

Assessing the Impact and Cost of Development –brief summary

Plan Commissioner Network meeting, 28 November 2007, 6-8pm @ T. Menasha

Conventional Wisdom – but is it true?

- “Development pays for itself”
- “Sprawl is the most expensive form of residential development”
- “Commercial development makes money for a community”
- Different land uses have different fiscal impacts on local governments – seldom is one set of numbers applicable to other communities

Assessing Impact:

- Project level (most common) vs. cumulative
- Fiscal impact
 - Cost of Community Services Studies – case study approach used to determine the fiscal contribution of existing land uses (developed by American Farmland Trust, 1980s)
- Environmental impacts
- Socio-economic impacts
- Traffic impacts
- Community characteristics and service patterns

Why conduct a fiscal impact assessment?

- To understand how a development may affect local government revenues and expenditures (costs). “What will be the effect of this development or land use on our taxes?”
- To help make a decision for approval or disapproval of a development proposal. Note – fiscal impact should not be the only deciding factor. Other, less easily measured values, such as environmental impact, community character, and social impacts should be considered.
- To understand the potential fiscal impact difference between multiple development proposals for one area
- Few states or communities require fiscal impact assessments

Who conducts?

- Often prepared by or on behalf of a developer – done voluntarily, to provide supporting information to market a project, to enlighten discussions on incentive packages, or to comply with a local government request
- See 1.g, page 103, in the Winnebago County Comprehensive Plan

Assumptions/Caveats – this is just a start

- Challenge in allocating costs to land uses
- Applying average or per capita cost to new development may not be accurate
- Difficult to separate costs into residential and non-residential categories
- What about capital costs?

Common Challenges in fiscal impact analysis

- Overlapping municipalities and service areas
- Service costs vary between fully developed communities and rapidly developing ones
- Residential impacts from commercial projects
- Rosy revenue projections
- One-time impact vs. cumulative impact