



MEMORANDUM

Date: February 13, 2009
To: Crabtree Group, Inc.
From: THK Associates, Inc.
Re: Fiscal Impact of the Nestle Water Transfer Facility, Johnson Village, Colorado

The purpose of this memorandum is to respond to the January 30, 2009 Economic & Planning Systems (EPS) report which critiques THK's Fiscal Impact Analysis prepared October 24, 2008, submitted as part of Nestlé Waters 1041 Application to Chaffee County.

While EPS has raised some legitimate questions and clarifications which are individually addressed below, none of their comments have a material effect on the fiscal impacts resulting from this project. We have attached revised tables that reflect our minor modifications.

Assessed Value

EPS believes that all four parcels that are part of this project should be included in the "as-is" scenario. If these properties are added to the analysis the total assessed value "as-is" increases to \$107,350 versus the \$51,440 used in our analysis. We have made this adjustment in the revised attached tables. We would agree with EPS's estimate of revenues to service providers when this adjustment is made.

Of note is the fact that the Chaffee County Assessor currently values the Nestle Water parcel at \$854. Nestle believes that this property is incorrectly assessed and should be valued at \$860,000. We assume this discrepancy is a result of Chaffee County having not yet re-assessed the property. Moving forward in the "as-improved" scenario we have assumed the higher value.

Revenues and Expenditures

In their report, EPS states that presenting project revenues as cumulative totals is inaccurate and misleading, overstating the impacts of the project.

THK Response: The original THK report illustrated project revenues annually in Table 2 and with a cumulative total also in Table 2. We have provided a revised Table 2 to more clearly illustrate both annual and cumulative project revenues.

Based on the revised estimate of the value of the Nestle parcels moving forward under the "as-improved" scenario, the net positive impact annually is \$80,647, and the cumulative net positive impact over the 30-year model period is \$611,600 greater than the previous estimate of \$1,888,445. When compared to the "as-is" scenario, the difference in net positive impact annually

is \$74,859, and over the 30-year model period is \$2,320,633.

Recreation Impacts

EPS requested an estimate of Recreation Impacts or explanation why no economic impacts are estimated.

THK Response: The recreational activities that take place on the subject properties today are minimal. Therefore, no recreational activity is being displaced. At the same time other than changes to the hatchery, the proposed land use does not generate any additional recreational activity. While difficult to identify from an economic standpoint, the impacts on recreation are minimal, if any.

Employment Impacts

We would agree with EPS that this calculation can be waived as the construction jobs are over a short period of time and any multipliers would be insignificant. While the 1041 technically calls for multipliers of employment impacts this calculation is not relevant as there is no permanent employment proposed for the facility there is no multiplier impact to be calculated.

Retail Spending

EPS states the retail spending impacts from construction wages may be overstated, and that THK's estimate of 50% retail spending in Chaffee County is high. EPS suggests utilizing a dollar-per-day estimate utilizing \$12/day, resulting in \$63,720 total spending (EPS January 30, 2009 Report Table 2).

THK Response: This element of the analysis is one of the more subjective. Actual "hard" figures do not exist for either THK's or EPS's assumptions. THK believes that our estimate of retail expenditures is reasonable and justified.

If THK were to calculate retail spending based on EPS's suggestion of dollar-per-day, based on information provided by the applicant, construction workers for this type of project typically receive an approximate \$90 per day expenses allowance. Assuming an average nightly hotel room cost of \$100 per night and two persons per room, would leave \$40 per day for other expenditures. This is more than THK's original report estimate of \$30 per day. The EPS estimate assumes only eating and drinking, with no other retail expenditures. Even if a large number of the construction jobs are from county residents, the wages are new dollars to the community.

Regardless, THK agrees with EPS's statement on Page 4, "these are minor revenue figures and are almost insignificant given the uncertainty in the other assumptions...". The difference between THK's estimate and EPS's estimate results in a small difference in revenues, an insignificant amount in relation to the totality of the fiscal impacts.

Public Facility Costs

EPS agrees with THK that the Project is not likely to generate major impacts to public facilities and public facility costs in Chaffee County, but recommends estimating using other average cost factors.

THK Response: THK acknowledges that there could be negligible costs to serve the property even though there are no residents or employees. With no employees or residents, these costs, if any, are qualitative in nature, however we have adjusted our findings in Table 4 to allow for nominal costs to serve. This change results in a small reduction in the overall net positive tax revenues.

Local Government Revenues and Expenditures

EPS states they did not feel this is a major issue affecting the County or the project and could be waived at the County's discretion.

THK Response: Numerous attempts were made to obtain ten years of history for the service providers. This information was not available and we request that this requirement be waived.

Demolition of Liquor Store

EPS states an expectation of some loss of sales from the demolition of the liquor store and recommends THK estimate a lost sales tax and net it out from property tax and other revenues.

THK Response: We disagree with EPS that sales taxes could be lost as a result of the demolition of the liquor store. It is our understanding that the liquor store plans to relocate on commercial property within the area which is largely located on US highways. While the Gunsmoke store could lose some market share, this will be captured at other outlets in the county. The relocation of the liquor store will not change expenditure behavior by persons purchasing liquor. An analysis by THK would show no loss in retail sales.

Assessed Value and Property Tax

EPS recommends analysis of assessed value and property tax on each individual parcel.

THK Response: At EPS's request we have broken the project into the four parcels and personal property that will be located in easements, etc. We have shown the market and assessed values for each parcel and personal property located in easements, etc.

Costs to Serve

This was addressed in previous comments. Adjusted findings are presented in Table 4.

One-Time Fees and Revenues

EPS states building fees should not be counted as a positive fiscal impact. (\$12,445 revised)

THK Response: This calculation can be addressed in two ways. If the cost to review the permits, etc, is actually "handled" in house by Chaffee County there could be cost by the County to off-set this revenue and the one-time fee should be removed from the impact analysis. In the event the county assess the permit fee and in addition charges the applicant additional fees for outside review, the revenues should be included.

Housing

EPS indicates that the construction workers could occupy a large number of hotel rooms that would prohibit tourists from occupying the same rooms and therefore reduce tourism revenues.

THK Response: We estimate that the impact on local lodging base will be up to six rooms per night. Nestle Waters estimates that in-order to construct the facility there would be four crew members on site for storage tank construction for 21 days. Assuming two persons per hotel room this would occupy 2 hotel rooms for 21 days. Directional drilling will require 5 crew members for 28 days resulting in 2.5 rooms required. Construction administration will be a six month timeframe and the administration is expected to rent a house or similar type unit. Process piping will require 3 crew members for 35 days or 1.5 rooms. If all of these activities took place at the same time the impact on room supply would be for six hotel rooms on a nightly basis. It is unlikely that all of these activities will occur at the same time and the impact will be less. Further, depending upon when construction occurs, conflict with tourism may be minimal. Regardless, we do not believe that an impact of up to six rooms from the lodging base will have a negative impact on tourism.

Table 1a: Current Financial Data Regarding Service Providers

Service Provider	Total Revenues	Total Expenditures	Estimated Cost to Serve Residents	Estimated Cost to Serve Employees	Mill Levy
Chaffee County	\$7,875,723	\$8,135,667	\$412	\$62	7.944
Salida Hospital (Heart Of The Rockies Regional Medical Center)	\$38,191,000	\$24,440,000	\$721	\$108	1.202
Upper Arkansas Water Conservancy District	\$301,454	\$301,454	\$6	\$1	0.443
Chaffee Fire District	\$1,766,207	\$1,475,626	\$201	\$30	3.936
North Library District (Northern Chaffee County Library District)	\$412,000	\$412,000	\$52	\$8	2.500
Buena Vista R-31 School District	\$8,922,376	\$8,922,376	\$903	\$135	26.690
Total	\$57,468,760	\$43,687,123	\$2,294	\$344	42.715

Source: Various Service Provides, Chaffee County, & THK Associates, Inc.

Table 1b: Current Assessor Data Regarding Impacted Parcels

Owner	Parcel	"As-Is"		"As-Improved"**	
		Market Value	Assessed Value	Market Value	Assessed Value
Gunsmoke Liquor LLC	R327122300030	\$177,380	\$51,440	\$738,701	\$214,225
Hagen	R342111400191	\$229,020	\$18,230	\$273,854	\$52,966
Hagen (Hatchery)	R342111400190	\$129,081	\$37,430	\$94,800	\$27,490
Nestle Water**	R342111100005	\$854	\$250	\$1,008,125	\$292,356
Additional Personal Property	--	--	--	\$2,187,500	\$634,375
Total		\$536,335	\$107,350	\$4,302,980	\$1,221,413

* "As-Improved" value includes proposed personal property improvements

** Nestle Waters believes Chaffee County is incorrect regarding the current market value of this parcel and it should be \$860,000

Source: Various Service Provides, Chaffee County, & THK Associates, Inc.

Table 2: Summary of the Property Tax Impacts Generated by Various Possible Development Scenarios, 2009-2039

	"As-Is"					"As-Improved"				
	Market Value	Assessed Value	Total Revenues Generated to Service Providers	Cost to Serve	Net Impact	Market Value	Assessed Value	Total Revenues Generated to Service Providers	Cost to Serve*	Net Impact
2009	\$536,335	\$107,350	\$4,585	\$1,063	\$3,522	\$1,191,730	\$319,150	\$13,632	\$106	\$13,526
2010	\$569,000	\$113,890	\$4,865	\$1,095	\$3,770	\$4,375,560	\$1,240,853	\$53,003	\$110	\$52,893
2011	\$569,000	\$113,890	\$4,865	\$1,128	\$3,737	\$4,375,560	\$1,240,853	\$53,003	\$113	\$52,890
2012	\$603,650	\$120,820	\$5,161	\$1,162	\$3,999	\$4,642,030	\$1,316,420	\$56,231	\$116	\$56,115
2013	\$603,650	\$120,820	\$5,161	\$1,197	\$3,964	\$4,642,030	\$1,316,420	\$56,231	\$120	\$56,111
2014	\$640,410	\$128,180	\$5,475	\$1,233	\$4,242	\$4,924,730	\$1,396,590	\$59,655	\$123	\$59,532
2015	\$640,410	\$128,180	\$5,475	\$1,270	\$4,205	\$4,924,730	\$1,396,590	\$59,655	\$127	\$59,528
2016	\$679,410	\$135,990	\$5,809	\$1,308	\$4,501	\$5,224,650	\$1,481,640	\$63,288	\$131	\$63,157
2017	\$679,410	\$135,990	\$5,809	\$1,347	\$4,462	\$5,224,650	\$1,481,640	\$63,288	\$135	\$63,154
2018	\$720,790	\$144,270	\$6,162	\$1,387	\$4,775	\$5,542,830	\$1,571,870	\$67,142	\$139	\$67,004
2019	\$720,790	\$144,270	\$6,162	\$1,429	\$4,733	\$5,542,830	\$1,571,870	\$67,142	\$143	\$67,000
2020	\$764,690	\$153,060	\$6,538	\$1,472	\$5,066	\$5,880,390	\$1,667,600	\$71,232	\$147	\$71,084
2021	\$764,690	\$153,060	\$6,538	\$1,516	\$5,022	\$5,880,390	\$1,667,600	\$71,232	\$152	\$71,080
2022	\$811,260	\$162,380	\$6,936	\$1,562	\$5,374	\$6,238,510	\$1,769,160	\$75,570	\$156	\$75,414
2023	\$811,260	\$162,380	\$6,936	\$1,608	\$5,328	\$6,238,510	\$1,769,160	\$75,570	\$161	\$75,409
2024	\$860,670	\$172,270	\$7,359	\$1,657	\$5,702	\$6,618,440	\$1,876,900	\$80,172	\$166	\$80,006
2025	\$860,670	\$172,270	\$7,359	\$1,706	\$5,652	\$6,618,440	\$1,876,900	\$80,172	\$171	\$80,001
2026	\$913,080	\$182,760	\$7,807	\$1,758	\$6,049	\$7,021,500	\$1,991,200	\$85,054	\$176	\$84,878
2027	\$913,080	\$182,760	\$7,807	\$1,810	\$5,996	\$7,021,500	\$1,991,200	\$85,054	\$181	\$84,873
2028	\$968,690	\$193,890	\$8,282	\$1,865	\$6,417	\$7,449,110	\$2,112,460	\$90,234	\$186	\$90,047
2029	\$968,690	\$193,890	\$8,282	\$1,921	\$6,361	\$7,449,110	\$2,112,460	\$90,234	\$192	\$90,042
2030	\$1,027,680	\$205,700	\$8,786	\$1,978	\$6,808	\$7,902,760	\$2,241,110	\$95,729	\$198	\$95,531
2031	\$1,027,680	\$205,700	\$8,786	\$2,038	\$6,749	\$7,902,760	\$2,241,110	\$95,729	\$204	\$95,525
2032	\$1,090,270	\$218,220	\$9,321	\$2,099	\$7,223	\$8,384,040	\$2,377,590	\$101,559	\$210	\$101,349
2033	\$1,090,270	\$218,220	\$9,321	\$2,162	\$7,160	\$8,384,040	\$2,377,590	\$101,559	\$216	\$101,343
2034	\$1,156,670	\$231,510	\$9,889	\$2,227	\$7,662	\$8,894,630	\$2,522,390	\$107,744	\$223	\$107,521
2035	\$1,156,670	\$231,510	\$9,889	\$2,293	\$7,596	\$8,894,630	\$2,522,390	\$107,744	\$229	\$107,515
2036	\$1,227,110	\$245,610	\$10,491	\$2,362	\$8,129	\$9,436,310	\$2,676,000	\$114,305	\$236	\$114,069
2037	\$1,227,110	\$245,610	\$10,491	\$2,433	\$8,058	\$9,436,310	\$2,676,000	\$114,305	\$243	\$114,062
2038	\$1,301,840	\$260,570	\$11,130	\$2,506	\$8,624	\$10,010,980	\$2,838,970	\$121,267	\$251	\$121,016
2039	\$1,301,840	\$260,570	\$11,130	\$2,581	\$8,549	\$10,010,980	\$3,011,860	\$128,652	\$258	\$128,393
Annually:	\$877,638	\$175,664	\$7,503	\$1,715	\$5,788	\$6,654,344	\$1,892,050	\$80,819	\$172	\$80,647
Total:	\$27,206,775	\$5,445,590	\$232,608	\$53,173	\$179,436	\$206,284,670	\$58,653,545	\$2,505,386	\$5,317	\$2,500,069

Difference between					
"As-Is" vs. "As-Improved":					
Annually:	\$5,776,706	\$1,716,386	\$73,315	-\$1,544	\$74,859
Total:	\$179,077,895	\$53,207,955	\$2,272,778	-\$47,855	\$2,320,633

* THK acknowledges that there may be some nominal costs to serve the parcels even without any full time residents or employees on site

Source: Various Service Provides, Chaffee County, & THK Associates, Inc.

Table 4: "As-Improved" Property Tax Impacts Generated by the Nestle Water Transfer Facility, 2009-2039

Year	PROPERTY TAX REVENUES										COST TO SERVE**										NET FISCAL IMPACT									
	"As-Improved"		Service Provider (Mill Levies)		All Providers		Buena Vista School Dist.		Chauffee County		Salida Hospital Dist.		Service Provider (Cost to Serve per Person)		Chauffee County		Salida Hospital Dist.		UAWCD ¹ Fire Dist.		Chauffee Fire Dist.		Buena Vista School Dist.		Net Impact					
	Market Value	Assessed Value	Chauffee (7.944)	Salida (1.202)	UAWCD ¹ (0.443)	Chauffee (3.936)	NCCLD ² (2.5)	School Dist. (26.69)	Chauffee County (\$412)	Salida Hospital Dist. (\$721)	UAWCD ¹ (\$6)	Chauffee Fire Dist. (\$201)	NCCLD ² (\$52)	School Dist. (\$903)	Chauffee County (\$2,516)	Salida Hospital Dist. (\$2,004)	UAWCD ¹ (\$141)	Chauffee Fire Dist. (\$1,247)	NCCLD ² (\$795)	Buena Vista School Dist. (\$8,476)	Net Impact									
2009	\$1,171,300	\$319,150	\$2,535	\$384	\$141	\$1,256	\$798	\$8,518	\$13,632	\$19	\$9	\$2	\$42	\$2,516	\$350	\$141	\$1,247	\$795	\$8,476	\$13,526										
2010*	\$4,375,560	\$1,240,853	\$9,857	\$1,492	\$550	\$4,884	\$3,102	\$33,118	\$63,003	\$20	\$0	\$2	\$42	\$9,838	\$1,457	\$549	\$4,874	\$3,100	\$33,075	\$52,893										
2011	\$4,375,560	\$1,240,853	\$9,857	\$1,492	\$550	\$4,884	\$3,102	\$33,118	\$63,003	\$20	\$0	\$2	\$42	\$9,838	\$1,457	\$549	\$4,874	\$3,100	\$33,075	\$52,893										
2012	\$4,642,030	\$1,316,420	\$10,458	\$1,582	\$583	\$5,181	\$3,291	\$35,135	\$66,231	\$21	\$0	\$3	\$46	\$10,437	\$1,546	\$583	\$5,171	\$3,288	\$35,090	\$56,115										
2013	\$4,642,030	\$1,316,420	\$10,458	\$1,582	\$583	\$5,181	\$3,291	\$35,135	\$66,231	\$21	\$0	\$3	\$46	\$10,436	\$1,545	\$583	\$5,171	\$3,288	\$35,088	\$56,111										
2014	\$4,924,730	\$1,396,590	\$11,095	\$1,679	\$619	\$5,497	\$3,491	\$37,275	\$69,655	\$22	\$0	\$3	\$49	\$11,072	\$1,640	\$618	\$5,486	\$3,489	\$37,226	\$59,522										
2015	\$4,924,730	\$1,396,590	\$11,095	\$1,679	\$619	\$5,497	\$3,491	\$37,275	\$69,655	\$23	\$0	\$3	\$50	\$11,072	\$1,639	\$618	\$5,486	\$3,489	\$37,225	\$59,528										
2016	\$5,224,650	\$1,481,640	\$11,770	\$1,781	\$656	\$5,832	\$3,704	\$39,545	\$73,288	\$23	\$1	\$3	\$51	\$11,747	\$1,740	\$656	\$5,820	\$3,701	\$39,493	\$63,157										
2017	\$5,224,650	\$1,481,640	\$11,770	\$1,781	\$656	\$5,832	\$3,704	\$39,545	\$73,288	\$24	\$0	\$3	\$53	\$11,746	\$1,739	\$656	\$5,820	\$3,701	\$39,492	\$63,154										
2018	\$5,542,830	\$1,571,870	\$12,487	\$1,889	\$696	\$6,187	\$3,930	\$41,953	\$77,142	\$25	\$0	\$3	\$55	\$12,462	\$1,846	\$696	\$6,175	\$3,927	\$41,899	\$67,004										
2019	\$5,542,830	\$1,571,870	\$12,487	\$1,889	\$696	\$6,187	\$3,930	\$41,953	\$77,142	\$26	\$0	\$3	\$56	\$12,461	\$1,844	\$696	\$6,174	\$3,926	\$41,897	\$67,000										
2020	\$5,880,390	\$1,667,600	\$13,247	\$2,004	\$739	\$6,564	\$4,169	\$44,508	\$81,232	\$27	\$0	\$3	\$58	\$13,221	\$1,958	\$738	\$6,551	\$4,166	\$44,450	\$71,084										
2021	\$5,880,390	\$1,667,600	\$13,247	\$2,004	\$739	\$6,564	\$4,169	\$44,508	\$81,232	\$27	\$0	\$3	\$58	\$13,220	\$1,957	\$738	\$6,550	\$4,166	\$44,449	\$71,080										
2022	\$6,238,510	\$1,769,160	\$14,054	\$2,127	\$784	\$6,963	\$4,423	\$47,219	\$85,570	\$28	\$0	\$4	\$61	\$14,025	\$2,076	\$783	\$6,949	\$4,419	\$47,156	\$75,419										
2023	\$6,238,510	\$1,769,160	\$14,054	\$2,127	\$784	\$6,963	\$4,423	\$47,219	\$85,570	\$29	\$0	\$4	\$63	\$14,025	\$2,076	\$783	\$6,949	\$4,419	\$47,156	\$75,419										
2024	\$6,618,440	\$1,876,900	\$14,910	\$2,256	\$831	\$7,387	\$4,692	\$50,094	\$90,172	\$30	\$0	\$4	\$65	\$14,880	\$2,204	\$831	\$7,373	\$4,688	\$50,029	\$80,006										
2025	\$6,618,440	\$1,876,900	\$14,910	\$2,256	\$831	\$7,387	\$4,692	\$50,094	\$90,172	\$31	\$0	\$4	\$67	\$14,879	\$2,202	\$831	\$7,373	\$4,688	\$50,027	\$80,001										
2026	\$7,021,500	\$1,991,200	\$15,818	\$2,393	\$882	\$7,837	\$4,978	\$53,145	\$95,054	\$32	\$0	\$5	\$69	\$15,787	\$2,338	\$882	\$7,822	\$4,974	\$53,076	\$84,878										
2027	\$7,021,500	\$1,991,200	\$15,818	\$2,393	\$882	\$7,837	\$4,978	\$53,145	\$95,054	\$32	\$0	\$5	\$71	\$15,786	\$2,337	\$882	\$7,822	\$4,974	\$53,074	\$84,873										
2028	\$7,449,110	\$2,112,460	\$16,781	\$2,539	\$936	\$8,315	\$5,281	\$56,382	\$99,234	\$33	\$0	\$6	\$73	\$16,748	\$2,481	\$935	\$8,298	\$5,277	\$56,308	\$90,047										
2029	\$7,449,110	\$2,112,460	\$16,781	\$2,539	\$936	\$8,315	\$5,281	\$56,382	\$99,234	\$34	\$0	\$6	\$76	\$16,747	\$2,479	\$935	\$8,298	\$5,277	\$56,306	\$90,042										
2030	\$7,902,760	\$2,241,110	\$17,803	\$2,694	\$993	\$8,821	\$5,603	\$59,815	\$95,729	\$36	\$0	\$6	\$78	\$17,768	\$2,632	\$992	\$8,804	\$5,598	\$59,737	\$95,531										
2031	\$7,902,760	\$2,241,110	\$17,803	\$2,694	\$993	\$8,821	\$5,603	\$59,815	\$95,729	\$37	\$0	\$6	\$80	\$17,767	\$2,630	\$992	\$8,803	\$5,598	\$59,735	\$95,525										
2032	\$8,384,040	\$2,377,590	\$18,888	\$2,858	\$1,053	\$9,358	\$5,944	\$63,458	\$101,559	\$38	\$0	\$6	\$83	\$18,850	\$2,792	\$1,053	\$9,340	\$5,939	\$63,375	\$101,343										
2033	\$8,384,040	\$2,377,590	\$18,888	\$2,858	\$1,053	\$9,358	\$5,944	\$63,458	\$101,559	\$39	\$0	\$6	\$85	\$18,849	\$2,790	\$1,053	\$9,339	\$5,939	\$63,373	\$101,343										
2034	\$8,894,630	\$2,522,930	\$20,038	\$3,032	\$1,117	\$9,928	\$6,306	\$67,323	\$107,744	\$40	\$0	\$6	\$88	\$19,998	\$2,962	\$1,117	\$9,909	\$6,301	\$67,235	\$107,521										
2035	\$8,894,630	\$2,522,930	\$20,038	\$3,032	\$1,117	\$9,928	\$6,306	\$67,323	\$107,744	\$41	\$0	\$6	\$90	\$19,997	\$2,960	\$1,117	\$9,908	\$6,301	\$67,232	\$107,515										
2036	\$9,436,310	\$2,676,000	\$21,258	\$3,217	\$1,185	\$10,533	\$6,690	\$71,422	\$114,305	\$42	\$1	\$6	\$93	\$21,216	\$3,142	\$1,185	\$10,512	\$6,685	\$71,329	\$114,069										
2037	\$9,436,310	\$2,676,000	\$21,258	\$3,217	\$1,185	\$10,533	\$6,690	\$71,422	\$114,305	\$44	\$1	\$6	\$96	\$21,216	\$3,140	\$1,185	\$10,511	\$6,684	\$71,327	\$114,062										
2038	\$10,010,980	\$2,838,970	\$22,553	\$3,412	\$1,258	\$11,174	\$7,097	\$75,772	\$121,267	\$45	\$1	\$6	\$99	\$22,508	\$3,334	\$1,257	\$11,152	\$7,092	\$75,673	\$121,016										
2039	\$10,010,980	\$2,838,970	\$22,553	\$3,412	\$1,258	\$11,174	\$7,097	\$75,772	\$121,267	\$45	\$1	\$6	\$99	\$22,508	\$3,334	\$1,257	\$11,152	\$7,092	\$75,673	\$121,016										
Annually	\$6,654,344	\$1,892,050	\$15,030	\$2,274	\$838	\$7,447	\$4,730	\$50,499	\$80,819	\$31	\$5	\$4	\$68	\$15,000	\$2,220	\$838	\$7,432	\$4,726	\$50,431	\$80,647										
Total	\$206,284,670	\$58,653,545	\$465,944	\$70,502	\$25,984	\$230,860	\$146,634	\$1,565,463	\$2,505,386	\$954	\$1,071	\$120	\$2,093	\$44,690	\$68,831	\$25,970	\$230,396	\$146,513	\$1,563,370	\$2,500,069										

* Includes personal property of \$3.1 million for Load Station, Wellhouses, and Pipeline
 ** THK acknowledges at there may be some nominal costs to serve the parcels even without any full time residents or employees on site

¹ UAWCD: Upper Arkansas Water Conservancy District

² Northern Chauffee County Library District

Source: Various Service Providers, Chauffee County, & THK Associates, Inc.

**Table 5: Jobs Created during Construction
of the Nestle Water Transfer Facility**

	Pipeline	Wellhouses	Load Station	Total
Total Cost:	\$3,500,000	\$550,000	\$1,450,000	\$5,500,000
Approx. % for Labor:	25.0%	25.0%	40.0%	29.0%
Approx. % for Equipment:	12.5%	12.5%	20.0%	14.5%
Length of Construction:	90 Days	90 Days	90 Days	90 Days
Jobs Created:	32	5	21	59
Hourly Wages:	\$30	\$30	\$30	\$30
Wages Generated:	\$875,000	\$137,500	\$580,000	\$1,592,500
\$ Available for Retail (20%)	\$175,000	\$27,500	\$116,000	\$318,500
% of Retail Income Spent in Area (50%)	\$87,500	\$13,750	\$58,000	\$159,250

Source: Crabtree Group, & THK Associates, Inc.

**Table 6: Economic Impact Resulting
from Site being Redeveloped as Water Transfer Facility, 2009-2039**

Year	Revenue from Truck Trips			Revenue from Electrical Consumption		
	Daily Truck Trips	Projected Price of Diesel	Gas Sales Tax Revenue*	Annual Electrical Usage (kw/yr.)	Projected Price of Electricity	Electrical Sales Tax Revenue*
2009	25	\$3.61	\$9,869	150,000	\$0.10	\$302
2010	25	\$3.71	\$10,165	150,000	\$0.10	\$311
2011	25	\$3.82	\$10,470	150,000	\$0.11	\$321
2012	25	\$3.94	\$10,784	150,000	\$0.11	\$330
2013	25	\$4.06	\$11,107	150,000	\$0.11	\$340
2014	25	\$4.18	\$11,441	150,000	\$0.12	\$351
2015	25	\$4.30	\$11,784	150,000	\$0.12	\$361
2016	25	\$4.43	\$12,137	150,000	\$0.12	\$372
2017	25	\$4.57	\$12,501	150,000	\$0.13	\$383
2018	25	\$4.70	\$12,876	150,000	\$0.13	\$395
2019	25	\$4.84	\$13,263	150,000	\$0.14	\$406
2020	25	\$4.99	\$13,661	150,000	\$0.14	\$419
2021	25	\$5.14	\$14,070	150,000	\$0.14	\$431
2022	25	\$5.29	\$14,493	150,000	\$0.15	\$444
2023	25	\$5.45	\$14,927	150,000	\$0.15	\$457
2024	25	\$5.62	\$15,375	150,000	\$0.16	\$471
2025	25	\$5.78	\$15,836	150,000	\$0.16	\$485
2026	25	\$5.96	\$16,311	150,000	\$0.17	\$500
2027	25	\$6.14	\$16,801	150,000	\$0.17	\$515
2028	25	\$6.32	\$17,305	150,000	\$0.18	\$530
2029	25	\$6.51	\$17,824	150,000	\$0.18	\$546
2030	25	\$6.71	\$18,359	150,000	\$0.19	\$563
2031	25	\$6.91	\$18,909	150,000	\$0.19	\$579
2032	25	\$7.11	\$19,477	150,000	\$0.20	\$597
2033	25	\$7.33	\$20,061	150,000	\$0.20	\$615
2034	25	\$7.55	\$20,663	150,000	\$0.21	\$633
2035	25	\$7.77	\$21,283	150,000	\$0.22	\$652
2036	25	\$8.01	\$21,921	150,000	\$0.22	\$672
2037	25	\$8.25	\$22,579	150,000	\$0.23	\$692
2038	25	\$8.50	\$23,256	150,000	\$0.24	\$713
2039	25	\$8.75	\$23,954	150,000	\$0.24	\$734
Total			\$493,461			\$15,120

* Assumes fill-up of 50 gallons, 30% of trucks fill-up in Chaffee County,
and price of Diesel increases by 3% annually

** Assumes price of electricity increases by 3% annually and rates as provided by the Sangre De Cristo Elec. Co.

Source: Crabtree Group, & THK Associates, Inc.

**Table 7: Overall Summary of Potential Fiscal Impact Resulting
from Proposed Water Transfer Facility, 2009-2039**

	Revenue			One-Time Fees	Cost to Serve*	Total Fiscal Impact	
	Property Tax	Sales Tax Gas	Electrical			Annual	Cumulative
One-Time Fees	--	--	--	\$12,445	--	\$12,445	\$12,445
2009	\$13,632	\$9,869	\$302	--	\$106	\$23,697	\$36,142
2010	\$53,003	\$10,165	\$311	--	\$110	\$63,370	\$99,512
2011	\$53,003	\$10,470	\$321	--	\$113	\$63,681	\$163,193
2012	\$56,231	\$10,784	\$330	--	\$116	\$67,229	\$230,421
2013	\$56,231	\$11,107	\$340	--	\$120	\$67,559	\$297,980
2014	\$59,655	\$11,441	\$351	--	\$123	\$71,323	\$369,303
2015	\$59,655	\$11,784	\$361	--	\$127	\$71,673	\$440,977
2016	\$63,288	\$12,137	\$372	--	\$131	\$75,667	\$516,643
2017	\$63,288	\$12,501	\$383	--	\$135	\$76,038	\$592,681
2018	\$67,142	\$12,876	\$395	--	\$139	\$80,275	\$672,956
2019	\$67,142	\$13,263	\$406	--	\$143	\$80,669	\$753,624
2020	\$71,232	\$13,661	\$419	--	\$147	\$85,163	\$838,788
2021	\$71,232	\$14,070	\$431	--	\$152	\$85,581	\$924,369
2022	\$75,570	\$14,493	\$444	--	\$156	\$90,350	\$1,014,719
2023	\$75,570	\$14,927	\$457	--	\$161	\$90,793	\$1,105,513
2024	\$80,172	\$15,375	\$471	--	\$166	\$95,852	\$1,201,365
2025	\$80,172	\$15,836	\$485	--	\$171	\$96,323	\$1,297,688
2026	\$85,054	\$16,311	\$500	--	\$176	\$101,690	\$1,399,377
2027	\$85,054	\$16,801	\$515	--	\$181	\$102,189	\$1,501,566
2028	\$90,234	\$17,305	\$530	--	\$186	\$107,882	\$1,609,448
2029	\$90,234	\$17,824	\$546	--	\$192	\$108,412	\$1,717,860
2030	\$95,729	\$18,359	\$563	--	\$198	\$114,452	\$1,832,312
2031	\$95,729	\$18,909	\$579	--	\$204	\$115,014	\$1,947,326
2032	\$101,559	\$19,477	\$597	--	\$210	\$121,422	\$2,068,749
2033	\$101,559	\$20,061	\$615	--	\$216	\$122,018	\$2,190,767
2034	\$107,744	\$20,663	\$633	--	\$223	\$128,817	\$2,319,584
2035	\$107,744	\$21,283	\$652	--	\$229	\$129,449	\$2,449,034
2036	\$114,305	\$21,921	\$672	--	\$236	\$136,662	\$2,585,696
2037	\$114,305	\$22,579	\$692	--	\$243	\$137,333	\$2,723,028
2038	\$121,267	\$23,256	\$713	--	\$251	\$144,985	\$2,868,013
2039	\$128,652	\$23,954	\$734	--	\$258	\$153,081	\$3,021,094
Total	\$2,505,386	\$493,461	\$15,120	\$12,445	\$5,317	\$3,021,094	

* THK acknowledges at there may be some nominal costs to serve the parcels even without any full time residents or employees on site

Source: Various Service Provides, Chaffee County, Crabtree Group, & THK Associates, Inc.