

POPULATION AND REVENUE PROJECTIONS

Town Council Meeting

February 2, 2022

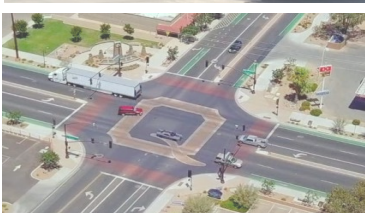
THE ECONOMY

US

- COVID
- Near-Term Inflation

ARIZONA

- Job Growth Will Remain Strong
- Housing Market Will Remain Strong
- Other Economic Indicators in Arizona are Strong



WHY GROWTH PROJECTIONS ARE CRITICAL TO QC?



1. Indicates Quantity and Cost of New Services

- Examples: PD and Fire/EMS Calls, Recreation Classes

2. Identifies Location of New Infrastructure

- Examples: Roads, Water and Wastewater Infrastructure

3. Identifies One-Time Revenues

- Building Permit Revenues, Construction Sales Tax, Impact/Capacity Fees

4. Identifies Ongoing Revenues

- Sales Tax Revenues, State Shared Revenues

QC PROJECTIONS

1. 10-Year Projections

- Residential Population (Elliott Pollack & Co.)
- Non-Residential

2. 5-Year Operating Budget Revenue Projections

- FY 2021-22 Adjustments (Council Approval Recommended per Staff Report)



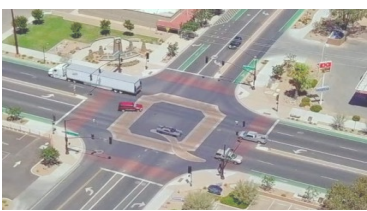
KEY TAKEAWAYS

- “Continues to Be Our Time”
- Population Growth
 - Expected to Remain High Over the Next Several Years then Moderate
- Non-Residential Development
 - Lags Residential Development and Remains Significant
 - State Land Excluded



10-YEAR RESIDENTIAL PROJECTIONS

- Follows Maricopa Association of Governments (MAG) Methodology
 - Utilizes Traffic Analysis Zones (TAZ) for projections (typically one square mile)
 - 3 Separate Projections
 1. In Town (Focus of Presentation)
 2. Water Service Area
 3. Wastewater Service Area

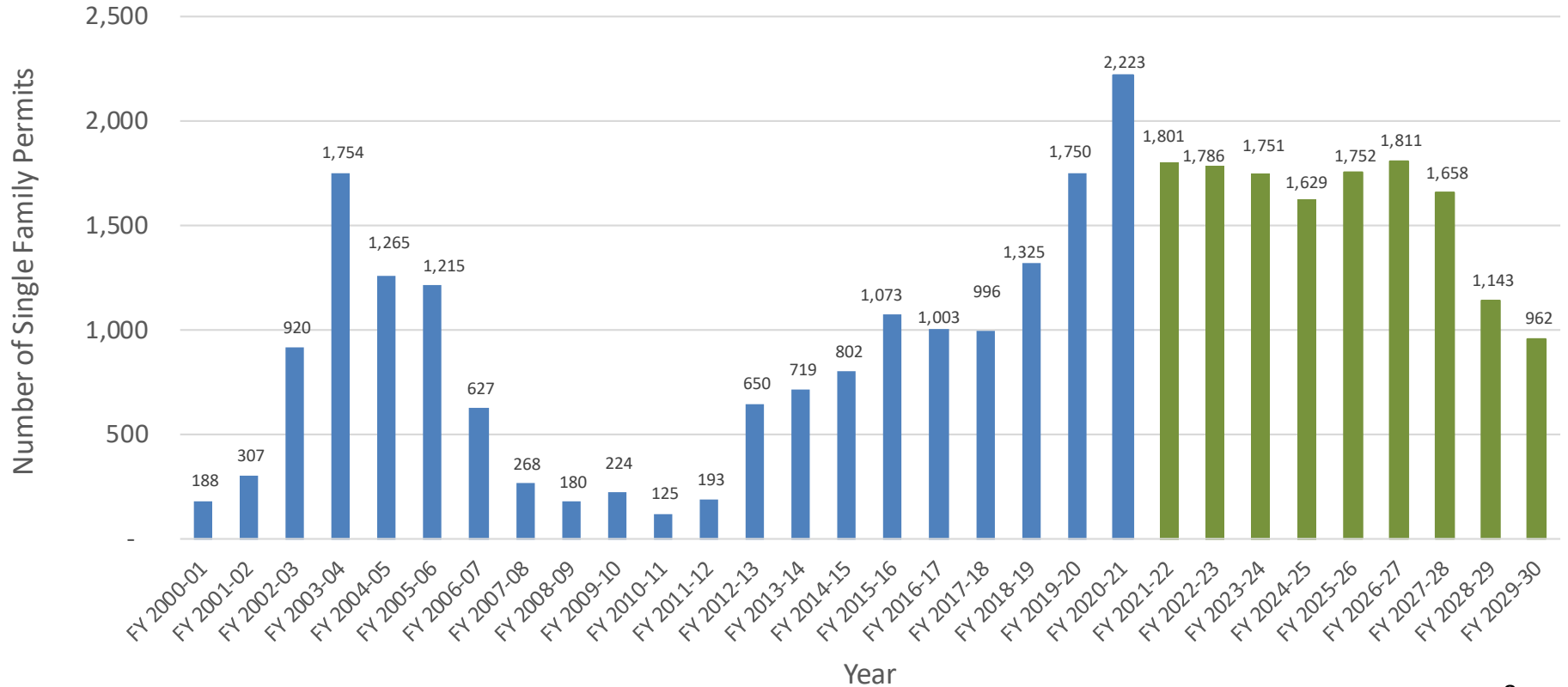


10-YEAR POPULATION PROJECTIONS (IN TOWN)



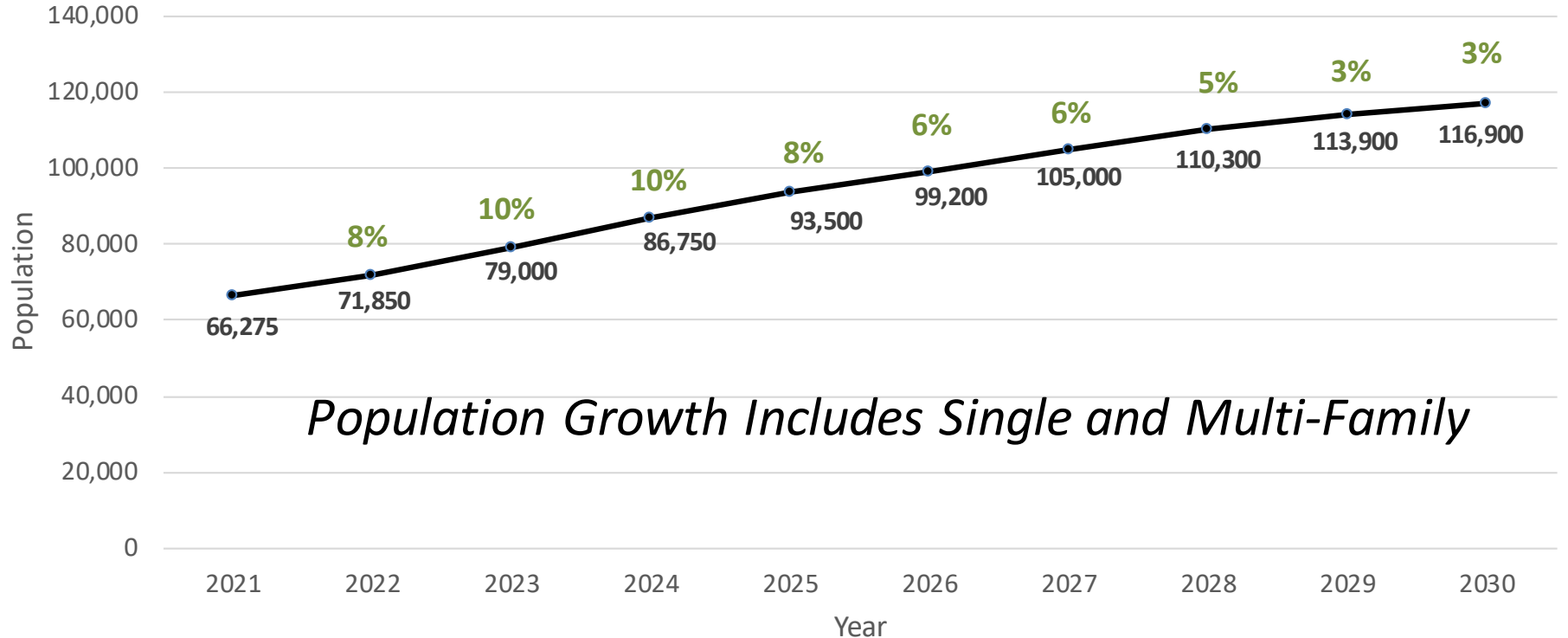
- Dwelling Unit Increase: 17,695 (+90%)
 - Single Family: 15,900
 - Multi-Family: 1,795
- Population Increase: 50,600 (+76%)
 - Assumption: 3.1 persons per dwelling unit

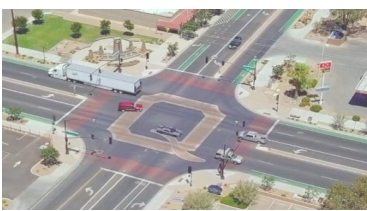
SINGLE-FAMILY PERMIT PROJECTIONS



10-YEAR POPULATION PROJECTIONS

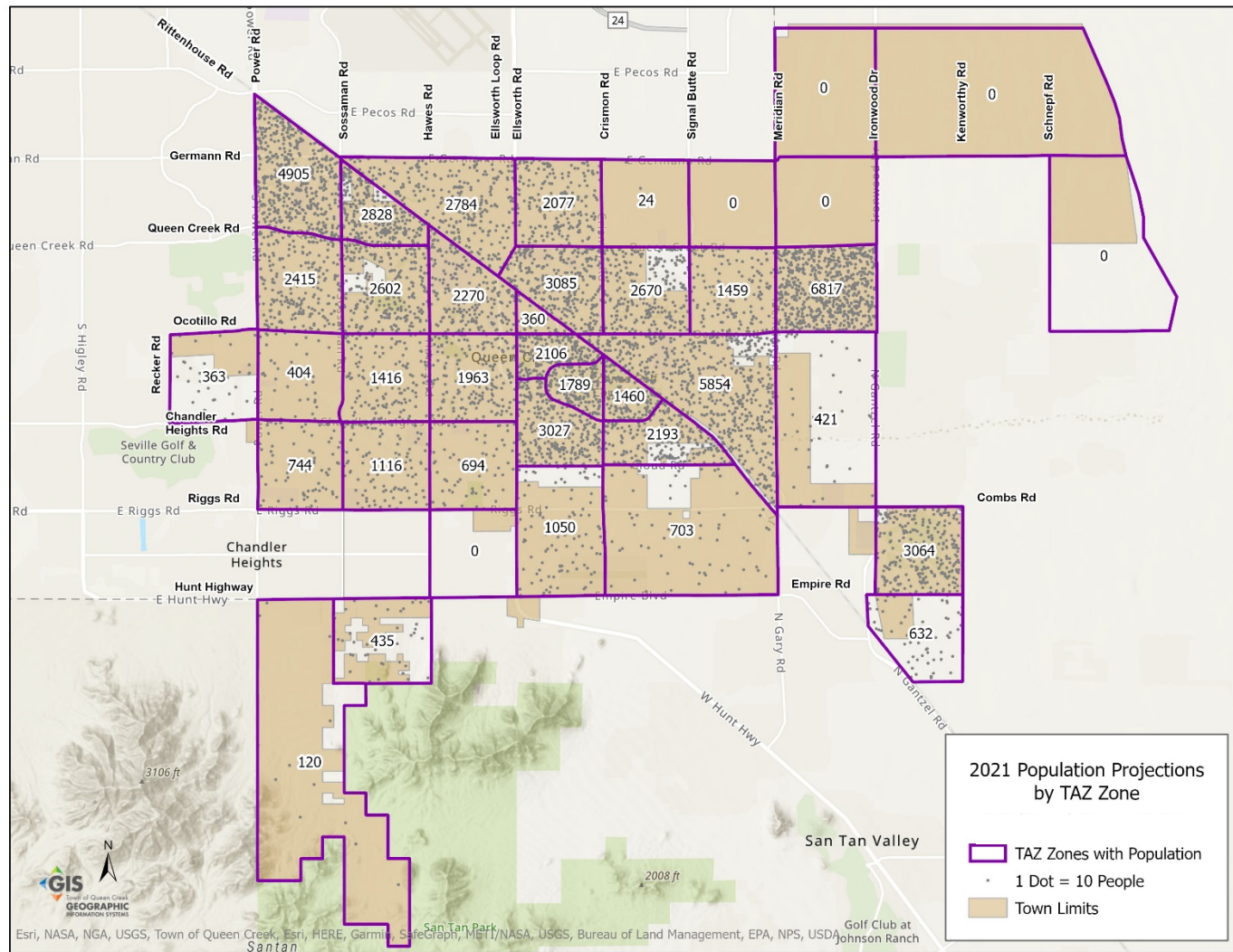
Buildout Population: ~150K



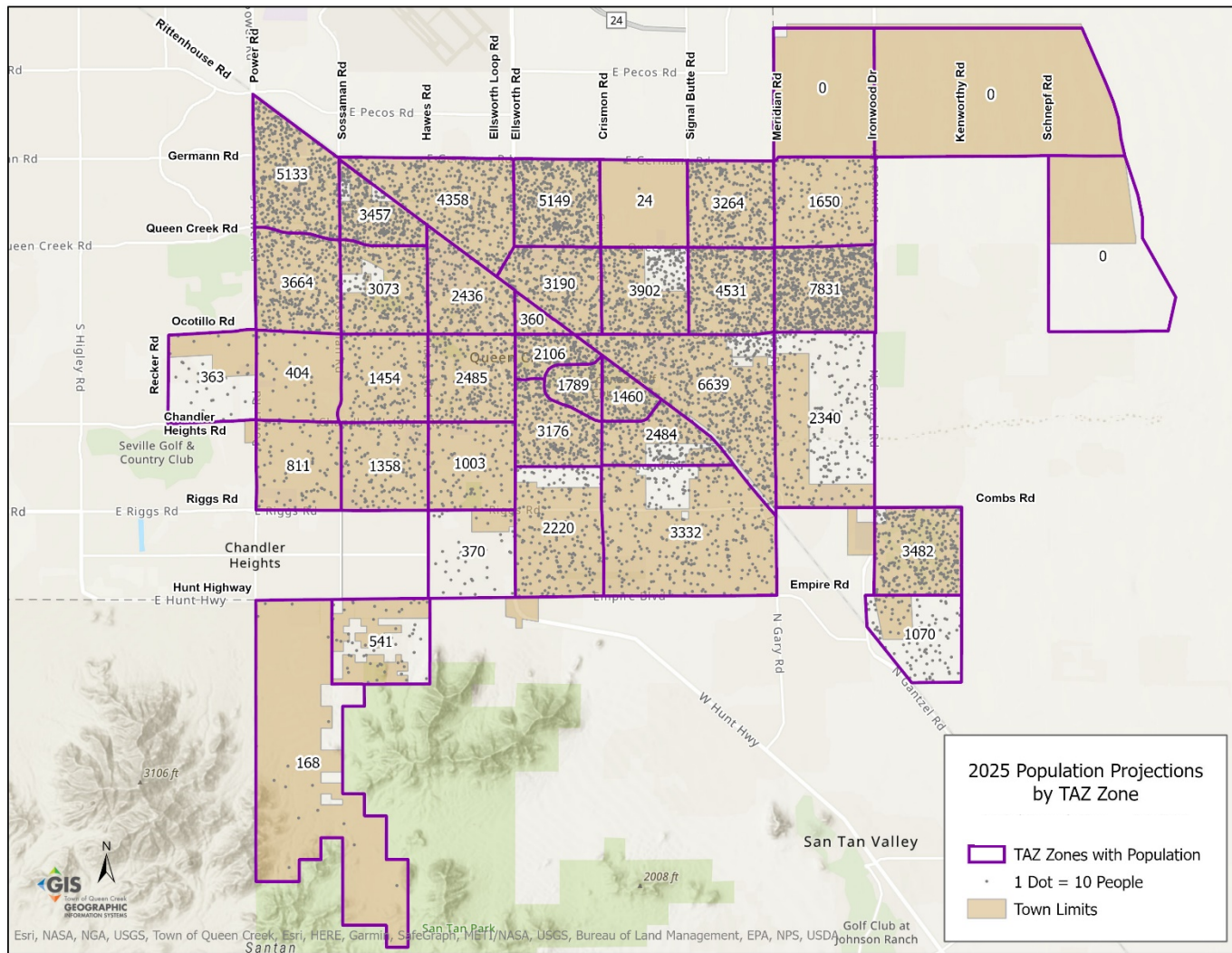


Population Projection Dot Maps (In Town)

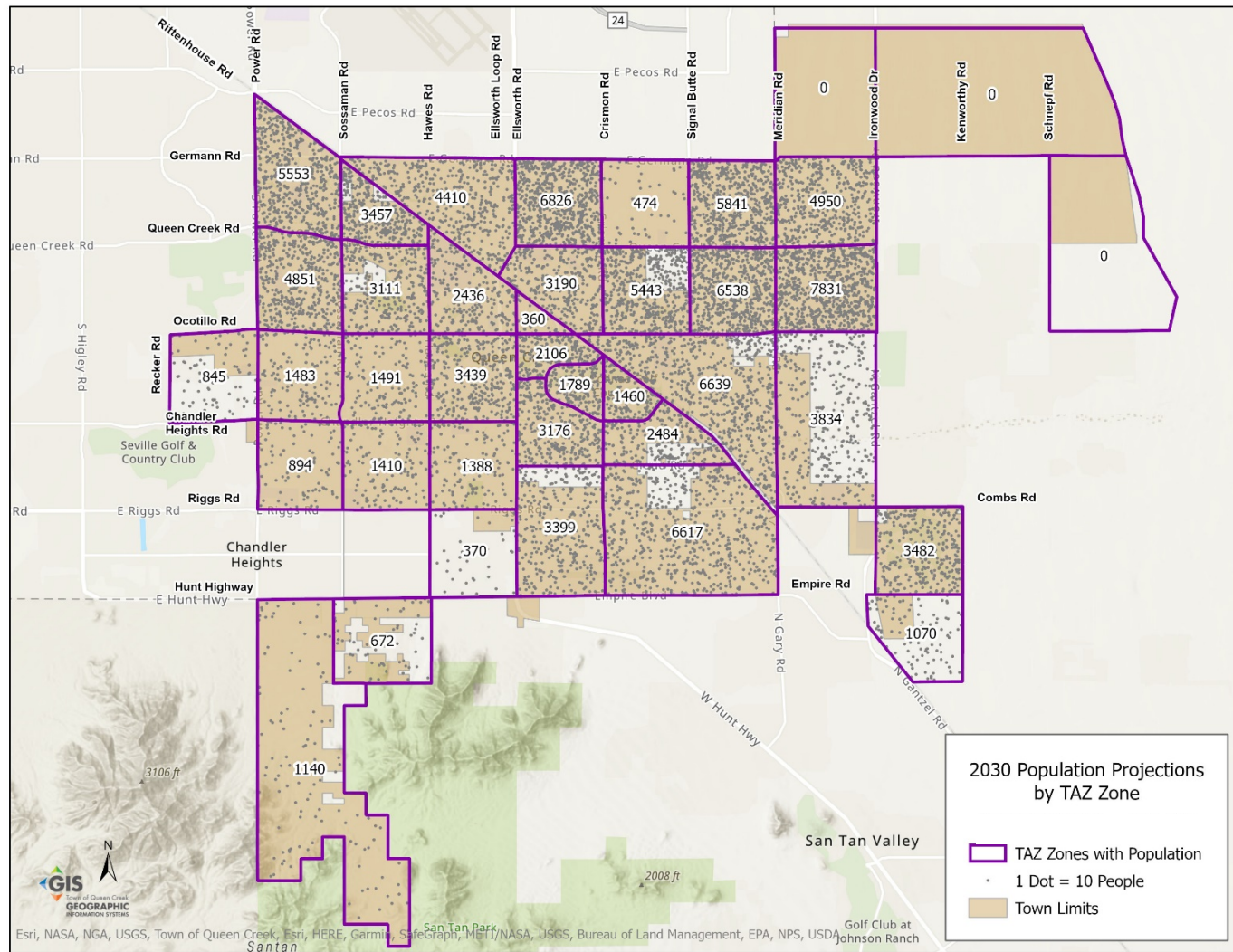
2021 Population 66,275



2025 Population 93,500

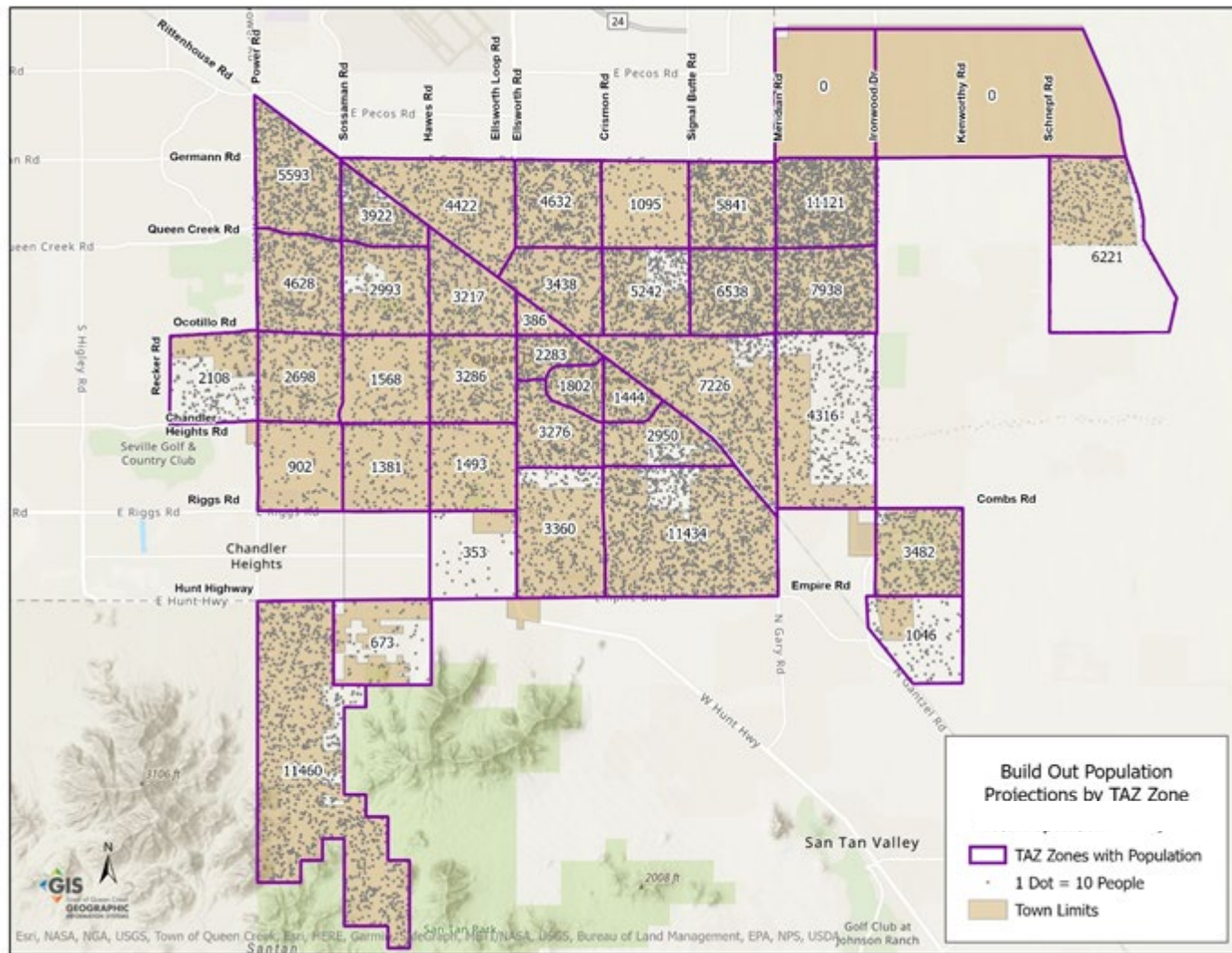


2030 Population 116,900



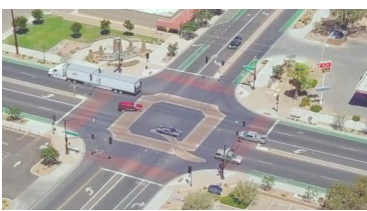
Buildout

Population
~150K



NON-RESIDENTIAL PROJECTIONS

- Created List of Vacant Parcels Zoned for Non-Residential Use
- Applied Targeted Floor Area Ratios (FAR) to Forecast Developed Square Footage



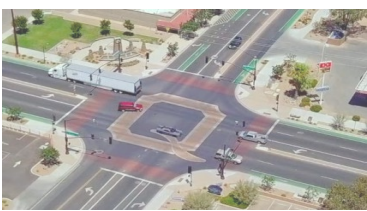
NON-RESIDENTIAL PROJECTIONS

(CONCLUDED)

- 777 Acres to Build Out (Excludes State Land)
 - Maricopa County: 641 Acres
 - Pinal County: 136 Acres
- 7.2M Square Feet to Build Out
 - Maricopa County: 5.9M Square Feet
 - Pinal County: 1.3M Square Feet



NON-RESIDENTIAL: DEVELOPMENT TYPE

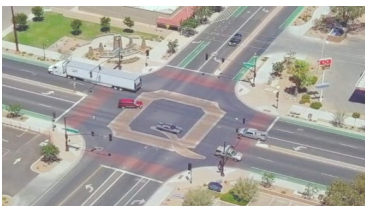


Development Type	Acres to Buildout	Total Buildout Square Footage
Mixed	91	620K
Regional Commercial	36	161K
Community Commercial	479	4.8M
Light Industrial	90	987K
Office	35	308K
Religious	<u>47</u>	<u>346K</u>
Total	777	7.2M

Assumes a 20-year buildout.

REVENUE PROJECTIONS

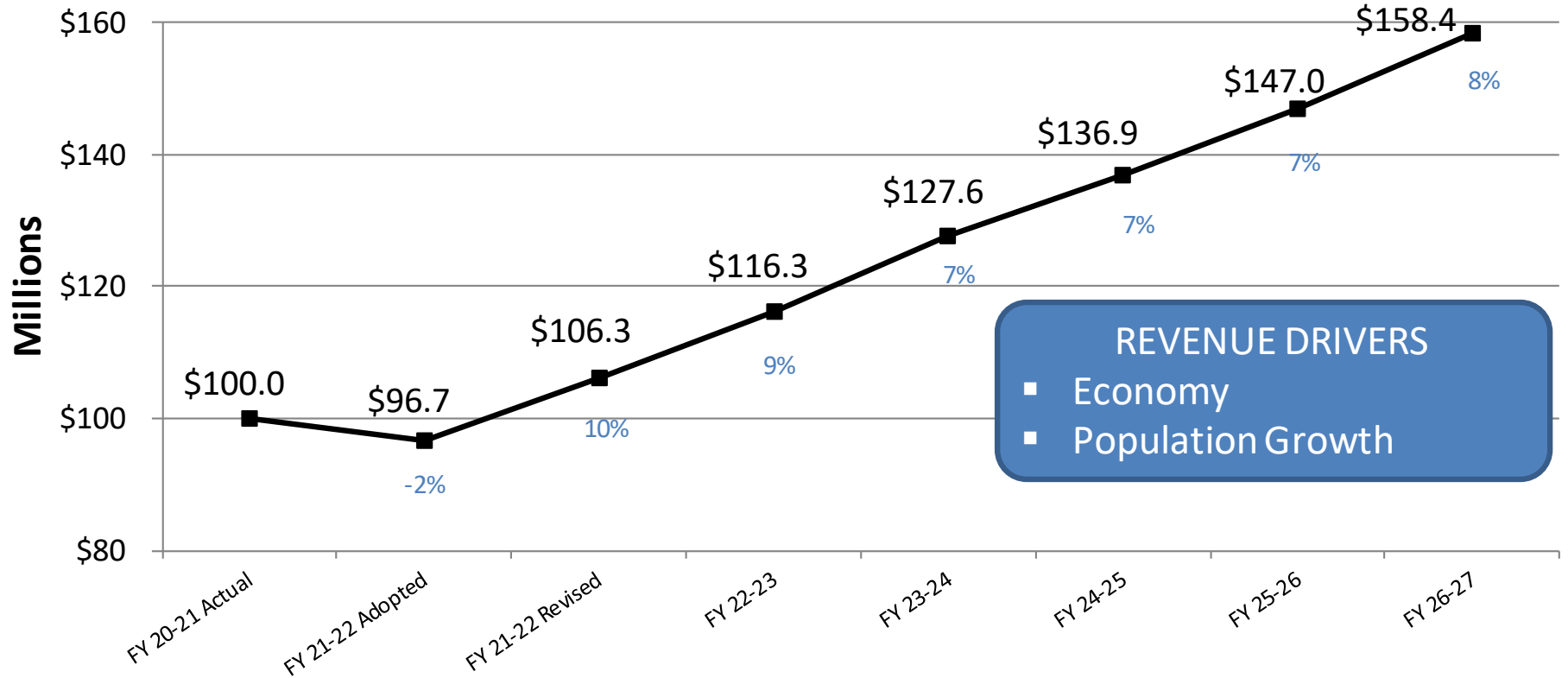
- Elements
 1. Businesses
 2. Residents
 3. Non-Residents (Important Factor)
 - Eastmark and San Tan Valley
 - 2019 Sales Tax Study
 - 38% of Retail Sales Tax
 - 47% of Restaurant Sales Tax
 - 30% of Grocery Store Sales Tax



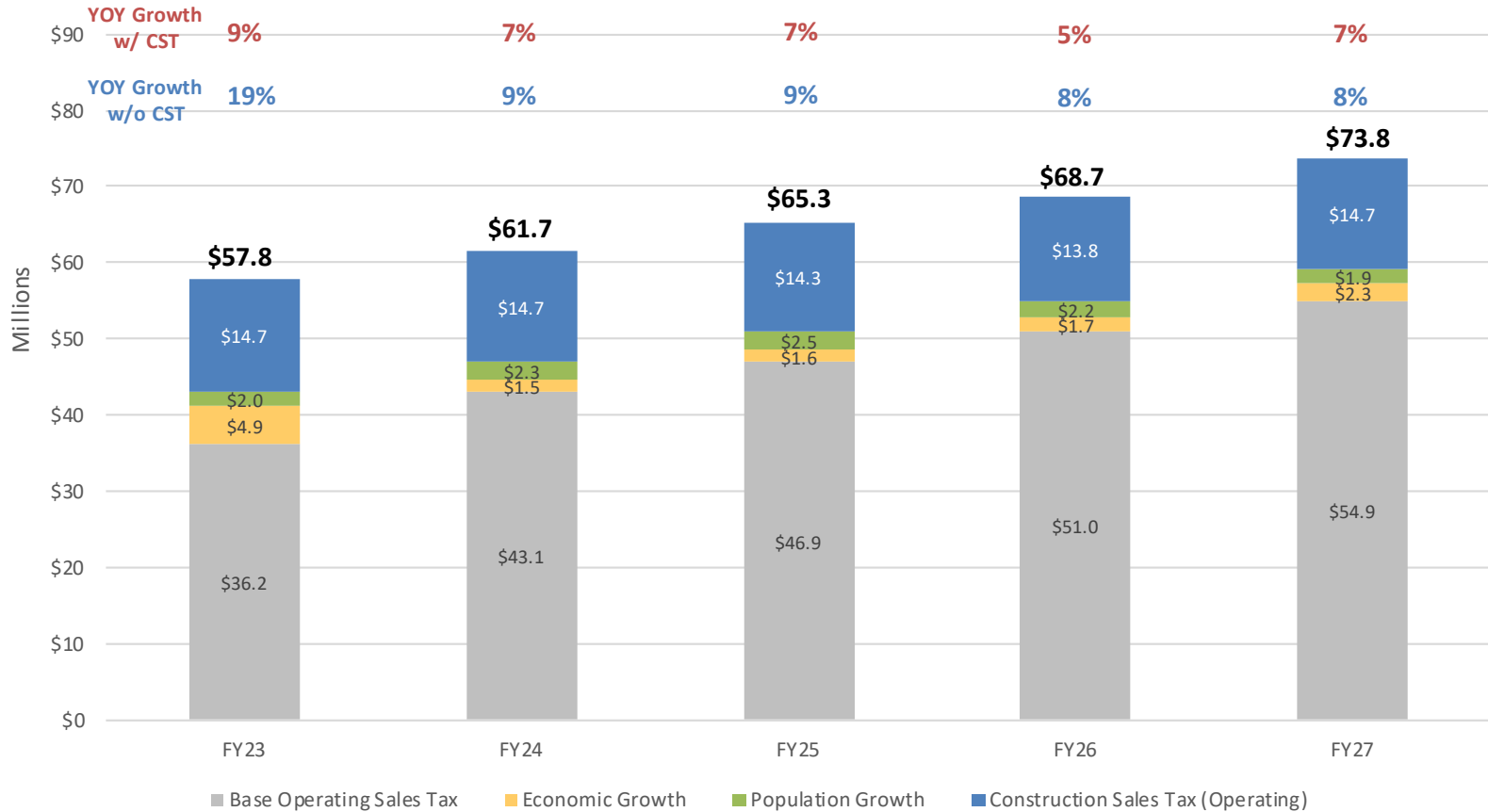
OPERATING BUDGET REVENUE (IN MILLIONS)

	FY 20-21 Actual	FY 21-22 Adopted Budget	FY 21-22 Revised Budget	\$ Change	% Change
Sales Tax	\$33.3	\$31.9	\$36.2	\$4.3	+13%
Construction Sales Tax	\$14.7	\$8.5	\$16.6	\$8.1	+95%
State Shared Revenue	\$19.5	\$21.6	\$21.8	\$0.2	+1%
Property Tax	\$9.9	\$11.0	\$11.0	\$0.0	+0%
Building Revenues	\$11.0	\$7.4	\$10.4	\$3.0	+41%
Charges for Services	\$6.7	\$5.8	\$5.8	\$0.0	+0%
Utility ROI for Public Safety	\$3.2	\$3.4	\$3.4	\$0.0	+0%
Use of Pension Reserves (MCSO)	\$1.7	\$0.8	\$0.8	\$0.0	+0%
Grants	<u>\$0.0</u>	<u>\$6.3</u>	<u>\$0.3</u>	<u>(\$6.0)</u>	<u>(95%)</u>
Total Revenue	\$100.0	\$96.7	\$106.3	\$9.6	10%
Change from FY 20-21 Actual		(\$3.3)	\$6.3		

OPERATING BUDGET REVENUE PROJECTION



Sales Tax Revenue Composition



RECOMMENDATION

Motion to approve FY 2021-22 Revenue Budget Adjustments as Presented in the Staff Report

