

Comparative Summary of the Economic and Fiscal Impact of Traffic Analysis Zones on Topeka, Kansas

With KTA Interchange and Full Build-Out, Mid-Range and Historic Trends Growth

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Prepared for:

City of Topeka Planning Department
620 SE Madison, 3rd Floor
Topeka, KS 66607

Prepared by:

Impact DataSource
4709 Cap Rock Drive
Austin, Texas 78735
512.892.0205
www.impactdatasource.com



An Executive Summary of the Projected Economic and Fiscal Impact from Traffic Analysis Zones

Introduction

This report summarizes the results of economic and fiscal impact analyses performed by Impact DataSource, Austin, Texas. The analyses were to determine the impact that growth in 21 Traffic analysis zones in Topeka, Kansas will have on the economy of the Topeka area and the costs and benefits for the City over the first thirty years of construction in the zones and operations.

Description of the Project and Traffic Analysis Zones

A Kansas Turnpike Authority (KTA) Interchange is proposed at SE 29th Street in Topeka, KS.

The study concentrated on economic impacts to be generated in 21 Traffic analysis zones consisting of 5,222 acres around the proposed interchange with three growth scenarios: full build-out, mid-range and historic trends.

Characteristics of the zones are shown below.

| Characteristics of TAZs in the Focus Area Around the Interchange | | | |
|-------------------------------------------------------------------------|-------------------|-----------|--------------------|
| | Full Build-out | Mid-Range | Historic Trends |
| Acres | 5,222 | 5,222 | 5,222 |
| 2010 population | 15,994 | 15,994 | 15,994 |
| 2040 population | 20,507 | 18,094 | 16,292 |
| 30 year population growth | 4,513 | 2,100 | 298 |
| 30 year population growth percentage | 28.2% | 13.1% | 1.9% |
| 2010 number of households | 6,489 | 6,489 | 6,489 |
| 2040 number of households | 8,660 | 7,622 | 7,302 |
| 30 year household growth | 2,171 | 1,133 | 813 |
| 2010 retail jobs | 772 | 772 | 772 |
| 2040 retail jobs | 2,502 | 2,761 | 2,761 |
| 2010 nonretail jobs | 2,761 | 3,533 | 3,533 |
| 2040 nonretail jobs | 3,422 | 1,727 | 964 |
| 2010 total employment | 3,533 | 2,956 | 2,405 |
| 2040 total employment | 5,924 | 4,683 | 3,369 |
| 30 year jobs growth | 2,268 | 1,150 | (166) |
| 30 year jobs growth percentage | 64.2% | 100.0% | -5.8% |
| 2010 median household income | \$51,778 | \$51,778 | \$51,778 |

Summary of Costs and Benefits for the City during Construction and from Growth in the Traffic Analysis Zones over the First Thirty Years

Summaries of costs and benefits for the City over the first thirty years from the TAZs' construction and operations are shown in the three tables below.

Full Build Out

| Summary of City Revenues from the TAZs over the First Thirty Years With Full Build-Out | | | |
|---------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------|----------------------|
| | From Construction Activities | From Operations Activities | Total |
| City revenues: | | | |
| Sales taxes | \$11,868,432 | \$61,812,267 | \$73,680,699 |
| Building permits and fees | \$3,894,466 | | \$3,894,466 |
| Property taxes | | \$75,384,864 | \$75,384,864 |
| Misc. taxes and user fees | | \$26,846,530 | \$26,846,530 |
| Utilities | | \$50,497,680 | \$50,497,680 |
| Subtotal revenues over thirty years | \$15,762,898 | \$214,541,341 | \$230,304,240 |
| City costs: | | | |
| Costs of general fund services | | \$34,003,686 | \$34,003,686 |
| Costs of utility services | | \$45,447,912 | \$45,447,912 |
| Capital improvement costs for 29th Street | \$13,900,000 | | \$13,900,000 |
| City's interchange cost | \$8,000,000 | | \$8,000,000 |
| Subtotal cost over thirty years | \$21,900,000 | \$79,451,599 | \$101,351,599 |
| Net benefits for the city | (\$6,137,102) | \$135,089,743 | \$128,952,641 |

Mid-Range

| Summary of City Revenues from the TAZs over the First Thirty Years | | | |
|--------------------------------------------------------------------|------------------------------------|----------------------------------|---------------|
| Mid-Range | | | |
| | From Construction Activities | From Operations Activities | Total |
| City revenues: | | | |
| Sales taxes | \$6,337,376 | \$31,920,843 | \$38,258,219 |
| Building permits and fees | \$2,070,861 | | \$2,070,861 |
| Property taxes | | \$38,540,159 | \$38,540,159 |
| Misc. taxes and user fees | | \$13,911,232 | \$13,911,232 |
| Utilities | | \$26,166,695 | \$26,166,695 |
| Subtotal revenues over thirty years | \$8,408,236 | \$110,538,928 | \$118,947,164 |
| City costs: | | | |
| Costs of general fund services | | \$17,619,900 | \$17,619,900 |
| Costs of utility services | | \$23,550,025 | \$23,550,025 |
| Costs of the interchange, city's portion | \$8,000,000 | | \$8,000,000 |
| Costs of capital improvements to 29th St. | \$13,900,000 | | \$13,900,000 |
| Subtotal cost over thirty years | \$21,900,000 | \$41,169,925 | \$63,069,925 |
| Net benefits for the city | (\$13,491,764) | \$69,369,003 | \$55,877,239 |

Historical Trends

| Summary of City Revenues from the TAZs over the First Thirty Years | | | |
|--------------------------------------------------------------------|------------------------------------|----------------------------------|--------------|
| Historical Trends | | | |
| | From Construction Activities | From Operations Activities | Total |
| City revenues: | | | |
| Sales taxes | \$3,910,081 | \$5,909,407 | \$9,819,488 |
| Building permits and fees | \$1,269,164 | | \$1,269,164 |
| Property taxes | | \$17,906,987 | \$17,906,987 |
| Misc. taxes and user fees | | \$9,292,048 | \$9,292,048 |
| Utilities | | \$17,478,121 | \$17,478,121 |
| Subtotal revenues over thirty years | \$5,179,245 | \$50,586,563 | \$55,765,808 |
| City costs: | | | |
| Costs of general fund services | | \$11,769,264 | \$11,769,264 |
| Costs of utility services | | \$15,730,309 | \$15,730,309 |
| Costs of the interchange, city's portion | \$8,000,000 | | \$8,000,000 |
| Costs of capital improvements to 29th St. | \$13,900,000 | | \$13,900,000 |
| Subtotal cost over thirty years | \$21,900,000 | \$27,499,573 | \$49,399,573 |
| Net benefits for the city | (\$16,720,755) | \$23,086,990 | \$6,366,235 |

Comparison of Net Revenues for the City if the Interchange is Not Built and is Built

Net Revenues for the City over Thirty Years if the Interchange is not built to net city revenues if the interchange is built are shown below.

| Comparative Summary of City Revenues from the TAZs over the First Thirty Years | | | |
|--------------------------------------------------------------------------------|-------------------|----------------|--------------------|
| With Full Build-Out, Mid-Range and Historical Trends Growth Scenarios | | | |
| | Full Build-out | Mid-Range | Historic Trends |
| Net benefits from construction activities | (\$6,137,102) | (\$13,491,764) | (\$16,720,755) |
| Net benefits from operations in the area | \$135,089,743 | \$69,369,003 | \$23,086,990 |
| Total net benefits | \$128,952,641 | \$55,877,239 | \$6,366,235 |

Conduct of the Analyses

These analyses were conducted by Impact DataSource using data and information on the TAZs supplied by the City's Planning Department. In addition, Impact DataSource used local tax and other rates and certain estimates and assumptions.

Using this data, the economic impact from the TAZs and the costs and benefits for the City of Topeka were calculated over the first thirty years of construction and operations within the TAZs.

In addition to the direct economic impact of the TAZs and workers, spin-off or indirect and induced benefits were also calculated.

Impact DataSource is a 22-year-old Austin economic consulting, research and analysis firm. The firm has conducted economic impact analyses of numerous projects in Kansas and 39 other states. In addition, the firm has developed economic impact analysis computer programs for several clients, including the New Mexico Economic Development Department.

The firm's principal, Jerry Walker, performed this economic impact analysis. He is an economist and has Bachelor of Science and Master of Business Administration degrees in accounting and economics from Nicholls State University, Thibodaux, Louisiana.