

QUESTION 11 - REVENUE GENERATION SUMMARY

See State Comprehensive Plan (Chapter 187, F.S.)

GOAL (18); POLICIES (8), (9)
GOAL (20); POLICY (7)

A. Project the funds anticipated to be generated by the project. This projection should include any source or use of funds which could have any reasonable connection to the proposed development.

1. Make the following projections by year, including the first and last year in which any construction and/or development takes place:

- (a) Yearly ad valorem tax receipts**
- (b) Yearly impact fees collected**
- (c) Yearly sales tax received by local government**
- (d) Yearly gasoline tax received by local government**
- (e) Yearly projections of any other funds by any other sources generated as a result of development of the proposed project within the region**

Table 11.1 estimates, to the extent possible based on information currently known, the non-recurring and recurring revenues that The Commons DRI will generate for the Town of Davie once the project has been approved for development, which is assumed to occur in 2006. Table 11.2 estimates, to the extent possible based on information currently known, the non-recurring and recurring revenues that The Commons DRI will generate for other local governmental entities, including the following:

- Broward County
- Children Services
- Broward County Public Schools
- South Florida Water Management District
- North Broward Hospital District
- Central Broward Water Control District

The revenue estimates presented in Tables 11.1 and 11.2 are in 2005 Constant Dollars.

**TABLE 11.1
REVENUE GENERATION
DAVIE
(000's of 2005 Dollars)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Non-Recurring									
Platting	*	*	*	*	*	*	*	*	*
Impact Fees									
Police	*	435.1	79.9	72.6	72.6	72.6	72.6	*	*
Fire	*	72.2	13.3	12.1	12.1	12.1	12.1	*	*
Building Permits	*	*	*	*	*	*	*	*	*
Connection Fees	*	*	*	*	*	*	*	*	*
Recurring									
Ad valorem									
Operating	0.0	0.0	0.0	1,322.4	1,565.5	1,737.1	1,908.7	2,080.3	2,251.9
Utility Taxes/Franchise Fees	0.0	0.0	0.0	322.6	385.1	454.3	516.5	578.7	640.9
Fire Assessment	0.0	0.0	0.0	224.2	256.2	301.9	347.6	393.3	439.0
Occupational Licenses	*	*	*	241.8	243.6	272.5	301.4	330.3	359.2
Gasoline Tax	*	*	*	*	*	*	*	*	*
Sales Tax	*	*	*	*	*	*	*	*	*
TOTAL		507.4	93.2	2195.7	2535.1	2850.5	3158.9	3,382.6	3,691.0

* Can not be estimated at this time based on the information currently available

Source: Town of Davie; Broward County Property Appraiser; Munitytics, Inc; Miami Economic Associates, Inc.

**TABLE 11.2
REVENUE GENERATION
OTHER LOCAL GOVERNMENTS
(000's of 2005 Dollars)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Broward County									
Non-Recurring									
Platting	*	*	*	*	*	*	*	*	*
Road Impact Fee	*	*	*	*	*	*	*	*	*
Recurring									
Ad valorem	0.0	0.0	0.0	1,649.7	1,952.9	2,167.0	2,381.1	2,595.1	2,809.2
Occupational Licenses	*	*	*	*	*	*	*	*	*
Tourist Tax	*	*	*	*	*	*	*	*	*
Gasoline Tax	*	*	*	*	*	*	*	*	*
Sales Tax	*	*	*	*	*	*	*	*	*
Children Services									
Ad valorem	0.0	0.0	0.0	99.3	117.6	130.5	143.3	156.2	169.1
Broward School District									
Ad valorem	0.0	0.0	0.0	1,942.5	2,299.5	2,551.6	2,803.7	3,055.7	3,307.8
South Florida Water Management									
Ad valorem	0.0	0.0	0.0	163.7	193.7	215.0	236.2	257.4	278.7
North Broward Hospital District									
Ad valorem	0.0	0.0	0.0	582.3	689.4	765.0	840.5	916.1	991.6
Central Broward Water Control District									
Ad valorem	0.0	0.0	0.0	153.4	181.6	201.5	221.4	241.3	261.3

* Can not be estimated at this time based on the information Currently available

Source: Broward County Property Appraiser; Miami Economic Associates, Inc.

2. **List all assumptions used to derive the above projections and estimates, show the methodologies used and describe the generally accepted accounting principles used in all assumptions, estimates and projections.**

The materials that follow provide the bases used in formulating the revenue estimates provided in Tables 11.1 and 11.2, preceding.

Project Description

When completed, The Commons will be comprised of a mixture of retail and restaurant, office and hotel uses. Table 11.3 shows the amounts of development proposed and anticipated schedule of absorption by use.

TABLE 11-3 SCHEDULE OF ABSORPTION BY USE			
Year	Retail/ Restaurant (S.F.)	Office (S.F.)	Hotel (Rooms)
2006	0	0	0
2007	0	0	0
2008	1,100,000	285,000	0
2009	0	0	300
2010	0	150,000	0
2011	0	150,000	0
2012	0	150,000	0
2013	0	150,000	0
2014	0	0	0
Total	1,100,000	885,000	300

For the purpose of this analysis, it is assumed that all absorption occurring between 2006 and 2013 would be completed on December 31st of the year shown in the table above. It is further assumed that construction of the final tenant improvements would commence 24 to 30 months prior to the date of completion, with all requisite fees and permits being paid in the year that tenant construction commences. Development completed on December 31st of a particular year would be placed on the tax rolls of the subsequent year.

Non-recurring Revenues

During the period during which The Commons DRI is being developed, a variety of fees will be paid on a one-time basis. The bases for calculating these non-recurring revenues are discussed below.

Platting Fees

The Town of Davie as well as Broward County will charge fees when the property on which The Commons DRI will be developed is platted to accommodate the project. The fees that will be paid cannot be estimated at this time because it is unknown how the property will be re-platted in terms number and size of parcels.

Impact Fees

The Town of Davie charges impact fees to support its police and fire departments on all new commercial projects undertaken within its jurisdiction. The estimates provided in Table 11.1 are based on a report issued by Munilytics, a consulting firm headed by a former official of the Town of Davie, which was already submitted to the Town in 2004. Broward County levies impact fees on commercial projects for roads. The amount of the fees to be paid are not based on a table of rates but are calculated by the County through its project-specific model, which has not yet been run with respect to The Commons DRI.

Building Permit Fees

The Town of Davie requires the structural, electrical, plumbing and mechanical contractors working on new construction projects to pay permit fees. Given the fact that working drawings for The Commons DRI have not yet been prepared, it is not possible to calculate these fees at this time.

Water and Sewer Connection Fees

The Town of Davie will charge the proposed project fees to connect to the City's water and sewer systems. The amount of the fees paid will depend on engineering parameters regarding the number and size of meters that have not presently been defined. Accordingly, it is not possible to estimate the amount of the fees that will be paid at this time.

Recurring Revenues

The Town of Davie and other of the various governmental entities listed identified in Table 11.2 will receive recurring revenues annually as a result of the development of The Commons DRI. The bases for the recurring revenues projected in Tables 11.1 and 11.2 are discussed below. All amounts are in 2005 Dollars.

Ad Valorem Taxes

Ad valorem taxes will be paid on all of the real property that comprises The Commons DRI, inclusive of land and buildings, as well as on the personal property contained within the commercial facilities. The figures shown in Tables 11.1 and 11.2 include only the amounts

paid on real property because there is no basis for estimating within any precision the value of the taxable personal property.

In the report by Munitlytics, dated September 2004, previously referred, it was estimated that the real property at The Commons DRI would have a total taxable value approximating \$400.0 million. In the interest of maintaining consistency, that value is being used in this analysis. Table 11.4 below provides a breakdown of that figure by project component. The tax revenues shown in Table 11.1 for the Town of Davie were calculated based on a millage rate of \$5.6297 per \$1,000 of value.

TABLE 11.4 TAXABLE VALUE BY YEAR ADDED TO TAX ROLLS			
Year	Use	Quantity	Taxable Value
2006			
2007			
2008			
2009	Retail/Restaurant	1,100,000 S.F.	\$176,985,000
	Office	285,000 S.F.	\$ 57,914,254
Total			\$234,899,254
2010	Hotel	300 Rooms	\$ 43,175,000
2011	Office	150,000 S.F.	\$ 30,481,186
2012	Office	150,000 S.F.	\$ 30,481,186
2013	Office	150,000 S.F.	\$ 30,481,186
2014	Office	150,000 S.F.	\$ 30,481,186

With respect to the governmental entities identified in Table 11.2, revenues were calculated by applying the following tax rates to the taxable values provided above:

- Broward County: \$7.023/\$1,000 of taxable value
- Children Services: \$0.4231/\$1,000 of taxable value
- Broward County Public Schools: \$8.2695/\$1,000 of taxable value
- South Florida Water Management District: \$0.697/\$1,000 of taxable value
- North Broward Hospital District: \$2.4803/\$1,000 of taxable value
- Central Broward Water Control District: \$0.65/\$1,000 of taxable value

Water and Sewer Charges

The Town of Davie obtains water and sewer services from the City of Sunrise and does not apply a surcharge; hence, The Commons will not generate utility revenues for the City.

Utility Taxes, Franchise Fees and Unified Communications Tax

Utility taxes, franchise fees and the Unified Communications Tax are collected from the providers of water, electric, telephone, cable and gas services within the Town of Davie based on their revenues. The City also collects franchise fees from companies employed to haul solid waste. The amounts that the City will collect as a result of The Commons DRI will be dependent on the actual usage of the various services enumerated above. The figures shown in Table 11.1 are based on the Munitytics report previously referred to.

Fire Assessment Fee

The Town of Davie annually levies a fire assessment fee on all development within the City. The figures shown in Table 11.1 are based on estimates previously provided to the Town in the Munitytics report previously referenced.

Occupational License Fees

Businesses operating within the Town of Davie are required to obtain occupational licenses from both the Town. The figures shown in Table 11.1 are based on estimates previously provided to the Town in the Munitytics report previously referenced. Business located within Davie are also required to pay occupational license fees to Broward County. The amount they pay varies depending on the type and size of the business enterprise. Since the number, size and type of the businesses that will occupy the space that will be developed as part of The Commons DRI are not currently known, the occupational license fees that will be generated for Broward County cannot be estimated at this time within any specificity.

Sales Tax

The State of Florida imposes a 6 percent sales tax on certain transactions including retail sales of non-exempt goods, food and beverage sales in eating and drinking establishments, hotel room charges and rent payments. Approximately 9 percent of the collected amounts are rebated to the counties in which the revenues are collected, with the rebated amounts then frequently be further distributed to the municipalities within the county. Since calculation of these revenues would require divulging information regarding prospective rental rates and sales volumes considered proprietary, no estimate has been prepared. The amounts involved, which will be small, would not, have a material impact on the financial condition of either the County or the Town of Davie,

Tourist Tax

Broward County on behalf of the Greater Ft. Lauderdale Convention and Visitors Bureau levies a 5 percent tax on all room sales in hotels located within the County. Since no operators have yet been selected for the

proposed hotel at The Commons DRI, an estimated daily rate has not been established at this time. Therefore, the prospective revenues can not be estimated at this time.

Gasoline Tax

Each gallon of gasoline sold and used by people to travel to and from The Commons DRI is taxed at the State level. The State levies a tax of \$0.172 per gallon. From this amount, \$0.03 is distributed to County governments and \$0.01 to municipalities. As discussed in response to Question 10, Part 1D, the proposed retail space may attract patrons from a wider than usually projected radius. Additionally, fuel consumption can vary greatly depending on the types of vehicle. The Commons also plans to use hybrid vehicles, when possible. Therefore, no attempt has been made to project the gasoline consumption that would be attributable to The Commons DRI or the resultant revenues.