

MAG LAND USE FISCAL IMPACTS

Presented by:



October 29, 2013

Background

- Original model was created in 2001/2003 as part of a larger study on Growing Smarter Implementation
- This scope of work included updating the 2003 model to reflect current budget, socioeconomic and land use data
- Modified and improved the methodology

Fiscal Methodology & Data Collection

- Collect budget data from each community plus Maricopa and Pinal Counties
- Develop generalized set of O&M revenues and expenditures
- Collect baseline data
 - Sales tax and property tax rates
 - Socioeconomic data
- Compared operating characteristics -FTE per capita, assessed value per capita, taxable sales per acre, utility sales tax per employee
- Grouped municipalities into size categories
- Developed fiscal rates for revenue and expenditure line items and created averages by size group

Revenue and Expenditure Categories

Revenues

Local Taxes

Property Tax

Sales Tax

Transient Occupancy

Utility Franchises

Other

Charges for Services

Fines and Forfeitures

Interest

Intergovernmental Revenues, Grants

Licenses and Permits

Miscellaneous

Expenditures

Mayor & Council

City Manager

Marketing/Communications

Human Resources and Info Tech

City Clerk

City Attorney

Municipal Court

Finance, Audit

Police

Fire

Community Development (planning, bldg safety)

Economic Development

Public Works

Engineering

Parks, Recreation, Library, Social Services

Nondepartmental

Streets

Transit

County Only

Superintendent of Schools

Health and Human Services

General Government

Socioeconomic Data

- Population
- Employment
- FTE city staff
 - Police officers
- Value of building permits
- Taxable sales
 - Total
 - Retail/restaurant
 - Hotel
 - Utility
- Assessed Value
- Street miles
- Park acres

Jurisdiction	Population	Employment	FTE City Staff
Extra Large			
Phoenix	1,449,242	789,760	15,000
Large			
Mesa	439,929	171,720	3,491
Glendale	227,217	86,160	1,966
Scottsdale	217,365	175,200	2,455
Chandler	236,687	120,840	1,588
Gilbert	209,048	81,300	1,188
Medium Large			
Tempe	161,974	179,560	1,797
Surprise	117,688	22,640	769
Peoria	154,164	45,240	1,101
Medium			
Avondale	76,468	16,720	484
Buckeye	51,019	16,080	339
Goodyear	65,404	28,660	505
Fountain Hills	22,444	5,900	58
El Mirage	31,911	4,620	160
Apache Junction	35,828	6,435	241
Florence	25,537	8,862	252
Maricopa	43,598	3,649	216
Queen Creek	26,448	7,260	159
Small			
Paradise Valley	12,810	4,700	76
Guadalupe	5,540	1,020	45
Wickenburg	6,353	3,860	86
Tolleson	6,573	11,280	168
Litchfield Park	5,467	2,240	31
Cave Creek	5,005	2,000	38
Youngtown	6,154	1,380	18
Carefree	3,358	1,500	14
Gila Bend	1,932	940	23
Pinal County	389,192	44,197	2,217
Maricopa County	3,884,705	1,706,300	15,118

Land Use Data

- Determined land use categories to include in model
- Obtained current developed and undeveloped acres by type for each member agency for these categories
- Established other development assumptions by municipality and land use
 - Units per acre and population per unit
 - FAR and employees per acre
 - Occupancy
 - Construction cost per square foot
 - Taxable sales per acre
 - Land and improvement value, personal property per employee
 - Lease rates

Land Use Categories

- Nonresidential
 - Office (high and low rise)
 - Retail
 - Industrial
 - Business Park
 - Hotel/Motel
 - Public
 - Institutional
 - Other
- Residential
 - Very high density MF (13+)
 - High density MF (10-13)
 - Medium MF (6 -10)
 - Very small lot SF (7+)
 - Small lot (4-6)
 - Medium lot (2-3)
 - Large lot (1-2)
 - Estate (1)
 - Rural (LT 1)

Applications of Fiscal Impacts in Land Use Planning

- Measure costs and benefits of specific projects or small area plans or entire general plan land use
- Prioritize infrastructure improvements
- Provide an understanding of service and infrastructure capacity constraints and their impact on a community's ability to realize its long term vision
- Relate development issues to the underlying fiscal structure
- Identify potential future shortfalls that need be addressed
- More clearly direct economic development objectives

What Factors Will Influence Fiscal Results

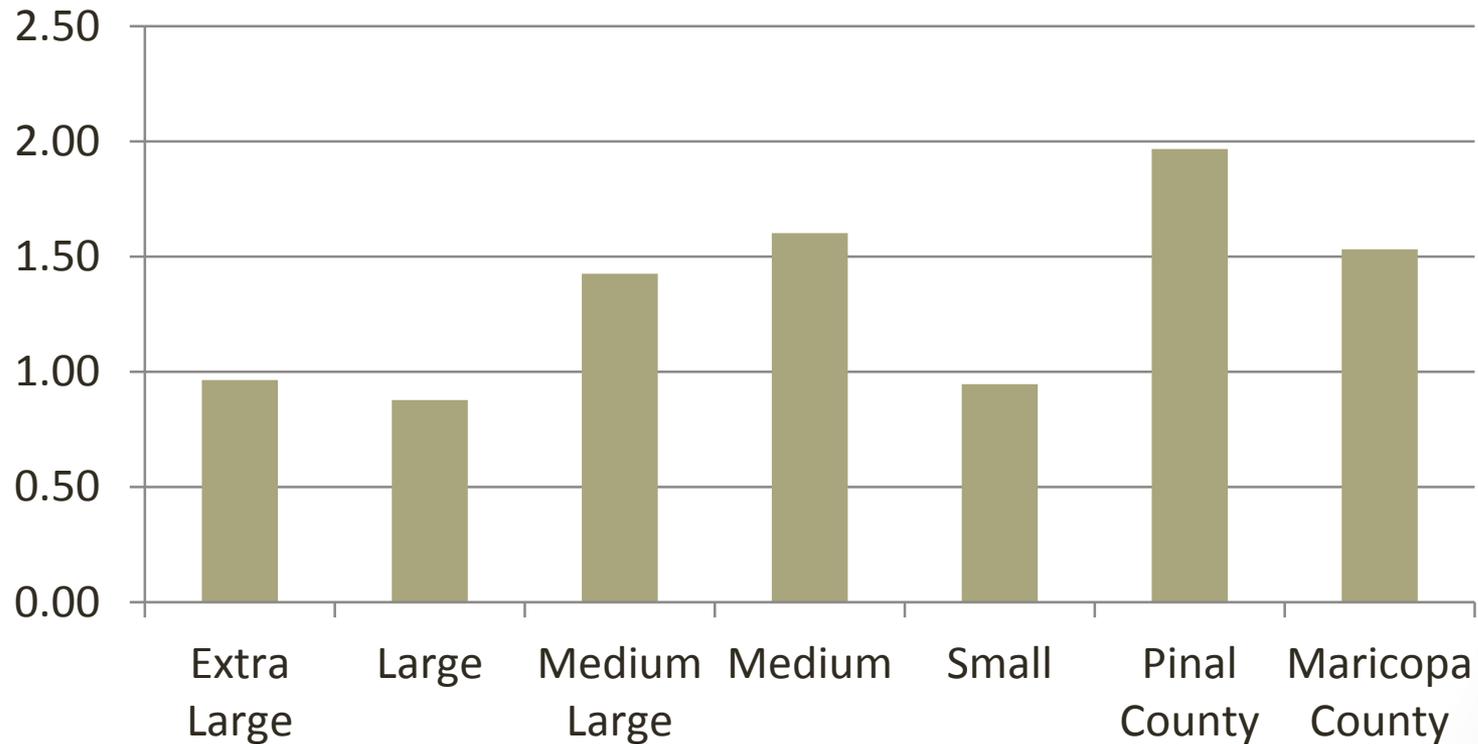
- Type and mix of land uses
- Local revenue structure
- Characteristics of development
 - Density (both for square footage and population/employment)
 - Value of land and improvements
 - Taxable sales or leases
 - Level of service and range of services provided
 - Level of government (city vs. county)
 - Development timing

Nonresidential Pro-Formas

Characteristics	Office	Retail	Industrial
Acres	1	1	1
Square Feet	15,769	8,708	11,602
Employment	60	16	12
New Street Miles	0.0003	0.0003	0.0003
Construction Cost	\$1,800,315	\$685,949	\$729,044
Taxable Sales	\$0	\$1,702,628	\$0
Land Cost	varies by city	varies by city	varies by city
Assumptions			
Construction Cost psf	\$114.17	\$78.77	\$62.84
Park Acres per capita	na	na	na
Employees per Acre	60.00	16.00	12.00
FAR	0.40	0.22	0.28
Occupancy Rate	90%	90%	90%
Lease Rate	varies by city	varies by city	varies by city
Personal Property per Employee	\$10,000	\$0	\$15,000
Retail Sales per Acre	\$0	\$1,702,628	\$0
Utility Sales per Employee	varies by city	\$0	varies by city

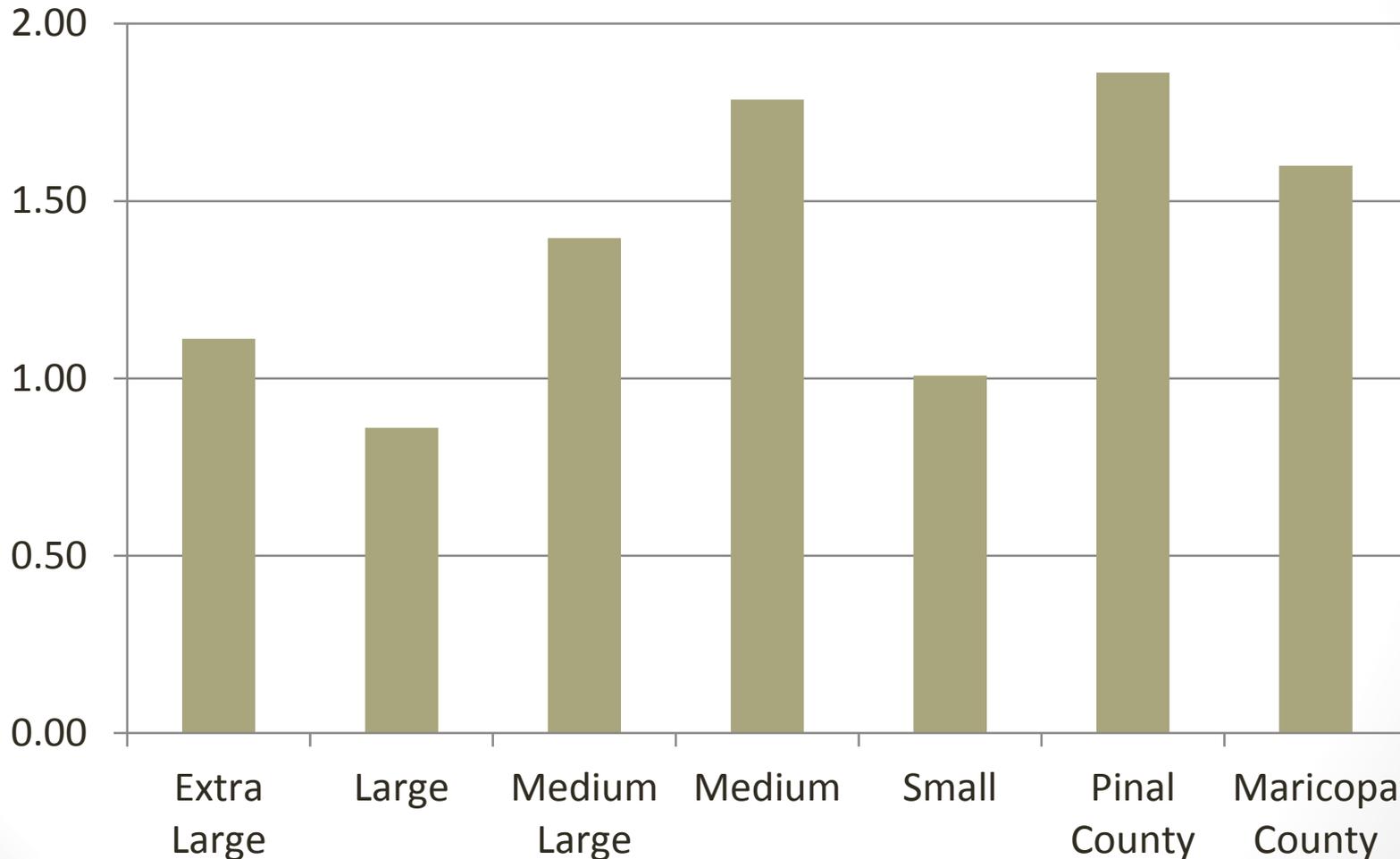
Industrial Impacts

Ratio of Revenues to Expenditures



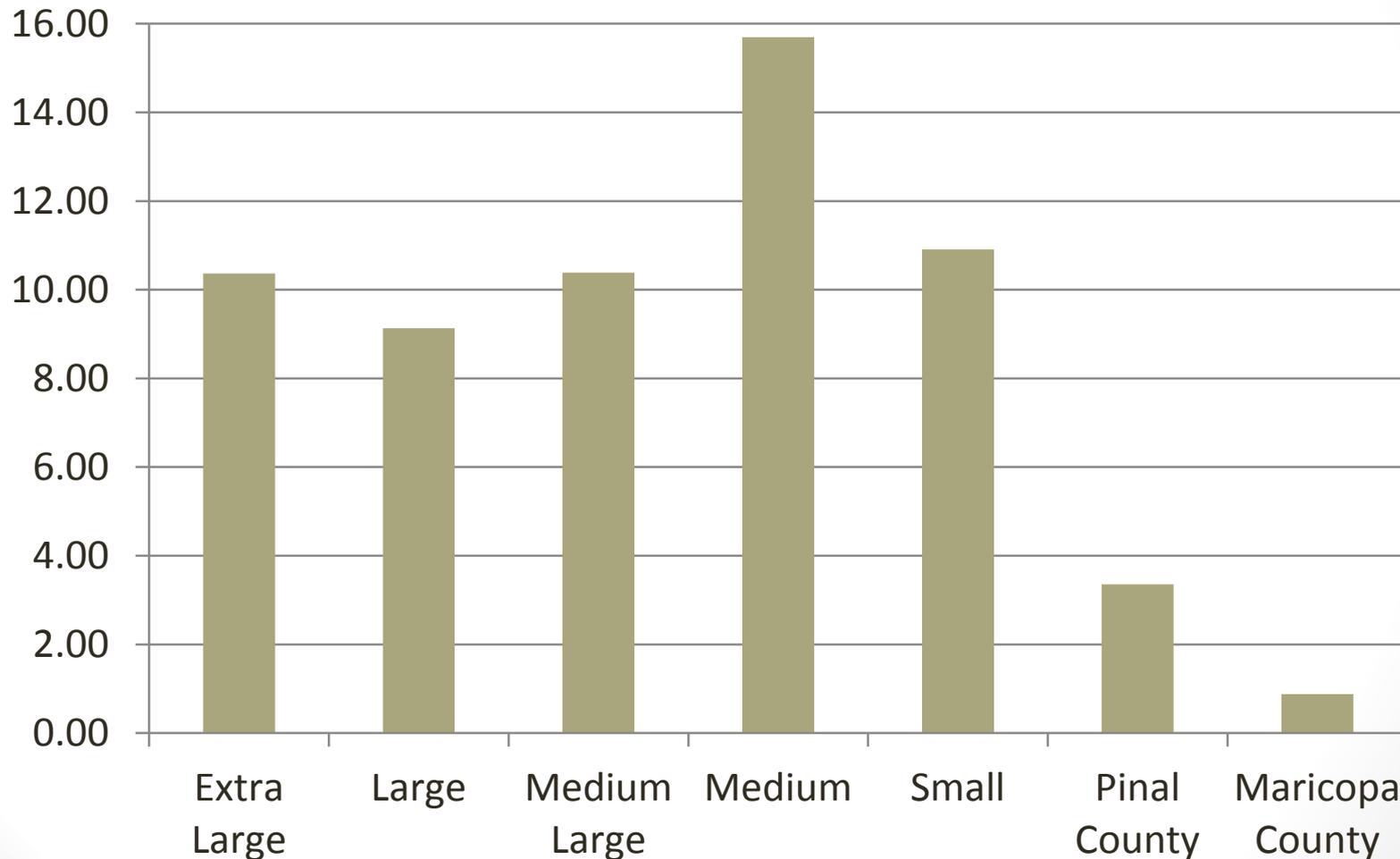
Office Impacts

Ratio of Revenues to Expenditures



Retail Impacts

Ratio of Revenues to Expenditures



Residential Pro-Formas

Characteristics	Single Family			Multi-Family	
	Rural Residential	Medium Lot Residential	Small Lot Residential	High Density	Very High Density
Acres	1	1	1	1	1
Housing Units	0.2	4	8	12	34
Square Feet	2,800 per unit	2,200 per unit	1,200 per unit	1,000 per unit	800 per unit
New Street Miles	0.0003	0.0003	0.0003	0.0003	0.0003
Construction Cost per Acre	\$46,166	\$749,593	\$745,536	\$1,210,680	\$2,960,992
Assessed Value	varies	varies	varies	varies	varies
Assumptions					
Units per Acre	0.2	3	8	12	34
PPDU	varies by city	varies by city	varies by city	varies by city	varies by city
Construction cost psf	\$82.44	\$85.18	\$77.66	\$100.89	\$108.86
Occupancy Rate	93%	93%	93%	80%	80%
Lease Rate	\$0	\$0	\$0	\$10,476	\$10,476

Residential Impacts

Ratio of Revenues to Expenditures

