

Cost Benefit Analysis Worksheets Key

(Pages 1,2 and 3 of Worksheet)

City Worksheet

The firm's expansion might not be located in any city, and therefore would not be eligible for a city's tax abatement. However, the nearest city in the county to the location of the expansion could reap benefits from the expansion. Any benefit to the city is inherently a benefit to the quality of life in the county. Therefore, city data is gathered for a more complete picture of the total benefits from the expansion.

When gathering budget data, use the most recent year in which actual numbers have been verified and audited.

1. City Name
2. City Mill Levy
 - Rates are available on the IPSR website:
<http://www.ipsr.ku.edu/ksdata/ksah/govt/>. Scroll down about two thirds of the page to find listings for Kansas Cities of the First Class and Kansas Cities of the Second Class.
3. City Sales tax rate
 - Enter only the percentage of the total sales tax rate that is collected and distributed to the city. Monthly Local Sales Tax Distribution Reports are found at:
<http://www.ksrevenue.org> Click on the most recent distribution list. In the first column of this report you will find the percentage of sales tax collected and distributed to Kansas municipalities. Counties are listed first, then cities.
4. City Transient Guest Tax Rate
 - Available on the Kansas Department of Revenue website at:
<http://www.ksrevenue.org>
5. Average market value of new residential property in the city
 - Contact the local Board of Realtors or the county appraiser
6. Number of residents in the city
7. Number of workers at businesses in the city
8. Number of households in the city
 - Nos. 6,7 and 8 can be found on the census report for the city, available at:
<http://www.ku.edu/pri/ksdata/city.php>

Budget data is online: www.da.ks.gov/ar/muniserv/BudgetDefault.htm

-Please use the budget data from the "prior year actual" column of report

For questions, contact the city clerk

9. Total Annual Revenues (total receipts) for the city
10. Total Operating Budget (total expenditures) for the city
11. Enterprise funds-(total expenditures for city operated utilities, golf course, pool, etc.)
12. Internal transfers (the portion of the city budget reflecting one city department billing another city department)
13. Collection of property taxes, transient guest taxes, sales taxes, utilities and utility franchise fees

Where to obtain Utility information:

In some cities, the information can be obtained directly from published copies of the general operating budget. The city clerk often has this information, as well.

City Utility Revenues from Households

- 14.-21. For each city-owned utility service listed, enter:
- The annual total amount billed **all households** for the service
 - The annual total amount it costs to provide **all households** the service
 - If the city does not operate the utility service, but collects franchise fees for the service, enter the amount collected for each service
 - If franchise fees were collected, enter the franchise fee rate for the service

City Utility Revenues from the Firm

Annual Utility Revenues from the firm will be generated using data gathered in questions 14.-21. and 96.-103. Please disregard questions 22.-29.

County Worksheet

30. County Name
31. County Mill Levy
 - County Rates are on the IPSR website:
<http://www.ipsr.ku.edu/ksdata/ksah/govt> Scroll down about two-thirds of the page to find listings for County Tax Rates.
32. County Sales tax rate
 - Enter only the percentage of the total sales tax rate that is collected and distributed to the county. Monthly Local Sales Tax Distribution Reports are found at: <http://www.ksrevenue.org> Click on the most recent distribution list. In the first column of this report you will find the percentage of sales tax collected and distributed to Kansas municipalities. Counties are listed first in this report.
33. County Transient Guest Tax Rate
 - Available on the Kansas Department of Revenue website at:
<http://www.ksrevenue.org>
34. Regional Economic Multiplier—Do Not Complete
35. Number of residents in the County
 - <http://www.ipsr.ku.edu/ksdata/ksah/govt>
36. Number of workers at businesses in the County
 - <http://www.ipsr.ku.edu/ksdata/county.php>
Click on the link labeled, "Census 2000 Profile of Demographic, Social, Economic & Housing Data." Scroll to employment status, use In Labor Force.
37. Average market value of new residential property in the County
 - Contact the local Board of Realtors or the county appraiser

Budget data is online: www.da.ks.gov/ar/muniserv/BudgetDefault.htm
-Please use the budget data from the "prior year actual" column of report
For questions, contact the county clerk

38. Total Annual Revenues (total receipts) for the county
39. Total Operating Budget (total expenditures) for the county
40. Enterprise funds (total expenditures for county operated utilities, golf course, pool, etc)
41. Internal transfers (the portion of the county budget reflecting one county department billing another county department)
42. Collection of property taxes, transient guest taxes, sales taxes, utilities and utility franchise fees

School District Worksheet

43. School District Name (Example: USD 101)
44. District local option mill levy and capital outlay mill levy for the school district
 - The Kansas State Department of Education's school mill levy reports can be found at: <http://www.ksde.org> Choose the .pdf file of the most recent year that is available. Report the total levy for the appropriate school district from the far right column.
45. Average market value of new residential property in School District
 - Local realtors or the county appraiser should have this information.
46. Annual operating expenditures
 - Go to the Kansas State Department of Education's School Finance website at: <http://www.ksde.org>. Click on the appropriate school district hyperlink. Use the Total Expenditures from the last column of the most recent year of actual budget information.
47. Number of students enrolled in the district
 - Go to the Kansas State Department of Education's School Finance website at: <http://www.ksde.org>. Click on the appropriate school district hyperlink. Use the FTE Enrollment of the most recent year that is available.
48. Average cost per child enrolled in the district
 - There is no need to do this calculation. The program will take care of that.
49. Estimated Marginal Cost per child in the district-the cost that the school district will incur in providing services to **each new child**
 - This will most likely be less than the district's average cost per child. The children who move to the district with new workers at the firm may also be disbursed throughout the school district in all grade levels, and the impact on any one school may be minimal. If school officials will provide a dollar amount, enter that here. If they are unable to estimate the amount, enter a percentage. If this is left blank, we will use 10% of average cost.
50. State funding **per child**. Enter the amount of state funding that the district receives annually under the state's school finance program for each child enrolled
 - Go to the Kansas State Department of Education's School Finance website at: <http://www.ksde.org>. Click on the appropriate school district hyperlink. Use the State Aid from the most recent year that is available.
51. Federal and local funding **per child**. Enter the amount of funds that the school district receives annually from the federal government and other funding sources for each child enrolled
 - Go to the Kansas State Department of Education's School Finance website at: <http://www.ksde.org>. Click on the appropriate school district hyperlink. Use the Federal Aid from the most recent year that is available.

Special Taxing District #1

52. Special Taxing District #1 Name
- Enter the name of a special taxing district such as cemetery drainage, fire, hospital, improvements, library, lights, parks and recreation, sewer, watershed or other such taxing district.
53. Enter the mill levy for the taxing district
- County Clerk is a possible source
54. Enter the average market value of new residential property added to the special taxing district's property tax rolls in the current year or latest period available
- County Appraiser is a possible source
55. How many residents are there in the taxing district?
- County Clerk is a possible source
56. How many workers reside in the taxing district?
- Estimate considering the population and area of the district
 - Some have used county Census figures to calculate a probable number of workers in the taxing district.
- Use the percentage yielded by dividing the number of county workers by the county population (e.g., $4,625/10,761 = 43$ percent). Obtain the district population from the county clerk (e.g., 233) and multiply by above percentage ($233 * .43 = 100.19$). In this example, use 100 workers for the district.*
57. Enter taxing district's total annual revenues (receipts)
58. Enter the taxing district's total annual operating budget (expenditures)
59. Enter the taxing district's total annual collection of property taxes
- County Clerk is a possible source for Nos. 56.–59.
- 60.-61. As a general rule, you can assume that approximately 70 percent of the special taxing district's revenues will be received from residents, and 70 percent of the general operating budget is spent on district residents. However, in certain circumstances, the special district may actually obtain a much different percentage of its revenue from district residents, e.g., a hospital district that services an area much wider than its taxing district, and obtains much of its revenue from fees for service. In that case, estimate the percentage of annual non-tax revenue that is actually obtained from residents.
- 62.-63. The same can be true of revenue obtained from businesses and the percentage of the operating budget spent on businesses. Generally speaking, 30 percent is used as the percentage. But, depending on the nature of the special taxing district, you can estimate this percentage according to those circumstances.

The percentage of the budget revenues and expenditures devoted to residents and businesses is generally assumed to be 70 percent and 30 percent. However, some districts may have more than a two-way split among entities the district supports. This analysis, however, will report the impact of residents and businesses. If the percentages you use do not add to a full 100 percent, you can assume the "missing" percentage is the amount devoted to the other entities. You may write a small note explaining the situation, which will appear on the final report as a footnote.

Special Taxing District #2

64. Special Taxing District #2 Name
 - Enter the name of a special taxing district such as cemetery drainage, fire, hospital, improvements, library, lights, parks and recreation, sewer, watershed or other such taxing district.
65. Enter the mill levy for the taxing district
 - County Clerk is a possible source
66. Enter the average market value of new residential property added to the special taxing district's property tax rolls in the current year or latest period available
 - County Appraiser is a possible source
67. How many residents are there in the taxing district?
 - County Clerk is a possible source
68. How many workers reside in the taxing district?
 - Estimate considering the population and area of the district
 - Or, use the calculation routine described in #56 above
69. Enter taxing district's total annual revenues (receipts)
70. Enter the taxing district's total annual operating budget (expenditures)
71. Enter the taxing district's total annual collection of property taxes
 - County clerk is a possible source for Nos. 68-71
- 72.-73. As a general rule, you can assume that approximately 70 percent of the special taxing district's revenues will be received from residents, and 70 percent of the general operating budget is spent on district residents. However, in certain circumstances, the special district may actually obtain a much different percentage of its revenue from district residents, e.g., a hospital district that services an area much wider than its taxing district and obtains much of its revenue from fees for service. In that case, estimate the percentage of annual non-tax revenue that is actually obtained from residents.
- 74.-75. The same can be true of revenue obtained from businesses and the percentage of the operating budget spent on businesses. Generally speaking, 30 percent is used as the percentage. But, depending on the nature of the special taxing district, you can estimate this percentage according to those circumstances.

The percentage of the budget revenues and expenditures devoted to residents and businesses is generally assumed to be 70 percent and 30 percent. However, some districts may have more than a two-way split among entities the district supports. This analysis, however, will report the impact of residents and businesses. If the percentages you use do not add to a full 100 percent, you can assume the "missing" percentage is the amount devoted to the other entities. You may write a small note explaining the situation, which will appear on the final report as a footnote.

Firm Worksheet Key

(Pages 4, 5 and 6 of Worksheet)

Firm Name and Description of Expansion

76. Firm Name
77. Firm NAICS Code
The six-digit North American Industry Classification System (NAICS) code for the firm's principal business that will be conducted at the new/expanded facility.
78. Description of the new/expanded location in the community
Describe the firm's plans to locate or expand in the community

Capital Investment

79. Land
80. Building and improvements
Enter the fair market or appraised value of the real property (land, buildings and improvements) used or acquired for the new/expanded location.
81. Furniture, fixtures and equipment – **It is not necessary to include furniture, fixtures and equipment that is brought in exempt under KSA 79-223.**
Enter the retail cost, when new, for the furniture, fixtures, and equipment. Include new and used real property, and only that real property acquired for the expansion.
- Use the second, third and fourth column if more expansions will occur after the initial construction.

Sales and Purchases

82. – 91. Sales
Enter the projected total amount of annual sales from the new construction/expansion. If for an expansion, enter only the additional sales associated with the expansion.
82. – 91. Purchases
Enter projected annual purchases for goods and services, including utilities for the new construction/expansion.
92. – 94. What percent of the new/increased sales will be subject to sales tax in the city, the county and/or the state?
95. Expected annual net taxable income, as a percent of sales from Nos. 82-91, on which state income tax will be computed for the new construction/expansion:
- Obtain this figure from the company's current or projected income statements. If unknown, enter 10 percent.

Annual Utility Expenditures

- 96.–103. Estimate what the annual expense will be for utility services provided in each category during the construction period and year one of the expansion.
104. What percentage rate do you anticipate the utility bills will increase in following years of the expansion?

New Employees

105. – 114.
- Number of New Employees:
Enter the number of new employees expected as a result of the expansion.
 - Enter the average salary of new/additional employees for the expansion.
 - Of those new employees, how many will likely move to the county?
 - How many of those employees will be moving in from out-of-state?

New Construction

115. What is the estimated total cost of the new/additional construction, including buildings and improvements, commercial and industrial machinery and equipment and other tangible property?
116. If construction is by an outside contractor, what is the estimated percent profit on the cost of construction?
- If unknown, use 10 percent

Construction Materials Purchased

- 117.-119. What is the amount of taxable construction materials purchased in the state, county and city?
- If amount of construction materials is unknown, you may assume that 50 percent of the total construction cost is for construction materials.(Enter whole dollar amounts)
 - Use the second, third, and fourth column if more expansions will occur after the initial construction. (Enter whole dollar amounts)

Costs of Furniture, Fixtures and Equipment Purchased

- 120.-122. What is the amount of taxable furniture, fixtures and equipment purchased in the state, county, and city?
- Use the second, third, and fourth column if more expansions will occur after the initial construction.

New Construction Workers & Salaries

123. How many construction workers are working on the construction project?
124. What is the salary paid to an average construction worker during the construction period?
125. What is the total construction expense for salaries?
- Construction salaries, if unknown, can be estimated at 50 percent of the total construction costs.
126. What is the household size of an average construction worker?
- If unknown, enter "3"

Business Visitors due to the Expansion

127. - 136. How many out-of-town visitors to your business do you expect during the year?
- Consider vendors, salesmen, governmental employees, tourists, etc. who may call on the business.
137. How many days do you expect an average visitor to your firm to stay in the area?
(Don't forget to consider sales people, equipment vendors, installers, etc. as visitors)
138. How many nights will they stay in a local hotel or motel in the city?
139. How many nights will they stay in a local hotel or motel anywhere in the county?

Economic Development Worksheet Key **(Pages 7, 8 and 9 of Worksheet)**

Extraordinary Payments the Firm Will Make

- 140.-150. Enter extraordinary payments that the firm will make to the city, county and state during construction and other continuing payments that are unique to the firm and not ordinarily made by other firms. This may include:
- Payments in lieu of taxes that the firm will make to the city, county and state.

Extra Costs to Provide Infrastructure/Services for this Expansion

- 151.-161. Enter extraordinary costs the city, county and state will incur providing services to the firm during construction and during the firm's operation that are unique to the firm and not ordinarily made by other firms.
- May include infrastructure costs to utilities, roads, etc., for access to the business.

Incentives

- 162.-172. Enter the value of any incentives being offered to the firm by the city, county and state.

Property Tax Abatements

173. If the expansion is located within the city property tax jurisdiction, answer, "Yes".
- 174.-179. Check which entities are granting abatements.
- 180.-189. Enter the percent of property taxes to be abated on the new firm's land, buildings and furniture, fixtures and equipment or additional property that the firm will purchase for expansions.

Where New Employees Live

- 190.-193. Determine where new employees who are expected to move to the area to take a job with the firm will live.
- Enter the percent of total new employees who will move that will live in each taxing entity.

Where New Employees Shop

- 194.-196. Estimate, based on the shopping patterns of existing residents, where new employees will shop
- Estimate this as the percentage of shopping that local residents do in Kansas, within the county (which includes the city) and finally, in the city.
 - Typical percentages for a city that is not near a border state could be: Kansas – 100 percent; within the county – 90 percent; and, in the city – 75 percent.

New Employee Housing and Schools

197. Enter the household size of a typical new worker
- If unknown, enter "3"
198. Enter the number of school age children in the household of a typical new worker
- If unknown, enter "1"
199. Estimate the percentage of new workers who move to the community who will buy a new home or mobile home or require the construction of new residential rental units.
- If unknown, use 15 percent.

New Indirect Employees

As a result of the expansion, what number of new indirect employees do you anticipate will be:

200. Moving to Kansas from out-of-state?
- If unknown, use 0 percent.
201. Moving from another county in Kansas?
- If unknown, use 10 percent.

Indirect employees are those whose jobs (spin-off jobs) are indirectly dependent on the activity created by the new construction/expansion. The exact number of new jobs is often not known, so an estimate can be used. For instance, if there will be 50 new employees as the result of the expansion, estimate that 10 percent or five indirect (spin-off) jobs will be created.

Where construction salaries are spent

202.-204. Enter the estimated construction salaries that will be spent in the city, county and state. Construction salaries may be estimated at 50 percent of the cost of construction. In addition, you may estimate that about 65 percent of a typical construction worker's salary will be spent on taxable goods and services. Of course, the salaries to be spent in the city, county and state will also depend on the location of these workers' permanent residences.

Here is a guideline for these estimates, assuming that all of the construction workers are permanent residents of Kansas.

If permanent residence is	Percent spending in State	Percent spending in city and County
All outside the county	65%	15%
Half outside, half in county	65%	40%
All in county	As other local residents (100,90,75)	As other local residents (100, 90, 75)

Visitors' Spending

205. Enter the estimated daily retail spending by a visitor, excluding lodging. This would include meals, rental cars, entertainment, and other retail spending.
206. Enter the average daily room rates in the city and in the county.