



Rutgers University Center for Urban Policy Research

Fiscal Impact Estimate of Land Development (FIELD) Evaluation New Brunswick, N.J.

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OVERVIEW AND DEFINITIONS (I)

- Purpose

Evaluate and peer-review the Fiscal Impact Estimate of Land Development (FIELD); suggest directions and next steps.

- Evaluation

- A. How well the model performs in calculating and interpreting costs and revenues.
- B. How well the model deals with capital costs.
- C. How easy the model is to use and adapt to varying applications and circumstances.
- D. How well information is qualified and results are supported by accompanying material.



OVERVIEW AND DEFINITIONS (II)

- **Fiscal Impact**

The cost and revenues of land development to the jurisdictions that provide local government services (county[munic.], school).*

- **Costs**

Operational, statutory, and capital costs of growth (residents, school children, and workers) related to the comprehensive plan.

- **Revenues**

Property tax, non-tax, intergovernmental revenues, and impact fees accruing due to the implementation of the comprehensive plan.

- **Net Fiscal Impact**

Annual revenues minus annual costs of accepting comprehensive plan development (both operational and capital).

* Even though Florida provides operational school funding, demand for school district operational services is important.



TIME SCALE, RESULTS, REACTION

- Time Scale of Analysis

Assumption that the comprehensive plan projection takes place under current fiscal indices (tax rate, assessment ratio, intergovernmental transfer presence, costs per person/pupil/worker).

- Fiscal Surplus or Deficit

The comprehensive plan causes a fiscal surplus or deficit, producing a saving or overage that can be reacted to via:

- change in county tax rate,
- change in personnel and non-personnel outlays.
- change in distribution practices (PILOT or other mechanisms).

- Reaction to Fiscal Impact

- no reaction – accept as a matter of course.
- ask for comprehensive plan change.
- incentivize future development based on fiscal or other considerations.



CALCULATING COSTS – PROCEDURES

- Cost Calculations

- There are three principal costs: county (municipal) operational and capital costs; school capital costs.
- Costs are calculated from current county (municipal) budgets and assigned to various land uses according to units of new residential/nonresidential development.
- School capital costs are calculated from county budgets and capacity analysis and assigned to residential uses according to units of development.
- Costs in all cases are average costs.
- Costs are often broken down by budget code for county purposes (general government, public safety, public works, health and welfare, recreation and culture). For school, they involve principally capital costs.



CALCULATING REVENUES—PROCEDURES

- **Revenue Calculations**
 - Revenues flow from property value added and other sources of tax and non-tax revenues.
 - Property value added in the form of an average taxable value, times a millage rate, yields property tax revenues.
 - Other revenues flow using key proxies (share of value, share of population, etc); or they do not flow at all.
 - Gaps occur between extension of public services and public revenue realization; the community is usually responsible for filling in the gaps.



NET FISCAL IMPACT — PROCEDURES

- Fiscal Impact Calculations
 - The result of the fiscal impact analysis is an annually recurring surplus or deficit (at the final projection year).
 - If positive, there is a surplus annually; if negative, there is a deficit annually.
 - The result is the final impact of a twenty year zoning scheme, or buildout analysis.
- Capital Cost Calculation
 - The result is a cumulative capital deficit that could be mitigated by a variety of revenue mechanisms.



FIELD MODEL EVALUATION (1)

- Costs (I) (Mark with an “X”)
 - A. FIELD should use an average costing procedure for most operating costs and routine capital costs (per resident/worker).

Model Does It:		
Well	Average	Poorly
X		

- B. FIELD should assemble costs by budget code.

Model Does It:		
Well	Average	Poorly
X		

- C. FIELD could partition costs by county subarea.

Model Does It:		
Well	Average	Poorly
X		



FIELD MODEL EVALUATION (1)

- Costs (II)

D. FIELD should handle capital costs on a unit of expended-capacity basis.

Model Does It:		
Well	Average	Poorly
X		

E. FIELD could acknowledge and track backlog.

Model Does It:		
Well	Average	Poorly
		X

F. FIELD could track current inventories of land uses.

Model Does It:		
Well	Average	Poorly
X		



FIELD MODEL EVALUATION (1)

- Revenues (I)

A. FIELD should employ a property-tax-based method that applies a local millage tax rate to forthcoming assessed value.

Model Does It:		
Well	Average	Poorly
X		

B. Market value should be changed to assessed value via a taxable value mechanism before applying the local tax rate.

Model Does It:		
Well	Average	Poorly
X		



FIELD MODEL EVALUATION (1)

- Revenues(II)

D. FIELD should use sophisticated proxies for non-property-tax revenues.

Model Does It:		
Well	Average	Poorly
		X

E. FIELD should assess extraordinary capital costs via an impact fee schedule. This should be kept track of separately.

Model Does It:		
Well	Average	Poorly
X		

FIELD MODEL EVALUATION (1)

- **Net Fiscal Impact**

(1) FIELD should calculate annual impacts individually to county (municipality) (op-cap) and school district (cap).

Model Does It:		
Well	Average	Poorly
X		

(2) FIELD could express impacts as a percent of current expenditures.

Model Does It:		
Well	Average	Poorly
X		

(3) FIELD could suggest a range of confidence of impacts.

Model Does It:		
Well	Average	Poorly
		X

FIELD MODEL EVALUATION (1)

- **Nonstandard Impacts (I)**

(1) FIELD could allow for nonstandard impacts as reduced revenues.

(a) Intergovernmental Transfers.

Model Does It:		
Well	Average	Poorly
X		

(b) Capital cost allocation to residential and nonresidential uses bears scrutiny.

Model Does It:		
Well	Average	Poorly
		X

FIELD MODEL EVALUATION (1)

- Nonstandard Impacts (II)

(2) FIELD should allow for nonstandard impacts as reduced costs.

(a) Vacation homes (What periods are residents present?)

Model Does It:		
Well	Average	Poorly
		X

(b) Tourist impacts (Is tourism accounted for?)

Model Does It:		
Well	Average	Poorly
X		

FIELD MODEL EVALUATION (1)

- Implementation

(1) FIELD could employ a tutorial data entry.

Model Does It:		
Well	Average	Poorly
		X

(2) FIELD could have a Turbotax-type error check.

Model Does It:		
Well	Average	Poorly
		X

(3) FIELD could print-out a user awareness message with extraordinary positive or negative impacts.

Model Does It:		
Well	Average	Poorly
		X

FIELD MODEL EVALUATION (1)

- Necessary Caveats

(1) One summary line from the ten leading court cases on Fiscal Impact Analysis could accompany each analysis (standard page).

Model Does It:		
Well	Average	Poorly
		X

(2) Ten citations for further reading could accompany each analysis (standard page).

Model Does It:		
Well	Average	Poorly
		X

(3) List classic do's and don't's of Fiscal Impact Analysis (page).

Model Does It:		
Well	Average	Poorly
	X	



FIELD MODEL EVALUATION (1)

- Overall Evaluation—Conclusions (I)

A. Costs (Enter scores for previous markings— see pp 23).

Engages or Considers	Well	Average	Poorly	Score
1. Average Costing (Res/Work)	5			5
2. Costs By Budget Code	5			5
3. Costs By County Subarea	5			5
4. Capital Costs	5			5
5. Backlog (Capital Expenses)			1	1
6. Land Use Inventory	5			5



FIELD MODEL EVALUATION (1)

- Overall Evaluation—Conclusions (II)

B. Revenues

Engages or Considers	Well	Average	Poorly	Score
1. Property Tax (Millage)	5			5
2. Taxable Value	5			5
3. Other Revenues			1	1
4. Impact Fees	5			5



FIELD MODEL EVALUATION (1)

- Overall Evaluation—Conclusions (III)
C. Net Fiscal Impact

Engages or Considers	Well	Average	Poorly	Score
1. Annual Impacts	5			5
2. Express as a % Total		3		3
3. Error Range			1	1



FIELD MODEL EVALUATION (1)

- Overall Evaluation—Conclusions (IV)**

D. Nonstandard Costs/Revenues

Engages or Considers	Well	Average	Poorly	Score
1. Intergovernmental Transfers	5			5
2. Capital Allocation		3		3
3. Vacation Homes			1	1
4. Tourism	5			5



FIELD MODEL EVALUATION (1)

- **Overall Evaluation—Conclusions (V)**
E. Implementation

Engages or Considers	Well	Average	Poorly	Score
1. Tutorial for Data Entry			1	1
2. Error Check Routine			1	1
3. User Awareness Message			1	1



FIELD MODEL EVALUATION (1)

- Overall Evaluation—Conclusions (VI)

F. Caveats

Engages or Considers	Well	Average	Poorly	Score
1. Court Cases			1	1
2. Vital Literature			1	1
3. Do's and Don't's			1	1



FIELD MODEL EVALUATION (1)

- **Overall Evaluation—Conclusions (VII)**

G. Total Score on all Indices

Engages or Considers	Well	Average	Poorly	Score
Total	55	6	10	71 (Excellent)

Scoring:

A. Well = 5 Average = 3 Poor = 1

B. 23 Categories of Evaluation

C. Excellent = 70 Average = 50 Passing = 30

FIELD MODEL EVALUATION (2A)

- **Other Fiscal Models**
 - Per Capita Multiplier – Burchell/Listokin
Average costing – much like FIELD.
 - FISCALS – MUNIES – Tischler Associates
Average costing – much like FIELD.
Marginal costing – different from FIELD.
 - FIAM – Fishkind Associates
Average costing – much like FIELD
 - Others – Muller/Peterson/Siegel
Avin/Nelson/Nicholas
Average costing – much like FIELD.

FIELD MODEL EVALUATION (2B)

- FIELD's Appropriateness
 - Other models more appropriate to the task?

Yes	No
	X

- Other models intellectually more rigorous?

Yes	No
	X

- Other models- inappropriately used?

Yes	No
NA	NA



FIELD MODEL EVALUATION (3A)

- Recommendations

- Does FIELD provide reasonable fiscal results?

Yes	No
X	

- Is a positive fiscal impact result from FIELD a “safe harbor”?

Yes	No
X	

- Does the model provide negative impacts?

Yes	No
X	



FIELD MODEL EVALUATION (3B)

- What are appropriate uses of FIELD?

Use Area	Yes	No
Development Review		X
Land Use Schemes	X	
Buildout Analyses	X	
Major Up/down Zonings	X	
Affordable Housing		X



FIELD MODEL EVALUATION (4)

- **Next Model Steps**
 - A. Work to improve average ratings (list).
 - B. Work to actually correct poor ratings (list).
 - C. Work to make model more credible (list).
 - D. Work to make model more seamless (examples).
 - E. Work to provide better support (examples).



FIELD MODEL EVALUATION (4A)

- **Next Model Steps**

A. Work to improve average ratings (list).

NF-2 Express Fiscal Impacts as % of Total

NS-2 Capital Cost Allocation



FIELD MODEL EVALUATION (4B)

- Next Model Steps
 - B. Work to actually correct poor ratings (list).
 - C-1 Backlog as a % Total
 - R-3 Other Revenues
 - NF-3 Error Range
 - NS-3 Vacation Homes
 - I-1 Tutorial for Data Entry
 - I-2. Error Check Calibration
 - I-3. User Awareness Message
 - C-1. Court Cases
 - C-2. Vital Literature
 - C-3 Do's and Don't's

FIELD MODEL EVALUATION (4C)

- Next Model Steps
 - C. Work to make model more credible.
 1. Try and keep fiscal impact impacts and capital impacts separate.
 2. Check possible double counting of debt service.
 3. Improved assignment of costs to residential and nonresidential growth should be considered.
 4. Employ different socioeconomic characteristics by differing residential types.
 5. Express capital costs as stream of payments.
 6. Obtain some indication of backlog capital deficiencies.
 7. Be able to calculate results (price elasticity) of revenue change alternatives.
 8. Make significant progress in calculating school operation costs.



FIELD MODEL EVALUATION (4D)

- **Next Model Steps**

D. Work to make model more seamless.

Given proper training and support the model is essentially seamless.



FIELD MODEL EVALUATION (4E)

- **Next Model Steps**

E. Work to provide better support.

Planning Commission mission and model results must be integrated to provide necessary model continuity and sustained presence.



FIELD MODEL EVALUATION (5)

- Next Implementation Steps
 - County needs to endorse the FIELD Model, and make it available for land use decisions.
 - County needs to strongly support implementation of the model through incentives.
 - Funds should be allocated for training of municipal personnel within the county.
 - County should develop monitoring program to determine whether FIELD leads to better land use decisions and increased sustainability.



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- Integrity Issues
 - Hierarchy of access; only certified users should have access to the base data.
 - Model should be recalibrated regularly, unless data is not available on a recurring schedule.
 - FIELD is not a decisionmaker but a tool to inform and guide better land use decisions.
 - Basis of model is to make Hillsborough County a better place, not to add additional layers of government regulation.