Smart Growth Economics

October 5, 2012

Tindale-Oliver & Associates, Inc.
Planning and Engineering
Key Concepts

- Convergence
  - Reduced Cost
  - Increased Revenue
- Productive vs. New Revenues
- A “Plan”
  - Land Use / Finance / Services
Key Concepts (Cont’d)

- Diversity
  - 5 “D”s
- Environmental
- Market
  - Do You Have A “New Market”?
- Sell Your Plan
Presentation Overview

1. Productive Revenues
2. Reduced Infrastructure Needs/Cost
3. Case Studies
4. Summary & Conclusions
Economic Development

5D’s
- Destination Accessibility
- Design
- Diversity
- Distance to Transit
- Density

\[\text{Economics}\]

- Enhanced Revenues
- Reduce Costs and Environmental Impacts
Florida Population Growth Trends

Population Growth (10-yr Average)

-350%
-300,000
-250,000
-200,000
-150,000
-100,000
-50,000
0
50,000
100,000
150,000
200,000
250,000
300,000
350,000

Annual Growth Rate

10-Year Average

Absolute Change

Percent Change Growth

Productive Revenues

- Primary Revenue Sources Available:
  - Property Tax
  - Sales Tax
  - Gas Tax

- Which Revenue Sources Are Enhanced with Smart Growth Initiatives?
## Which Revenues are Productive?

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Productive</th>
<th>Unproductive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax</td>
<td>X</td>
<td></td>
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<tr>
<td>Sales Tax</td>
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</table>
Property Taxes

- Enhanced with Destination, Diversity, Design, and Density
- Enhanced Over Time
City of Sarasota: Property Tax Value per Capita -- Above the State

Per Capita Municipal Taxable Value 2000-2012

- City of Sarasota
- Sarasota County (less City of Sarasota)
- State of Florida

Projected 2000 and 2012
City of Sarasota Property Tax Value

Value per Acre
- $0 - $200,000
- $200,000.01 - $500,000
- $500,000.01 - $750,000
- $750,000.01 - $1,000,000
- Greater than $1,000,000

Single Use District
Before and After: City of Sarasota
Citrus Square

2004 – Three parcels, combined taxable value of $411,800/acre

2012 – Taxable value $8,081,280 /acre
Before and After: City of Sarasota
Broadway Promenade

2004 – Multiple parcels, combined taxable value = $142,660/acre

2011 – Multiple parcels, combined taxable value = $5,081,070/acre
City of Bartow: Property Tax Value per Capita -- Below the State

Per Capita Municipal Taxable Value 2000-2012

- City of Bartow
- Polk County (less City of Bartow)
- State of Florida

Projected

City of Bartow Property Tax Value

Annex Area

Value per Acre
- $0 - $10,000
- $10,001 - $50,000
- $50,001 - $100,000
- $100,001 - $150,000
- Greater than $150,000
Osceola County: Property Tax Base Distribution

Osceola County - Tax Base Distribution

Source: Florida Property Valuations and Tax Databook
Marion County: Property Tax Base Distribution

Marion County - Tax Base Distribution

1999
2011

Source: Florida Property Valuations and Tax Databook
Sales Taxes

- Related to Income Levels
- Enhanced with Density
- Per Capita Increase Over Time
Gas Taxes

- Related to Travel (per Gallon Charge)
- Reduced with Density
- Per Capita Decrease Over Time with Fuel Efficiency
1. Productive Revenues
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4. Summary & Conclusions
Reduced Infrastructure Needs

5D’s
- Destination Accessibility
- Design
- Diversity
- Distance to Transit
- Density

Economics
- Enhanced Revenues
- Reduce Costs and Environmental Impacts
Reduced Infrastructure Needs

- Services Related to Densities/Intensities
  - Fire, Parks, Schools, Transportation
  - Smaller service areas = cost savings
    - Reduced public investment, reduced VMT
Reduced Infrastructure Needs

**Status Quo**
Example Community ~2 du/acre/6 sq. miles

- Fire Station: 1/3
- Elementary School: 1/2
- Middle School: 1/10
- High School: 1/10

<table>
<thead>
<tr>
<th>Transit Service Threshold Level</th>
<th>Dwelling Unit Density Threshold</th>
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<td>Minimum</td>
<td>4.50 – 5.99 du/acre</td>
</tr>
<tr>
<td>High</td>
<td>6.00 – 7.99 du/acre</td>
</tr>
<tr>
<td>Very High</td>
<td>≥ 8.00 du/acre</td>
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2 Du/Acre
6 Sq. Miles
Reduced Infrastructure Needs

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

Fire Station 1
Elementary School 2
Middle School 1/2
High School 1/2

Transit Service Density Thresholds

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Reduced Infrastructure Needs

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

8 Du/Acres
6 Sq. Miles

Transit Service Density Thresholds

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Reduced Infrastructure Needs

- Opportunity for Public Investment Savings
  - Public school sites
  - Provide park amenities, reduce need other parks
  - Proximity to residential increases walkability
  - Fire station location
  - Critical to response time
## Fire/EMS – LOS vs. Revenue Needs

### Collier County Fire Control Districts

<table>
<thead>
<tr>
<th>Fire District</th>
<th>Number of Stations</th>
<th>Population (2007)</th>
<th>Coverage (Sq. Miles)</th>
<th>Density</th>
<th>Level of Service</th>
<th>Millage Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Naples Fire</td>
<td>7</td>
<td>94,168</td>
<td>68.3</td>
<td>1,379</td>
<td>13,453</td>
<td>1.0000</td>
</tr>
<tr>
<td>East Naples Fire</td>
<td>5</td>
<td>82,853</td>
<td>85.9</td>
<td>965</td>
<td>16,571</td>
<td>1.5000</td>
</tr>
<tr>
<td>Golden Gate Fire</td>
<td>4</td>
<td>73,233</td>
<td>106.4</td>
<td>688</td>
<td>19,058</td>
<td>1.5000</td>
</tr>
<tr>
<td>Isles of Capri Fire</td>
<td>1</td>
<td>1,943</td>
<td>13.4</td>
<td>145</td>
<td>1,943</td>
<td>2.0000</td>
</tr>
<tr>
<td>Immokalee Fire</td>
<td>2</td>
<td>19,273</td>
<td>238.3</td>
<td>81</td>
<td>9,637</td>
<td>3.0000</td>
</tr>
<tr>
<td>Big Corkscrew Fire</td>
<td>3</td>
<td>17,125</td>
<td>191.8</td>
<td>89</td>
<td>5,709</td>
<td>3.5000</td>
</tr>
<tr>
<td>Ochopee Fire</td>
<td>2</td>
<td>1,828</td>
<td>822.7</td>
<td>2</td>
<td>914</td>
<td>4.0000</td>
</tr>
</tbody>
</table>
Savings with Density:

- Better ISO rating – Lower Insurance Rates
  - For a $150K Home Up to $600 Per Year

- Lower Assessment Rates
  - Up to $100 to $200 per Year
### VMT Reduction:

<table>
<thead>
<tr>
<th>Factor</th>
<th>Elasticity</th>
</tr>
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<tbody>
<tr>
<td>Destination Accessibility</td>
<td>-0.20</td>
</tr>
<tr>
<td>Design</td>
<td>-0.12</td>
</tr>
<tr>
<td>Diversity</td>
<td>-0.09</td>
</tr>
<tr>
<td>Distance to Transit</td>
<td>-0.05</td>
</tr>
<tr>
<td>Density</td>
<td>-0.04</td>
</tr>
</tbody>
</table>

*Source: Ewing and Cervero; “Travel and the Built Environment”*
## Transit Service Density Thresholds

<table>
<thead>
<tr>
<th>Transit Service Threshold Level</th>
<th>Dwelling Unit Density Threshold</th>
<th>Employment Density Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum</td>
<td>$4.50 - 5.99$ du/acre</td>
<td>$4.00 - 5.99$ employees/acre</td>
</tr>
<tr>
<td>High</td>
<td>$6.00 - 7.99$ du/acre</td>
<td>$5.00 - 6.99$ employees/acre</td>
</tr>
<tr>
<td>Very High</td>
<td>$\geq 8.00$ du/acre</td>
<td>$\geq 7.00$ employees/acre</td>
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Magical Number for Public Facilities
Environmental Benefits

- Reduced Footprint
- Fewer Impacts on Habitat/Wetlands
- Reduced Travel/VMT
- Reduced Greenhouse Gases
Transfer of Development Rights

- Potential TDR Area
  - Limited services and infrastructure
  - Transfer density to urban area
    - Existing services and infrastructure
    - Higher land values
  - Protect watershed/habitat
Presentation Overview

1. Productive Revenues
2. Reduced Infrastructure Needs/Cost
3. Case Studies
4. Summary & Conclusions
Case Studies

- Highlighted Projects
  - City of Tampa
  - Pasco County
  - Osceola County
  - Orlando/Orange County
Reason for change…

…Wanted to provide a flexible and expedited review process to guide growth and development into targeted areas while protecting neighborhoods and single-use areas.
City of Tampa: Alternative Concurrency Program

Targeted Growth Districts
- Pay-and-Go
- Expedited Review Requirements

Economics
- Activities Center/Corridors
- Incentives

Flexibility
- Walk/Bike Plans (Awards)
- Circulation/Transit

Pay & Go

Corridors
Streetcar Service Area
Transit Centers
Bus Transfer Centers
City of Tampa: Alternative Concurrency Program

- Protected Neighborhoods
- Bus Rapid Transit
- Corridors
- Streetcar Service Area
- Transit Centers
- Bus Transfer Centers

Protected Areas
- Stringent Review Requirements
- Must Meet Concurrency

• Incentives Match Goals
• Implemented/Adopted

City of Tampa: Alternative Concurrency Program

• Incentives Match Goals
• Implemented/Adopted
Case Studies

- Highlighted Projects
  - City of Tampa
  - Pasco County
  - Osceola County
  - Orlando/Orange County
Reason for change...

...Did not want to continue to be a bedroom community for Hillsborough and Pinellas counties.
County Objectives:
- Vary fees geographically
- Incentives for job creating land uses
- Flexibility to spend fees across modes
- Other revenues subsidize incentives
Vary Rate Schedules Geographically
Vary Land Use Rate by Geographic Area

Traditional Office Fee
Per 1000 SF

Old Fee = $3,703

$2,000

$1,000

$0
Pasco County Mobility Fee

Vary Land Use Rate by Geographic Area

- Economics
- Land Use
- Incentives
  - $
  - Time/Complexity and Predictability
No Fee for TOD in Targeted Overlay Areas

TOD All Uses
Per 1000 SF

Old Fee = N/A

Regional Mobility and Urban Development Goals

Pasco County Mobility Fee

$0

N/A
Summary:

- Implement comprehensive plan
- Economic development incentive tool
- New jobs in Pasco County
- Right development form, right place, right time
- Now updating the Land Development Code

- Incentives Match Goals
- Implemented
- Adopted
- Continued Enhancements
“The whole point of the new fees is to do two things: create jobs and redirect growth in a way that’s healthier for the County. ....The idea is to keep the growth in the urban areas, keeping rural areas rural”

John Hagen, President and CEO of the Pasco Economic Development Council
Case Studies

- Highlighted Projects
  - City of Tampa
  - Pasco County
  - Osceola County
  - City of Orlando/Orange County
Osceola County Transportation Funding Study

Key Concepts:
- Carry out Comprehensive Plan
- Economic development incentive tools
- Right development form and location
- Create new jobs!
- Spending flexibility
- Maximize revenues

- Economics
- Land Use
- Revenue Diversity
Osceola County Transportation Funding Study

BCC Direction (Four Workshops):

- Eliminate transportation impact fees
- No new taxes; think out of the box first
- Equity and fairness between who pays
- Enhance current maintenance funding
- Rebalance projects with existing revenues
- Must have implementation action plan

- Economics
- Fairness
- Creative Finance
- Maintenance
## Revenue Source (Red Existing and Green Board Direction to be Used to Fund Transportation)

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Regional or Countywide</th>
<th>Subarea</th>
<th>Project Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas Taxes (1st Local Option Fuel Tax, Ninth Cent, Constitutional, County, etc.)</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ad Valorem Taxes</td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Local Infrastructure Sales Surtax – 1%</td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>1. Tax Increment Financing (TIF) New Growth</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Tax Increment Financing (TIF) Existing Base</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Local Discretionary Sales Surtax (Charter Co.)</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gas Tax (2nd Local Option 5 cents)</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Development District</td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Special Assessment District (SAD)</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MSTU / MSBU</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Service Tax</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation Development Fee (Impact Fee)</td>
<td></td>
<td>X</td>
<td></td>
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</table>
Implementation considerations

- Develop legal framework
- Define ordinance to repeal existing impact fee
- Coordinate with cities
- Update Comprehensive Plan and Code

Working on Implementation

- Economics
- Land Use
- Fairness
- Maintenance
- Alternative Financing
Case Studies

- Highlighted Projects
  - City of Tampa
  - Pasco County
  - Osceola County
  - Orlando/Orange County
Reason for change…

…Wanted **flexibility** to spend funds across alternative modes and **incentives** for mixed-use and transit-oriented development.
City of Orlando Multi-Modal Transportation Fee

Initial Planning Areas

Three distinct types/stages of development
City of Orlando Single Use Areas

Legend
- Single Use Areas
City of Orlando Multi-Modal Transportation Fee

Smart Growth Application

Legend
- Mixed Use/TOD
- Activity Centers
- Mixed-Use Corridors
City of Orlando Property Tax Revenue Per Acre

Property Tax Revenue per Acre

Corridors/Activity Centers
Productive and Diverse Revenues

- Low Revenue per Acre
- Moderate Revenue per Acre
- High/Very High Revenue per Acre
- Activity Centers
- Mixed-Use Corridors
City of Orlando CRA’s
Adopt the fee at 50%

$0 for Qualifying TODs in Downtown Core

Continue with Exemption of Change of Use
City of Orlando – TOD Definition

- Located within ¼-mile of SunRail or LYMMO
- Compact, mixed-use, including residential
- Pedestrian & bicycle friendly facilities
- Reduced parking
- Subsidize transit ridership for employees
Proposed TOD Locations (Downtown Core)
Orlando/Orange County Coordination
Alternative Mobility Area (AMA)

County Targeted
Flexibility and Regional Mobility Need

OCAMA

City of Orlando Core

County Targeted Flexibility and Regional Mobility Need

OCAMA

OCAMA

OCAMA
Presentation Overview

1. Productive Revenues
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4. Summary & Conclusions
Summary -- Key Concepts

- Convergence
  - Reduced Cost
  - Increased Revenue
- Productive vs. New Revenues
- A “Plan”
  - Land Use / Finance / Services
Summary -- Key Concepts Cont.

- Market
  - Do You Have A “New Market”?

- Sell Your Plan
  - Develop A “Plan”
  - Graphically “Show Your Plan”
  - Aggressively “Sell Your Plan”