

Fiscal Impacts of Growth



August 23, 2018



Presentation Overview

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- 1 Fiscal Neutrality Overview**
- 2 National Research
- 3 Collier County Overview
- 4 RLSA Fiscal Neutrality
- 5 Final Thoughts



Fiscal Neutrality

- Demand for/cost of public services vs. revenues generated from new development
- Focus on quantitative variables
- Qualitative variables need to be reviewed separately
 - ✓ Environmental quality, diversity, equity, and other public goods and quality-of-life benefits



Fiscal Neutrality

- Comparison of potential developments
- Impact to the community (short term vs. long term)
- Coordination with policy decisions to reflect full impact



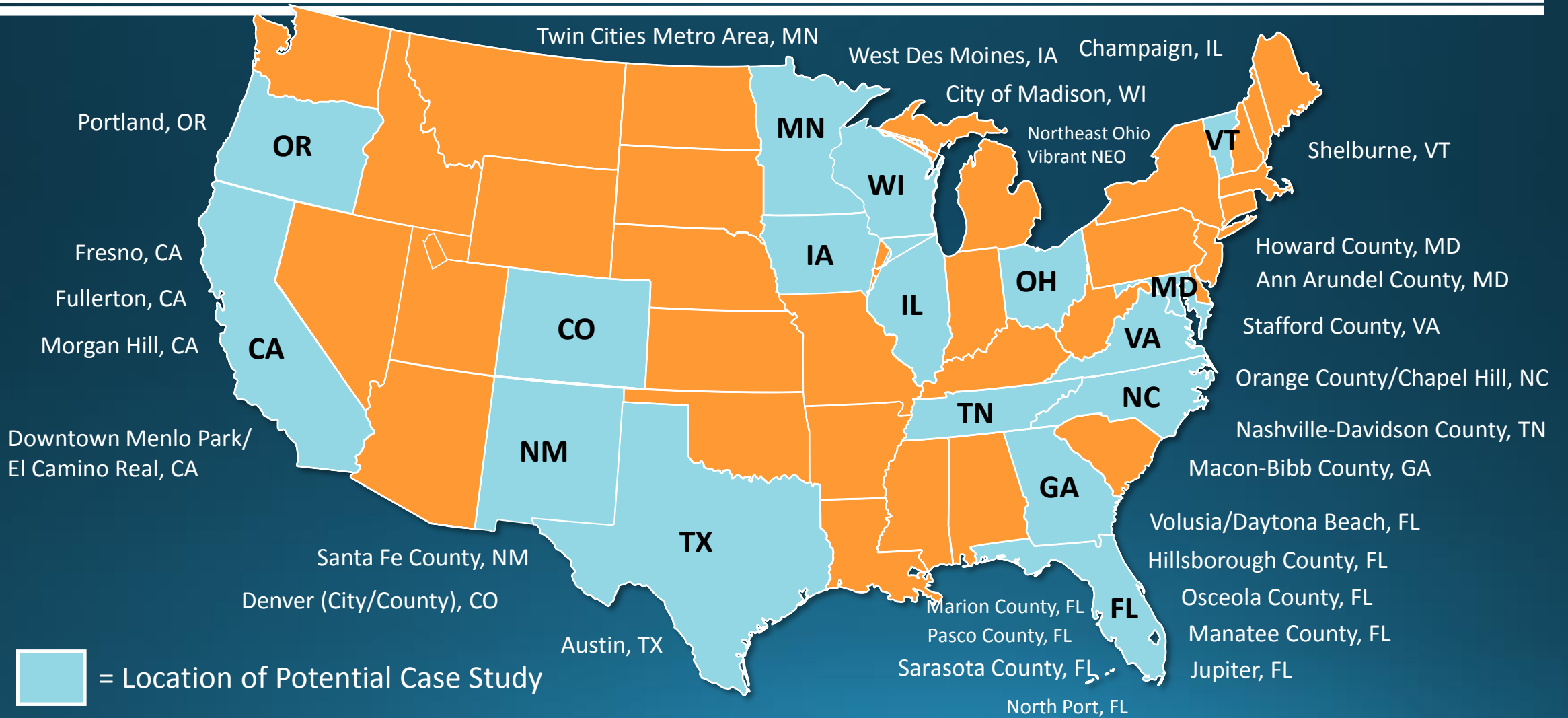
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National Research 29 Communities





National Research

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- Lessons Learned & Best Practices
 - **Quantitative vs. qualitative aspects of a development**
 - All models have shortcomings
 - **Accurate data is essential**
 - **Reasonable assumptions**
 - **Fiscal models exclude other important factors**



National Research

Revenue

- Revenue over life cycle
- Allocation by use
 - Sales tax to commercial & residential
 - Gas tax --► VMT, not collections
- Revenue drivers:
 - **Wages & income (drive tax revenues)**
 - **Population growth rate**

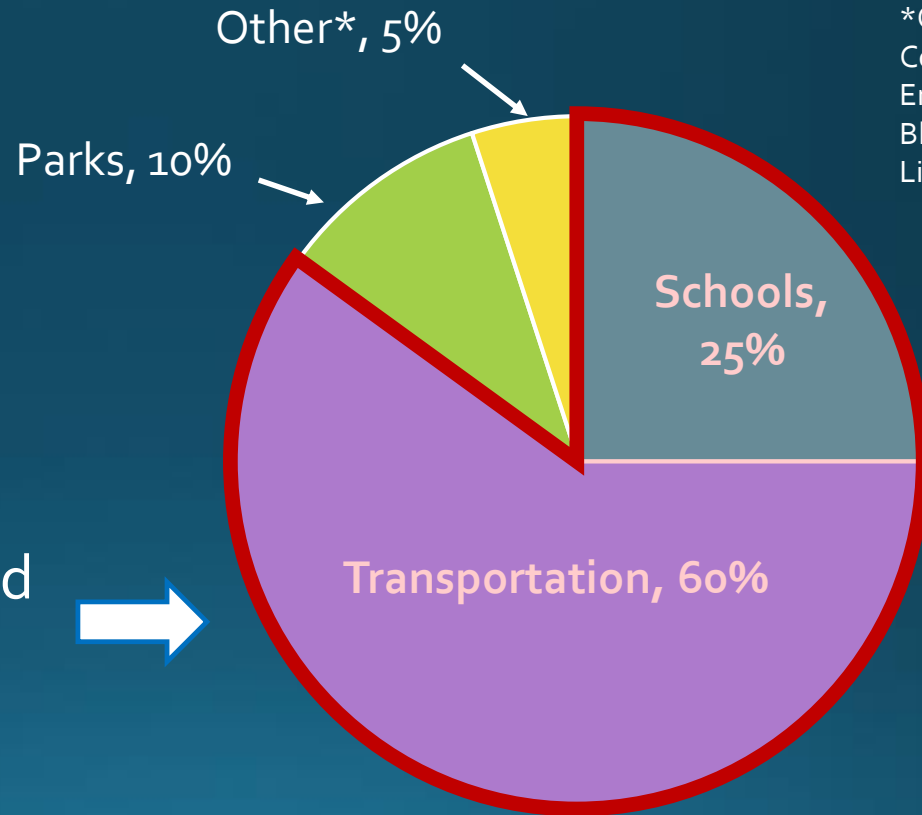


National Research

Cost

- High Capital Costs
 - ✓ Transportation
 - ✓ Schools

Transportation and Schools ≈ 70-85%



*Other = Fire/EMS, Correctional, Law Enforcement, Public Bldgs, Solid Waste, Libraries



Operating Costs

Cost

- High Operating Costs
 - ✓ Public Safety
 - ✓ Schools



National Research

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Demand

- Demand changes over time
 - Different for new homes
 - Cost differential by area (urban/rural)
 - Persons-per-household differential (age/area)
- Focus on **employment ratio**, not location



National Research

Issues

- Area variations
- Density
- Mix of use
- Design
- Market characteristics
 - Rate of growth
 - Balance of mix in the market
- Inflation rates
 - Revenues
 - Costs



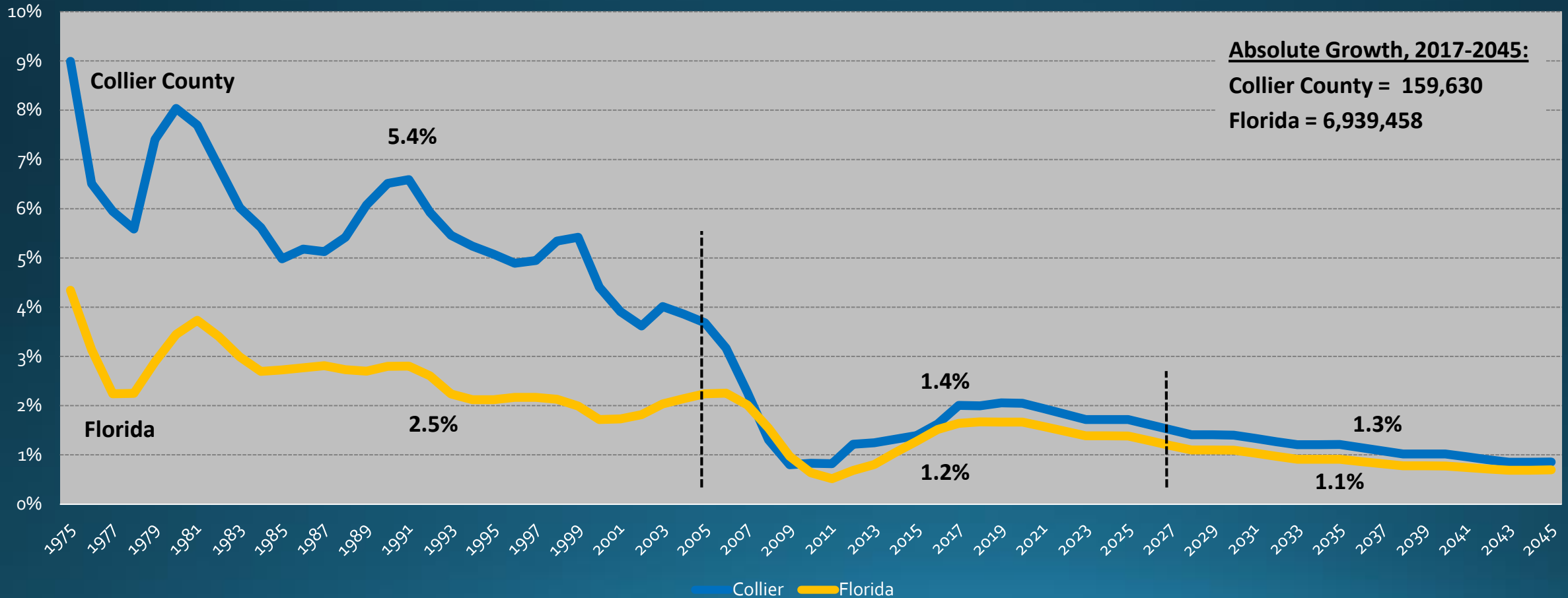
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Population Growth

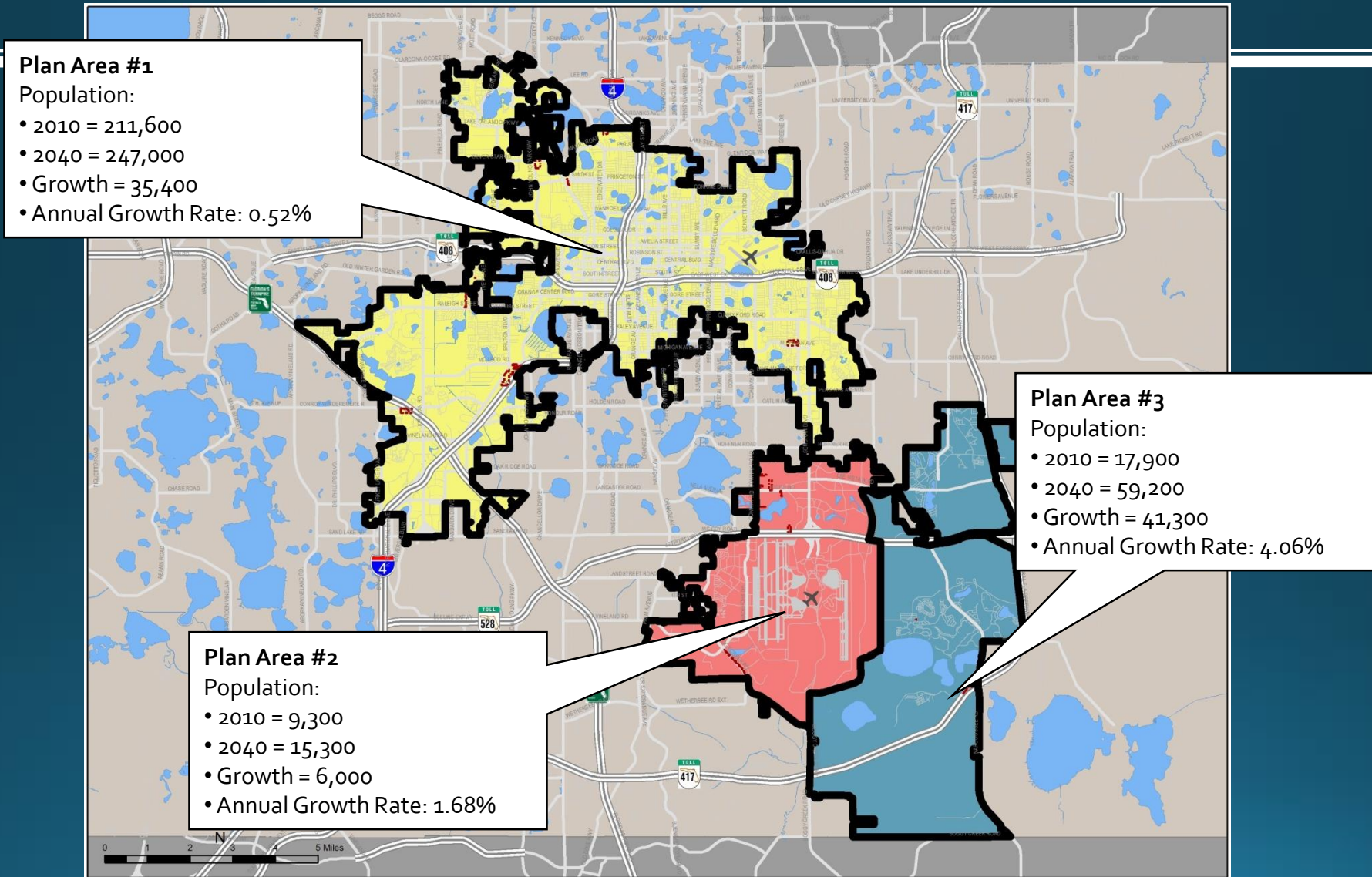
Population Growth; 3-Yr. Avg.



Source: BEBR, Medium-Level Projections

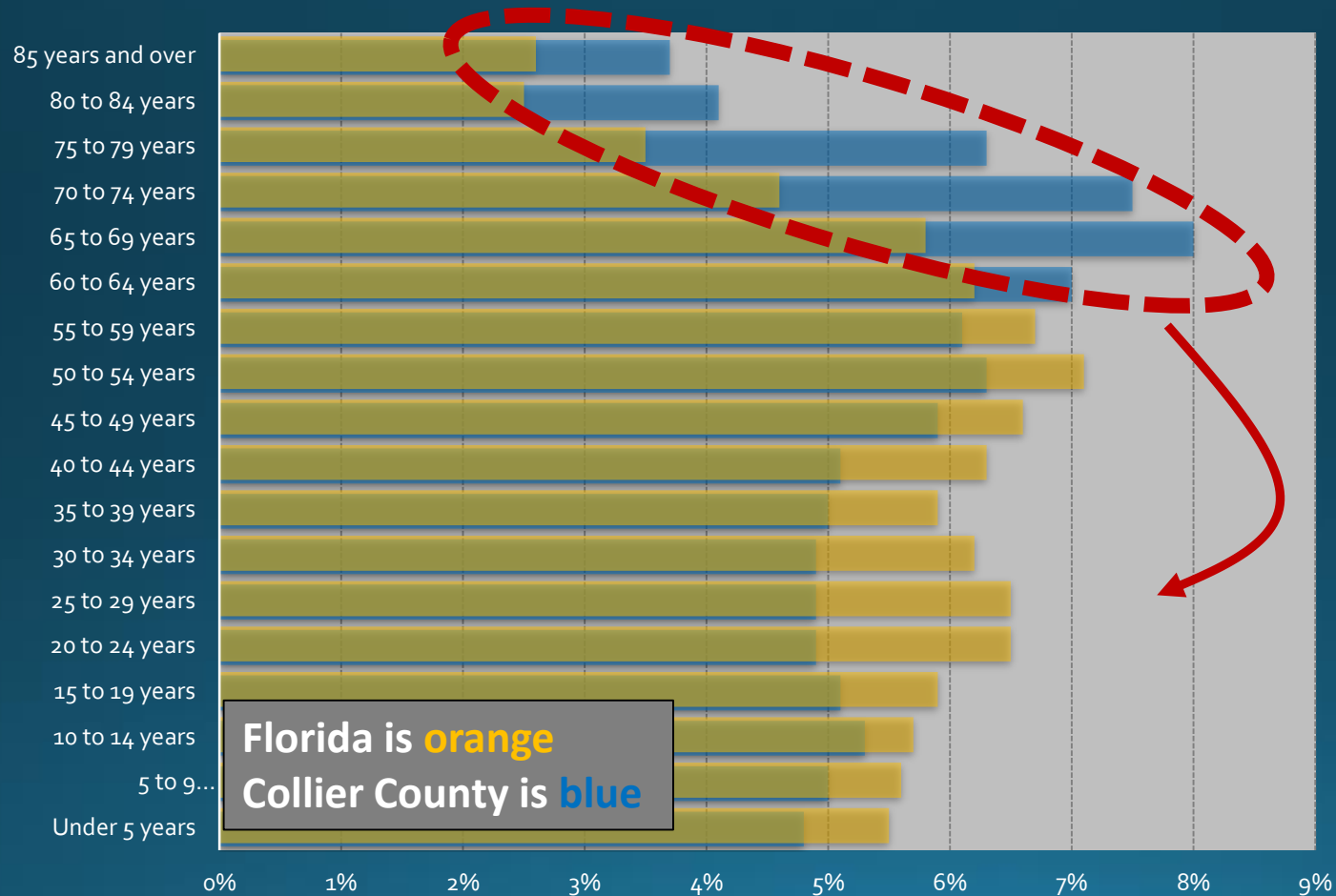


City of Orlando Example





Age Distribution Comparison

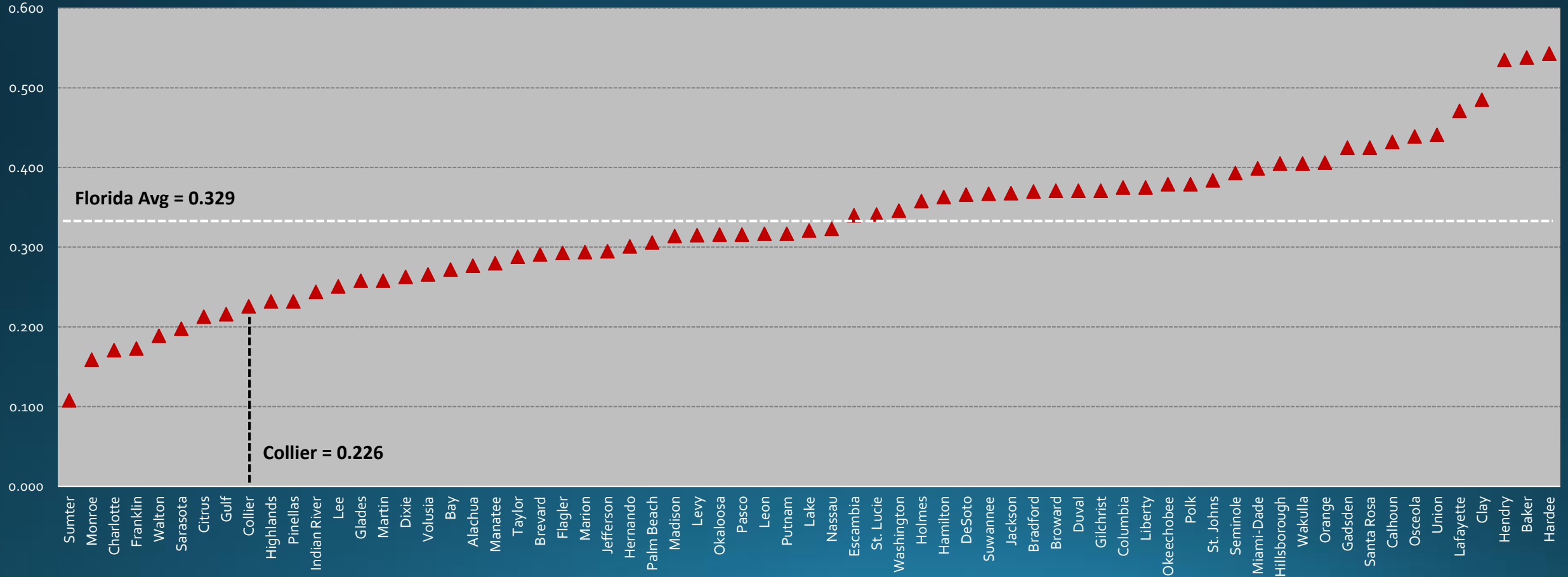


Source: American Community Survey, 2016 5-year estimates



Student Generation Rate

Student Generation Rate

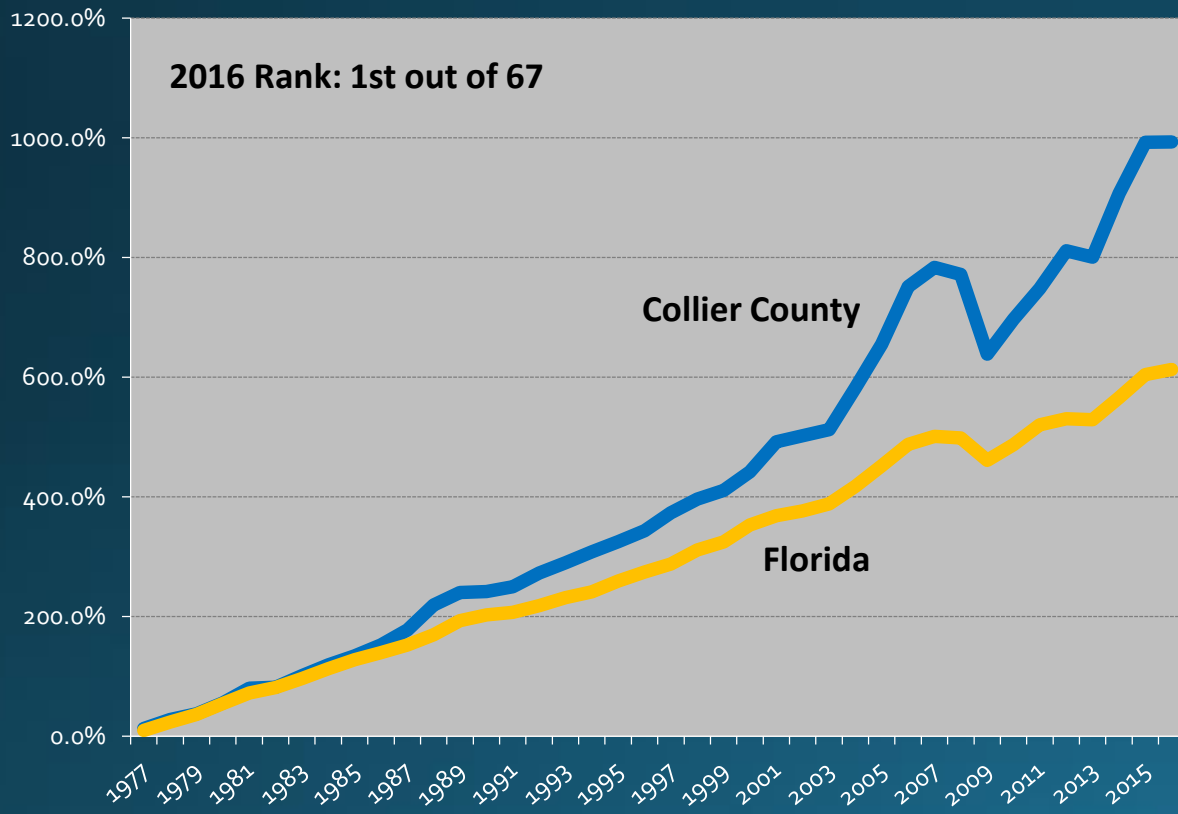


Source: American Community Survey, 2016

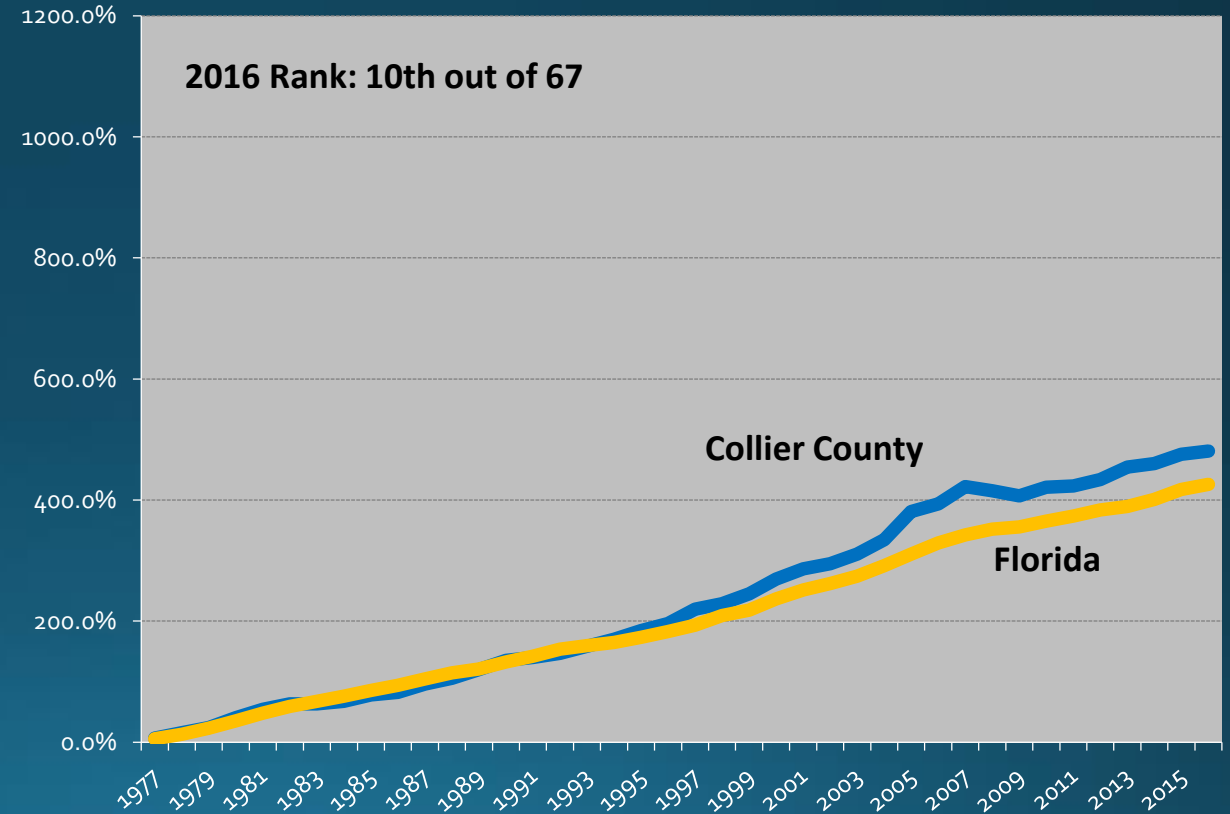


Income per Capita & Wage per Job

Income per Capita – Cumulative Growth Trend



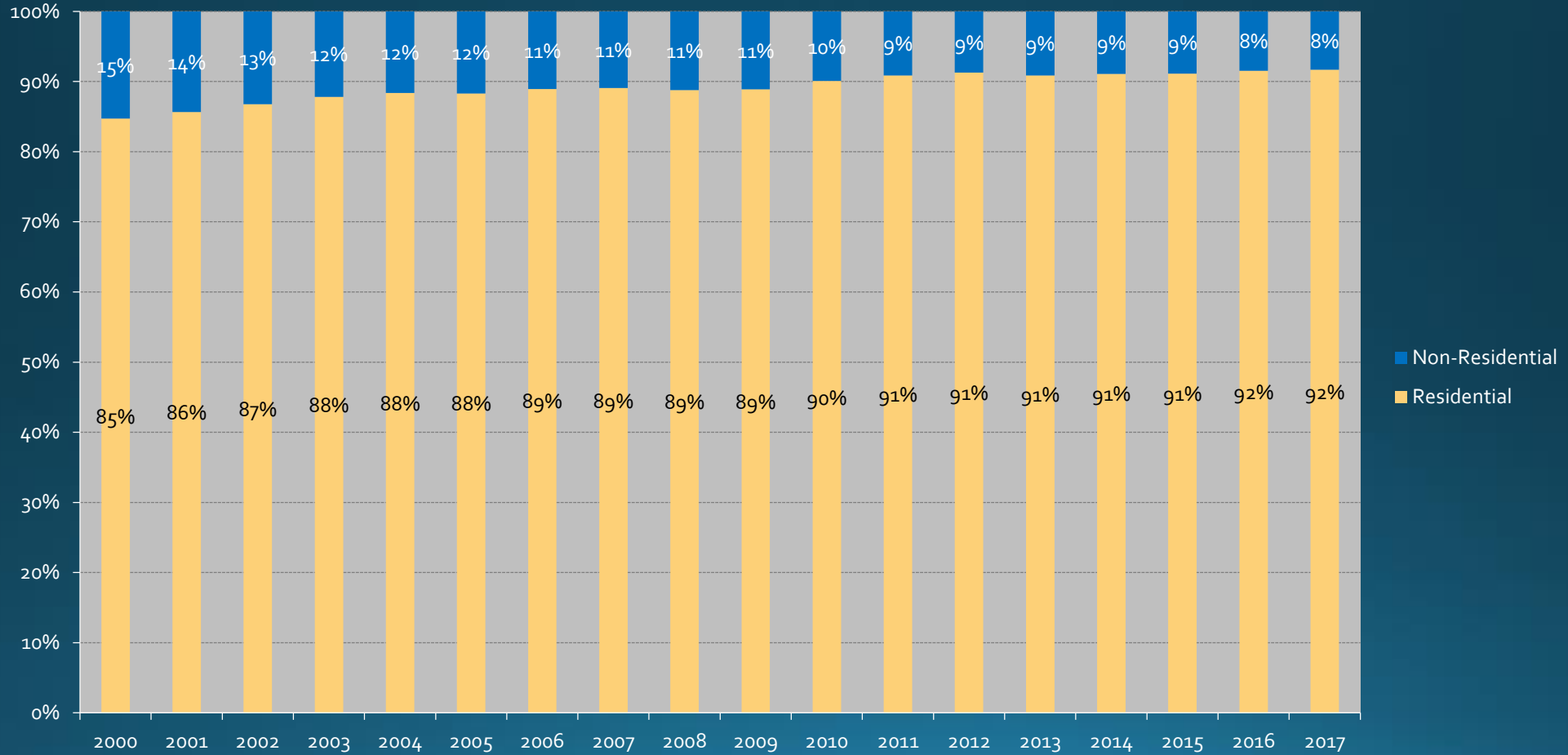
Wage per Job – Cumulative Growth Trend



Source: U.S. Bureau of Economic Analysis



Collier County Tax Base

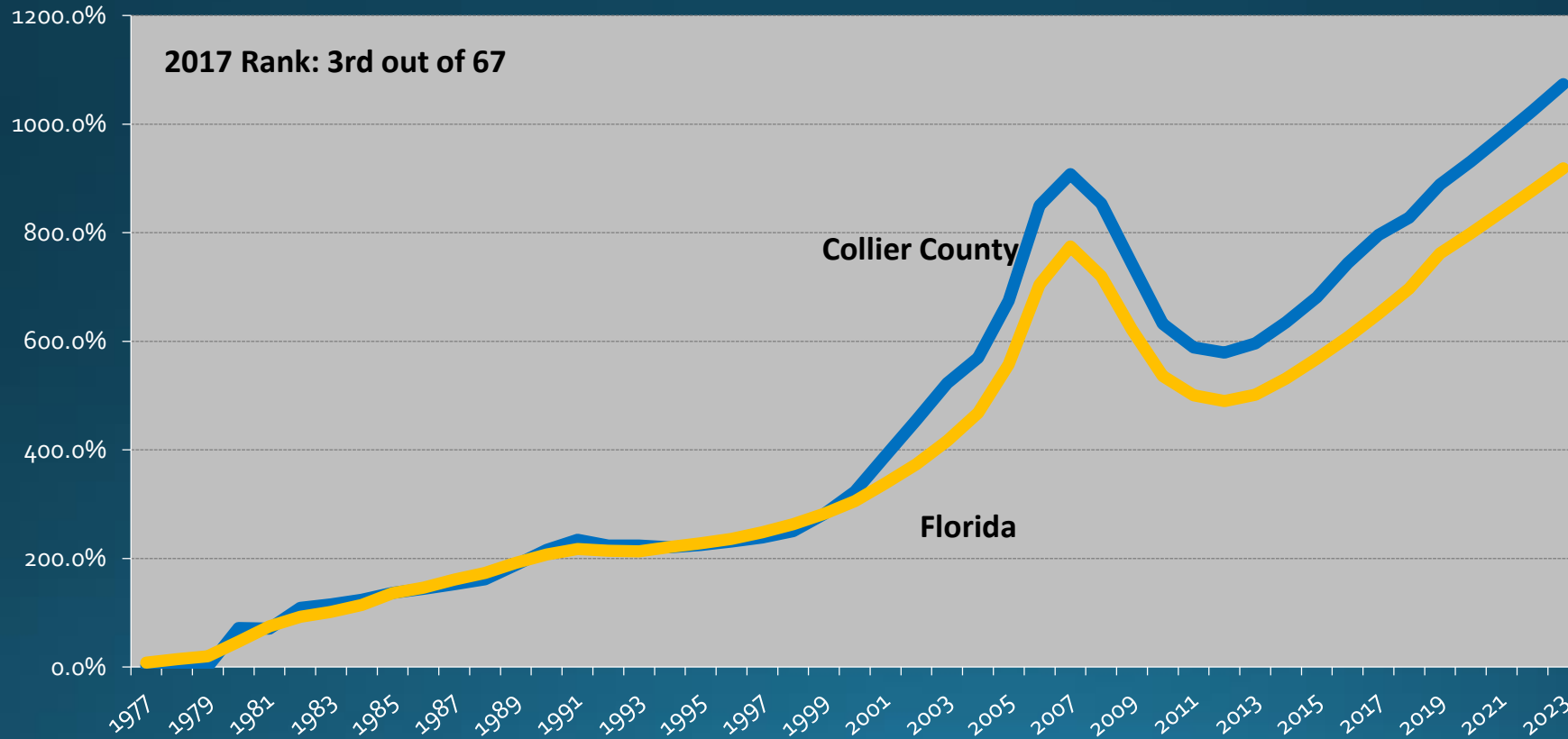


Source: Florida Property Valuations and Tax Databook



Property Tax Value per Capita

Taxable Value per Capita – Cumulative Growth Trend

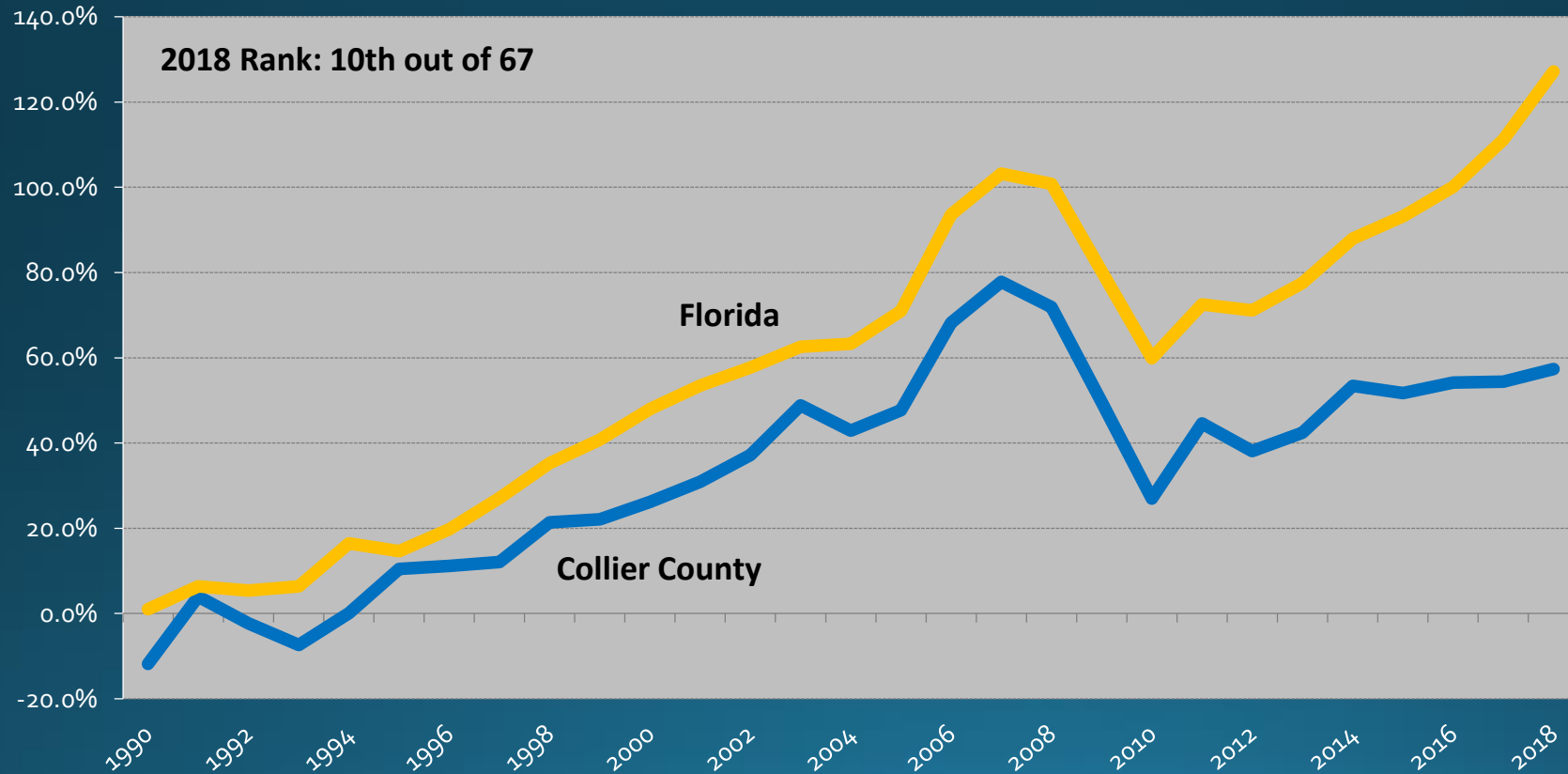


Source: Florida Property Valuations and Tax Databook



Sales Tax per Capita

Sales Tax per Capita – Cumulative Growth Trend

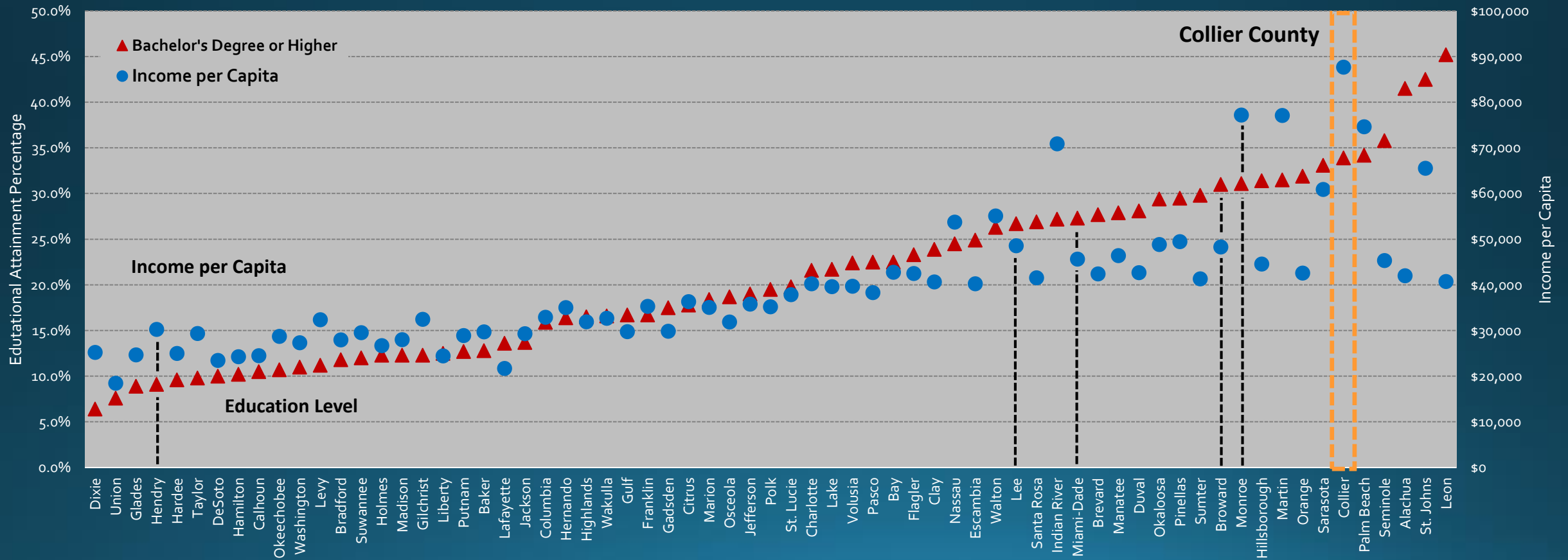


Source: Local Government Financial Information Handbook



Educational Attainment vs. Income per Capita

Educational Attainment vs. Income per Capita



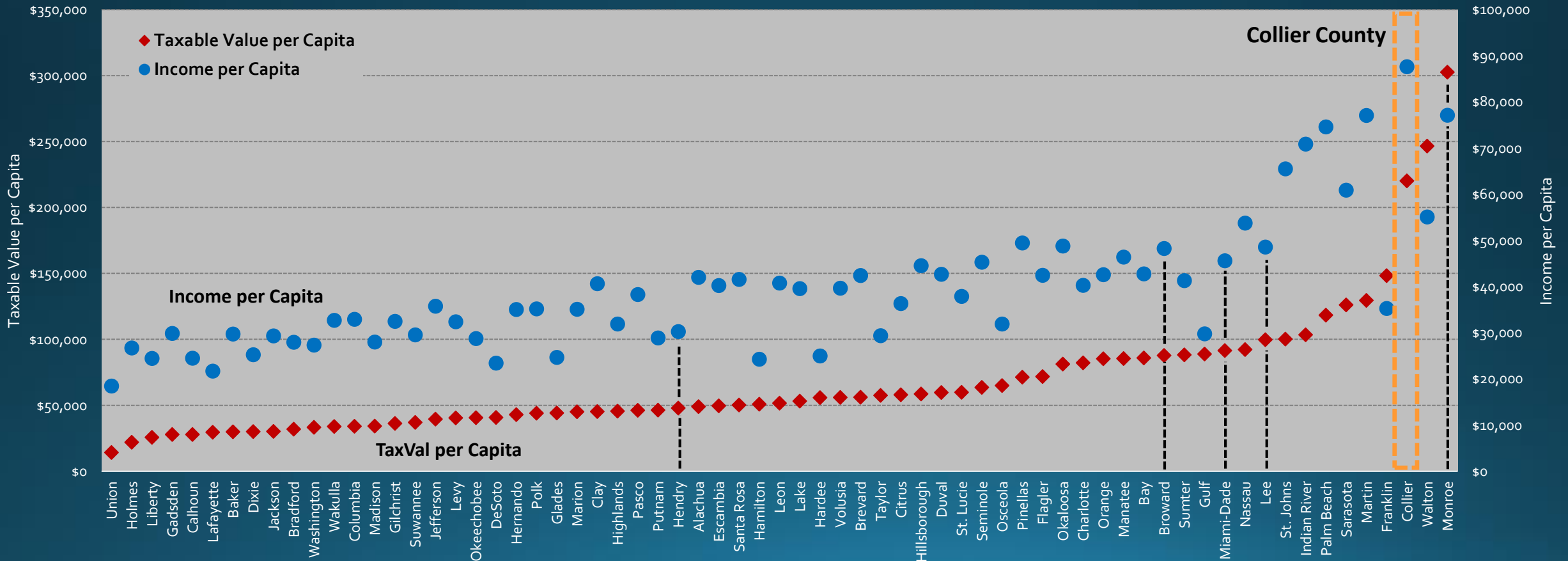
Source: U.S. Census Bureau and the Bureau of Economic Analysis



Taxable Value vs. Income

per capita

Taxable Value per Capita vs. Income per Capita



Source: Bureau of Economic Analysis and the Florida Property Valuations and Tax Databook



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RLSA Fiscal Neutrality

Typical Characteristics

- Mix of residential
 - ✓ Single family vs. multi family
- Mix of non-residential
 - ✓ Commercial
 - ✓ Manufacturing
 - ✓ Civic/Institutional
 - ✓ Group Housing/Lodging
- Parks/open space
- Interconnected streets/pedestrian access



RLSA Fiscal Neutrality

Fiscal Neutrality Application

- Growth rate vs. absolute growth
- Marginal cost vs. average cost
- Productivity and level of revenues generated
- Required level of service / quality of life
- Cost/benefit over time



Key Characteristics

5D's

- Destination Accessibility
- Design
- Diversity
- Distance to Transit
- Density



Economics

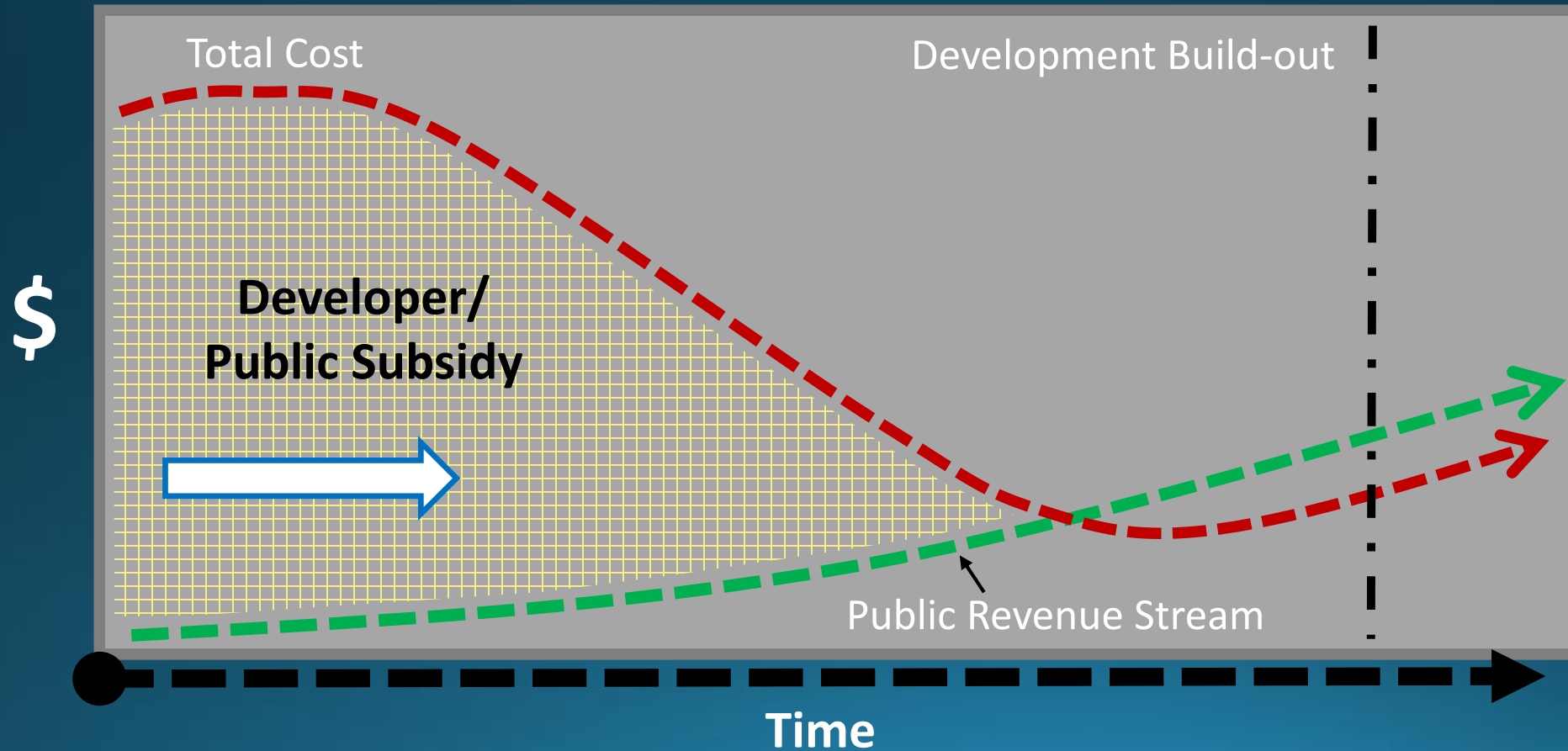
Enhanced Revenues

Reduce Costs and
Environmental Impacts



Fiscal Neutrality Example

Illustrative Graph of Hypothetical Development Costs & Revenues over Time



Density/Design Example

Status Quo

Example Community ~2 du/acre/6 sq. miles

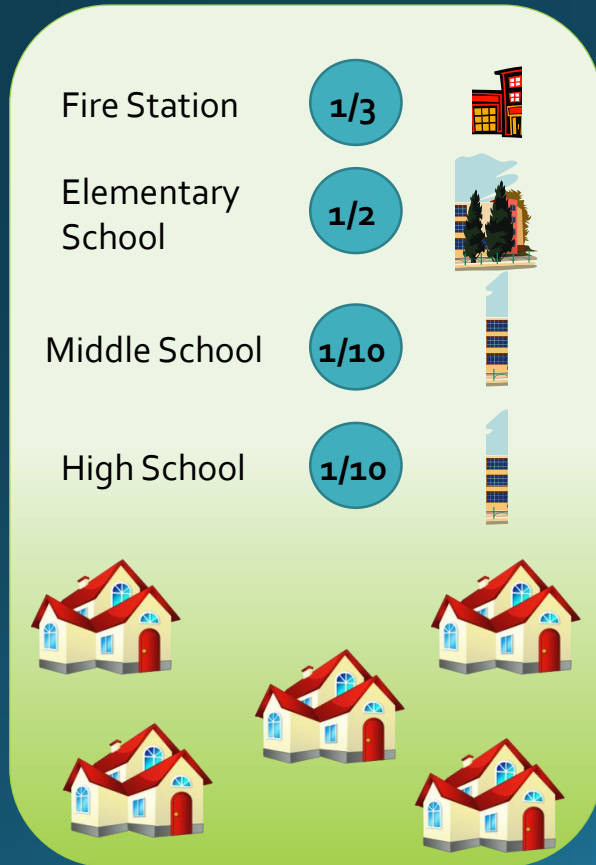


Diagram illustrating the Status Quo community layout. The layout includes:


- Fire Station: 1/3 (represented by a fire station icon)
- Elementary School: 1/2 (represented by a school icon)
- Middle School: 1/10 (represented by a school icon)
- High School: 1/10 (represented by a school icon)
- Housing: 6 houses (represented by house icons)


2 Du/Acre
6 Sq. Miles


Transit Service Threshold Level	Dwelling Unit Density Threshold
Minimum	4.50 – 5.99 du/acre
High	6.00 – 7.99 du/acre
Very High	≥ 8.00 du/acre


Density/Design Example


Maximize Allowable Density
4 du/gross acre/6 sq. Miles

Fire Station 1 

Elementary School 2 

Middle School 1/2 

High School 1/2 



4 Du/Acre
6 Sq. Miles

Transit Service Density Thresholds

Transit Service Threshold Level	Dwelling Unit Density Threshold
Minimum	4.50 – 5.99 du/acre
High	6.00 – 7.99 du/acre
Very High	≥ 8.00 du/acre

Density/Design Example

Increase Allowable Density
8 du/gross acre/6 sq. miles

Fire Station 2 

Elementary School/Parks 4 

Middle School 1 

High School 1 



8 Du/Acres
6 Sq. Miles

Transit Service Density Thresholds

Transit Service Threshold Level	Dwelling Unit Density Threshold
Minimum	4.50 – 5.99 du/acre
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Density/Design Example

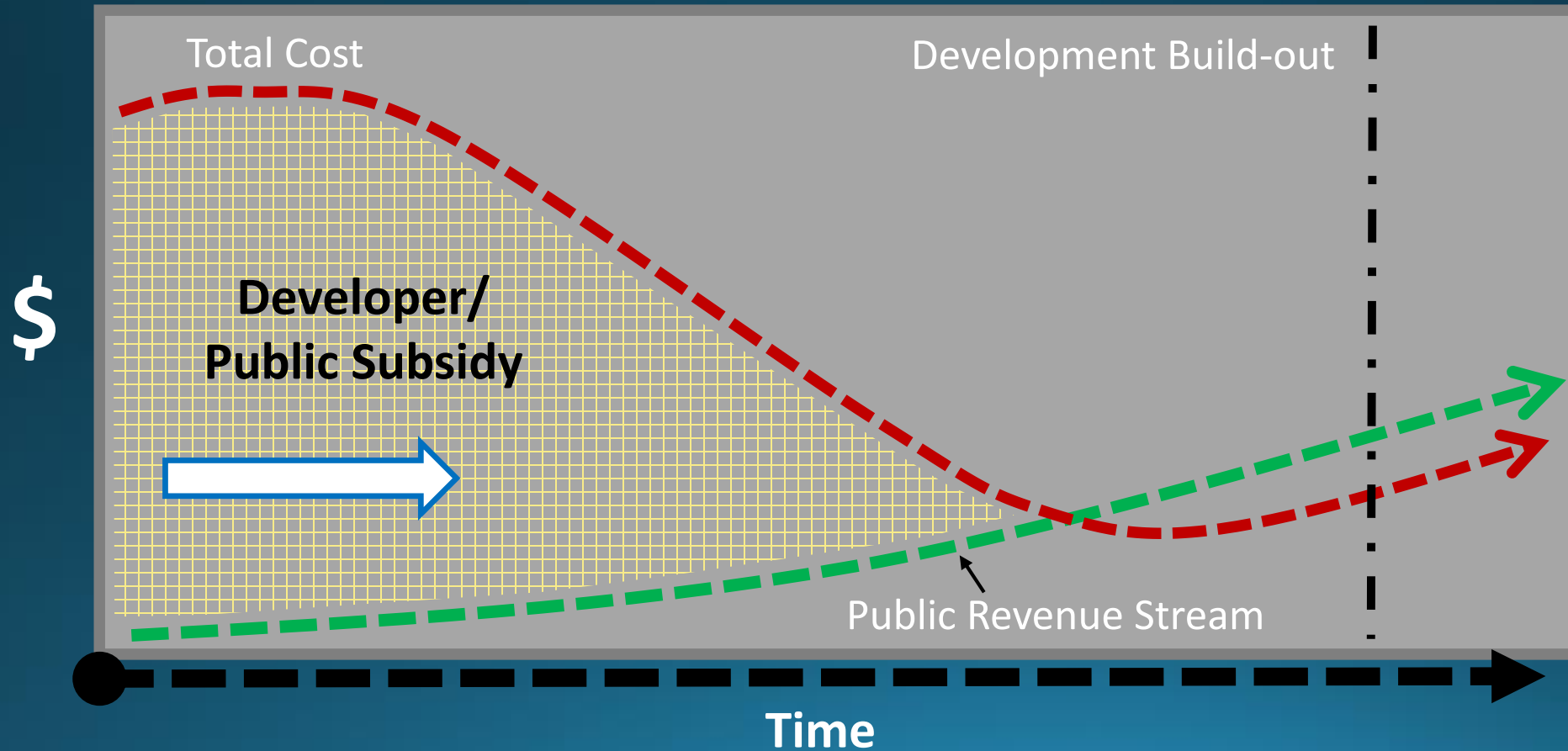
- Opportunity for Public Investment Savings
 - **Public school sites**
 - Provide park amenities, reduce need for other parks
 - Proximity to residential increases walk-ability
 - **Fire station location**
 - Critical to response time





Fiscal Neutrality Example

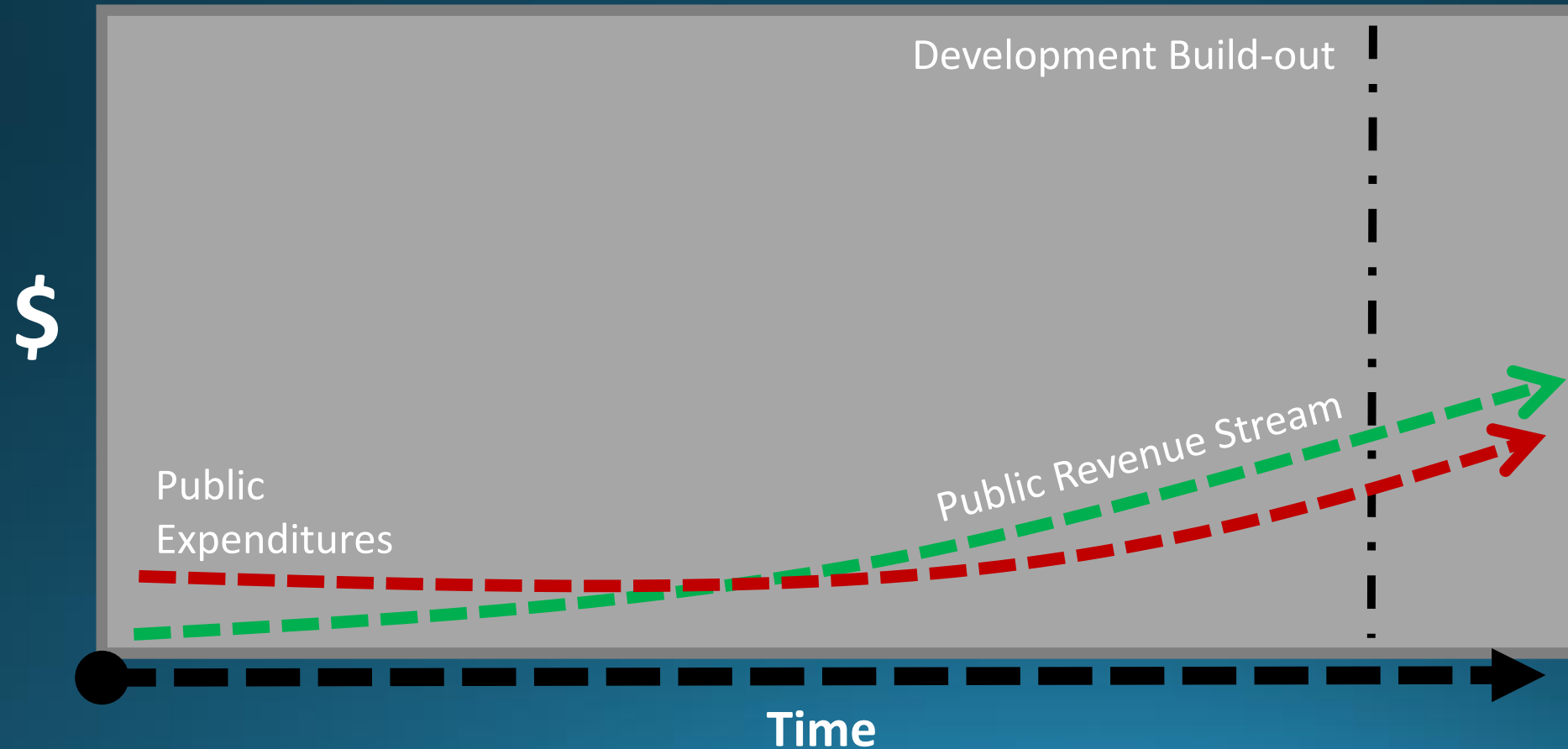
Illustrative Graph of Hypothetical Development Costs & Revenues over Time





Fiscal Neutrality Example

Illustrative Graph of Hypothetical Public Costs & Revenues over Time





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Final Thoughts

- Collier County
 - High income / high tax value
 - Waterfront development vs. eastern parts
- RLSA
 - Development consistent with County policies
 - Limited initial urban structure/density
- Financial impact to the Community:
 - High cost earlier years / potential subsidies
 - If designed correctly, likely to generate sufficient revenues over the long-term



THANK YOU