



Department of Planning and Development
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**Planning
Development
Building Codes**

MEMORANDUM

TO: BRUCE T. MOORE, CITY MANAGER

FROM: JAMIE COLLINS, DIRECTOR OF PLANNING AND DEVELOPMENT

**SUBJECT: COST BENEFIT TO THE CITY FROM
THE CRYSTAL VALLEY TRAILS ANNEXATION**

DATE: JANUARY 27, 2023

BC

The property tax which would be generated by the land is based on the tax tables provided on the Pulaski County Treasurer website. The applicant has indicated that the homes on this land will be 'starter homes'. Based on current 'starter home' subdivisions in Little Rock a value of \$20,000 for the land and \$200,000 for the improvements was used. Using the applicant's timeline for construction of homes, the first homes would appear in year two after the annexation. The applicant is projecting full development in approximately twenty years.

The Police, Planning and Development, and Fire Departments have indicated that there would be no additional cost due to the annexation. The Little Rock Fire Department indicated that they can serve the area from their existing fire station (Station #24, 8801 Stagecoach Road) and there would be no additional costs. Police Department estimates that there would be 175 calls per year at full build out (in 20 years). Noting that there is no way to be a hundred percent sure. The estimated call volume would be so small as to have minimal impact. The Police Department intends to serve the area with existing resources.

The Housing and Neighborhood Programs and Public Works Departments provided some cost figures. Housing and Neighborhood Programs expects calls 'for service' to start in year two and increase every 5 years. They have pro-rated a staff person's costs to the annexation area. Public Works Department provided a cost of service for solid waste that will be billed to each household making it a net no cost to the city. As for the costs related to the streets, the city's total street fund budget for 2022 is \$13,212,724.00 to maintain 2,492 miles of streets, including 1,568 miles of drainage ditches and 376 miles of storm sewers. At full build-out in 20 years, this new subdivision will add 3.45 miles of new internal streets and 0.37 miles of Crystal Valley Road will come under city maintenance. This would represent an increase to the city street system of 0.15% from the

current total. Assuming that the average annual expenditure for maintenance is equal for each mile of street, the **maximum** annual cost of maintenance for the new subdivision would be \$20,255 at full build out in 20 years based on current budget data. For the cost of streets an estimate of \$5300 is spent per year per mile of city street. Public Works gave an estimate of the miles along Crystal Valley Road as well as proposed internal streets per year.

Planning Staff applied the estimates for costs provided by the service line departments and added projected taxes which the city would receive based on assumed development. The results are shown in the attached table. The figures indicate this annexation, if developed as proposed should be a net positive for the city.

Please let me know if you have any questions or need additional information.

Attachment

Cost In Year	Feet of Streets Added	Cost Benefit to the City from Crystal Valley Trails Annexation							Net	
	Crystal Valley	Internal Street	Miles	Annual Cost	Total Annual Cost	Environmental Code Officer	Total costs	Rate General Fund	Rate Roads	
1	1,200	958	0.41	\$2,166.91	\$2,166.91	\$2,100.00	\$ 4,266.91	\$59.64	\$17.29	(\$4,189.98)
2		958	0.18	\$961.90	\$3,128.81	\$2,100.00	\$ 5,228.81	\$5,100.00	\$1,479.00	\$1,350.19
3		958	0.18	\$961.90	\$4,090.70	\$2,100.00	\$ 6,190.70	\$8,700.00	\$2,523.00	\$5,032.30
4		958	0.18	\$961.90	\$5,052.60	\$2,100.00	\$ 7,152.60	\$13,800.00	\$4,002.00	\$10,649.40
5	771	958	0.33	\$1,736.12	\$6,788.71	\$2,100.00	\$ 8,888.71	\$17,400.00	\$5,046.00	\$13,557.29
6		958	0.18	\$961.90	\$7,750.61	\$4,200.00	\$ 11,950.61	\$22,500.00	\$6,525.00	\$17,074.39
7		958	0.18	\$961.90	\$8,712.51	\$4,200.00	\$ 12,912.51	\$26,100.00	\$7,569.00	\$20,756.49
8		958	0.18	\$961.90	\$9,674.40	\$4,200.00	\$ 13,874.40	\$29,700.00	\$8,613.00	\$24,438.60
9		958	0.18	\$961.90	\$10,636.30	\$4,200.00	\$ 14,836.30	\$33,300.00	\$9,657.00	\$28,120.70
10		958	0.18	\$961.90	\$11,598.20	\$4,200.00	\$ 15,798.20	\$38,400.00	\$11,136.00	\$33,737.80
11		958	0.18	\$961.90	\$12,560.09	\$6,200.00	\$ 18,760.09	\$42,000.00	\$12,180.00	\$35,419.91
12		958	0.18	\$961.90	\$13,521.99	\$6,200.00	\$ 19,721.99	\$45,600.00	\$13,224.00	\$39,102.01
13		958	0.18	\$961.90	\$14,483.88	\$6,200.00	\$ 20,683.88	\$49,200.00	\$14,268.00	\$42,784.12
14		958	0.18	\$961.90	\$15,445.78	\$6,200.00	\$ 21,645.78	\$54,300.00	\$15,747.00	\$48,401.22
15		958	0.18	\$961.90	\$16,407.68	\$6,200.00	\$ 22,607.68	\$57,900.00	\$16,791.00	\$52,083.32
16		958	0.18	\$961.90	\$17,369.57	\$8,300.00	\$ 25,669.57	\$61,500.00	\$17,835.00	\$53,665.43
17		958	0.18	\$961.90	\$18,331.47	\$8,300.00	\$ 26,631.47	\$65,100.00	\$18,879.00	\$57,347.53
18		958	0.18	\$961.90	\$19,293.36	\$8,300.00	\$ 27,593.36	\$70,200.00	\$20,358.00	\$62,964.64
19		958	0.18	\$961.90	\$20,255.26	\$8,300.00	\$ 28,555.26	\$73,800.00	\$21,402.00	\$66,646.74