Two Costs

- Year Two costs are summarized in Table 1.
- Town service costs are similar to those experienced in Year One.

Year Two Revenues

- Year Two Revenues are summarized in Table 2.
- The estimated real property tax valuation for the 2006-2007 fiscal year (values to be determined as of January 1, 2006) is expected to increase by an estimated \$15,000,000.

TABLE 1
TOTAL ESTIMATED COSTS
VINEYARD SQUARE ANNEXATION AREA
2005-2006 Fiscal Year (Year One)
2006-2007 Fiscal Year (Year Two)

	YEAR 1	YEAR 2
FIRE		
-Town Operations	\$0	\$0
-Fire Hydrant	\$0	\$0
-Contracts with Rural Fire Department	\$6,565	\$11,440
LIBRARY	\$0	\$0
PARKS AND RECREATION	\$0	\$0
POLICE	\$0	\$0
PUBLIC WORKS		
-Street Repair	\$11,400	\$11,400
-Drainage	\$4,100	\$4,100
-Street Lights	\$2,400	\$2,400
-Street Signs	\$3,000	\$3,000
-Landscape Services	\$1,250	\$1,250
-Payments to Private Sanitation Firms	\$34,140	\$34,140
-Tipping Fees	\$6,700	\$6,700
TRANSPORTATION SERVICES	\$0	\$0
UTILITIES		
-Sewer Outfalls	\$0	\$0
-Water Mains	\$0	\$0
TOTAL ESTIMATED COSTS	\$69,555	\$74,430

TABLE 2
TOTAL ESTIMATED REVENUES
VINEYARD SQUARE ANNEXATION AREA
2005-2006 Fiscal Year (Year One)
2006-2007 Fiscal Year (Year Two)

	YEAR 1	YEAR 2
PROPERTY TAX REVENUE		
Approximate Real Property Tax Valuation (1/1/05)	\$20,200,000	\$35 200,000
Estimated Personal Property Tax Valuation (1/1/05)	\$2,100,000	\$3,600,000
Maximum Real & Personal Property Tax Revenue - General Fund (51.6cents per \$100)	\$115,000	\$200,200
Estimated Annual General Fund Tax Revenue (96% Collection Rate)	\$110,500	\$192,200
Estimated Vehicle License Fee - \$20 per vehicle (1.5 vehicles per du)	\$3,210	\$5,340
OTHER TAX REVENUE		
Estimated Population of Annexation Area	246	409
Estimated Franchise Tax Revenue Based on \$44 per Capita	\$10,824	\$17,996
Estimated Sales Tax Revenue Based on \$145 per Capita	\$35,670	\$59,305
Estimated Beer and Wine Tax Receipts Based on \$4 per capita	\$984	\$1,636
POWELL BILL REVENUE		
Approximately \$23 per Capita and \$1,700 per mile of Town-Maintained Residential Streets	\$7,698	\$11,447
TOTAL ESTIMATED REVENUE	\$168,886	\$287,924