

Land Use and Fiscal Impact Analysis – A GFOA/APA Joint Project

Shayne Kavanagh
Senior Manager – Research
Government Finance Officers Association

Kevin Wachtel
Finance Director
Village of Villa Park

IGFOA 2018 ANNUAL CONFERENCE

CELEBRATING ILLINOIS 200

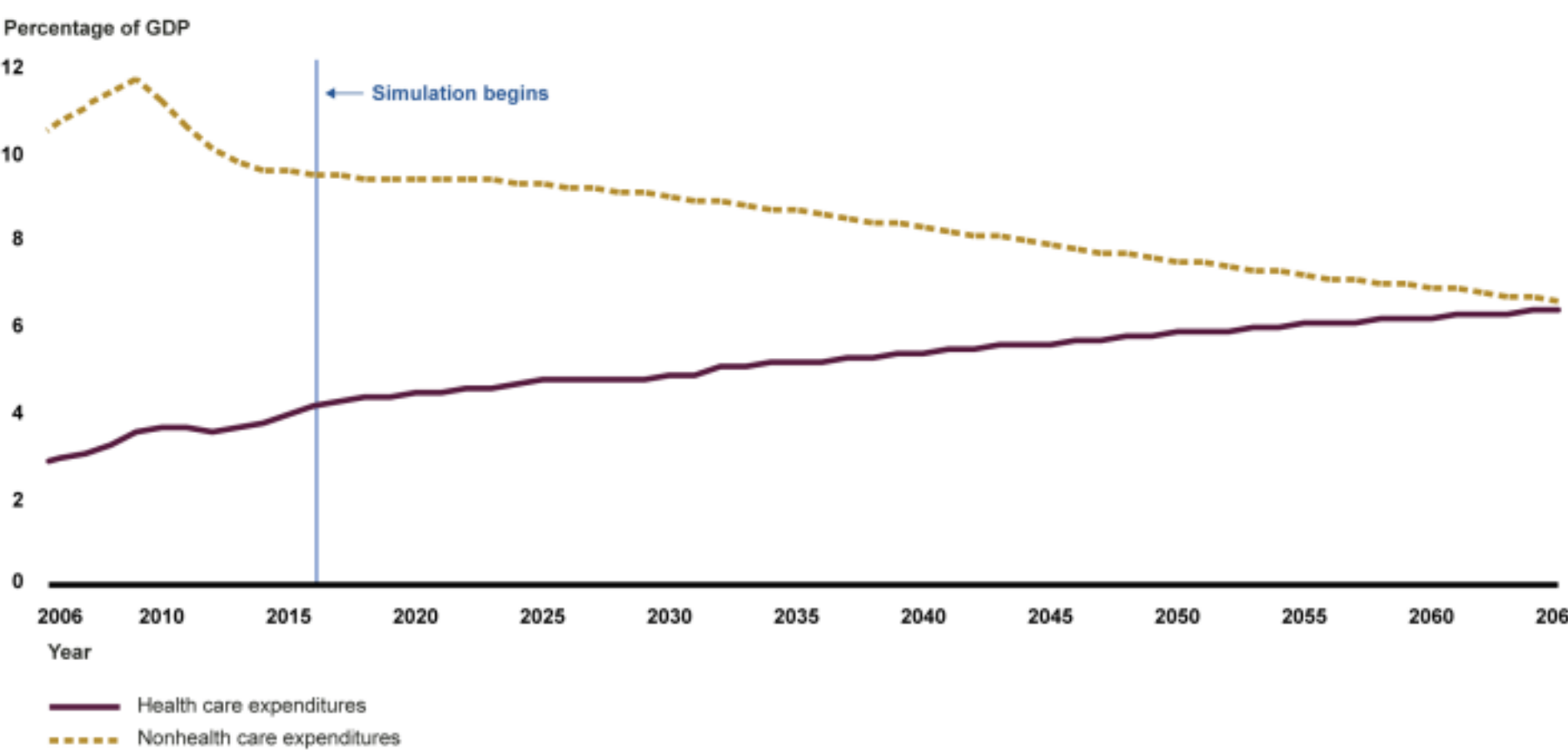


Headwinds!



Pensions and Health Care

Figure 3: Health and Nonhealth Expenditures of State and Local Governments as a Percentage of GDP





















Sources: GAO calculations using data from the Agency for Healthcare Research and Quality and the Bureau of Economic Analysis, and GAO simulations, updated December 2016. | GAO-17-213SP



Infrastructure Maintenance & Renewal

American Society of Civil Engineers

Illinois Infrastructure Grades

 AVIATION 	 BRIDGES 	 DAMS 
 DRINKING WATER 	 INLAND WATERWAYS 	 RAIL 
 ROADS 	 TRANSIT 	 WASTEWATER 





Challenges and Opportunities for Planning and Finance to Work Together

- Professional differences
- Work environment
- Opportunities to Improve Fiscal Impact Analysis
- Opportunities Exist to Improve Long-Term Planning

The GFOA-APA Process

- 1. Define the problem
- 2. Generate ideas to solve problems
- 3. Prototype solutions
- 4. Produce solutions that pass prototype



We are Here



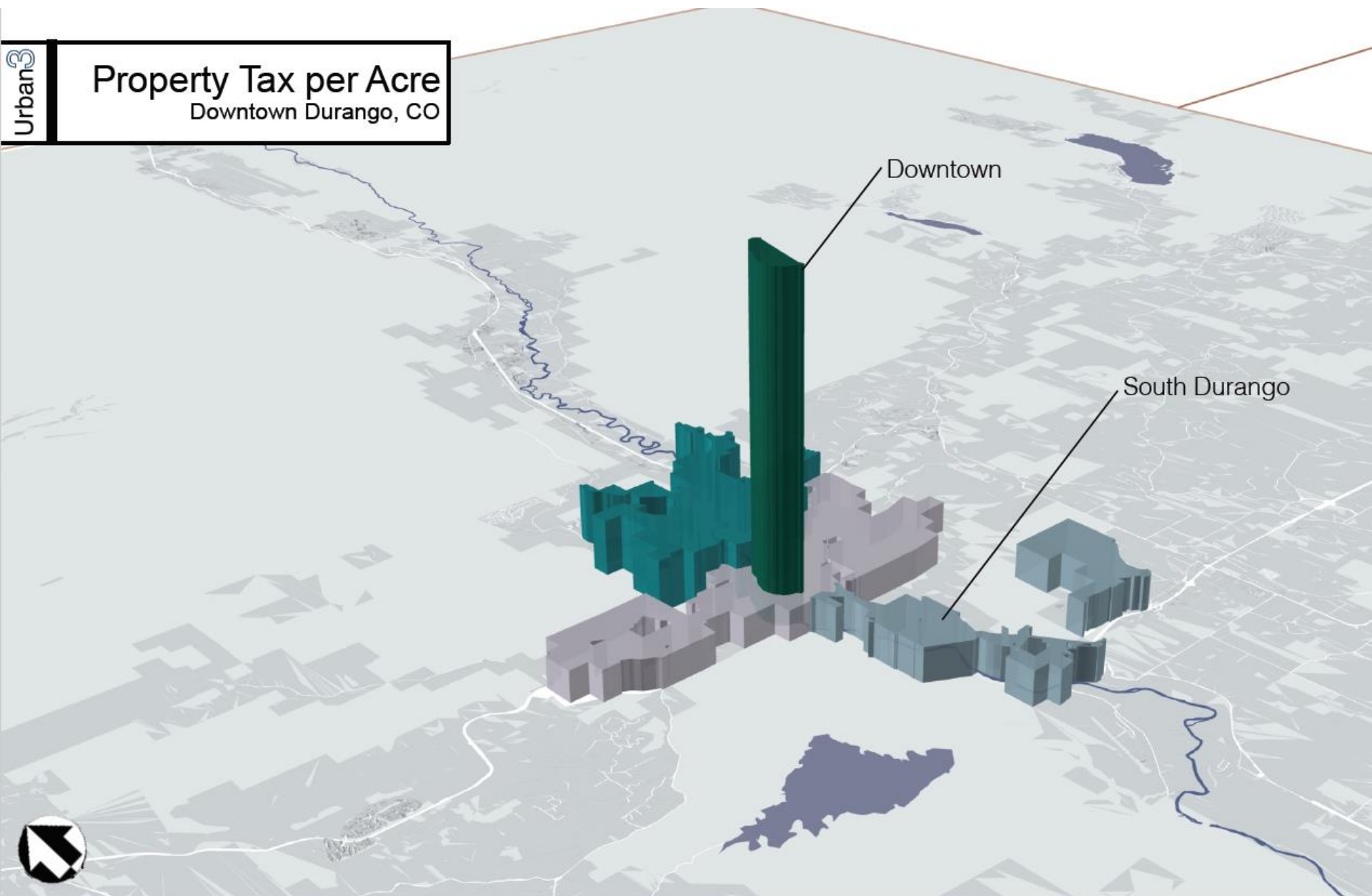
Fiscal Meets Physical Mapping

Durango, Colorado



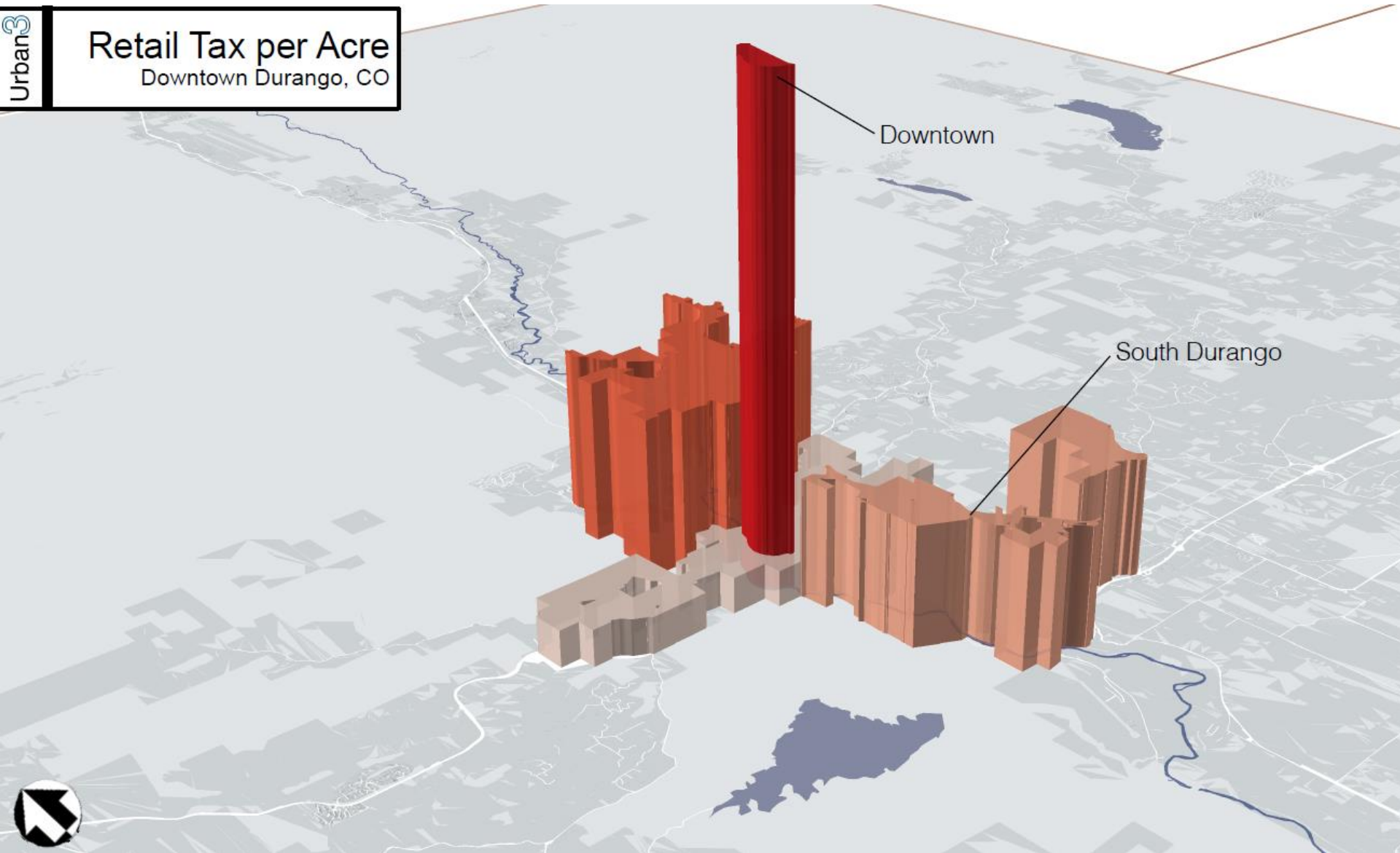
Property Tax per Acre

Downtown Durango, CO



Retail Tax per Acre

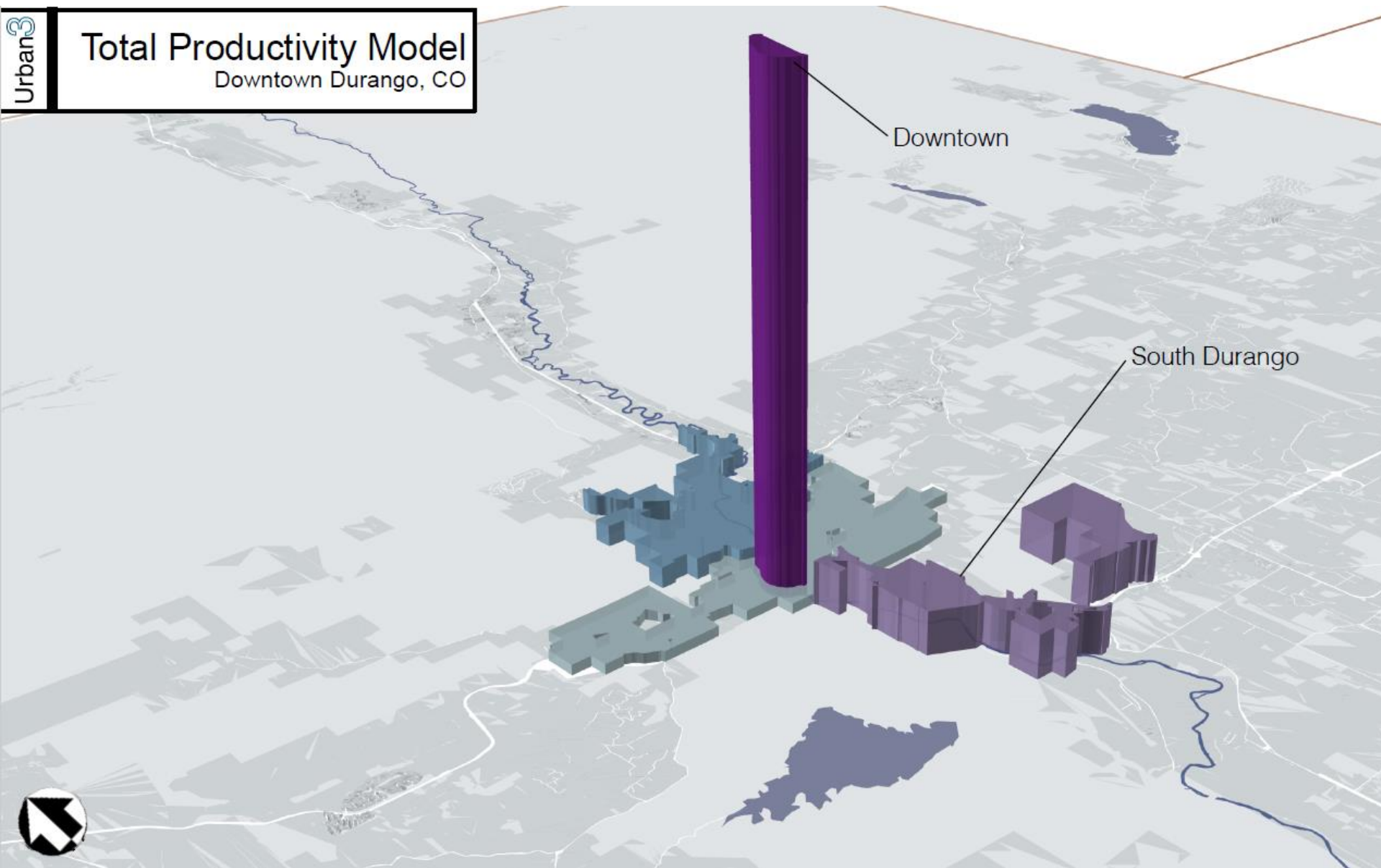
Downtown Durango, CO



Urban3

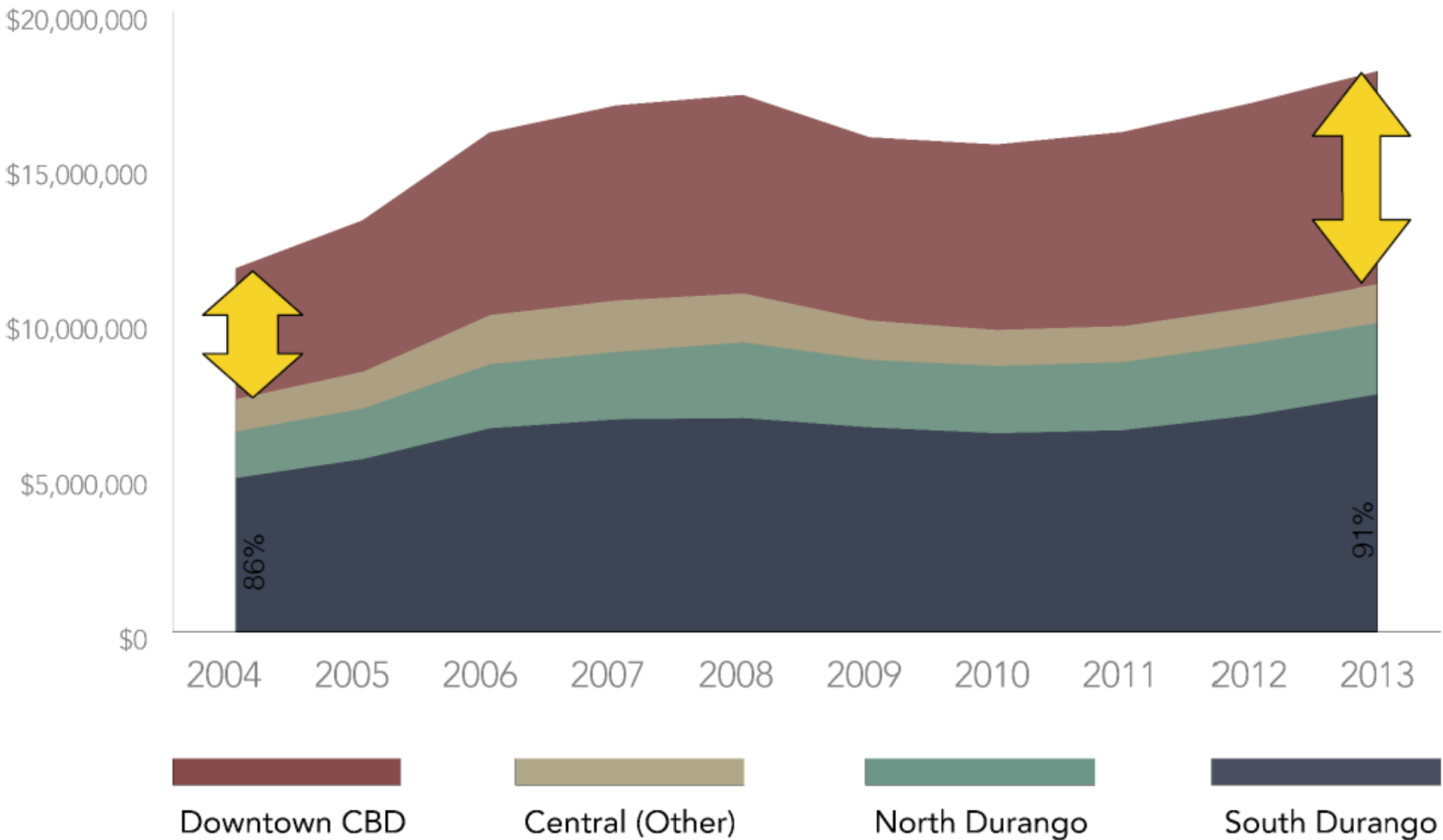
Total Productivity Model

Downtown Durango, CO



Sales Tax Production by District,

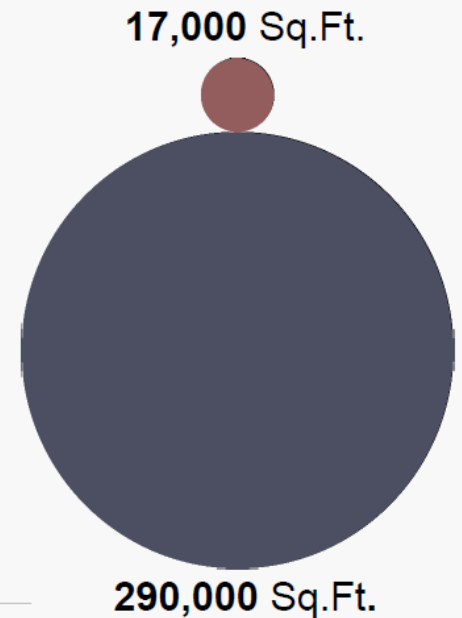
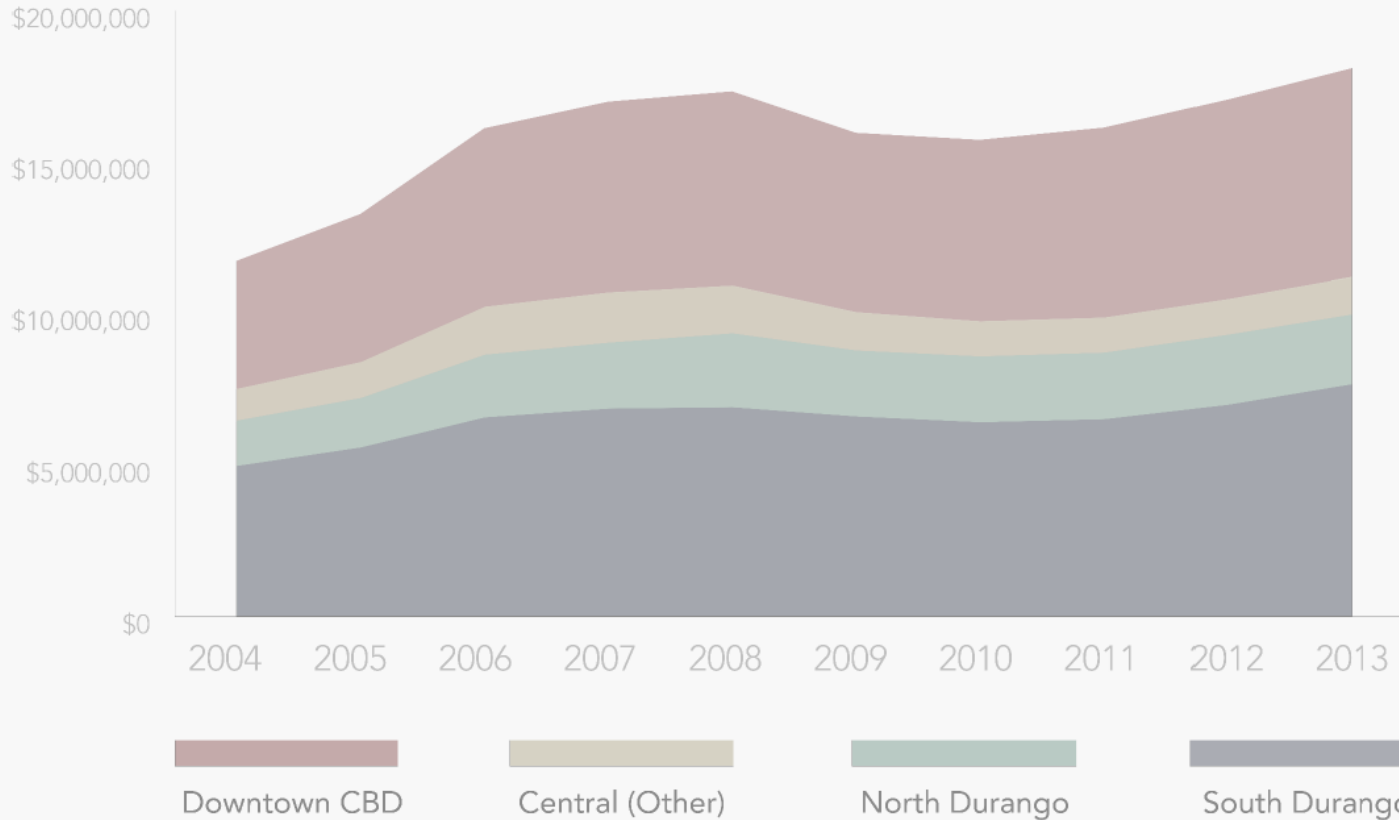
(2004 - 2013)



Sales Tax Production by District, (2004 - 2013)

Durango Land Potency
Comparing Downtown vs. South Durango

Urban3



**Commercial Square
Footage Added**

* Land comparison for only commercial land types

Apples to Apples

Comparing land use types



land consumed (acres)

13.4

0.15

county property taxes / acre

\$1.8K

\$22.7K

city retail taxes / acre

\$152K

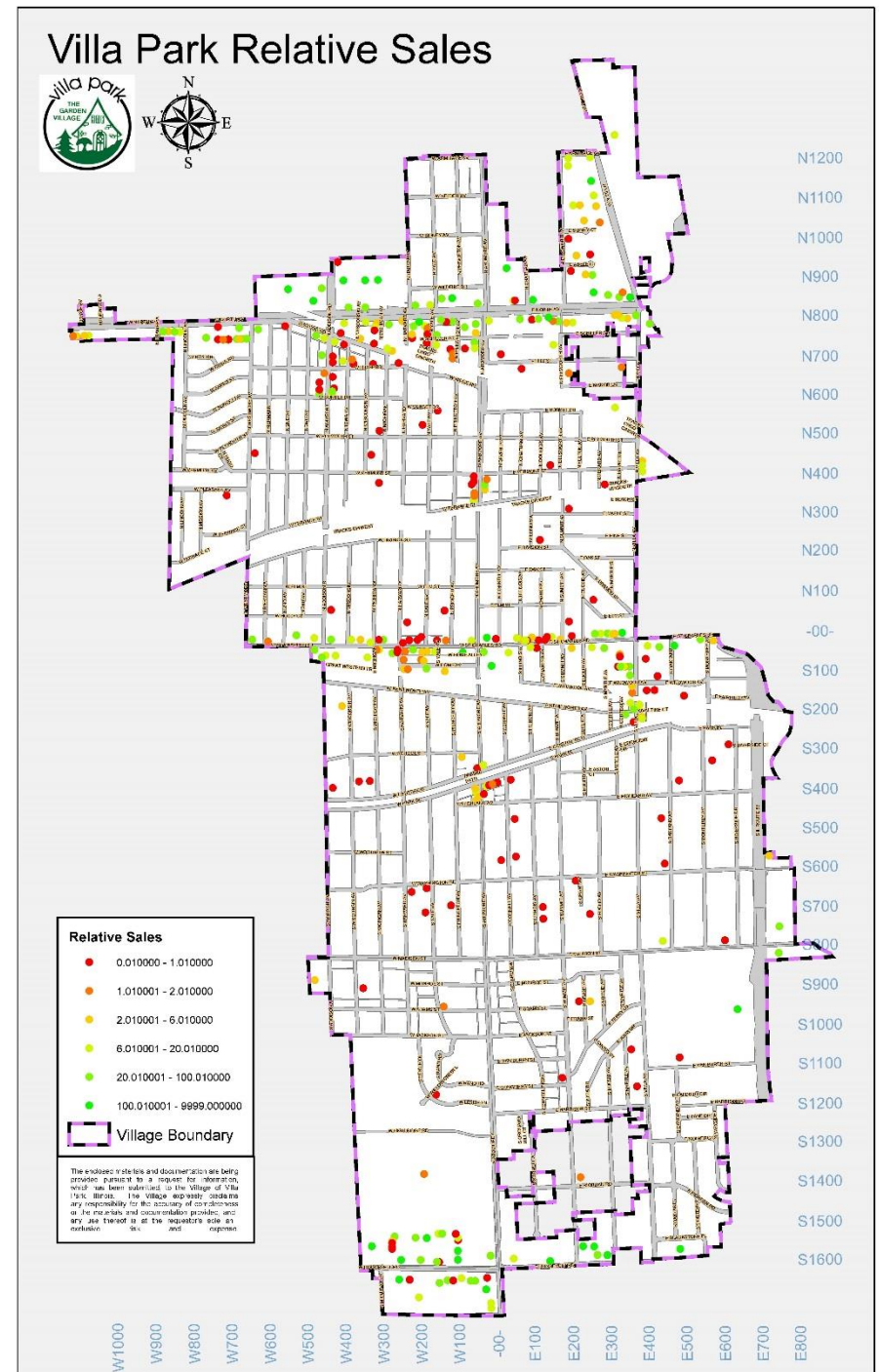
\$556K

jobs / acre

15

233

Simple sales tax heat map using GIS





What **burning questions would you want to answer with financial map?**

1 minute silent contemplation

2 minutes to talk to a partner

4 minutes for 2 pairs to discuss

We all hear what your groups had to say



What **policies or solutions might you pursue if you could answer your question?**

1 minute silent contemplation

2 minutes to talk to a partner

4 minutes for 2 pairs to discuss

We all hear what your groups had to say

Fiscal Impact Analysis (FIA)

The FIA Challenge

FIA not performed in a standard way



The FIA Challenge

Communicating FIA effectively



Key Questions

- What are the goals of FIA?
- What are key ingredients to achieve the goals?
- For the ingredients of fiscal impact analysis, to **what degree can they be standardized** across cities?
- Where is flexibility needed for local conditions?

Key Ingredients to FIA

- Community goals
- Realistic assumptions about impact
- Stakeholder involvement
- Shared terminology
- Parameters for acceptable development



For the key ingredients, where do you think
a national standard from GFOA and APA
would be most helpful to you?

1 minute silent contemplation

2 minutes to talk to a partner

4 minutes for 2 pairs to discuss



- Write your favorite idea on an index card
- Mill around the room passing & receiving cards
 - Goal is to randomly distribute cards
- When chime rings stop and...
 - Pair up with another person and discuss the idea you have in your hand for a couple of minutes
 - At the end of your conversation, **you** rank the idea you have **in your hand** 1 thru 5 (5 is the best).
- We repeat the milling and passing a few times and then add up the scores on each card to find the leading ideas



Thank you!

- For questions:
 - Shayne Kavanagh, GFOA
 - skavanagh@gfoa.org, 312-578-2276
- Members of steering group
 - Kevin Wachtel, IGFOA, Villa Park
 - Jennifer Henaghan, APA
 - Drew Awsumb, IL APA, Highland Park
- Special Thanks
 - Joe Minicozzi, Urban 3
 - Peter Katz, Author, *The New Urbanism*