

Town of Lyons Housing Fiscal/Economic Impact

Prepared by Denver Regional Council of Governments, October 27, 2014

This report has been prepared by the Denver Regional Council of Governments (DRCOG) at the request of the Town of Lyons to evaluate potential economic and fiscal impacts related to the replacement of housing units lost in the September 2013 flood. Results for all scenarios are presented in Table 1.

Town Expenditures and Revenues

- Total expenditures for the Town of Lyons would increase between \$70,800 and \$141,600. The net revenue to the town of the replacement housing would range between \$18,000 and \$36,700.
- Total revenues would increase between \$89,000 and \$178,000 with the construction of 50 to 100 units.
- Each new house built would on average provide \$463 per year in property tax revenues. Replacing 50 to 100 homes would generate between \$23,000 and \$46,000 in additional property tax revenue for the town.
- Sales taxes from the additional residents in each scenario would generate between \$24,500 and nearly \$49,000 in sales tax revenue. Other taxes and sources of revenue would increase between \$41,500 and \$83,000.

Town Utilities

- Using an average amount billed for electricity and water/sewer in a year, the replacement of the housing would increase revenues for Lyons Utilities between \$103,000 and \$206,000 in the first year.
- Under any of the do-nothing scenarios, the average household would have to pay an additional \$120 to \$255 per year in utility bills for Lyons Utilities to replace revenue lost with the permanent loss of the housing units.

Labor Force

- With the data currently available to DRCOG, a quantitative impact of the addition or loss of this labor force is difficult. Between 65 and 129 of the displaced/replacement population would be labor force participants, comprising between 5 and 10 percent of the total labor force in Lyons.

Table 1 - Analysis Results

	50 Replacement Homes	60 Replacement Homes	70 Replacement Homes	100 Replacement Homes	50 Homes Permanently Lost	60 Homes Permanently Lost	70 Homes Permanently Lost	100 Homes Permanently Lost
Town Fiscal Effects								
Property Tax Revenues	\$23,153	\$27,783	\$32,414	\$46,305	\$(23,153)	\$(27,783)	\$(32,414)	\$(46,305)
Sales Tax Revenues	\$24,496	\$29,349	\$34,202	\$48,992	\$(24,496)	\$(29,349)	\$(34,202)	\$(48,992)
Remaining Taxes and Other Revenues	\$41,533	\$49,761	\$57,989	\$83,065	\$(41,533)	\$(49,761)	\$(57,989)	\$(83,065)
Total Revenues	\$89,181	\$106,892	\$124,604	\$178,362	\$(89,181)	\$(106,892)	\$(124,604)	\$(178,362)
Total Expenditures	\$70,808	\$84,836	\$98,864	\$141,616	\$(70,808)	\$(84,836)	\$(98,864)	\$(141,616)
Net Revenue/(Expenditures)	\$18,373	\$22,056	\$25,740	\$36,746	\$(18,373)	\$(22,056)	\$(25,740)	\$(36,746)
Town Utilities								
Electricity Billed	\$40,139	\$48,091	\$56,043	\$80,278	\$(40,139)	\$(48,091)	\$(56,043)	\$(80,278)
Water/Sewer Billed	\$63,047	\$75,538	\$88,029	\$126,095	\$(63,047)	\$(75,538)	\$(88,029)	\$(126,095)
Total Billed	\$103,186	\$123,629	\$144,071	\$206,373	\$(103,186)	\$(123,629)	\$(144,071)	\$(206,373)
Per Household Change in Bill, Saved/(Additional Paid)	\$120.12	\$145.62	\$171.72	\$255.10	\$(120.12)	\$(145.62)	\$(171.72)	\$(255.10)