

Using Financial Policies for Smart Growth A Case Study

Presented by
Pat Dugan
Planning and Finance Consultant
to Local Governments

DUGAN PLANNING SERVICES (DPS)
consult.dugan@verizon.net
PO Box 381, Everett, WA 98206



Presenter

Patrick Dugan

38 Years experience in community development and finance, including:

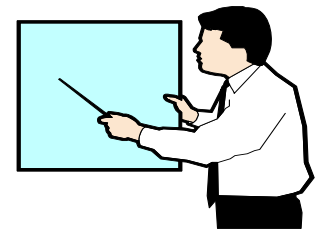
- **Interim Finance Director** for City of Lynnwood, Washington and City of Kenmore, Washington
- **General Plan Manger** for City of Goleta, CA.
- **Administrative Operations Manager** for Snohomish County Public Works, Washington
- **Finance Director** (Auburn, Washington) and **Budget Officer** (Coos County, Oregon)
- **Planning Director** in two Cities (Burien & Auburn, Washington)
- **Director of two Regional Planning Agencies** (Grays Harbor Regional in Washington and Coos-Curry COG in Oregon)



consult.dugan@verizon.net

For More “Duganisms”

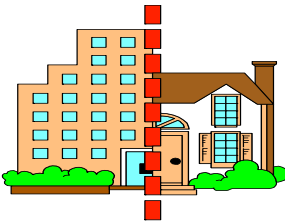
- **Western Planner Contributor Since 1995**
 - Objectives of Western Planner Articles
 - Increase understanding of public finance among planners.
 - Explore finance issues in planning such as the costs of sprawl.
 - Provide techniques to assist planners in fiscal analysis.
- Also Contributor to Washington’s Municipal Research and Service Center’s Planning Advisor WEB site:
 - <http://www.mrsc.org/focus/pladvisor/plarchive.aspx>

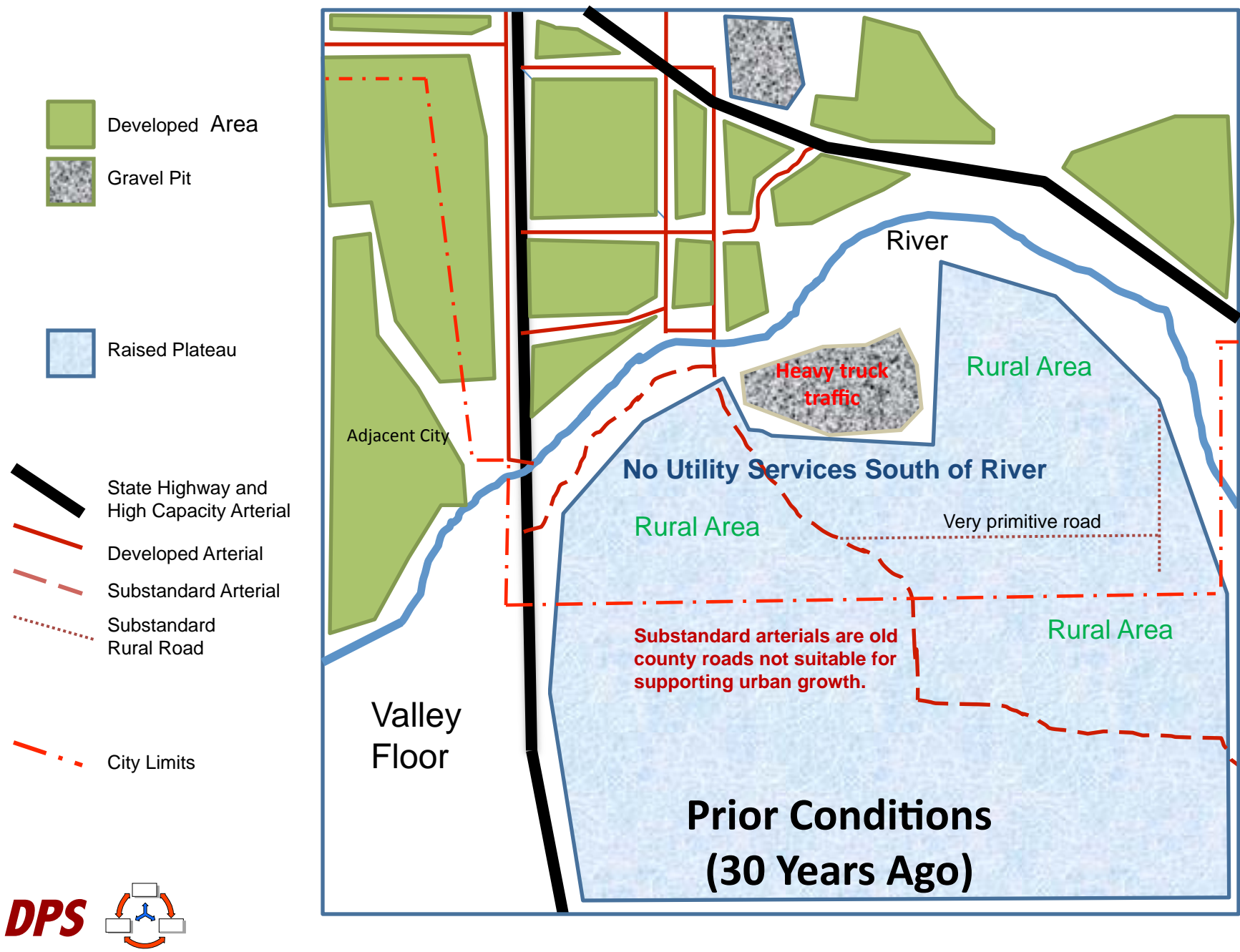


Capital Facility Planning as A Smart Growth Tool

“... the location, the quality, and timing of public facility construction is a major determinate in shaping the direction and character of community development.”

Douglas R. Porter, Managing Growth in America's Communities, Island Press, Washington D.C., 1997, page120.








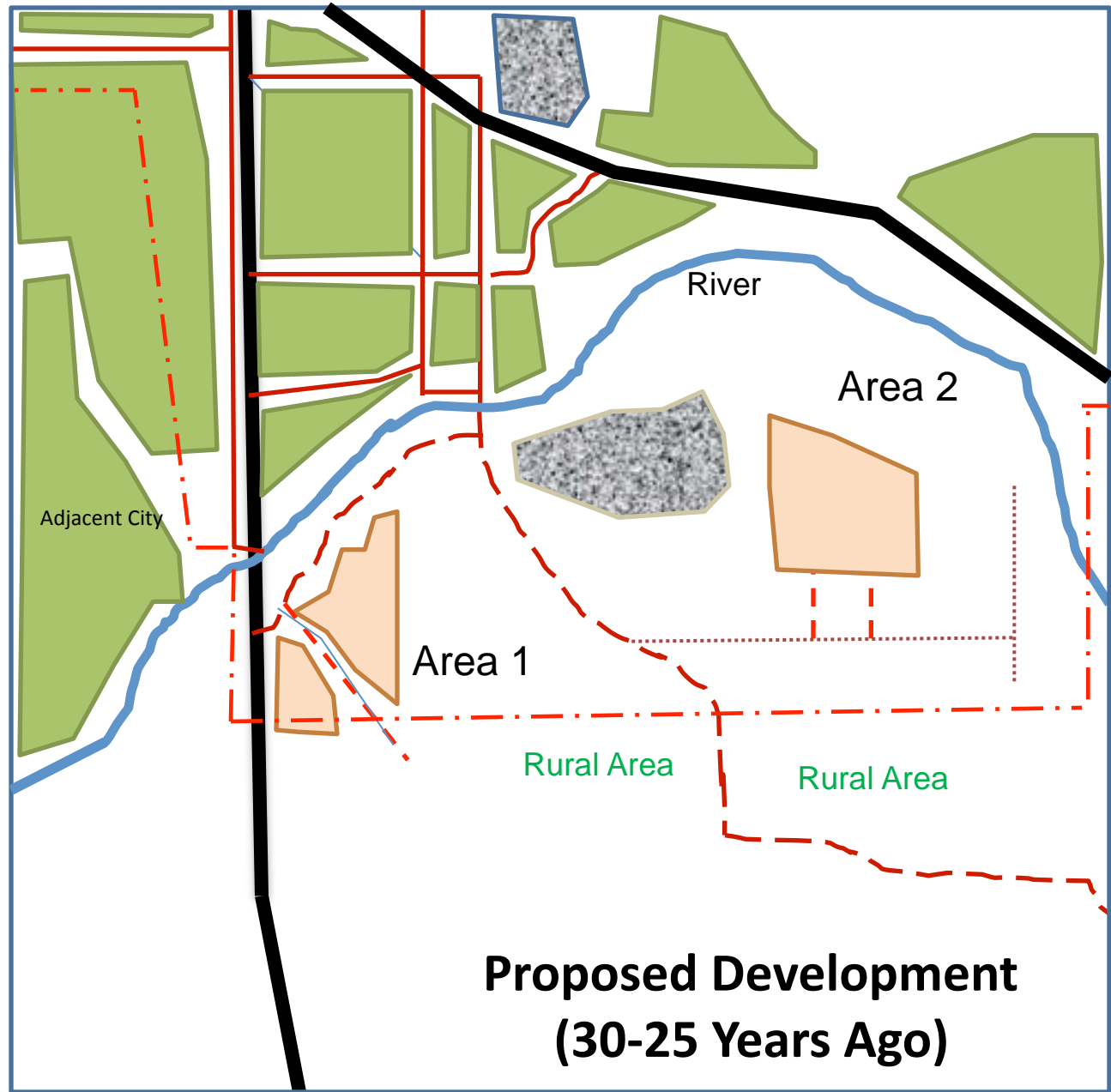
Conditions and Policies 40 to 30 Years Ago

- Area South of River Undeveloped and Rural
 - No Utility Services
 - Inherited Substandard County Roads
- City Annexed Area to Promote Development
- City Intended to Finance the Extension of Services into the Area to Stimulate Development
 - New Water Reservoirs
 - Expensive River Crossing for Sewer
 - Upgrade of County Roads.



-  Developed Area
-  Gravel Pit
-  Proposed Development

-  State Highway and High Capacity Arterial
-  Developed Arterial
-  Substandard Arterial
-  Substandard Rural Road
-  Needed New Road
-  City Limits



**Proposed Development
(30-25 Years Ago)**



New Proposals 30 Years Ago

- Two Large Developments—about 400 units each
 - Area 1
 - Served by State Highway
 - Needed New Arterial Standard Access Road
 - Needed Full Water and Sewer Services Extended, But Not As Far As Area 2
 - Area 2
 - Old County Arterial Required Upgrade to Accommodate Traffic
 - Old County Local Road Needed Upgrade
 - Required Lengthy Sewer and Water Extensions



Reaction To Proposals

- New City Administration
 - Rethought Entire Policy for South of River
 - Interested in Promoting Orderly Development and Conserving Environmental Values
 - Placed Priority on In-fill Development
- Financial Evaluation
 - Extension of Facilities Would Require Significant Rate Increases— Especially If They Did Not Build Out Quickly
 - Upgrade of Roads Would Detract From Higher Priority Traffic Improvements Elsewhere
- Doubted That Market Could Absorb Both Developments
 - If Developments Did Not Build Out — Impact on Ratepayer to Finance Debt Service for Facilities Would be Greater



Changed Policy

- Encouraged Infill in Existing Developed Area Instead of Stimulating Development in New Areas.
- Reduced Priority for Development in Area South of River
- Would Require New Developments (That Were Not Infill—Such as South of River) to Finance Necessary Facilities








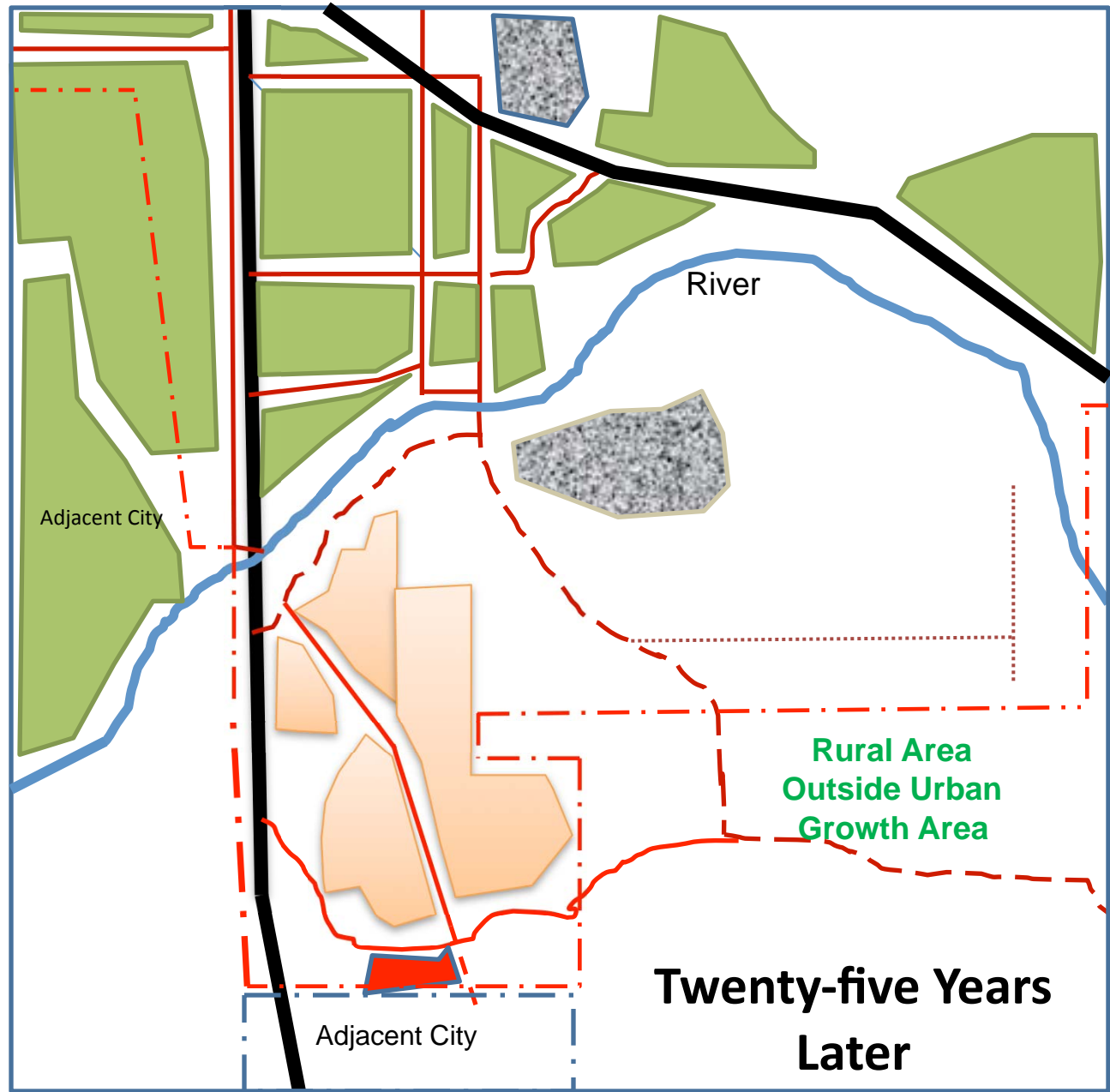
Impact of Policy Changes

- Increased In-fill
- Area 2 Became Infeasible
- Area 1 Remained Viable
 - (Especially with help of reduced competition)



-  Developed Area
-  Gravel Pit
-  New Residential Development
-  New Commercial Development

-  State Highway and High Capacity Arterial
-  Developed Arterial
-  Substandard Arterial
-  Substandard Rural Road
-  City Limits



Long Term results

- More Orderly Development
 - Most Facility Costs Absorbed by the New Development
 - Area 2 Still Not Built
 - Allowed City to Focus Attention on Serving One Developing Area Rather Than Two at Once
 - Probably Reduced Service Costs
- Eventual Success of Area 2 Provided Basis for More Orderly Development to South.
 - Linked to Developing Urban Area South of City
 - Avoided Premature Pressure to Convert Rural Area to Urban Southeast of Area 2.



Capital Facility Planning as A Smart Growth Tool

“... the location, the quality, and timing of public facility construction is a major determinate in shaping the direction and character of community development.”

Douglas R. Porter, Managing Growth in America's Communities, Island Press, Washington D.C., 1997, page120.



Dugan's Corollary

“... the FINANCING of public facility construction can be a major determinate in shaping the direction and character of community development.”

