

PLAN UPDATE ADVISORY COMMITTEE

Minutes

Room 104, Shelton City Hall

Shelton, CT

Monday, July 25, 2005

I. Call to Order

Chairman Frank Osak called the meeting to order at approximately 4:35 P.M.

Members Present:

Frank Osak, Chairman

Tom Harbinson

Jim Tate

Fred Musante

Anthony Pogoda

Also in attendance:

Glen Chalder, Planimetrics

Eric Barz, Planimetrics

Marianne Chaya, PUAC Clerk

II. Pledge of Allegiance

All in attendance pledged allegiance to the flag.

III. Minutes for Approval

Tony Pogoda MOVED to approve the minutes from the July 11, 2005 meeting. SECONDED by Jim Tate. All were in favor, MOTION PASSED.

IV. Payment of Bill

Jim Tate MOVED to authorize the Chairman or Vice-Chairman give approval to pay the bill to Barkan & Mess after proof has been shown of the services provided to Planimetrics. SECONDED by Fred Musante. All were in favor, MOTION PASSED.

V. Discussion of Booklet #7: Planimetrics

Eric Barz stated that he would first address the big picture first. What we did was to build the model, which was based on the information from the 2002-2003 Grand List plus information provided by the Assessor to isolate the residential component from the non-residential component budget using two methods. Using the per-capita methodology, which broke the school board expenditures out separately, derived the residential component and after taking out the non-

residential expenditures we were left with the residential expenditures. Using census data we came up average household sizes for various types of residential types (condos, apartments, single-family houses, etc). We projected the portion of those units in the future and took the total household sizes times the number of units and came up with the total population and households. Using the same proportions that we found in the 2002-03 data we assigned the same per-capita and household costs to those numbers to come out with total expenditures down the road. We also looked at, using census data, the number of school children per household based on the kind of housing type and projected those for the future for the projected number of school children. We know the cost per child and applied that for the total residential expenditures. We then looked at the buildout analysis that had been done for residential and applied the average tax revenue for each type of housing unit to come up with the revenue side. As we cannot predict changes in future conditions we had to make a lot of assumptions. The assumptions involve certain things remaining constant, for example, state grants, permits. Page 3 shows the total expenditures for the residential component, the incremental expenditures as a result of the anticipated potential residential growth plus the total residential expenditures.

Frank Osak asked the debt service and if it part of the Board of Education budget? Eric responded yes, that it is part of the assumption. The debt services both on the municipal and education side, and trying wherever possible to use the maximum resolution that the data will allow. If the bond information provided showed which side it was on it was used. The model assumes that the amount of debt service per capita today would be the equivalent per capita in the future. Frank expressed that when it is time for budget setting, the debt service, both principal and interest payments are usually just set up, whether it comes from education or the public improvement side. When they get down to the education budget, I think you are talking about it as an expense budget for the year.

Someone may look at this and try and compare it to what they know was the budget amount for 2003 and it won't compare. Tom Harbinson suggested making a notation that says understanding that the debt service is normally under the city general budget but for purposes of projections we show it separate.

Tom Harbinson asked if Planimetrics is able to derive the number of school children based on the type of development. Eric said that some are definite, such as age-restricted housing. The others could be somewhat documented. The model breaks it out but the information in this booklet is summarized.

Frank Osak asked how they get the census data. Eric said that they derived this information from is what is called a public use micro data sample. It allows him to do a cross-tabulation by looking at all the households by the number of units in a building, single-family, etc., and then having it give him how many children between the ages of 6-18, and of that, how many go to public school. This information doesn't give them Shelton-specific. It is regional information based on a census track that equals 100,000. We looked at the area that included Shelton plus an additional 60,000. It probably pulled information from Shelton, Trumbull, Monroe, Derby, Oxford, etc. It most likely did not include any data from Bridgeport.

The discussion of projecting school enrollment based on the future buildout includes assumptions of building, economic trends and birth rates.

Page 4 gets into the Fiscal Impact. It pulls the revenue and the expenditures together that shows the total estimated buildout. This figure assumes that you grant building permits based on the current zoning regulations and also assumes you have the same level of services that you have today.

Page 5 focuses on non-residential revenues. We took the Assessor's records and used the proportional valuation methodology. It is a cost averaging method that assumes average costs over an acre of land, whether it is commercial, industrial or office. With the GIS system we were able to pull the office out of the commercial category because we feel it is a high revenue use. It was requested to break out the hotels from the commercial category and Eric explained it is broken out in the model but could call it out in a sidebar.

On page 6 it shows three scenarios (proportional, optimum and worst-case scenarios) titled Incremental Assessed Real Property Values for Buildout Scenarios and Total Nonresidential Assessed Values and Tax Revenue for Buildout Scenarios. Eric explained the criteria for each scenario. Glen suggested having an aerial photo of the commercial centers to show the value per acre.

The committee asked Eric and Glen if anything appeared unbalanced in the community as far as commercial; do we need more services or more offices. Glen explained that by virtue of our highway network/transportation and metropolitan location, we have an attractive economic growth that other towns in Connecticut would kill for. We have been extremely fortunate by adequate services and well located land. We need to "surf this wave" as long and as hard as we can to provide for the tax revenue. The other stuff (retail) the market will take care of itself. Frank noted that some of the low revenue commercial producing small buildings produce a ton of traffic and for you to entice good solid office occupancy you have to get the employees in and out of the office expeditiously. It becomes an undesirable even if though you are within the proper location of an interchange, if you can't get it, what good is it?

The committee members discussed how to get the optimum uses for different types of zoning. They also discussed managing the limited resource left and translating it into action. This is going to require a lot of thought to prevent the worst-case scenarios. It may require adjusting the zoning regulations to eliminate the undesirable uses.

Pages 8 and 9 details the Combined Fiscal Impact by the three scenarios. In each scenario the residential component is held constant. It details the total revenues and the total expenditures at buildout. The expenditures were grown proportionally based on the increases in residents, school age children, and commercial/industrial/office floor areas. It assumed that all the other revenue sources held constant and how you pay for the expenditures. The property tax line in the chart on the top of page 8 was adjusted in each case to cover the expenditures based on each scenario. Page 9 shows the "big picture". It shows the net grand list based on each scenario with the estimated property taxes that it would generate, and in the 2002-2003 terms what the relative mill rate would be.

You would go from 22.73 (best case) to as low as 16.42. There is potential to lower the average taxpayers bottom line assuming that you are not going to increase the services to the higher level that I heard the community think they need to be at. Increasing the services will increase the mill rate. This shows that there is a cushion of about 4 mills to work with at buildout before you have to start raising taxes. The best-case scenario gives you an even bigger cushion. Page 10 is the conclusions detailing what you need to do and not do to prevent that worst-case scenario. It even talks about an even worse case scenario where you take the industrial land and continue to build housing or to take the R-1 land and allow 3 units per acre instead of less than one unit per acre. If you continue to do that you would undermine all three scenarios that are demonstrated in the booklet.

Fred Musante asked how Shelton looks in relation to other cities. Glen said that everyone is in the same boat with residential not paying its way. Because Shelton's tax base is so strong it makes residential development look even worse than it does in other communities. For example, in Bethlehem, because it is a bedroom community, if they want to spend a \$1000/person for services, the residential homes pay \$1000/person. In Shelton, if you want a \$1000 worth of services the residential pays \$600 in taxes because business is paying the other 40%. It makes Shelton be in an enviable position because of the strong tax base. The concern is how do we not fritter this away. Glen says that he perceives Shelton in good shape because of location, the zoning is pretty good, and the market potential is very good. He explained further by a chart he developed.

The committee members discussed various residential options (single-family versus condos) and the possible net tax revenue. There becomes the question of possibly trading off traffic for revenue and how you get the mechanism in place to do it. You also have to take into consideration if the question comes up of whether you build commercial or residential, the first conclusion is that developing commercially is better fiscally for the city, but if it is a location that doesn't make sense for the commercial site, it doesn't matter how good it is. The general quality of life and character should not suffer.

Glen discussed that in the plan they would try to educate the people in the fiscal ramifications of different types of activities. They would lay out the choices showing the more or less beneficial outcomes. You have to look at the fiscal situation and the character of the activity. After discussion of this process he suggested a fiscal review board along with the design review board to examine the use of a proposed development to make comment to Planning & Zoning.

Frank Osak asked what is coming up from Planimetrics. Glen said that following the August meeting they will take all the work and the discussions to date and put together a draft plan.

There are four areas in town the committee feels that they will need to make a statement about. The areas are downtown, the Mas property (Constitution Blvd), the riverbank to Lafayette south, and Route 110 south.

VI Schedule Future Meetings

The next meeting will be Monday, August 15th for the committee to continue to discuss booklet #7 and on Monday, August 22nd with Planimetrics focusing on Infrastructure and the report from Barkan & Mess.

VII Adjournment

Tom Harbinson MOVED to adjourn. SECONDED by Jim Tate. All were in favor, MEETING ADJOURNED at 6:07 P.M.

Respectfully submitted,

Marianne Chaya
Clerk, Plan Update Advisory Committee
1 tape is on file in the City/Town Clerk's office