



## Planners Committee

Item #2

August 1, 2013

### **Fiscal Impacts Consideration in Planning Processes**

**Issue:** SACOG and LGC staff are working with local governments on ways to analyze infrastructure costs and fiscal impacts on the front end of their planning processes.

**Discussion:** We know that how a community grows and develops directly impacts a local government's budget. To this point, planner and developer Joe Minicozzi has garnered national attention for compelling cities to think like farmers — in terms of yield per acre. He argues that too often the value of a development project is determined by the total amount of revenue generated (i.e., sales and/or property tax) without considering how much land that development consumes and if it is efficiently using that land to produce revenue. To help address this issue, Minicozzi has introduced a new way of looking at development by comparing the property and sales tax revenue of different, existing development types in cities (e.g., downtown buildings, residential single family homes, big box retail, etc.) on a per acre basis. He has repeated this study in communities across the nation (including California) and the results are consistent — dense, mixed-use developments pay better dividends to local governments than large-format suburban mall counterparts.

In addition, SACOG has been working on a tool to measure these same effects of growth, and also look at the demand for infrastructure generated. The tool, iMPACS, looks at how a local government can more efficiently plan for growth by providing needed infrastructure and generating enough revenue to cover costs.

LGC staff will present an overview of Minicozzi's work in California, and provide insight into work they've conducted related to infrastructure and fiscal impacts. SACOG staff will talk about how iMPACS can be used early on in a planning process to compare different patterns of growth.

GC:RP:ts

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