



To: Jim Caruso  
Richard Gonzalez

Date: April 28, 2016

## Memorandum

Project #: 62485.00

From: Brent Lacy  
Tyler K. Johnson

Re: Black East Economic Impact Analysis

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This memorandum provides a preliminary economic impact analysis for the construction of 283 single family homes on the Black East property. The following provides a summary of the finding with water service is provided by the Town of Montverde.

The following are assumptions that were made to perform the analysis:

- 1) The subject property annexes into Montverde.
- 2) The homes have an average price of \$285,000; the number of homes are 283.
- 3) 100 homes are constructed in Year 1 (2017), 100 homes are constructed in Year 2 (2018) and 83 homes are constructed in Year 3 (2019).
- 4) Ad valorem taxes were calculated assuming an assessed value of 90% of the sale value.  
This is based on the 2015 mill rate for the Town of Montverde, 2.3800.
- 5) Potable water usage is approximately 335 gallons per day (gpd) based on the Montverde Level of Service (LOS) of 126 gpd per person and 2.66 persons per household (2010 US Census).
- 6) Wastewater usage is approximately 295 gallons per day (gpd) based on the Montverde Level of Service (LOS) of 111 gpd per person and 2.66 persons per household (2010 US Census).
- 7) Impact fees and service rates are based on the available data from the Town of Montverde, City of Clermont, Lake County. Fees and rates are based on 2015 rates and provided in 2015 dollars.
- 8) Lake County impact fees are based on a single family home that is between 1,501 and 2,500 s.f.
- 9) A wastewater service agreement between the City of Clermont and the Town of Montverde has not been negotiated at this time.

The following page provides both the total costs and the rates and fees to be paid to Montverde based on the above assumptions.

**Potable water is provided by the Town of Montverde**

Water service is provided by the Town of Montverde. Impact fees are still due to Lake County, and the City of Clermont is the provider for wastewater and garbage. In addition to the following costs, the Town of Montverde also imposes a 5% tax on electric/gas service (Land Development Code Sec. 20-19 and a 5.1% communications tax. (Land Development Code Sec. 20-56). The wastewater rates shown are based on Clermont's "Out of City" rates. As mentioned earlier, These rates may change based on an Interlocal Agreement between Clermont and Montverde, which may affect the fees paid to Montverde and/or Clermont.

<b>Costs</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Annual</b>
Water System Connection Costs*	\$243,500	\$243,500	\$202,105	N/A
Sewer Impact Fees	\$362,700	\$362,700	\$301,041	N/A
Lake County Impact Fees	\$1,293,300	\$1,293,300	\$1,073,439	N/A
Impact Fee Administration Fee*	\$10,000	\$10,000	\$8,300	N/A
Ad Valorem Taxes*	\$61,047	\$122,094	\$172,763	\$172,763
Other Taxes	\$313,653	\$627,306	\$887,638	\$887,638
Water Service*	\$24,900	\$49,800	\$70,467	\$70,467
Wastewater Service	\$49,700	\$99,400	\$140,651	\$140,651
Other Annual Costs	\$15,000	\$30,000	\$42,450	\$42,450
<i>Fire Protection*</i>	<i>\$4,000</i>	<i>\$8,000</i>	<i>\$11,320</i>	<i>\$11,320</i>
<i>Yearly Inspection (Backflow Device)*</i>	<i>\$10,000</i>	<i>\$20,000</i>	<i>\$28,300</i>	<i>\$28,300</i>
<i>Garbage Removal</i>	<i>\$1,000</i>	<i>\$2,000</i>	<i>\$2,830</i>	<i>\$2,830</i>
<b>Total</b>	<b>\$2,363,800</b>	<b>\$2,828,100</b>	<b>\$2,890,554</b>	<b>\$1,313,969</b>
*Subtotal Paid to Montverde	\$353,447	\$453,394	\$493,255	\$282,850

In summary, based on the given assumptions, the development of the Black East property is estimated to generate approximately \$1,300,096 in taxes, fees and other economic impacts for the Town of Montverde in the first three years (build-out) depending on the potable water provider. Annual revenue from taxes and fees for the Town of Montverde, will be \$282,850 per year.

<b>Phase</b>	<b>Revenue for Montverde</b>
Build Out (Years 1-3)	\$1,300,096
Next 10 Years (Years 4-14)	\$2,828,850