



Harper's Station at Yorktown

Fiscal Impact Study Supplemental Memo

York County, Virginia

Prepared by

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for

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Panama City Beach, Florida

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Background and Methodology

This is a Supplemental Memo to the Fiscal Impact Study of April 13, 2017 submitted in support of a rezoning application for Phoenix at Yorktown, a proposed continuous care retirement facility to have been located on a 9.226 acre site located at the Byrd Lane along Victory Boulevard (the “Site”). The York County Board of Supervisors approved the rezoning and special use permit application for Phoenix at Yorktown on August 17, 2017. The original developers, Landbridge Development, LLC of Atlanta, Georgia, were not able to begin construction of Phoenix at Yorktown before expiration of the rezoning and special use permit approval. The proposed development has now been taken over by BFG Sage Yorktown Propco LLC (“the applicant”) which has rebranded the facility as Harper’s Station at Yorktown (“Harper’s Station” or “the proposed development”). The applicant now wishes to reactivate the proposed rezoning and special use for the proposed development.

This Supplemental Memo recalculates the fiscal impact of the proposed development using the Fiscal Impact Study for Phoenix at Yorktown, as modified in a revised fiscal impact analysis dated July 5, 2017 but not submitted in conjunction with the original rezoning application. The revised fiscal impact analysis increased the costs attributable to Phoenix at Yorktown from EMS services and related 911 calls based upon advice and data received from the County after the submission of the original fiscal impact analysis. The comparisons made in this Supplemental Memo to Phoenix at Yorktown are based upon the revised fiscal impact analysis reflecting the more accurate assessment of EMS and 911 Communications costs.

As noted in the “Conclusion,” below, the fiscal impact for the proposed development remains positive. All methodological assumptions contained in the original Fiscal Impact Study have been retained in this recalculation, except for those revised in the Phoenix at Yorktown Fiscal Impact Analysis dated July 5, 2017, as noted above. Otherwise, only those parameters of the proposed development that have been changed by the applicant from those of Phoenix at Yorktown have been changed in the fiscal impact model used for Harper’s Station. The methodological assumptions of the original Fiscal Impact Study, which remain constant in the current recalculation, are contained in the Appendix to the original Fiscal Impact Study and include, but are not limited to, the budgetary data (Fiscal Year 2017) used to calculate variable costs and revenues; tax rates and fees current in Fiscal Year 2017; data on incidence of EMS usage; and spending patterns assumed for Harper’s Station residents. Any changes valued in dollars (see below) have been adjusted to 2017 constant dollars.

Harper’s Station is a substantially similar product as Phoenix at Yorktown. There is no change in land use and no change in the nature of the proposed enterprise, both being continuous care retirement facilities located on the same Site within the County. The applicant has reduced the total number of units from 170 to 157. The applicant has also changed the mix of independent, assisted living and memory care units, generally reducing the allocation of independent living units from 56.5% to 47.7% and increasing the allocation of assisted living units. Table A below presents a comparison of the unit mix between the proposed development and Phoenix at Yorktown.

Table A		
Number of Units, Harper's Station and Phoenix at Yorktown		
Type of Unit	Phoenix at Yorktown	Harper's Station
Independent Living, 1BD	72	47
Independent Living, 2BD	24	28
Assisted Living, Studio	0	13
Assisted Living, 1BD	42	38
Assisted Living, 2BD	8	9
Memory Care, Studio	20	18
Memory Care, Semi-private	4	4

Besides the number of units and unit mix, the rent structure for Harper's Station has been changed from that proposed for Phoenix at Yorktown, with rents at Harper's Station generally increasing from those proposed for Phoenix at Yorktown, adjusting for inflation. Since it is assumed that household income is positively associated with rent, the estimated average household income at Harper's Station has increased from \$68,025 to \$74,850 (in constant dollars). Estimated household income is used to predict additional revenues derived from households, personal property tax and the real estate assessment for the proposed development.

Table A-3 from the original (Phoenix) Fiscal Impact Study Appendix has been revised and is shown below. The table now shows a comparison between the original rents and estimated incomes and those now proposed.

Table A-3				
Projected Harper's Station at Yorktown Household Incomes by Type of Unit				
Unit Type	Phoenix at Yorktown		Harper's Station	
	Monthly Fee (Rent)	Estimated Average Household Income	Monthly Fee (Rent)	Estimated Average Household Income ¹
Independent Living, 1 BR 1	\$3,300	\$66,000	\$2,750	\$52,250
Independent Living, 1 BR 2	N/A	N/A	\$3,250	\$61,775
Independent Living, 2 BR 1	\$3,900	\$78,000	\$4,000	\$76,025
Independent Living, 2 BR 2	N/A	N/A	\$4,800	\$91,225
Assisted Living, Studio 1	N/A	N/A	\$4,750	\$63,725
Assisted Living, Studio 2	N/A	N/A	\$5,250	\$70,425
Assisted Living, 1 BR 1	\$4,700	\$66,350	\$5,750	\$77,125
Assisted Living, 1 BR 2	N/A	N/A	\$6,250	\$83,850
Assisted Living, 2 BR 1 & 2	\$5,300	\$74,825	\$6,750	\$90,550
Memory Care, Semi-private	\$4,800	\$67,775	\$6,500	\$87,200
Memory Care, Studio	\$5,700	\$77,650	\$7,000	\$93,900

¹ Deflated to 2017 constant dollars

Additionally, the cost of business personal property owned by the operators of Harper's Station (office furnishings and equipment, common area furnishings and equipment, kitchen equipment, and maintenance equipment) has increased from \$700,000 to \$1,376,300, based on the applicant's estimate. Business license fee income was recalculated using the revised rents for the proposed development, with income from other fees adjusted proportional to the change in the number of units from the Phoenix proposal to those of the proposed development, with management fee income calculated at the same percentage as was used for Phoenix. These were adjusted to 2017 constant dollars.

Another change in the fiscal impact for Harper's Station is the elimination of the communications sales tax as a revenue to the County generated by the proposed development. Since the original fiscal impact analysis, it was discovered that the communications sales tax is remitted to localities by the Commonwealth on the basis of a fixed proportional formula and, therefore, does not change as the number of households in a locality changes. Thus, it is a fixed, not a variable revenue. Since it was included in the basis for the original Fiscal Impact Study and, therefore, the approved rezoning request, it has not been deducted from the fiscal impact for Phoenix at Yorktown in the comparison of revenue from the two developments.

Finally, the gross building size of Harper's Station is 175,000 square feet versus 201,000 square feet for Phoenix. This change affects calculations of the building permit fee and the sprinkler permit fee. The estimated disturbed area for the proposed development increased from 305,000 square feet to 319,385 square feet, affecting the recalculation of site plan fee. All other development fees, except the plumbing permit fee, which is dependent on the number of units, are expected to remain the same as previously calculated.

Construction of the proposed development is now expected to start in April 2021, rather than at the start of 2019. Thus, the first independent living units are now expected to be occupied in November 2022, with the last units occupied in February 2025. The first assisted living units are expected to be occupied in December 2022 with the last units occupied in May 2025. The first memory care units are now expected to be occupied in November 2022 and be fully occupied in September 2023. This does not affect the calculation of the fiscal impact but does change the expected stabilization year and the analysis period. The stabilization year is now expected to be FY 2026.

These parameters are best estimates of the scope of the proposed development made by the applicant at this point in time. The specifics of the proposed development are subject to change based upon final determinations of site constraints and/or market conditions. Descriptions of the proposed development contained herein are not guarantees by the applicant that the proposed development will be constructed exactly as described above. However, the basic elements of the proposed development are those outlined above. Any change in the fiscal impact of the proposed development on the County due to minor changes in the scope of the proposed development are expected to be within the margin of variation of the projected revenues and costs of this fiscal impact analysis with the proportion of revenues to costs estimated in the fiscal impact analysis report expected to remain practically the same.

Fiscal Impact: Phoenix at Yorktown

This Supplemental Memo updates the tables contained in the original Fiscal Impact Study. Each table is followed by a duplicate table showing the change in fiscal impact metrics between those of the proposed development and those of the original Fiscal Impact Study performed for Phoenix at Yorktown.

Table 1 Harper's Station Projected Revenues		
Revenue Type	Annual Revenues, Stabilization Year (FY 2026)	Ten-Year Total (FY2021-2030)
Current Real Estate Tax	\$ (5,400)	\$ (53,975)
Real Estate Property Tax, Land	\$ 12,950	\$ 113,950
Real Estate Property Tax, Improvements	\$165,750	\$1,243,075
Personal Property (Car) Tax, Motor Vehicle Registration Fee, Car Rental Tax	\$ 11,550	\$ 80,250
Utility Consumption Tax, and other fees	\$ 2,275	\$ 15,675
Business Personal Property Tax	\$ 13,075	\$ 98,075
Business License Fees	\$ 31,300	\$ 214,925
Meals Tax	\$ 1,050	\$ 7,150
Sales Tax (Local Option)	\$ 250	\$ 1,775
<i>Subtotal Direct Taxes</i>	<i>\$ 232,800</i>	<i>\$1,720,900</i>
Additional Revenues Derived from Households	\$ 10,075	\$ 69,200
<i>General Fund Annual Revenues</i>	<i>\$242,875</i>	<i>\$1,790,100</i>
Sewer Collection Fee	\$ 44,925	\$ 308,575
<i>Enterprise Fund Annual Revenues</i>	<i>\$ 44,925</i>	<i>\$ 308,575</i>
Subtotal Annual Revenues	\$287,800	\$2,098,675
Building Permit and Review Fees		\$ 37,525
Development Review Fees		\$ 5,000
Certificate of Occupancy Fees		\$ 75
<i>General Fund One-time Revenues</i>		<i>\$ 42,600</i>
Sewer Connection Fees		\$ 24,200
Water Connection Fees		\$ 0
<i>Enterprise Fund One-time Revenues</i>		<i>\$ 24,200</i>
Subtotal One-time Revenues		\$ 66,800
Total Revenues	\$287,800	\$2,165,475
<i>General Fund Revenues</i>	<i>\$242,875</i>	<i>\$1,832,700</i>
<i>Enterprise Fund Revenues</i>	<i>\$ 44,925</i>	<i>\$ 332,775</i>

Figures rounded to the nearest \$25.

Table 1A
Harper's Station
Projected Revenues—Change from Phoenix Projections

Revenue Type	Annual Revenues, Stabilization Year (FY 2026)	Ten-Year Total (FY2021-2030)
Current Real Estate Tax	\$ 0	\$ 0
Real Estate Property Tax, Land	\$ 0	\$ \$7,725
Real Estate Property Tax, Improvements	\$ (6,975)	\$ 33,925
Personal Property (Car) Tax, Motor Vehicle Registration Fee, Car Rental Tax	\$ (3,525)	\$ (7,050)
Utility Consumption Tax, and other fees	\$ (6,600)	\$(37,325)
Business Personal Property Tax	\$ 6,075	\$ 52,575
Business License Fees	\$ (3,475)	\$ 6,875
Meals Tax	\$ (75)	\$ 425
Sales Tax (Local Option)	\$ (25)	\$ 100
<i>Subtotal Direct Taxes</i>	<i>\$(14,600)</i>	<i>\$ 57,250</i>
Additional Revenues Derived from Households	\$ (1,625)	\$ 675
<i>General Fund Annual Revenues</i>	<i>\$(16,225)</i>	<i>\$ 57,925</i>
Sewer Collection Fee	\$ (3,750)	\$ 17,475
<i>Enterprise Fund Annual Revenues</i>	<i>\$ (3,750)</i>	<i>\$ 17,475</i>
Subtotal Annual Revenues	\$(19,975)	\$ 75,400
Building Permit and Review Fees		\$ (5,800)
Development Review Fees		\$ (100)
Certificate of Occupancy Fees		\$ 0
<i>General Fund One-time Revenues</i>		<i>\$ (5,900)</i>
Sewer Connection Fees		\$ 0
Water Connection Fees		\$ 0
<i>Enterprise Fund One-time Revenues</i>		<i>\$ 0</i>
Subtotal One-time Revenues		\$ (5,900)
Total Revenues	\$(19,975)	\$ 69,500
<i>General Fund Revenues</i>	<i>\$(16,225)</i>	<i>\$ 52,025</i>
<i>Enterprise Fund Revenues</i>	<i>\$ (3,750)</i>	<i>\$ 17,475</i>

Figures rounded to the nearest \$25.

For a number of revenue sources, the change in the ten-year total is positive while the annual change is negative. This anomaly is due to timing differences related to the start of construction. In the original Fiscal Impact Study, the development and construction period extended over three fiscal years because construction and permitting occurred in separate fiscal years. In the updated fiscal impact analysis, development and construction occur over two fiscal years, providing several additional months of revenue receipt during the ten-year analysis period. The same phenomenon occurs with respect to costs.

Table 2 Harper's Station Projected Costs		
Projected Operating Costs	Annual Revenues, Stabilization Year (FY 2026)	Ten-Year Total (FY2021-2030)
General Government Service Operating Costs	\$186,725	\$1,279,800
General Government Service Capital Costs		\$ 0
Education Operating Costs	\$ 0	\$ 0
Education Capital Costs		\$ 0
Total General Fund Costs	\$186,725	\$1,279,850
Enterprise Fund Costs	\$ *	\$ 50
Total Operating Costs	\$186,725	\$1,279,850

Figures rounded to the nearest \$25
* Less than \$12.50

Table 2A Harper's Station Projected Costs—Change from Phoenix Projections		
Projected Operating Costs	Annual Revenues, Stabilization Year (FY 2026)	Ten-Year Total (FY2021-2030)
General Government Service Operating Costs	\$(10,125)	\$96,475
General Government Service Capital Costs		\$ 0
Education Operating Costs	\$ 0	\$ 0
Education Capital Costs		\$ 0
Total General Fund Costs	\$(10,125)	\$96,475
Enterprise Fund Costs	\$ 0	\$ 50
Total Operating Costs	\$(10,125)	\$96,475

Figures rounded to the nearest \$25
* Less than \$12.50

Table 3 Harper's Station Projected Cash Flow through Stabilization Year					
	FYs 2021- 2022	FY 2023	FY 2024	FY 2025	Stabilization Year FY 2026
General Fund Revenues*	\$41,575	\$110,675	\$225,525	\$240,025	\$242,875
Enterprise Fund Revenues	\$24,200	\$ 10,300	\$ 31,200	\$ 42,425	\$ 44,925
Total Revenues	\$65,775	\$120,975	\$256,725	\$282,450	\$287,800
General Fund Costs	\$ (75)	\$ 41,400	\$129,175	\$175,650	\$186,725
Enterprise Fund Costs	\$ 0	\$ **	\$ **	\$ **	\$ **
Total Costs	\$ (75)	\$ 41,400	\$129,175	\$175,650	\$186,725
General Fund Cash Flow	\$41,500	\$ 69,275	\$ 96,350	\$ 64,375	\$ 56,150
Enterprise Fund Cash Flow	\$24,200	\$ 10,300	\$ 31,200	\$ 42,425	\$ 44,925
Total Cash Flow	\$65,700	\$ 79,575	\$127,550	\$106,800	\$101,075

Figures rounded to the nearest \$25.

*The "cost" of taxes currently collected on the site is subtracted from General Fund revenues

** Less than \$12.50

Table 3A Harper's Station Projected Cash Flow through Stabilization Year-- Change from Phoenix Projections					
	FYs 2021- 2022	FY 2023	FY 2024	FY 2025	Stabilization Year FY 2026
General Fund Revenues*	\$(5,375)	\$ (98,300)	\$(10,650)	\$(11,100)	\$(16,225)
Enterprise Fund Revenues	\$ 0	\$ (7,175)	\$ (3,425)	\$ (1,875)	\$ (3,750)
Total Revenues	\$(5,375)	\$(105,475)	\$(14,075)	\$(12,975)	\$(19,975)
General Fund Costs	\$ 25	\$ (30,075)	\$(13,975)	\$ (5,800)	\$(10,125)
Enterprise Fund Costs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Costs	\$ 25	\$ (30,075)	\$(13,975)	\$ (5,800)	\$(10,125)
General Fund Cash Flow	\$(5,350)	\$ (68,225)	\$ 3,325	\$ (5,200)	\$ (6,100)
Enterprise Fund Cash Flow	\$ 0	\$ (7,175)	\$ (3,425)	\$ (1,875)	\$ (3,750)
Total Cash Flow	\$(5,350)	\$ (75,400)	\$ (100)	\$ (7,075)	\$ (9,850)

Figures rounded to the nearest \$25.

*The "cost" of taxes currently collected on the site is subtracted from General Fund revenues

** Less than \$12.50

Table 4		
Harper's Station Fiscal Impact Measures, General and Enterprise Funds		
	Stabilization Year	Ten-Year Total
General Fund		
Cumulative Cash Flow	N/A	\$552,900
Benefit-to-Cost Ratio	1.3-to-1	1.43-to-1
Total All Funds		
Cumulative Cash Flow	N/A	\$885,625
Benefit-to-Cost Ratio	1.54-to-1	1.69 to-1

Table 4A		
Harper's Station Fiscal Impact Measures, General and Enterprise Funds Change from Phoenix Projections		
	Stabilization Year	Ten-Year Total
General Fund		
Cumulative Cash Flow	N/A	\$(46,600)
Benefit-to-Cost Ratio	-.02-to-1	-.08-to-1
Total All Funds		
Cumulative Cash Flow	N/A	\$911,500
Benefit-to-Cost Ratio	-.02-to-1	-.08-to-1

Conclusion

The fiscal impact on the County for Harper's Station remains positive after adjusting for the changed parameters of the proposed development compared to those of Phoenix at Yorktown. Due to the proposed development's smaller scale, the magnitude of the positive fiscal impact is somewhat smaller than for the original proposal. The benefit-to-cost ratio also declines but only by a small amount—equivalent to a 2 cent reduction in return on investment during the stabilization year and beyond. Thus, it can be said that with regard to fiscal impact for the proposed development, it is not substantially different from the fiscal impact of Phoenix at Yorktown, for which a rezoning and special use permit had been approved by the County in 2017.