

# Fiscal Neutrality in Florida

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# Florida's Long History of Grappling with Infrastructure Financing for New Development

- Concurrency
- Community Development Districts
- Fiscal Neutrality
- Mobility Fees & TIF
  
- Some longstanding issues
  - Inadequate funding
  - Tension between standard methodology and flexibility
  - Accountability of public and private players
  - Iffy growth management consequences; encouraging sprawl

# GMSC Recommendation

- 2001 - Governor's Growth Management Study Commission (GMSC) identified goal of making fiscal impact analysis a routine part of land use planning and an integral part of the local government's comprehensive planning process.
  - “The tool should be designed to produce and apply better data to guide the planning and decision-making process.”
  - “The model should constitute a tool, not an automatic threshold for approval or denial.”
- **Context**
  - Issue of funding to implement core concepts of Florida's growth management framework was paramount for GMSC, especially how to fund infrastructure backlog, ie transportation and schools.
  - GMSC noted that despite FL's GM regulatory framework, “***there still does not exist a good linkage between future land use plans, and infrastructure planning and budgeting.***”

# Fiscal Impact Assessment in Florida

- 2002 – DEP contracts with Fishkind and Associates to develop model, which was first piloted in seven communities and refined (ie updated to exclude affordable housing). In 2004 ULI reviewed model, characterizing it as “excellent.”
- Model dubbed Florida’s ***Fiscal Impact Analysis Model (FIAM)***.
- Supposed to be foundation for developing a financing structure for infrastructure that will capture the “true costs” of development → *Growth will pay for itself*.
- The goal is to make FIA a part of the decision making process on local land use decisions (rezonings, comp plan amendments, development proposal reviews)
- Aims to link land use decision making and local government budgeting

# Basic Uses for FL's FIAM

- As an analytical tool – assess the financial feasibility of the local comprehensive plan
- As a planning tool – enable city planners to easily view the financial aspect of future land use development at an early stage of the planning process
- As a data management tool – keep track of financial information related to comp plan in a systematic way

From South Florida Regional Planning Council presentation dated June 23, 2006, entitled, “Use of the FIAM Model”



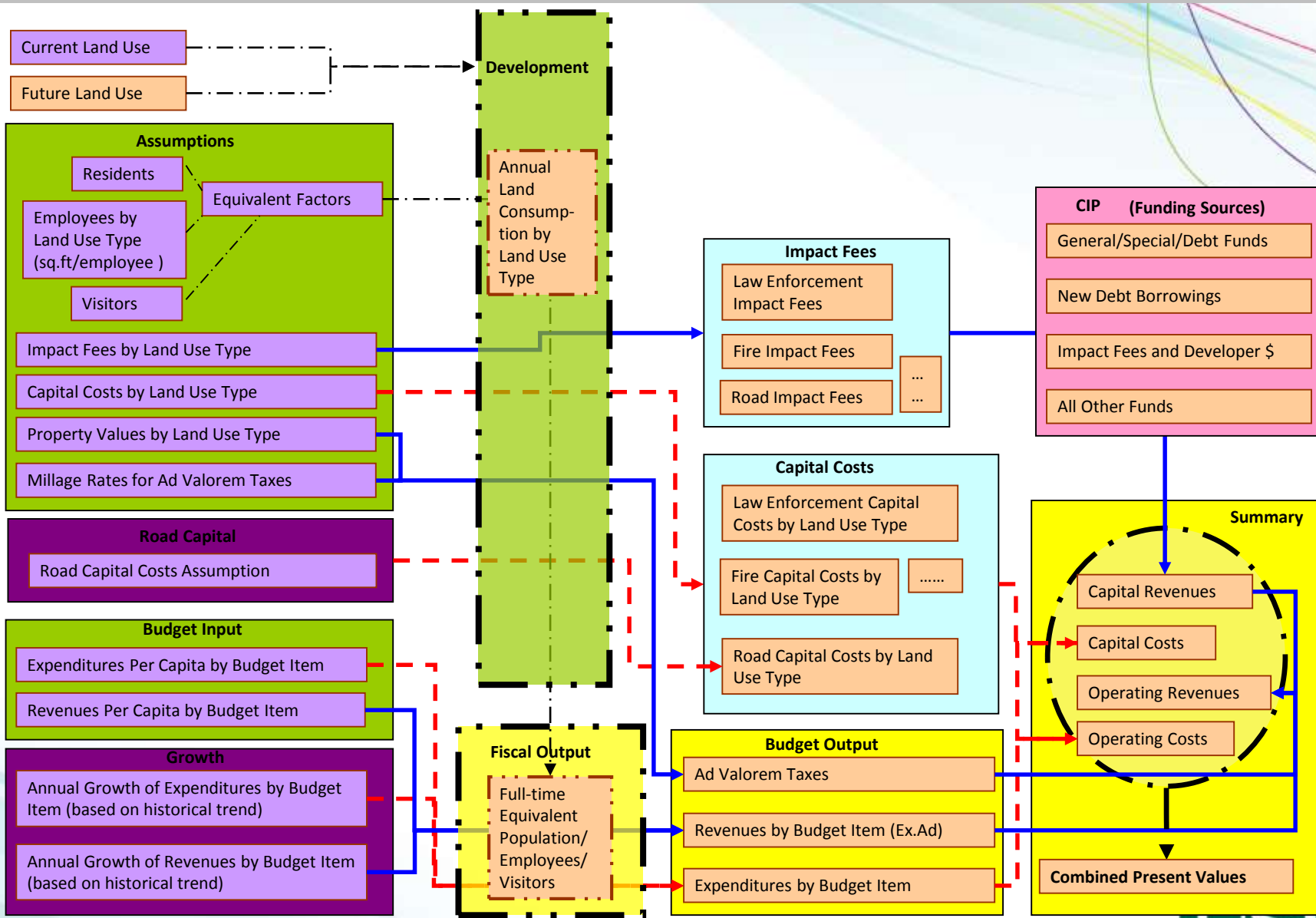
# FL's FIAM Model

- Estimates operating & capital expenses & revenues for **new development** based on the type, scale, and location of uses
- Costs
  - Should include impacts relating to school & transportation.
  - May include, but are limited to, other infrastructure as currently required by concurrency (water, sewer, stormwater and solid waste) & telecommunications.
- Revenues - should include all attributable to the new development including impact fees, optional local taxes, ad valorem taxes, gas taxes, sales taxes, and any other taxes and fees generated by the new development.
- Developers should only be responsible for costs attributed to impacts of their own development project (Rational Nexus, Rough Prop.) and not any infrastructure backlog
- The model should apply to all public and private projects and all land use categories

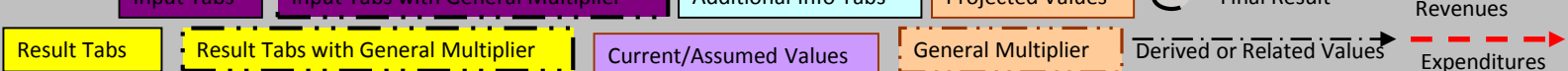
# FL's FIAM Model

- FIAM offers the analyst the ability to do both
  - 1) *project level analyses*
  - 2) *cumulative impact analyses*
- FIAM models location at three levels:
  - 1) *Core* (central city)
  - 2) *Urban* (inside Urban Service Area)
  - 3) *Rural* (outside Urban Service Area)
- FIAM can model the impacts of different land use types, including:
  - 1) *Single family residential*
  - 2) *Multi-family residential*
  - 3) *Commercial* (retail, office, hotel, golf course)
  - 4) *Industry* (industrial, warehouse)
- FIAM allows the user to alter the inputs to the model to reflect local LOS standards, local impact fee levels, tax levels, etc.

# Conceptual Framework of the FIAM Model



**Legend:**



Made:  
SFRPC Staff  
Date:  
6/22/2006





# Where is fiscal neutrality required?

- Sarasota County 2050 (2002)
- Collier County Rural Land Stewardship Area (2002)
- Collier Count Rural Fringe Mixed Use (2004)
- Farmton Local Plan – Volusia (2011)
  
- *All planning initiatives designed to promote smart growth in rural areas*
- *Reflects interest in whether “balanced development” can achieved a “balanced scorecard” (language from GMSC final report)*
- *A decade later, Sarasota & Collier are re-examining these policies and their impacts*

# Sarasota 2050 Fiscal Neutrality

*Landowners, developers, or Community Development Districts shall demonstrate Fiscal Neutrality as part of the master development plan approval process, and for each phase of each Village or Hamlet, according to the procedures established by the County, for review by the Board of County Commissioners. Such procedures shall require that Fiscal Neutrality be determined for each development project on a case-by-case basis, considering the location, phasing, and development program of the project. For off-site impacts, the procedures will require that the total proportionate share cost of infrastructure be included and not simply the existing impact fee rates. Notwithstanding the provisions of Article VII, Chapter 94 of the Sarasota County Code pertaining to Concurrency Management this shall include, but not be limited to, both localized and Countywide impacts on County, City, State, and Federal transportation facilities (such as roads, intersections, sidewalks, lighting, medians, etc.), public transit, schools, water supply and delivery, sewage transmission and treatment, solid waste, storm and surface water management, law enforcement, fire and emergency management, courts, jails, administrative facilities, libraries, parks and recreation, and public hospitals.*

# Collier RLSA

- SRA Economic Assessment. At a minimum the analysis shall consider the following public facilities and services: transportation, potable water, wastewater, irrigation water, stormwater management, solid waste, parks, law enforcement, emergency medical services, fire, and schools... Each SRA must demonstrate that its development, as a whole, will be fiscally neutral or positive to the Collier County tax base, at the end of each phase, or every five years, whichever occurs first, and in the horizon year (build out).

# Collier RFMU Fiscal Neutrality

- Demonstration of Fiscal Neutrality. An analysis that demonstrates that the **rural village** will be fiscally neutral to county taxpayers outside of the **rural village** . This analysis shall evaluate the demand and impacts on levels of service for public facilities and the cost of such facilities and services necessary to serve the **rural village** . In addition, this evaluation shall identify projected revenue sources for services and any capital improvements that may be necessary to support the **rural village** . In conclusion, this analysis shall indicate what provisions and/or commitments will be to ensure that the provision of necessary facilities and services will be fiscally neutral to County taxpayers outside of the **rural village** . At a minimum, the analysis shall consider the following:
  - i. Stormwater/ **drainage facilities** ;
  - ii. Potable water provisions and facilities;
  - iii. Reuse or "Grey" water provisions for irrigation;
  - iv. Central sewer provisions and facilities;
  - v. Law enforcement facilities;
  - vi. School facilities;
  - vii. Roads, transit, bicycle and pedestrian facilities and **pathways** ;
  - a) **Solid waste** facilities.
  - b) **Development** phasing and funding mechanisms to address any impacts to **level of service** in accordance with the county's adopted **concurrency** management program to ensure that there will be no degradation to the adopted **level of service** for public facilities and infrastructure identified in (1) through (7) above.

# Collier County

- Requires fiscal impact analysis every 5 years for RLSA
- 2010 – Fishkind & Assoc. produced analysis for Ave Maria Stewardship Receiving Area (formed 2005) reporting positive net impacts to County of more than \$11 million, with almost \$400,000 annually in net positive operating impact.
- Results were somewhat controversial. County Clerk questioned findings but Commissioners voted against paying for further analysis.