

TischlerBise Fiscal & Economic

NEWSLETTER

We Are Now TischlerBise

You may have noticed from the new masthead to this newsletter that Tischler & Associates, Inc. is now TischlerBise. The change marks the elevation of Carson Bise to partner at the firm. Over Carson's long tenure with the firm, he has performed scores of studies pertaining to the firm's core businesses: fiscal, economic and planning consulting services. Carson's new partnership role will ensure that TischlerBise will continue to offer our clients the exceptional consulting services that have defined the firm for more than 25 years.

Development Impact Model Designed for Fast Growing Virginia County

TischlerBise was retained by the Winchester-Frederick County Economic Development Commission to design and implement a development impact model for use by Frederick County, Virginia. The Winchester-Frederick County Economic Development Commission wished to understand the fiscal impacts to the County of proposed development projects as well as countywide growth scenarios.

The model evaluates specific projects as well as growth scenarios

The fiscal model designed for the County includes a projection of the demands for service (possibly under different levels of service), as well as the impact on revenues and operating and capital expenditures. In addition, the structure of the fiscal impact model allows for future expansion and/or incorporation of additional modules (i.e., economic impacts).

Denver Suburb Implements Fiscal Model

TischlerBise was retained by the City of Westminster, Colorado to design and implement a fiscal impact model, using a two-

The city wishes to know the fiscal impacts of buildout

phase approach. In Phase I, a beta version using the Parks, Recreation and Libraries

(See WESTMINSTER, p. 2)

Model Flexibility

The Frederick County Development Impact Model was developed using Microsoft Excel and Visual Basic. The result is a powerful and flexible application that allows the user to decide the level of detail, as well as sophistication, reflected in the model. As the County grows and changes, levels of service, cost data, funding terms and other

(See FREDERICK COUNTY, p. 4)

Concurrency Model Prepared

Carroll County, Maryland, impacted by growth from both Baltimore and Washington, contracted with TischlerBise to provide a software application to assess the impacts of new residential development projects on the capacity of the County's infrastructure (water, sewer, schools, police, fire, and roads) as measured by the County's Adequate Public Facilities Ordinance (APFO).

(See CARROLL COUNTY, p. 2)

IN THIS ISSUE

Fiscal Impact Models

This newsletter focuses on three recent fiscal impact applications developed for individual clients and their unique specifications. A fiscal impact model provides an effective means to integrate budget and finance concerns with land use planning decisions.

The overwhelming majority of local governments do not conduct fiscal impact evaluations and do not understand the short- and long-term fiscal effects of land use and development policies.

The firm's fiscal applications are the most successful, comprehensive and widely used in the country. One reason is that we design our fiscal applications only after the appropriate methodologies, levels of service, and cost/revenue factors have been agreed upon by both the client and the firm.

Each jurisdiction's individualized model answers their unique cost of growth questions

This newsletter focuses on three recent fiscal models developed by the firm. The Frederick County, VA model calculates the impact of various land use decisions. The Westminster, CO application assists the City in understanding not only the impact of land use decisions, but also the likely impacts of buildout as the City matures. Finally, the Carroll County, MD model was developed to monitor the impact of residential growth on infrastructure capacity, as defined by their Adequate Public Facilities Ordinance.

Finally, this newsletter is our first under our new name—TischlerBise. I am pleased to announce long-time associate and current Vice President, Carson Bise, as partner at the firm. This change marks an exciting, yet natural evolution for the firm. We look forward to continuing to provide the best fiscal, economic, and planning services to our ever-growing roster of clients.

Paul S. Tischler

WESTMINSTER, CO*(continued from p. 1)*

department as the initial test case was conducted. Since this initial effort involved only one department, the focus was determining potential applications for the model, developing a user-friendly interface and determining methodologies for projecting capital and operating costs, as well as program-related revenue.

Based on the feedback received during Phase I, it was mutually decided that TischlerBise would proceed with Phase II, development of the complete fiscal impact model with the following design parameters:

- The model uses a 25-year time horizon

and is capable of analyzing multiple land use scenarios. These scenarios can include changes to the land use plan, zoning amendments, varying absorption schedules as well as major new development projects.

The model reflects different fiscal analysis zones, including TIF districts

- The model is designed with the capability of incorporating at least three fiscal analysis zones (FAZs), which allows the City to reflect varying demographic and land use characteristics of new develop-

ment. An example is using an FAZ to reflect development in a tax increment finance district.

- Inherent in the model design is the ability to incorporate the City's changing character from new growth to buildout over the model's 25-year time horizon; the City will also be able to vary levels of service.

Like all of the firm's fiscal applications, the fiscal impact model developed for the City of Westminster was developed using Microsoft Excel and Visual Basic. Following completion of the model, an implementation program was initiated, which involved hands-on training with City staff.

CARROLL COUNTY, MD*(continued from p. 1)*

The model, designed in Microsoft Excel and Visual Basic, was developed to represent the particular demographic, infrastructure, and legal characteristics of Carroll County, as well as the types of outputs and analyses the County desired.

The model calculates whether a development meets or fails concurrency

As the County grows and changes, levels of capacity, inventory of capital assets, concurrency management standards and other similar factors, which define concurrency in the County, can be easily modified and updated. Alternative development schedules and assumptions can be substituted to evaluate the concurrency status of different development proposals.

Model Overview

There are two components of the model. The first evaluates the concurrency status of a proposed new development. If the project meets the County's concurrency parameters adopted in the APFO and is approved, it is moved to the "Issued & Allocated Database" and added to the County's cumulative development database. If a project fails the concurrency parameters, it is moved to the "Deferral Database" to be re-tested at a future date.

Concurrency Analysis

The first component of the model tests the concurrency status of the project. Through a series of simple pull-down menus, the user selects the specific water, sewer, school, and fire facilities that will serve the proposed development.

Using the proposed number of dwelling units and related demographic data, the model calculates the impacts of the development in terms of population, public school students, gallons of water, gallons of sewer, and vehicle trips. Various development scenarios with varying phasing assumptions can be evaluated to test the resulting concurrencies.

The model adds the impact of the new development to cumulative development impacting each category (both from existing development and future development that has been approved). The model then compares the total impact on the capacities of the affected infrastructure and calculates the project's concurrency status for each category.

The model automatically calculates concurrency management status (adequate, approaching inadequacy, or inadequate) for police, water, sewer, and schools. The concurrency status for fire and roads is entered directly.

Cumulative Development Databases

The next component of the model involves adding the development proposal to the "Issued & Allocated Database" if the

project meets concurrency management standards; or, to the "Deferral Database" if the project does not meet concurrency management standards.

If a project meets concurrency management standards, it is added to the "Issued & Allocated Database," which adds the project's impact to the cumulative impact of other projects that have already been approved. This step adds the new development to the development that currently exists and those approved developments that will be served by water, sewer, police, fire, school, and road facilities in the future.

"The model provides important information for us to make better and quicker decisions"

– Carroll County Official

If a project does not meet concurrency management standards, the next step is to add the project to the queue in the "Deferral Database." This step adds the project's impact to the queue of other projects that have already been deferred.

The model keeps track of the cumulative impact of development when evaluating the concurrency of future development proposals. It has been designed to accommodate 300 new developments.

The model has several pre-defined graphs and tables for viewing the impact of cumulative development in the County.

Impact Fees

TischlerBise has prepared over 500 impact fees, more than any other firm. Highlighted below are three recent impact fee assignments.

Tucson, AZ—Over 95% of our impact fee work is for the public sector. However, sometimes we critique impact fee studies for the private sector. We believe it provides us with a more comprehensive perspective and awareness of the “minefields.” The nonresidential community hired us to critique proposed road impact fees for Tucson. TischlerBise found a number of significant issues including methodology, cost assumptions, no specific capital improvement program and geographic nexus issues. By the end of the process, the City chose to eliminate this fee for nonresidential development.

Buckeye, AZ—The Town of Buckeye will be one of the largest cities in Arizona when it is ultimately built out. Given its geographic size, the calculation of development impact fees needed to be sensitive to issues related to collection and expenditure zones. TischlerBise prepared development impact fees for: water, sewer, parks, library, police, fire/EMS, streets and general government.

Henrico Co., VA—For the County of Henrico, VA, TischlerBise was hired to explore cash proffers for a number of capital facilities including: police, fire, parks/recreation, libraries, schools, and roads. After an initial feasibility study for these categories, the County decided to pursue parks/recreation,

libraries, schools, and roads in more detail. The firm evaluated possible methodologies and documented appropriate demand indicators by type of development for each type of cash proffer.

Fiscal Impact Analysis

TischlerBise is sometimes hired to critique the fiscal impact evaluations prepared by other firms. A few are summarized below.

Englewood, NJ—This community, close to New York City, hired TischlerBise to critique the fiscal impact study of a proposed residential and office development that indicated net surpluses. TischlerBise requested more information in order to ascertain what the fiscal results would be if the residential development preceded the nonresidential, since the office market appeared to be soft. The fiscal results were then negative.

Queenstown, MD—A 500,000 square foot shopping center is proposed in this small community. The developer’s fiscal consultant provided a report showing sizeable fiscal surpluses. However, the report failed to adequately account for significant cost increases for police, fire/EMS and off-site road expenditures. The assessed value assumptions were also aggressive. A revised study showed significantly less net surpluses.

Tiverton, RI—This small community received a fiscal impact analysis showing significant fiscal benefits from a proposed 350,000 square feet retail complex. The calcu-

lation was based on comparable impacts of similar centers in other jurisdictions. How-

*Tiverton is unique,
as is every community*

ever, Tiverton is unique, as is every community. A number of capital and operating expenses were not fully reflected. Also, one of the tax categories was being phased out. These factors changed the results significantly.

New Fiscal Impact Assignments:

Arapahoe Co., CO
Lawrence, KS
Pickerington, OH
Suwanee, GA

New Impact Fee and Feasibility Assignments:

Avenal, CA
Corcoran, CA
DeSoto Co., FL
El Centro, CA
Frederick, MD
Grass Valley, CA
Imperial Co., CA
Maricopa, AZ
Pahrump, NV
Pasquotank Co., NC
Pickerington, OH
Port St. Lucie, FL
Sedona, AZ
Sherman, TX
Stuart, FL

TischlerBise
COST OF GROWTH SERVICES

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Please send the following:

- Recent Fiscal & Economic Newsletters
- Reprint “20 Points to Know About Impact Fees”
- Reprint “Impact Fees – Understand Them or Be Sorry”
- Excerpts from: ICMA IQ Report “Introduction to Infrastructure Financing”
- Excerpts from: ICMA Smart Growth Network “Smart Growth & Fiscal Realities”

Information about TischlerBise

Consulting Services:

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FREDERICK COUNTY, VA
(continued from p. 1)

similar factors that define fiscal expenditures, can be easily modified and updated. The model structure is also transparent and allows all users to clearly see the methodology, data, and algorithms utilized to verify the correct application of the data, thereby avoiding “black box” concerns.

County Working Group

Once selected for this assignment, TischlerBise interacted with a public/private

The model structure is transparent and flexible

sector working group who reviewed level of service and cost/revenue assumptions and

assisted with implementation of the finished model.

Design of Model

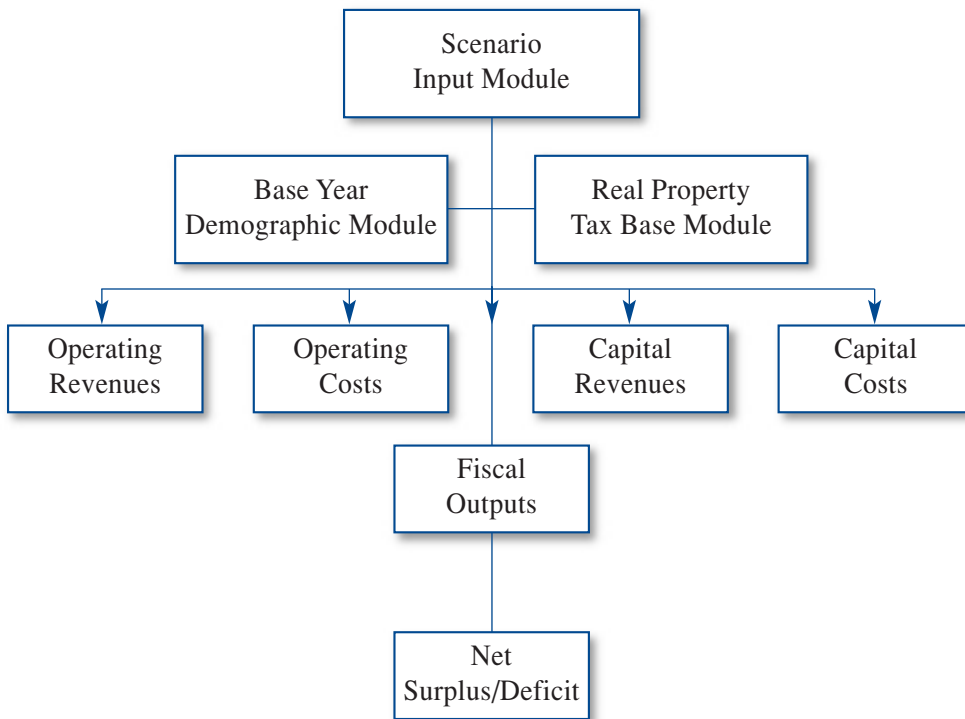
To develop the model, TischlerBise staff interviewed major County facility and service providers to understand how each department is structured, as well as to gather information regarding current levels of service, available capacity of capital facilities, facility-related operating costs and how different types of growth affect services. Based on these discussions, a unique methodology was developed for each service and capital facility type.

A unique methodology was developed for each service and capital facility type

Applications

Although the model can be used for long-range planning applications such as evaluating Countywide growth scenarios, the primary use of the model will be to review and assess the impact of specific development proposals, such as rezonings. The overwhelming majority of counties in the Commonwealth of Virginia are not authorized to collect impact fees, and therefore rely on “voluntary” proffers. Since these proffers can only be committed at the time of a rezoning, the model’s output on capital facility impacts will provide valuable information for these negotiations.

The Dynamics of a Fiscal Model



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