

# Financially Feasible Capital Improvements Element

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Growth Management & Environmental Permitting  
Short Course — Daytona Beach, FL

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# Two Approaches

- ◆ Capital Improvements Element Approach
  - ◆ Problems with LOS Analysis
- ◆ Entire Comprehensive Plan Approach
  - ◆ Credible Fiscal Impact Analysis
  - ◆ Introduction of FIELD model

# Problems with LOS Analysis

- ◆ Choice of measure
- ◆ Confusing measures
- ◆ Underfunding maintenance & replacement
- ◆ Existing deficiencies and surpluses
- ◆ Spatial factors

# LOS: Choice of Measures

**Issue:** Choosing the wrong measure or incomplete measures for LOS standards runs a risk of problems growing unnoticed.

**Example:** The City of Temple Terrace sets solid waste LOS standards on equipment and manpower rather than land fill space, and sets potable water standards on treatment and delivery rather than on sources.

# LOS: Confusing Measures

**Issue:** LOS analysis must focus on the correct measure, from a growth/capacity perspective and follow sound planning and engineering principles.

**Examples:** LOS standards for potable water are sometimes set at the same level as conservation standards with analysts and policymakers confusing the two. Engineers sometimes ignore LOS standards in their capacity analysis and planners sometimes ignore conservative engineering principles.

# Underfunding Maintenance

**Issue:** Capital for maintenance and replacement of infrastructure is often taken for granted—the assumption being that whatever money is currently budgeted is adequate. Experiences in older financially-distressed cities reveal how underfunding infrastructure, pensions or selling off capital assets are used to delay hard choices.

**Example:** Our CIE plans do not contain thorough inventories of existing capital equipment with relevant data on age and replacement cost.

# Existing Deficiencies (Surpluses)

**Issue:** Florida Statute requires that financial feasibility consider infrastructure backlogs.

**Example:** Hillsborough County has an estimated \$6 billion deficiency in transportation that is difficult to remedy in a 15-year CIE, let alone 5 or 10 years. Temple Terrace has deficiencies on roads they do not own.

# Spatial Factors of Development

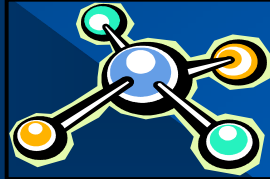
**Issue:** Distance between land uses increases transportation infrastructure costs and response times (& costs) for providing emergency services. Compact development patterns reduce stormwater runoff, lower solid waste collection costs and improve scale economies for other services.

**Example:** Our CIE plans do not explicitly consider the value of location and compactness.

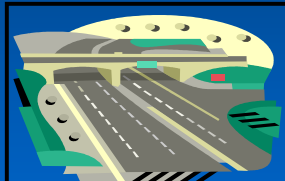
# The FIELD Model

[www.tpcFIELDmodel.org](http://www.tpcFIELDmodel.org)

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# Florida State Mandate

Required for Evaluation and Appraisal Reports (EAR) of comprehensive plans:

*... The financial feasibility of implementing the comprehensive plan and of providing needed infrastructure to achieve and maintain adopted level-of-service standards and sustain concurrency management systems through the capital improvements element, as well as the ability to address infrastructure backlogs and meet the demands of growth on public services and facilities.”*

[Florida Statute, Chapter 163.3191(2), and (2)(c)]

# Credible Fiscal Impact Analysis

To accurately assess the financial feasibility of the comprehensive plan, jurisdictions must:

- ◆ annually update budget numbers with sufficient detail to assess which categories are impacted by growth,
- ◆ incorporate existing deficiencies (and excess capacity) in conjunction with annual concurrency reports,
- ◆ utilize adopted levels of service, not defacto, as set forth in the comprehensive plan and other local statutes, and
- ◆ annually update capital cost estimates in coordination with impact fee analysis.

# Credible Fiscal Impact Analysis

To maintain objectivity, accuracy and credibility, local jurisdictions should engage in an annual process to adopt their model assumptions, so as to reflect their:

- ◆ local budget,
- ◆ adopted levels of service,
- ◆ concurrency (or deficiencies) report, and
- ◆ impact fee analysis.

Any fiscal impact analysis for that jurisdiction should be made using only that model with adopted assumptions for that year.

# Credible Fiscal Impact Analysis

To usefully assess the financial feasibility of the comprehensive plan, jurisdictions should:

- ◆ evaluate alternative locations, patterns and mixes of land uses, to identify more efficient land use alternatives than conventional plans, for example:
  - ◆ to minimize road construction,
  - ◆ to minimize school bus routes,
  - ◆ to minimize storm water runoff,
- ◆ consider compact designs that make private sector development more cost effective and lower the price of housing.

# Credible Fiscal Impact Analysis

To effectively utilize fiscal impact analysis as another growth management tool, the analysis and resulting policy options must be regional in nature.

- ◆ natural regions are based on "laborsheds."
- ◆ uncoordinated policies within regions will be rendered impotent by leapfrogging.
- ◆ development that escapes stricter regulations or higher taxes will create less efficient patterns of development in both the area it eluded and the area in which it located—taxes will be higher in both locations as a result.

# Design of FIELD Model

- ◆ FIELD is explicitly designed to address the question of financial feasibility of the Comprehensive Plans on the budgets of Hillsborough County, the Cities of Tampa, Temple Terrace and Plant City, and the Hillsborough County School Board, as mandated by Florida Statute.
- ◆ FIELD is designed to easily, dynamically test alternative policy options.
- ◆ FIELD is being designed to handle spatial factors on costs and revenues.



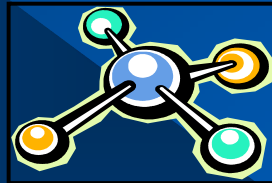
# FIELD Model Approach

For our preliminary report, FIELD was applied to address one question:

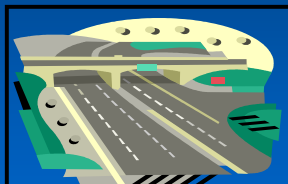
*What is the fiscal impact on revenues and expenditures of Hillsborough County government as a consequence of new development anticipated under the adopted Comprehensive Plan?*

# FIELD Model Simulations

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# County Scenarios

Summary of County Scenarios		Net Fiscal Impact	Total Impact Fees
<b>Current</b>	<b>Comprehensive Plan</b>	<b>- \$3.273 billion</b>	<b>\$1,878</b>
Scenario 1	Impact Fees only	Breakeven	\$ 13,133
Scenario 2	Road LOS E only	- \$2.878 billion	\$1,878
	Road LOS E & Impact Fees	Breakeven	\$11,775
Scenario 3	Compact, Urban Growth only	- \$1.703 billion	\$1,878
	Compact, Urban Growth & Road LOS E	- \$1.483 billion	\$1,878
	Compact, Urban Growth, Road LOS E & Impact Fees	Breakeven	\$7,287



# School Scenarios

Summary of School Scenarios		Net Fiscal Impact	School Impact Fees
<b>Current</b>	<b>Comprehensive Plan</b>	<b>- \$ 339 million</b>	<b>\$4,000</b>
Scenario 1	Impact Fees only	Breakeven	\$6,260
Scenario 2	1/2-cent Sales Tax only	\$ 48 million	\$4,000
	1/4-cent Sales Tax only	- \$ 102 million	\$4,000
	1/4-cent Sales Tax & higher Impact Fee	Breakeven	\$4,980



# Future Steps with FIELD

The following is planned to enhance FIELD:

- ◆ Review with local governments.
- ◆ Address comments of peer review.
- ◆ Account for existing deficiencies and/or surpluses.
- ◆ Incorporate effects from spatial patterns and locations of development.



# How we will use FIELD

In the coming year:

- ◆ Gain greater comfort with model for ourselves and local governments.
- ◆ Improve data, and test model's sensitivity.

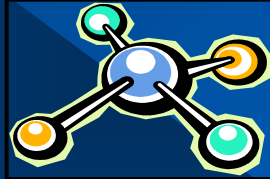
By next year:

- ◆ Test financial feasibility of Comprehensive Plans.
- ◆ Inform policy to address negative impacts.

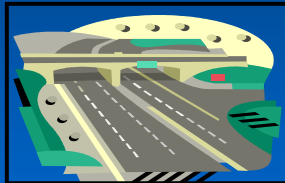
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