



Infrastructure Financing:

The Balance of Land-use and the Cost of Infrastructure

Public Interest Projects
Joseph Minicozzi, AICP

Saturday, February 5, 2011



1941 - 11/19/2001

the Dogwood Fund



**Salsa's
& Zambras**

**Public
Interest
Projects**



The Public Service Building



City Watch



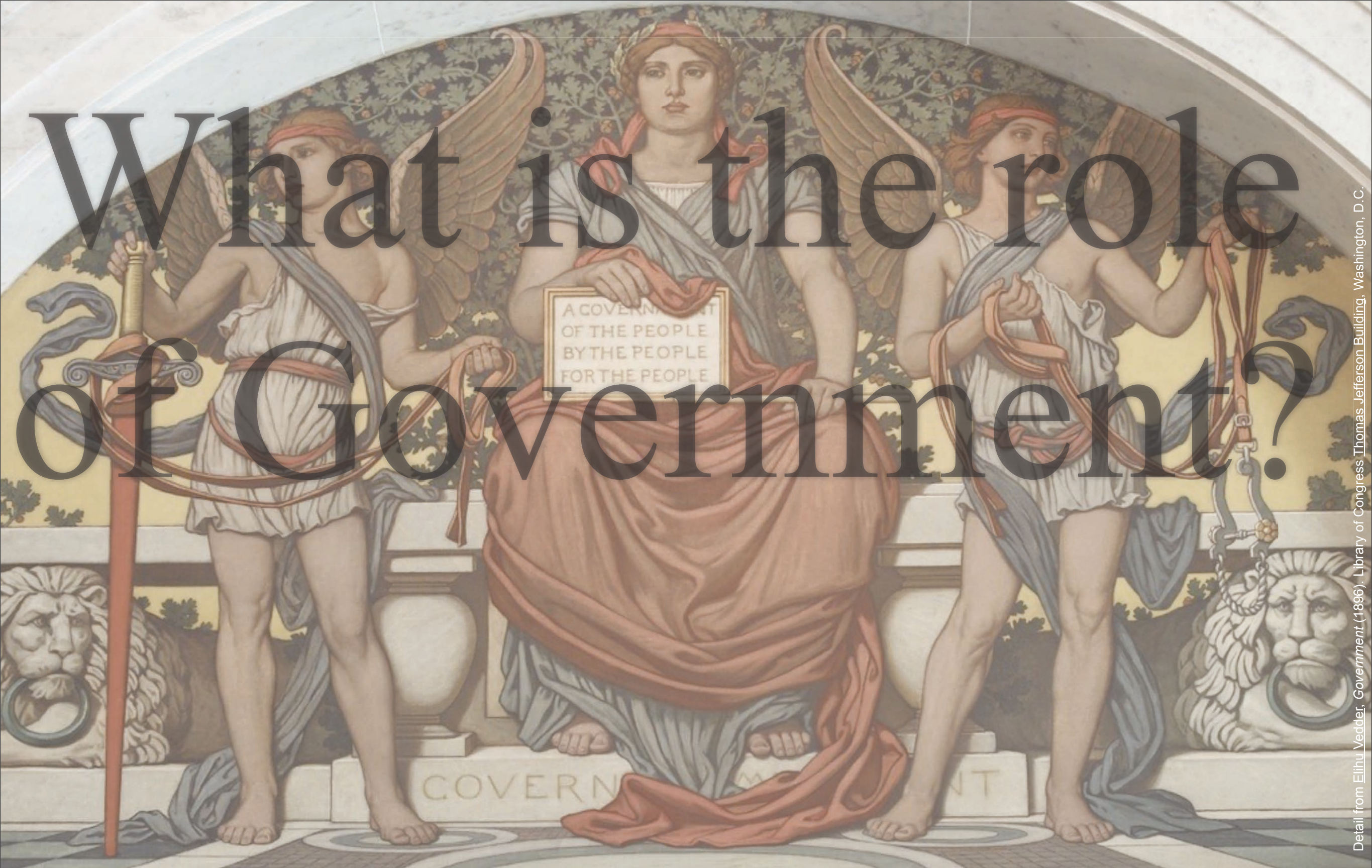
The Mountain Xpress



the Alternative Reading Room



The Laughing Seed



Detail from Elihu Vedder, *Government* (1896). Library of Congress, Thomas Jefferson Building, Washington, D.C.

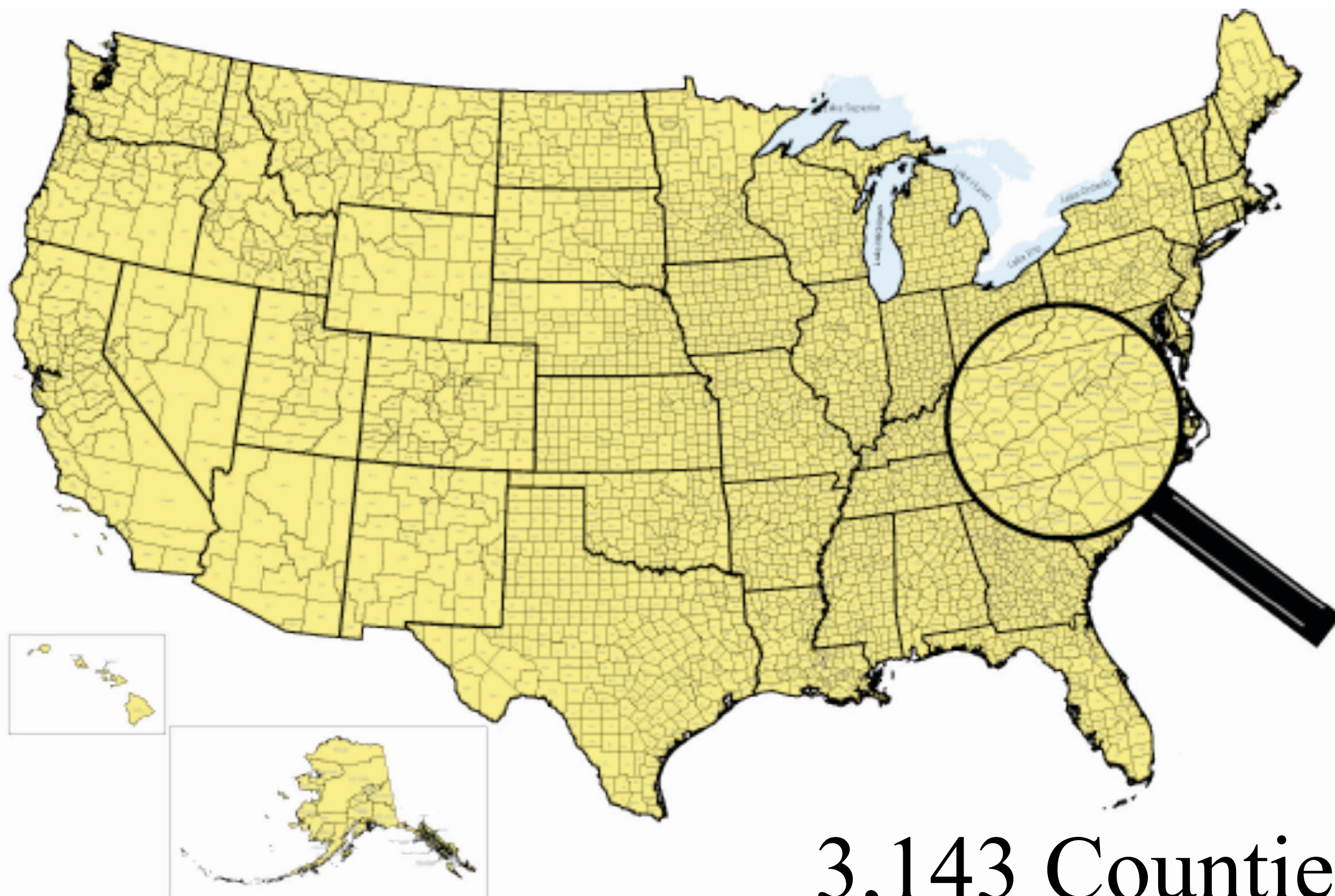
A **corporation** is a formal business association with a publicly registered charter recognizing it as a separate legal entity having its own privileges, and liabilities distinct from those of its members. There are many different forms of corporations, most of which are used to conduct business.

Incorporation is the forming of a new corporation (a corporation being a legal entity that is effectively *recognized as a person under the law*). The corporation may be a business, a non-profit organization, sports club, or a **government** of a new **city** or **town**. This article focuses on the process of incorporation; see also corporation.

The corporation agreement

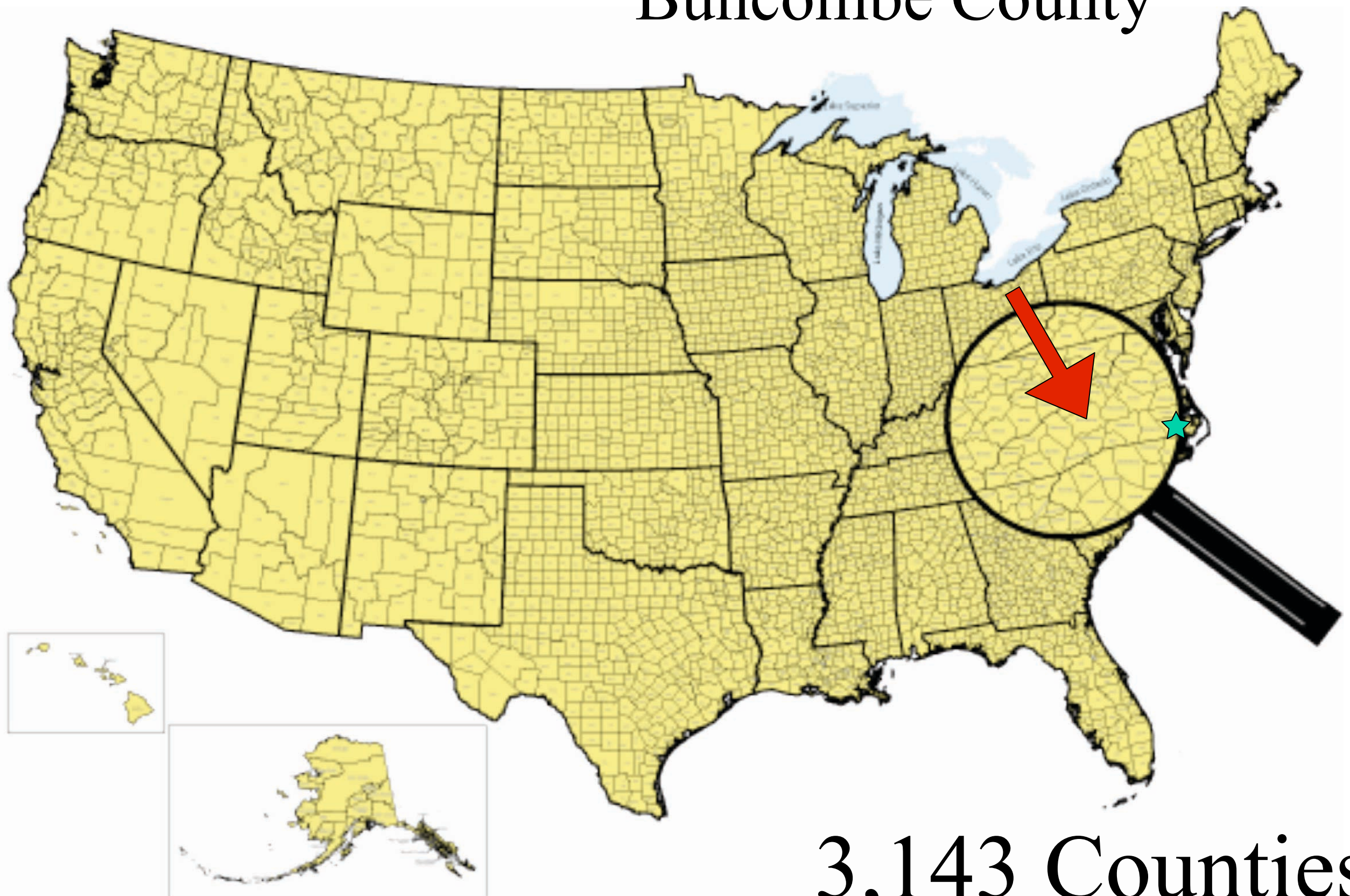
Government
Services

Property Owner
Taxation



3,143 Counties

6 Municipalities in Buncombe County



3,143 Counties





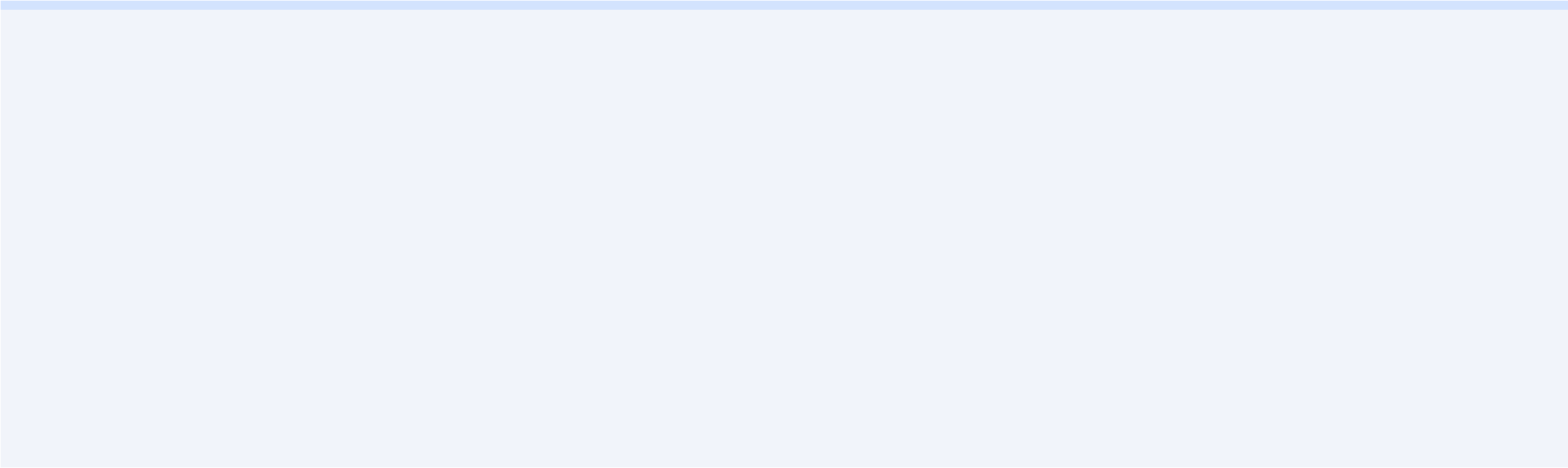
Corporation(s)



Where does your money come from?

NATIONAL TOTALS OF STATE AND LOCAL TAX REVENUE, BY TYPE OF TAX

Year to Year Change (Percentage)

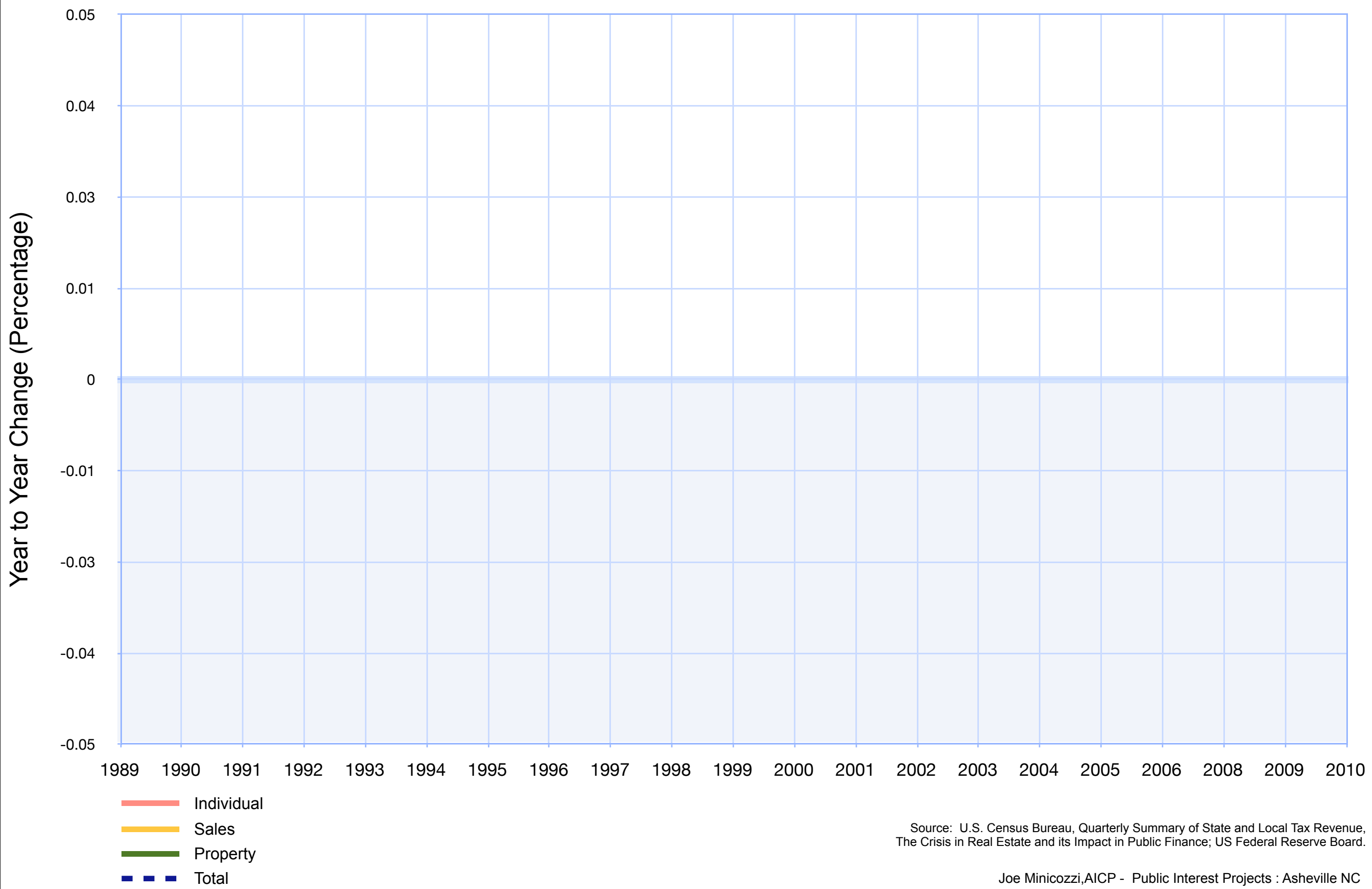


- Individual
- Sales
- Property
- Total

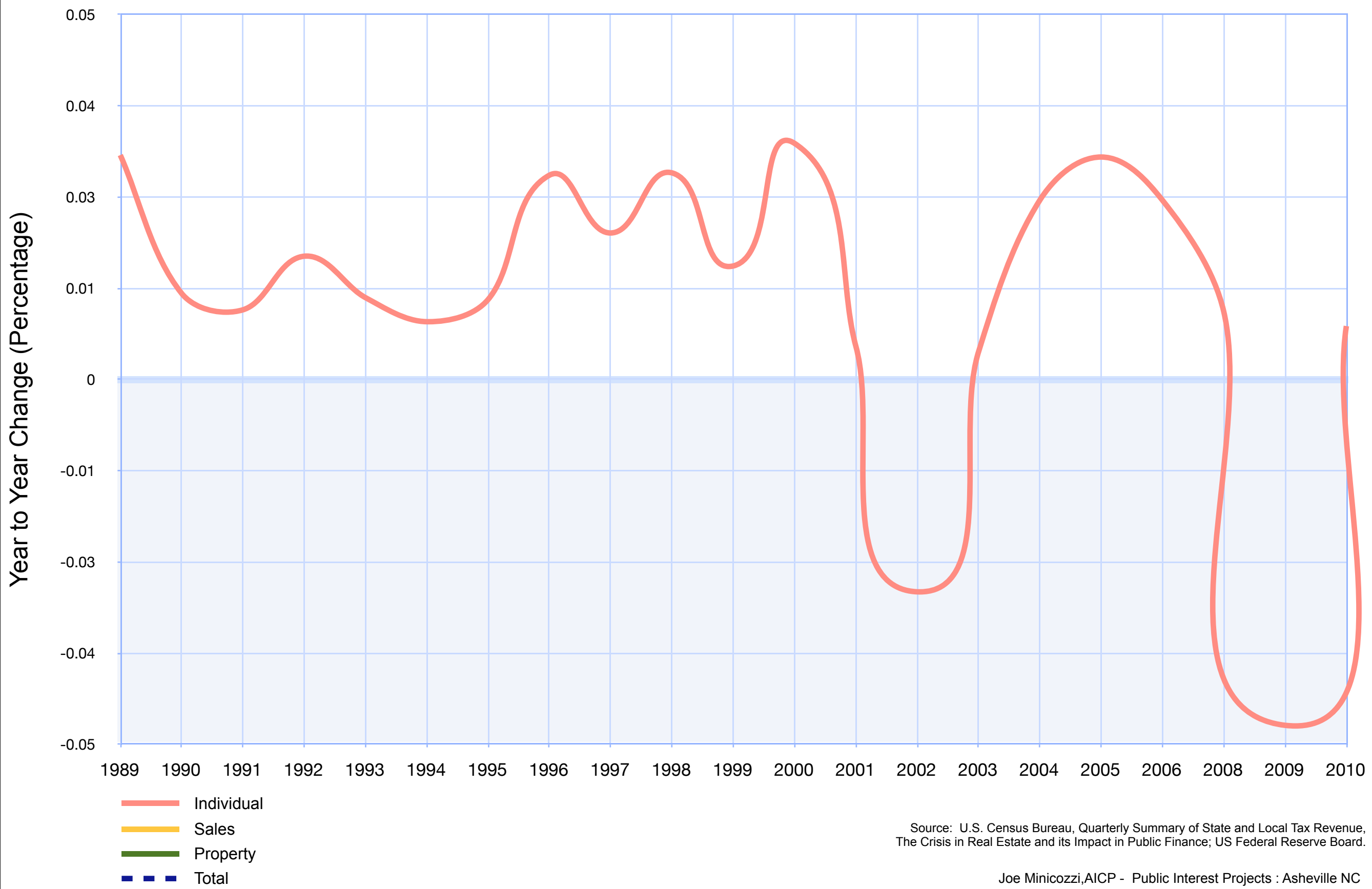
Source: U.S. Census Bureau, Quarterly Summary of State and Local Tax Revenue, The Crisis in Real Estate and its Impact in Public Finance; US Federal Reserve Board.

Joe Minicozzi,AICP - Public Interest Projects : Asheville NC

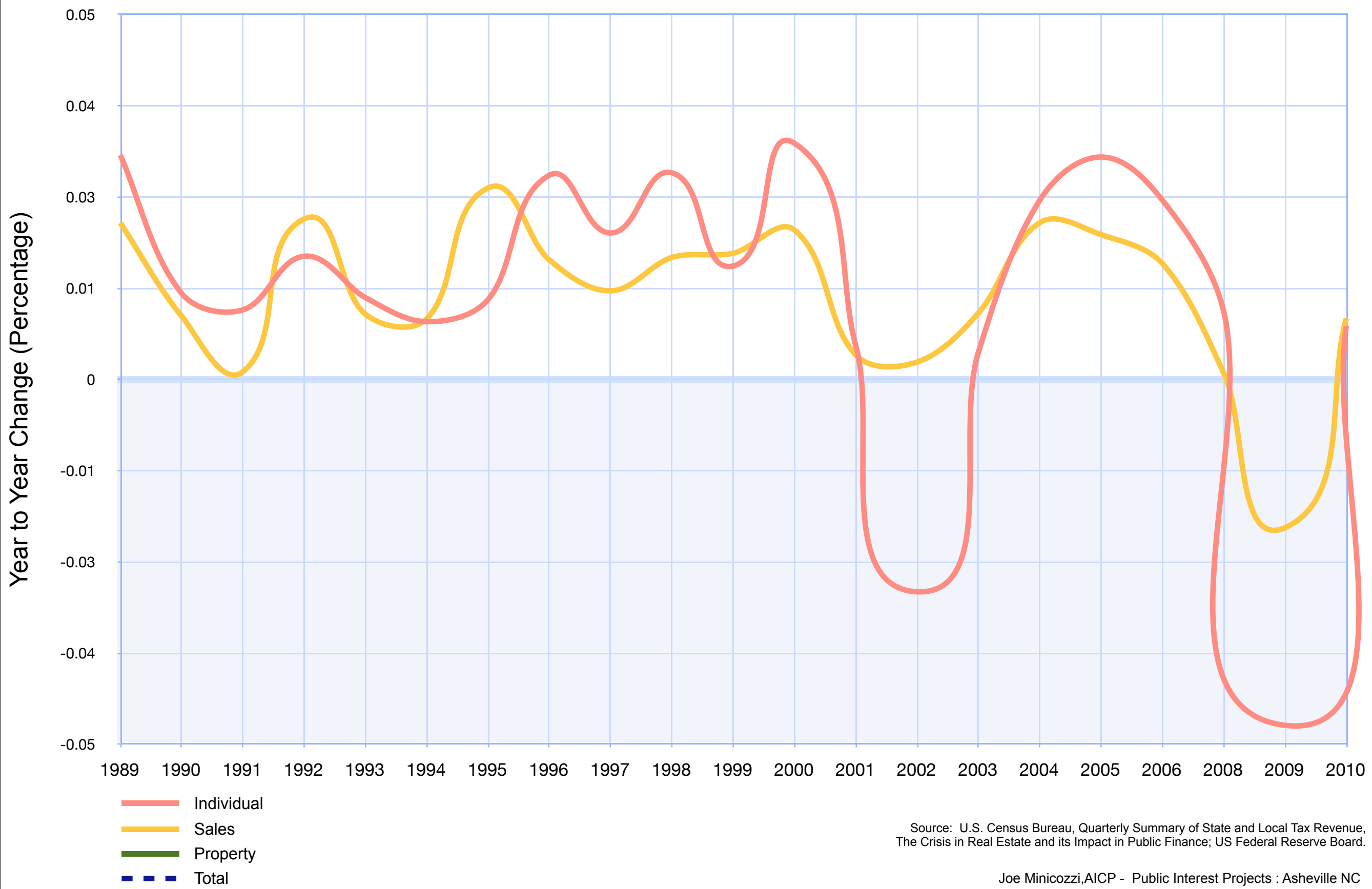
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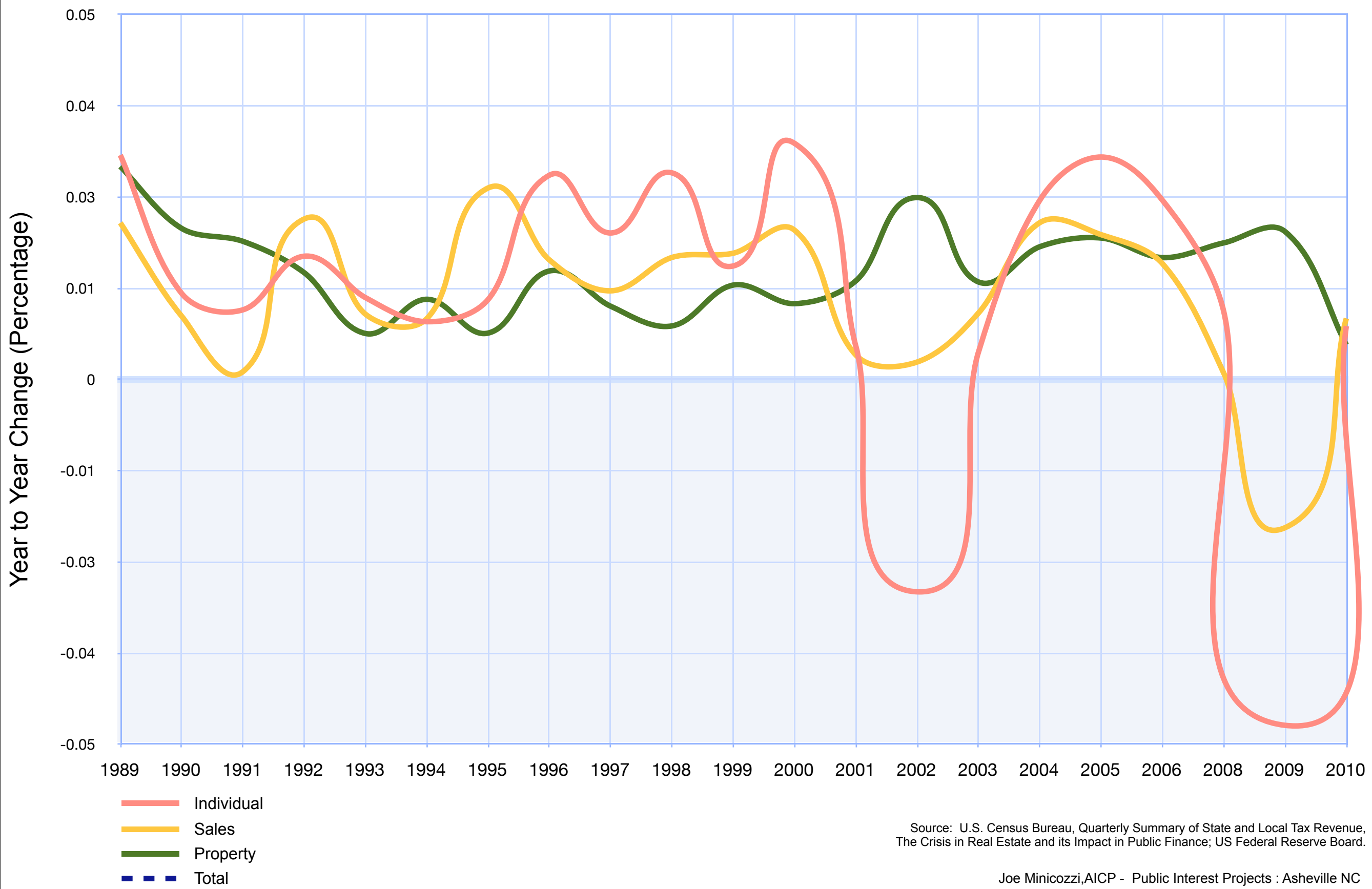
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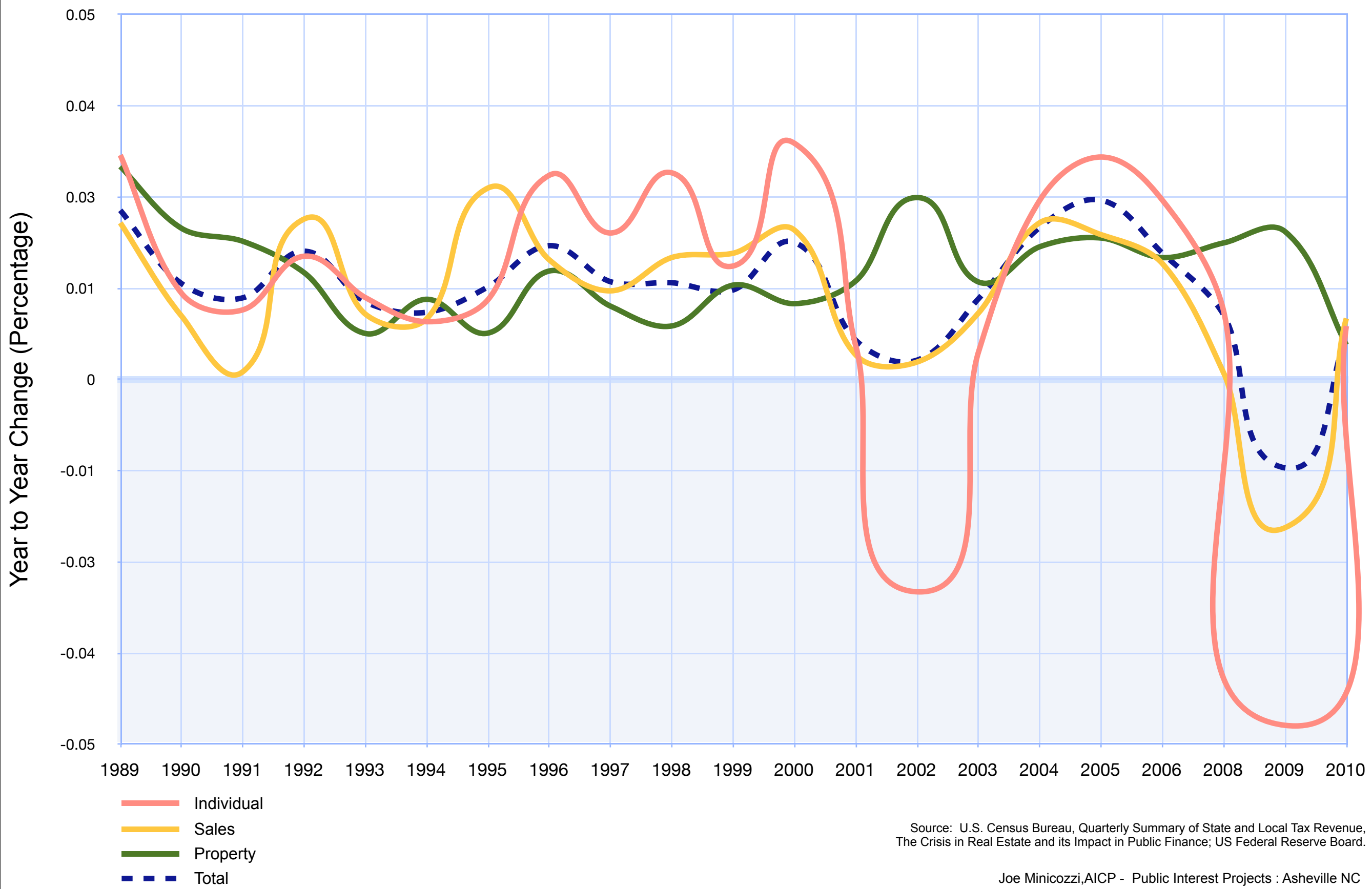
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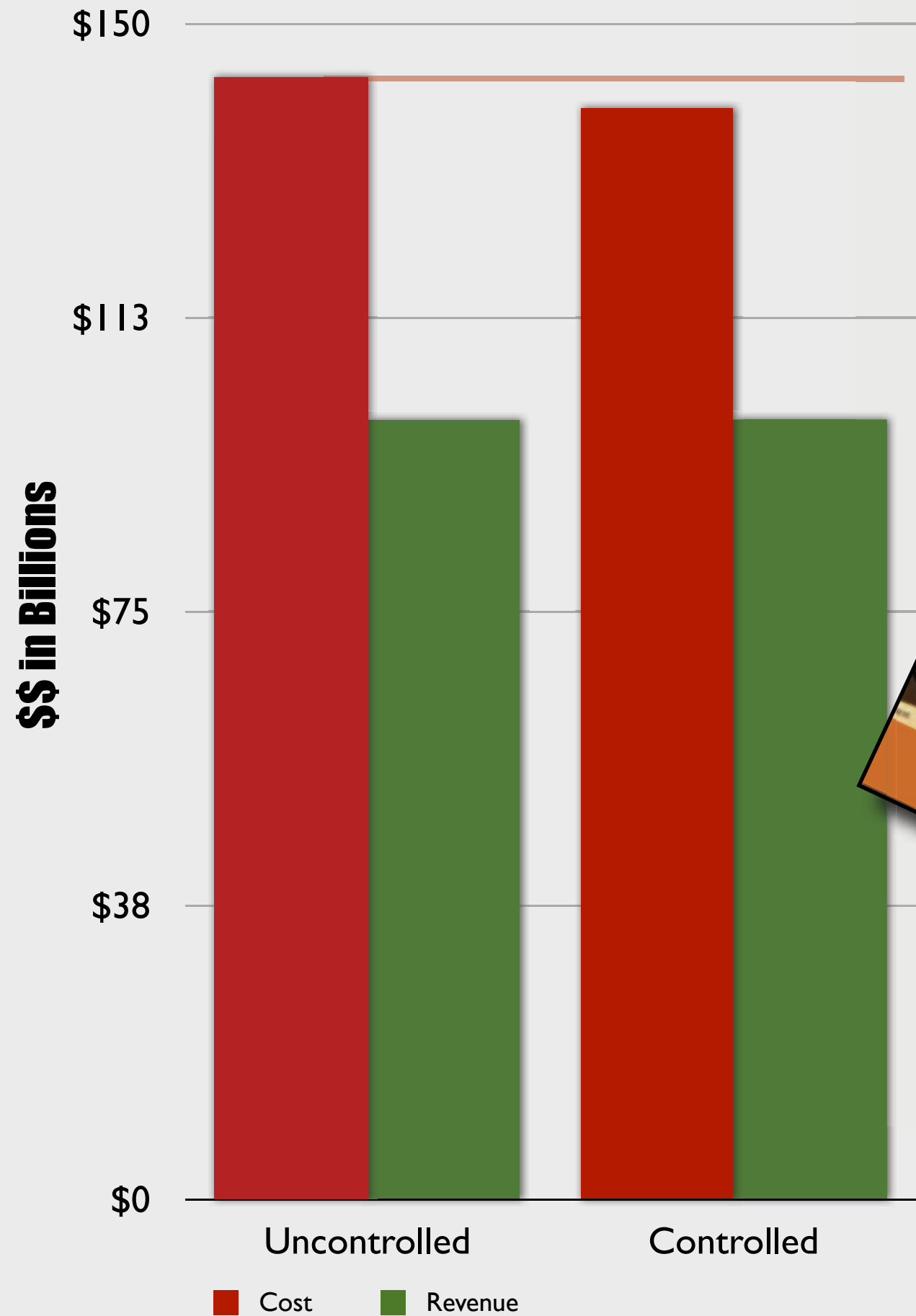


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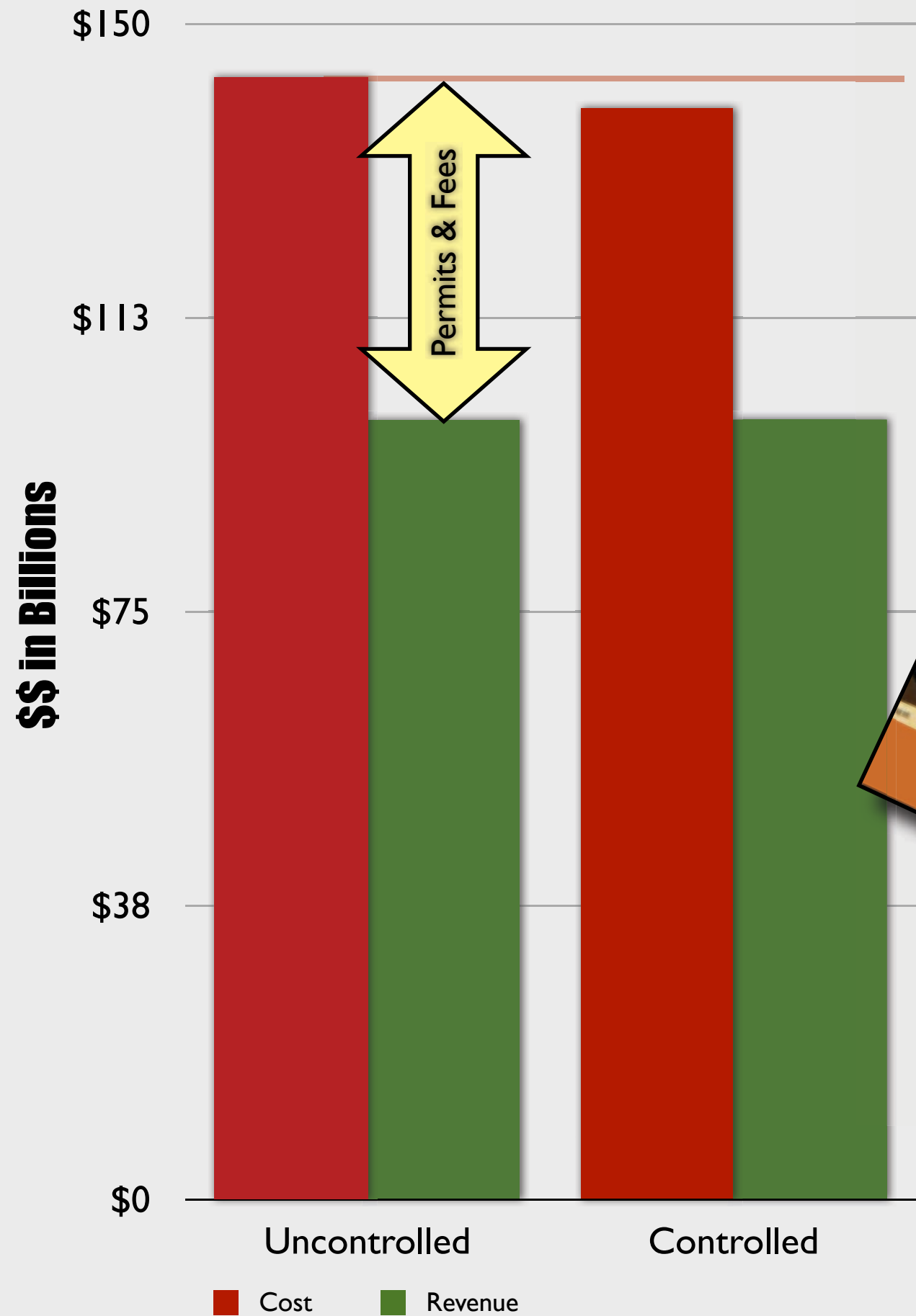


Source: U.S. Census Bureau, Quarterly Summary of State and Local Tax Revenue, The Crisis in Real Estate and its Impact in Public Finance; US Federal Reserve Board.

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Growth numbers for 2000-2025
23,454,000 Million Households



Growth numbers for 2000-2025
23,454,000 Million Households





AP Wire Logo

BROKEN
BUDGETS

Saturday, February 5, 2011

Developer Costs

- ★ Land Cost
- ★ Permitting
- ★ Drawings
- ★ Marketing
- ★ Profit

Hard Costs

- ★ Buildings
- ★ Road & Sidewalks
- ★ Sewer
- ★ Water

Government Service Cost

- ★ Police
- ★ Fire
- ★ Government
- ★ Schools
- ★ Economic balance

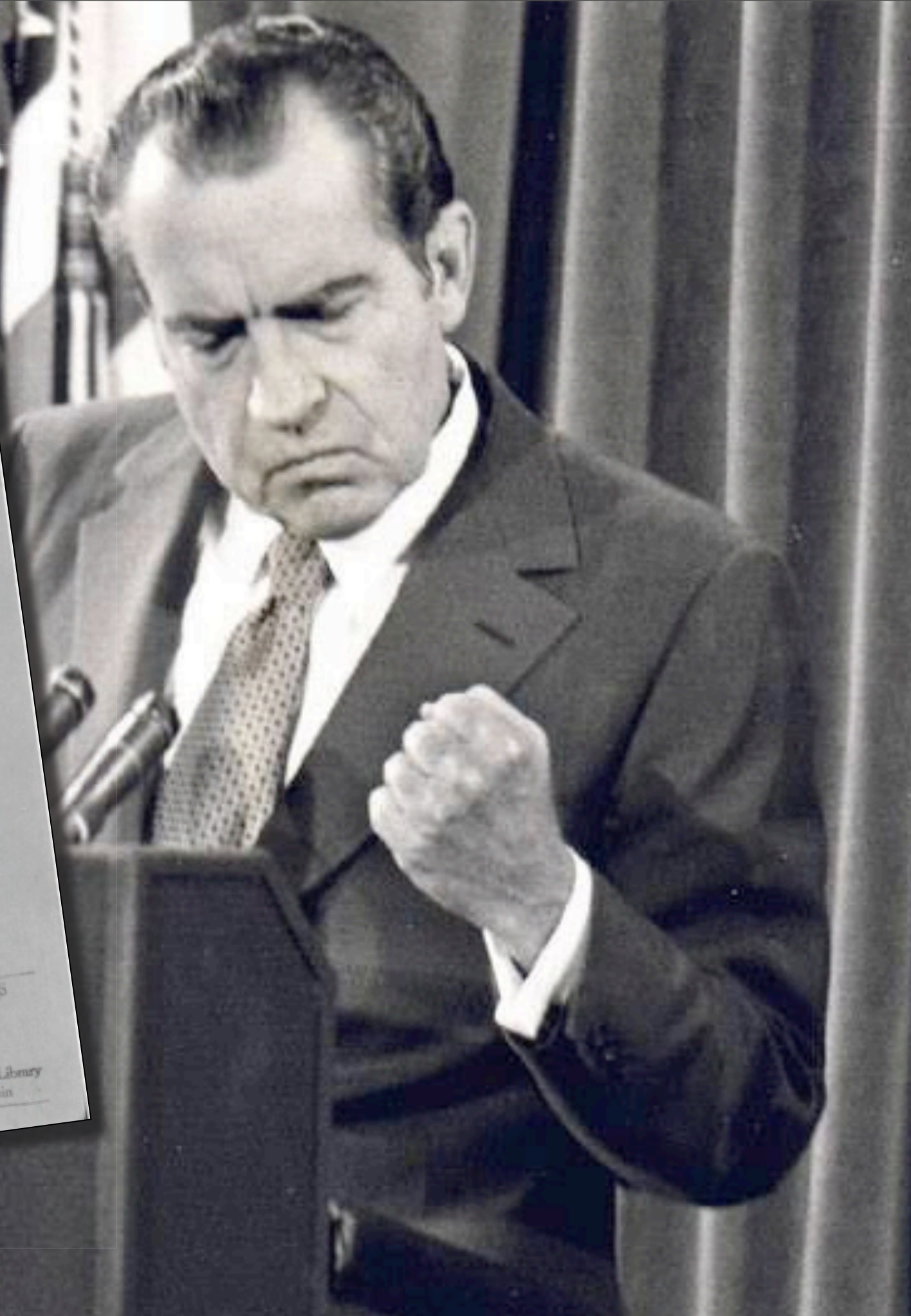
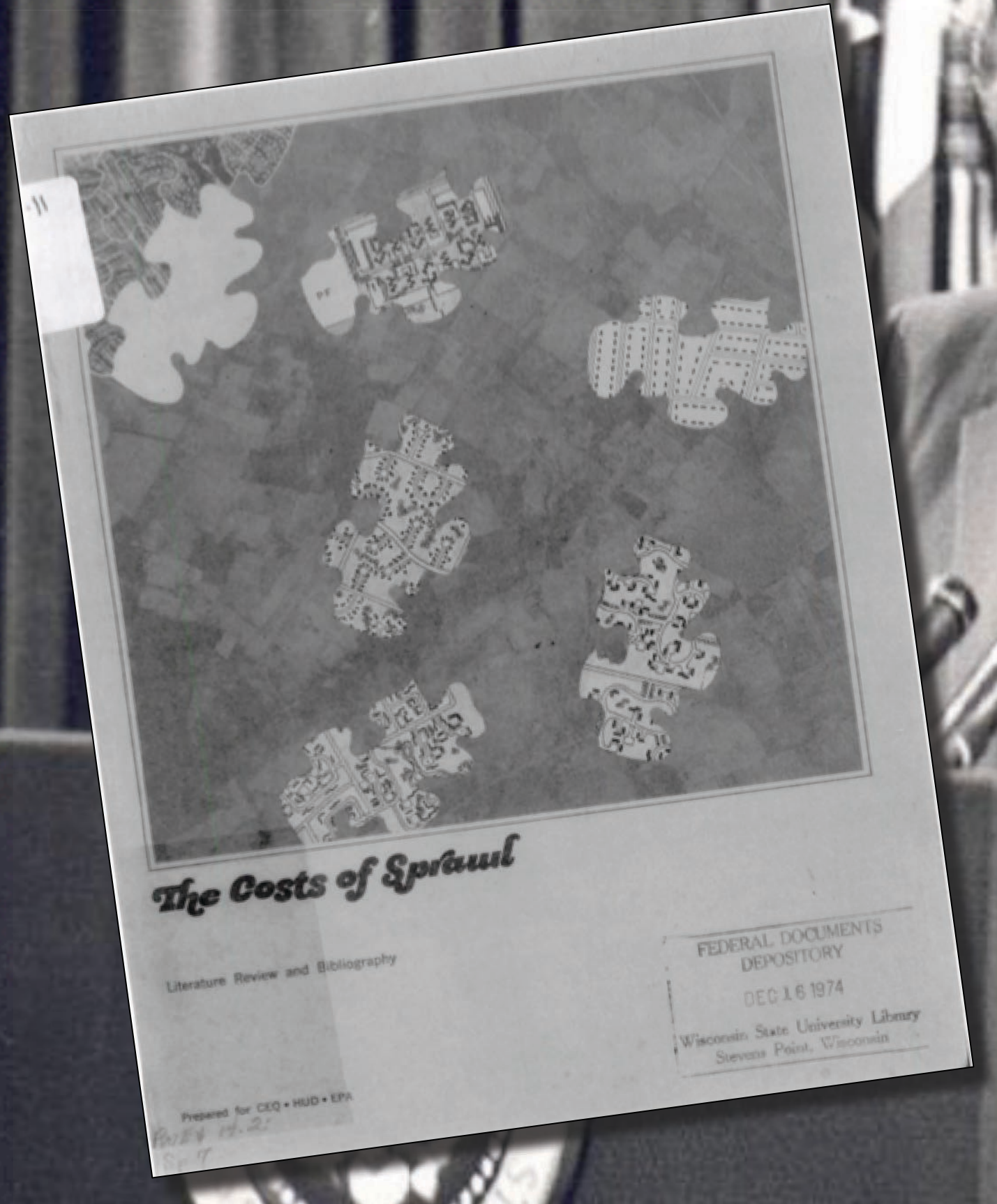
Hard Costs

- ★ Roads to here
- ★ Public buildings
- ★ Parks
- ★ Sewer
- ★ Water



Photo: Christoph Gielen





Why is Downtown Important?





For 40 years this building remained vacant..... its tax value in 1991 was just over **\$300,000.**



Old Penneys

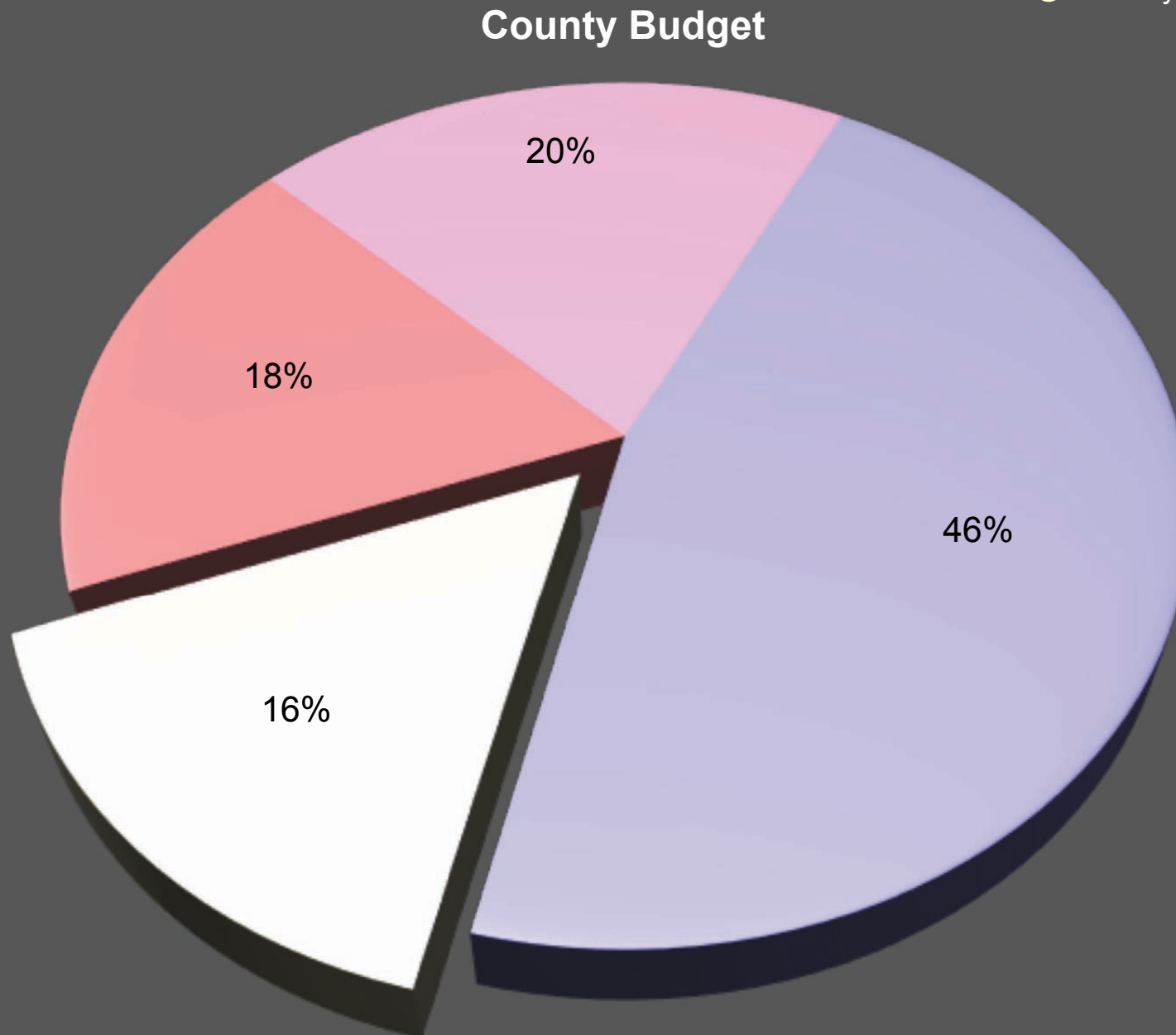
Today the building is valued at over **\$11,000,000** an increase of over **3500%** in 15 years

The lot is less than 1/5 acre



Buncombe Annual Budget

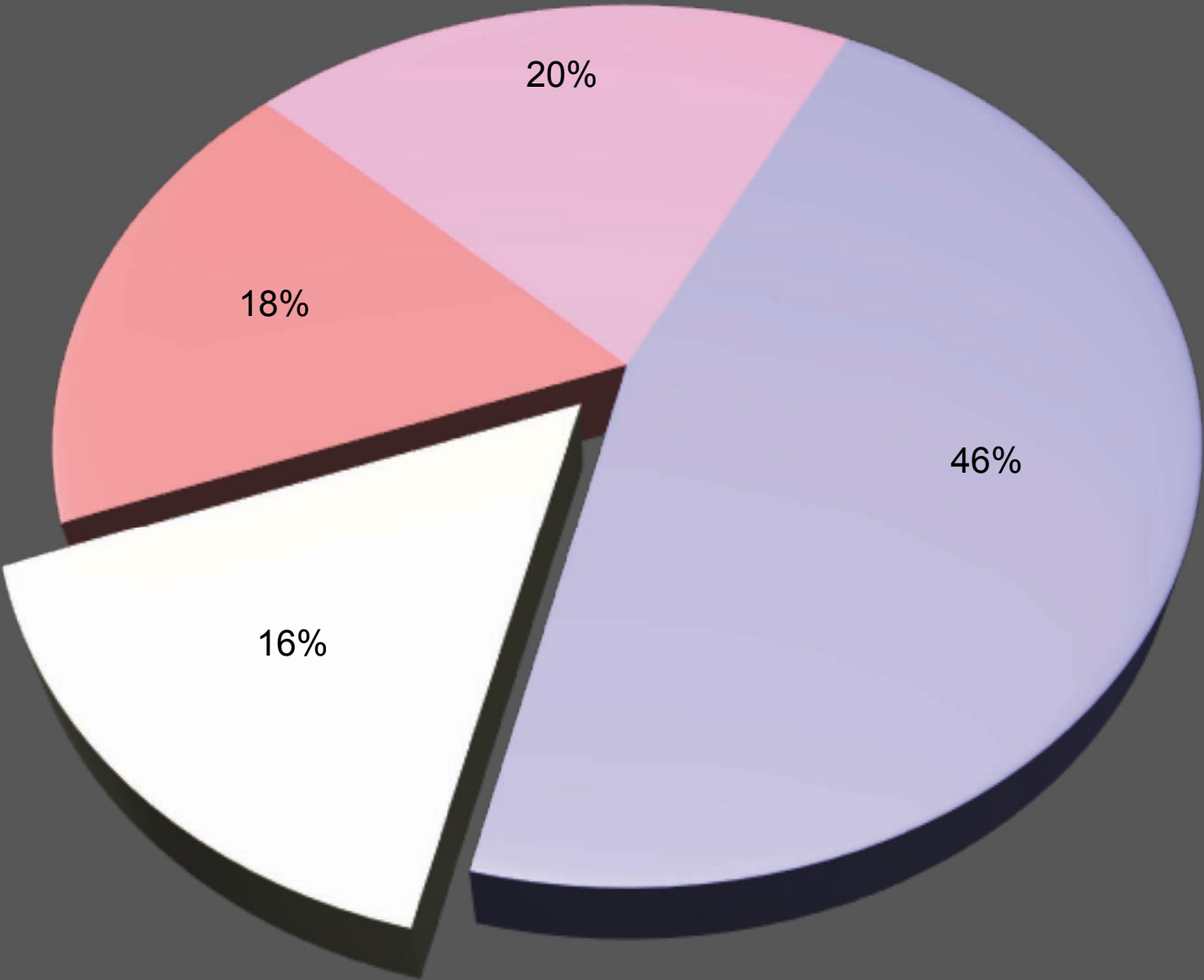
- Sales Tax created by Asheville distributed to the County
- County levy on City taxable property
- County Generated
- Money from the State and Federal governments



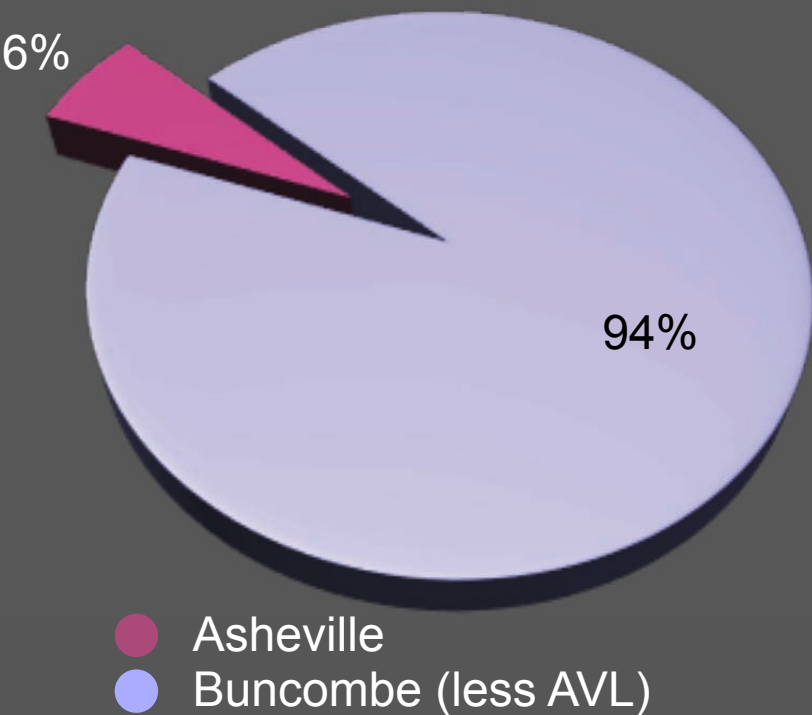
Buncombe Annual Budget

- Sales Tax created by Asheville distributed to the County
- County levy on City taxable property
- County Generated
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County Budget



Buncombe Land Area



Land Production



Property Taxes

\$50/sq.ft.



34.0 Acres

220,000 sf Building

\$20,000,000 Tax Value

\$590,000 Value/Acre

\$6,500 Property Taxes/Acre

\$203/sq.ft.



0.19 Acres

54,000 sf. Bld

\$11,000,000 Tax Value

\$58,900,000 Value/Acre

\$634,000 Property Taxes/Acre

\$128/sq.ft.



0.13 Acres

1 unit (2 people + 2 dogs)

\$232,000 Tax Value

\$1,800,000 Value/Acre

\$19,542 Property Taxes/Acre

Property Taxes

\$50/sq.ft.



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\$6,500 Taxes/Acre
\$3,300 to City

\$203/sq.ft.



0.19 Acres
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\$58,900,000 Value/Acre

\$634,000 Taxes/Acre
\$330,000 to City

\$128/sq.ft.



0.13 Acres
1 unit (2 people + 2 dogs)
\$232,000 Tax Value
\$1,800,000 Value/Acre

\$19,542 Taxes/Acre
\$10,200 to City

Property + Retail Sales Taxes

\$77,000,000
Retail Sales



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\$20,000,000 Tax Value
\$590,000 Value/Acre

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\$3,300 to City



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\$640,000 Taxes/Acre
\$330,000 to City

Asheville Wal-Mart



\$ 50,800

Total Taxes/Acre to City

Downtown



\$330,000

Property Taxes/Acre to City

Asheville Wal-Mart



\$ 50,800

Total Taxes/Acre to City

Downtown



\$414,000

Total Taxes/Acre to City



What about Jobs?

Jobs per Acre

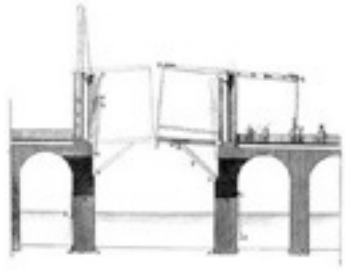


200 jobs @ 34.0 Acres

5.9



73.7



Public Interest Projects, Inc.
Joseph Minicozzi, AICP
Joem@pubintproj.com

Asheville Wal-Mart



Downtown



Land Consumed (Acres): **34.0**

Total Property Taxes/Acre: **\$ 6,500**

City Retail Taxes/Acre: **\$ 47,500**

Residents per Acre: **0.0**

Jobs per Acre: **5.9**

00.2

\$634,000

\$ 83,600

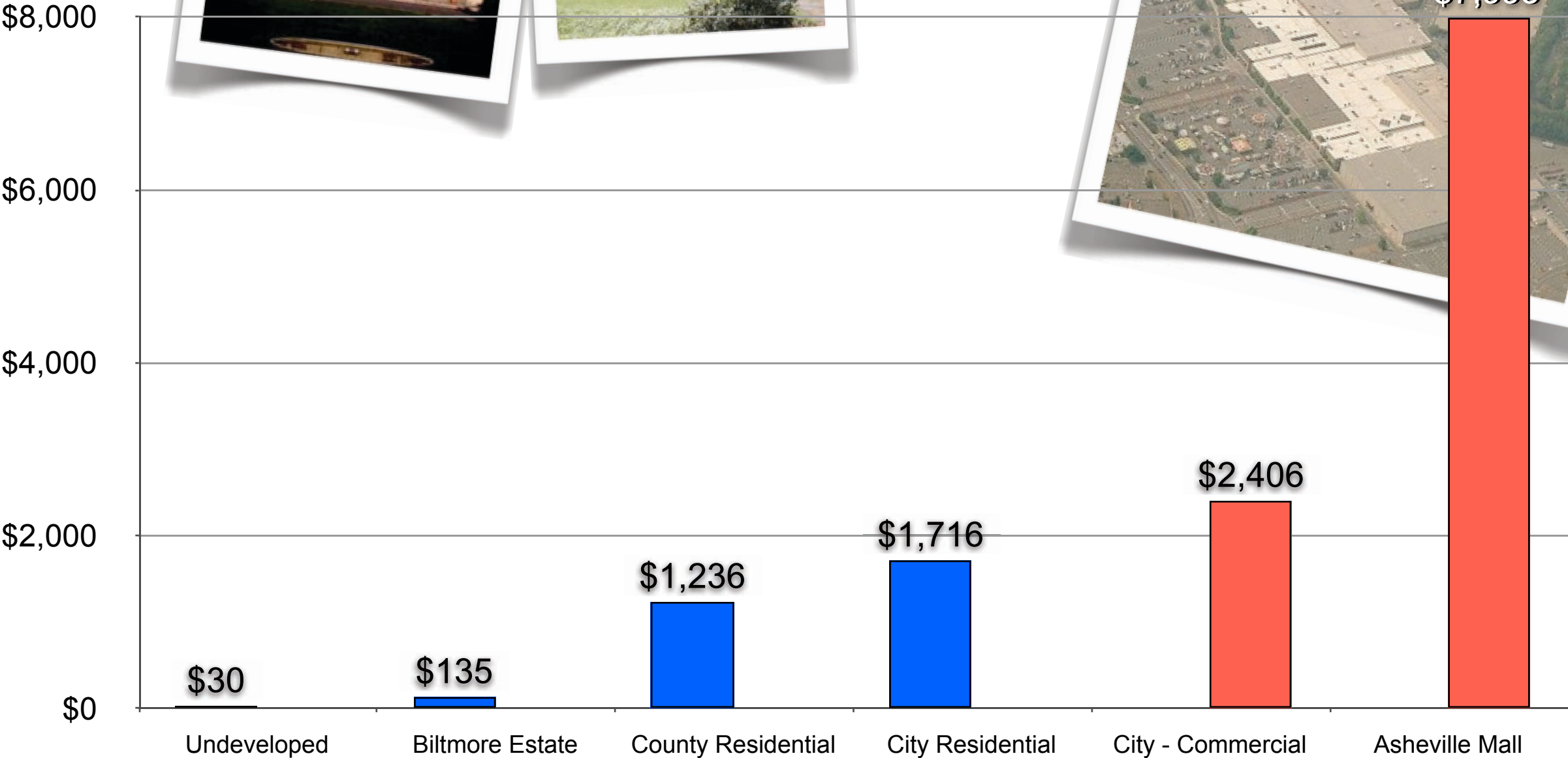
90.0

73.7

Buncombe County Property Tax Revenue Profile: 2007 Tax Yield per Acre

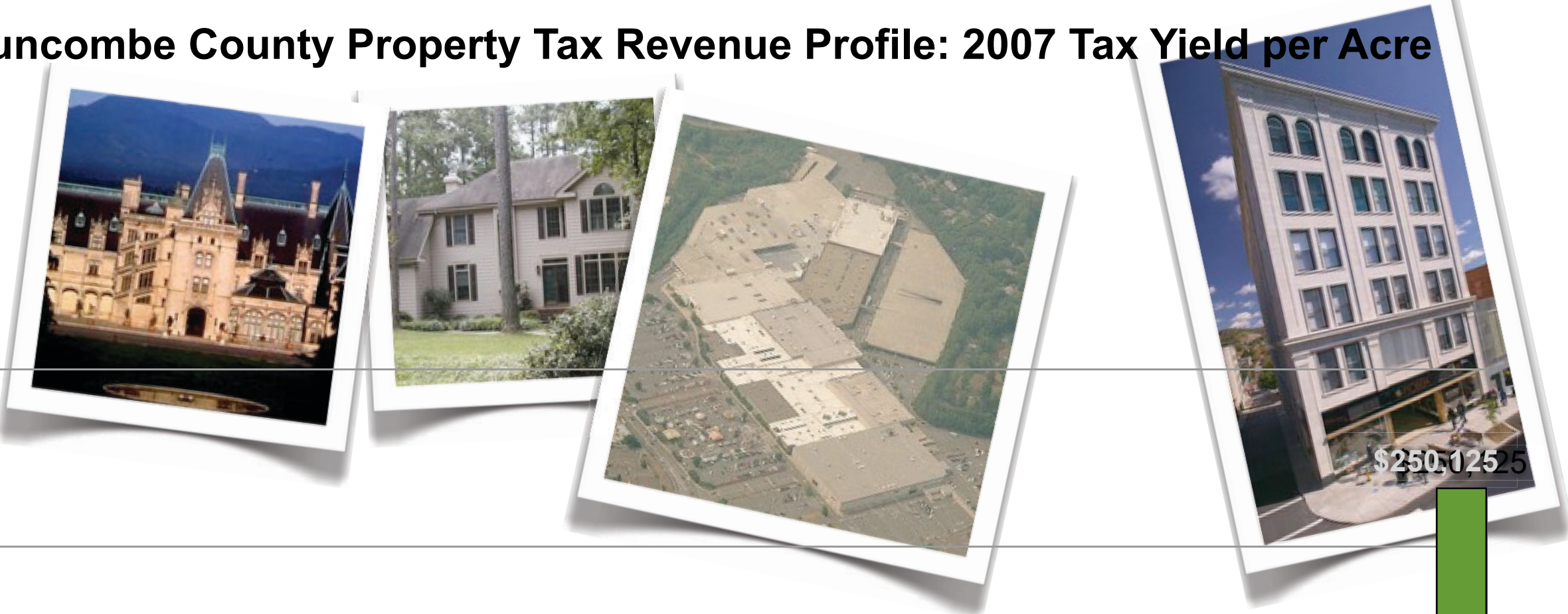


Buncombe County Property Tax Revenue Profile: 2007 Tax Yield per Acre

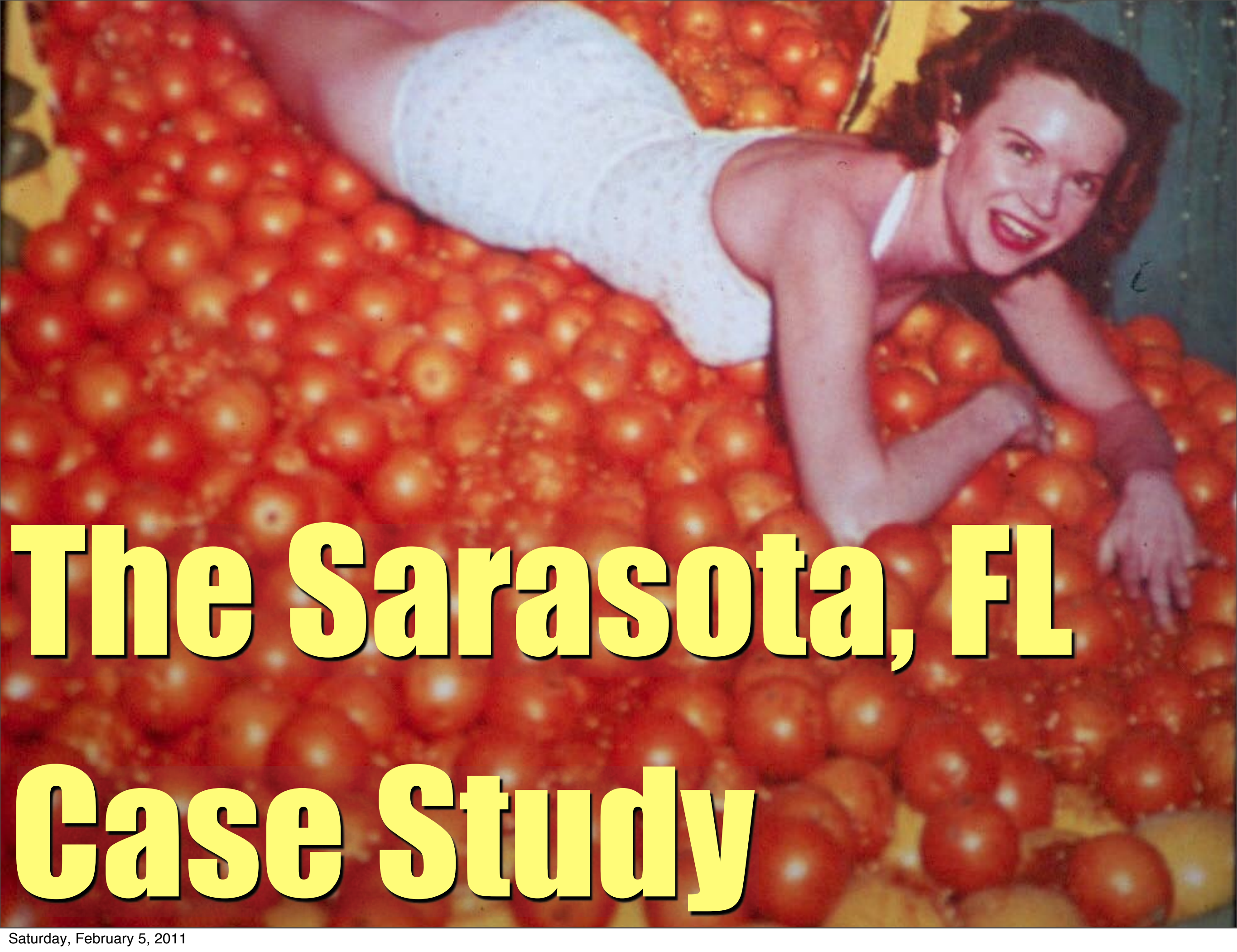


Residential
Commercial

Buncombe County Property Tax Revenue Profile: 2007 Tax Yield per Acre



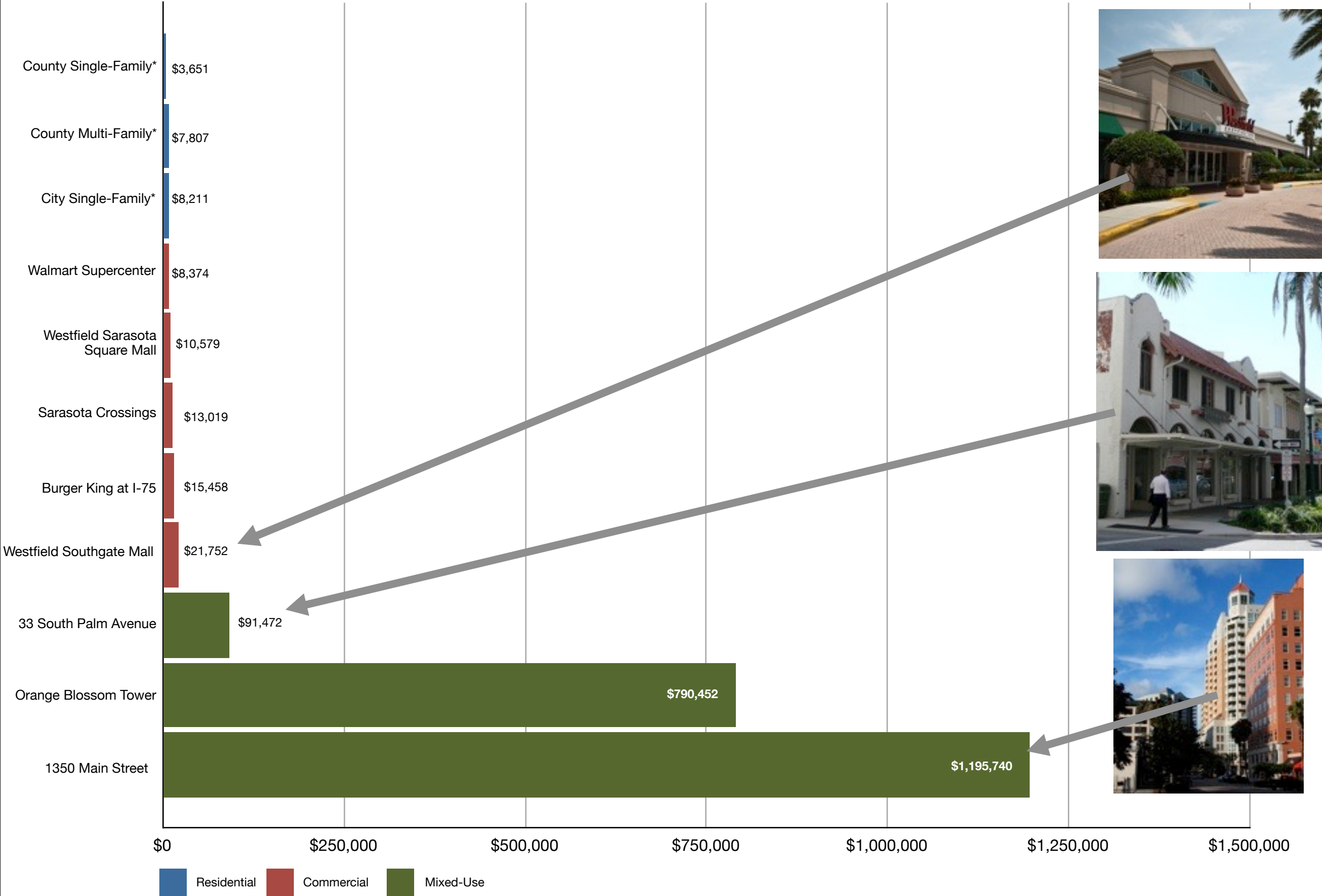
Joe Minicozzi, AICP - Public Interest Projects : Asheville NC



The Sarasota, FL

Case Study

Sarasota County Property Tax Revenue Profile: 2008 Tax Yield per Acre



*Average values per Board of Realtors



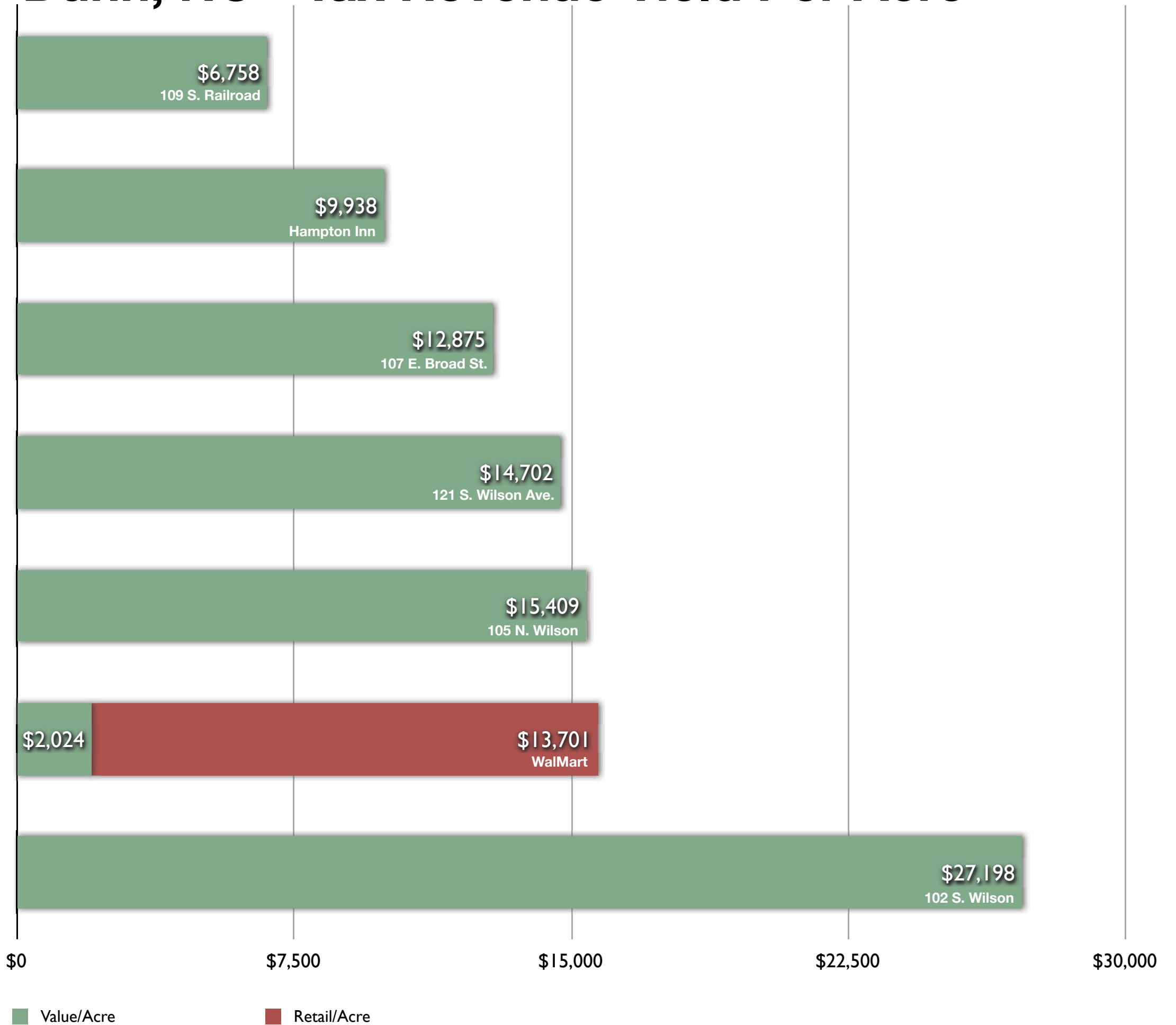
\$92,500 pa/y

\$3,700 pa/y

Dunn, NC



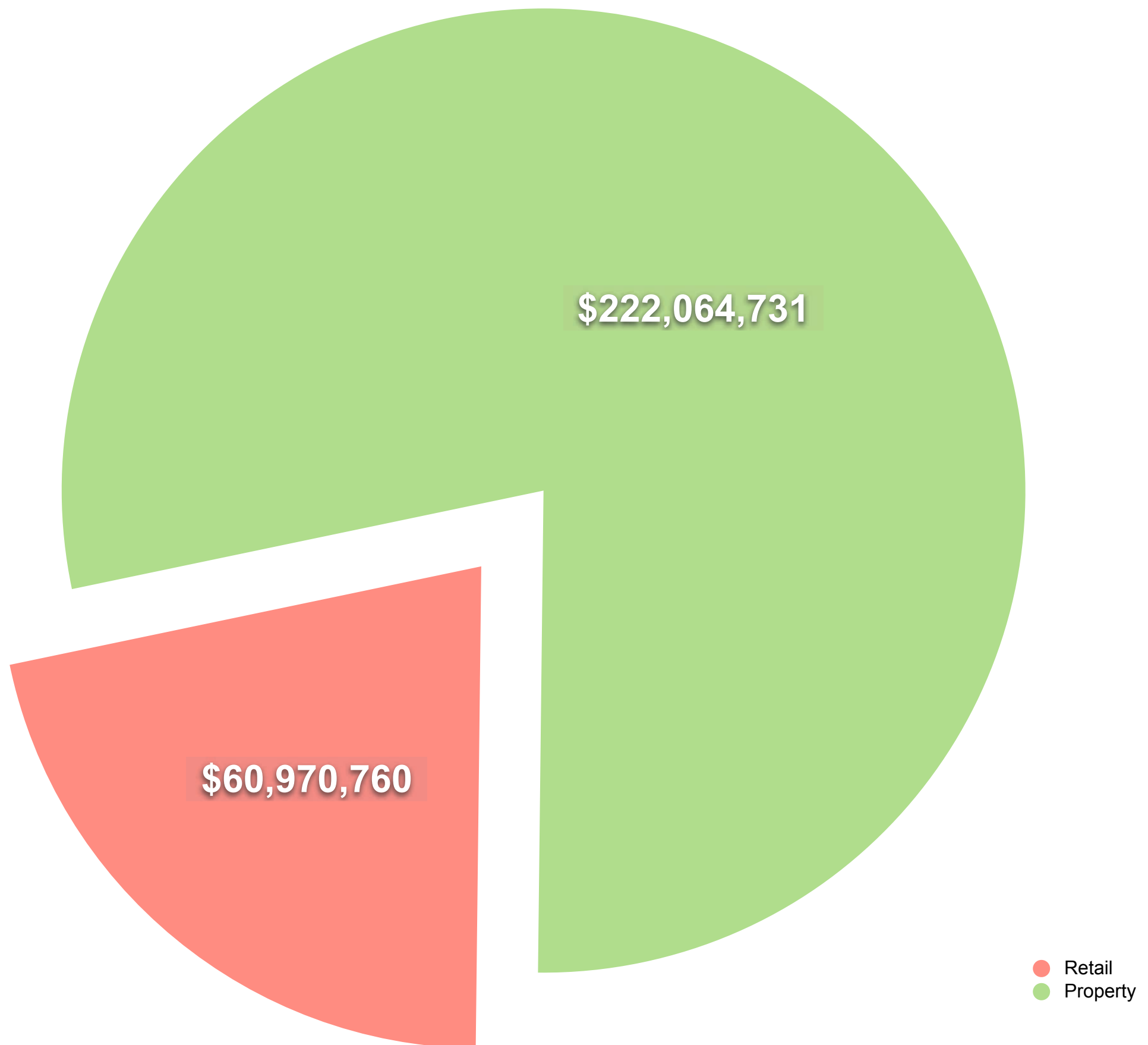
Dunn, NC - Tax Revenue Yield Per Acre



Value/Acre

Retail/Acre

Sarasota County's Revenue (2008)



THE SEARCH FOR EFFICIENT URBAN GROWTH PATTERNS:



How can communities direct their growth
into more efficient patterns of development?
What roles of incentives and regulations can we follow?
These are the questions I put to you...
Governor Bob Martinez, May 25, 1988

The physical form in which new development is created at the
urban fringe of our metropolitan areas has a significant impact
on the total amount of resources (both environmental and
economic) needed to accommodate urban growth. Local gov-
ernment officials must determine what difference in
impact among alternative development patterns do, in fact, exist
and then identify and control land use so as to minimize
cost burdens and adverse environmental effects.
The Costs of Sprawl, 1976

A Study of the Fiscal Impacts of Development in Florida

TOTAL EXTERNAL CAPITAL PUBLIC FACILITY COSTS

(Per Single Family Dwelling Unit)

Rank	DSA	Urban Form	Unit Cost
1	Downtown	Compact	\$9,251
2	Southpoint	Contiguous	\$9,767
3	Countryside	Contiguous	\$12,693
4	Cantonment	Scattered	\$15,316
5	Tampa Palms	Satellite	\$15,447
6	University	Linear	\$16,260
7	Kendall	Linear	\$16,514
8	Wellington	Scattered	\$23,960
AVERAGE			\$14,901

THE SEARCH FOR EFFICIENT URBAN GROWTH PATTERNS:
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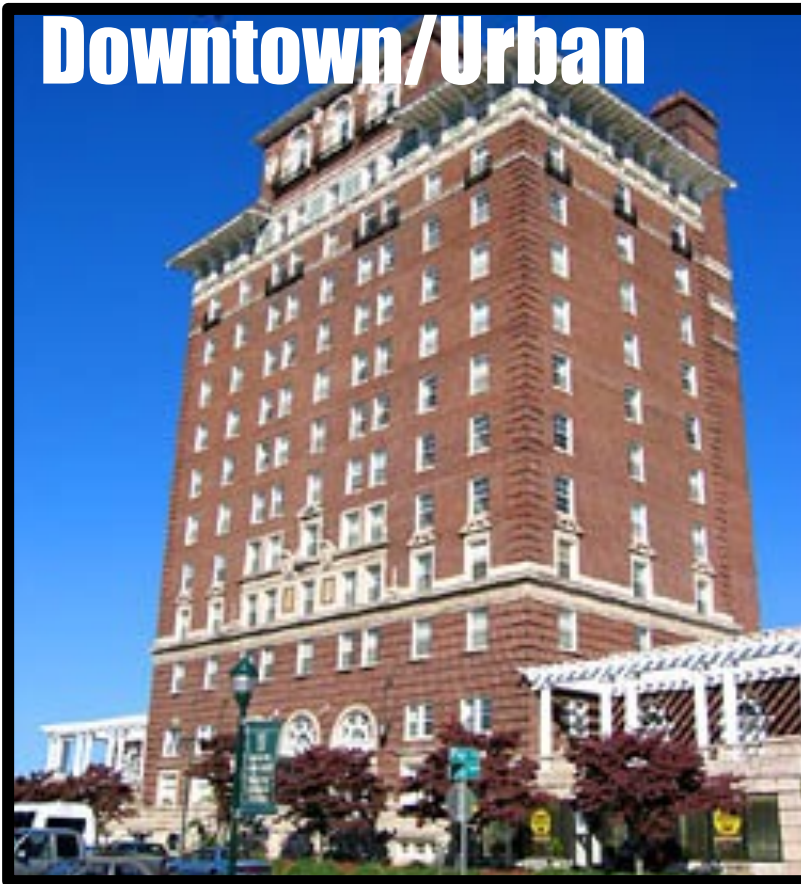
THE SEARCH FOR EFFICIENT URBAN GROWTH PATTERNS:
A Study of the Fiscal Impacts of Development in Florida.
James Duncan and Associates, July 1989

Public Infrastructure Cost Per Dwelling Unit*

\$ 15,956

\$ 28,042

Downtown/Urban



Linear/Suburban



The \$12,086 difference in costs means more tax dollars spent on suburban households
result is less money for public green space, schools, transportation networks, and basic services

* Florida Department of Community Affairs Study, by James Duncan AICP & Associates

Downtown

1350 Main
5 Points
Orange Blossom

197 Units
108,200 sf
\$193.35 M
1.9 acres

357 Units
569,928 sf
\$18.9 M
30.6 acres

NW Corner of Fruitville & I-75



Map created by Sarasota County GIS

0 0.17mi

Comparing the cost of
357 units of multi-family
housing in Sarasota
County



Downtown Sarasota



100 Marlin Lakes Circle

Revenue

0

0

Expense

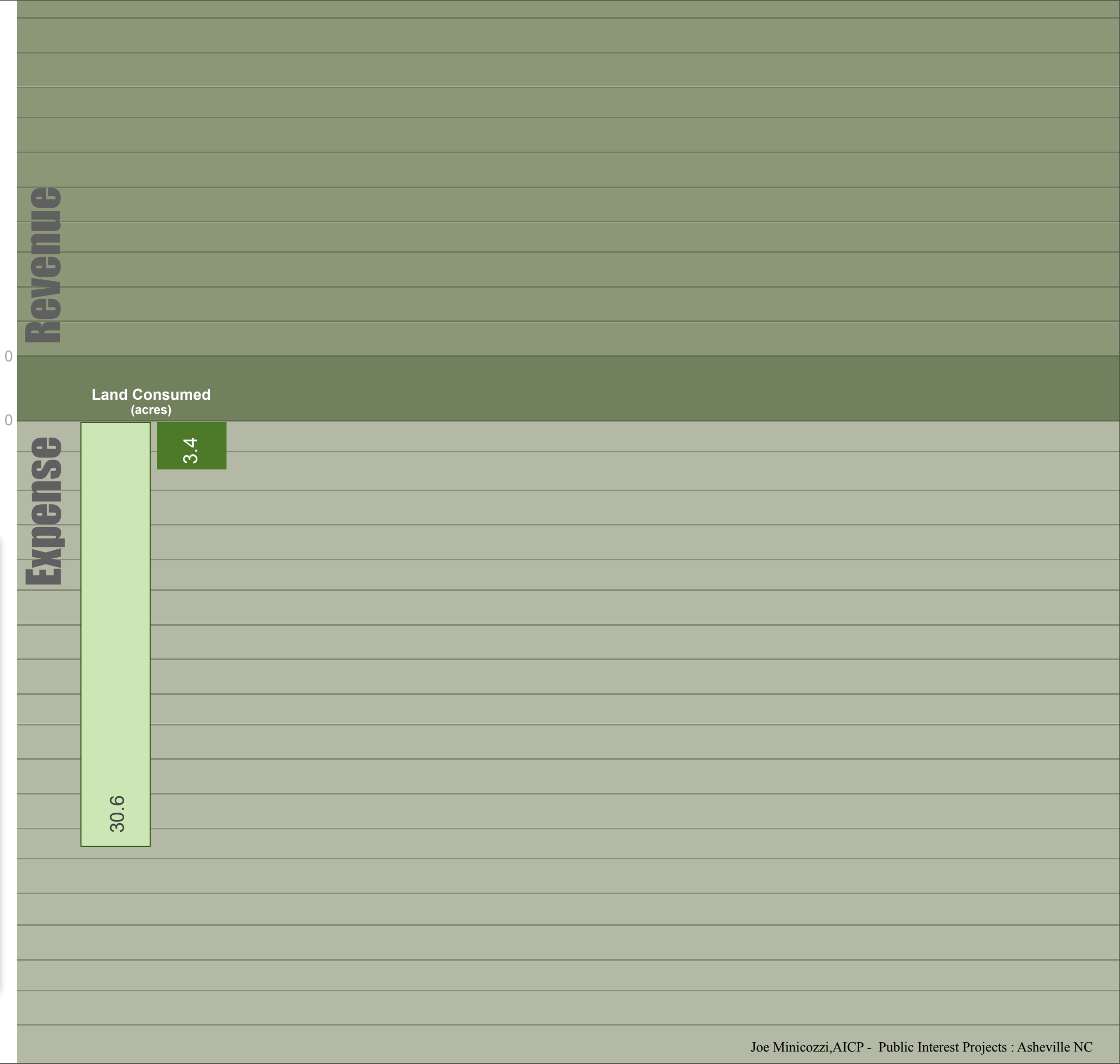
Comparing the cost of
357 units of multi-family
housing in Sarasota
County



Downtown Sarasota



100 Marlin Lakes Circle



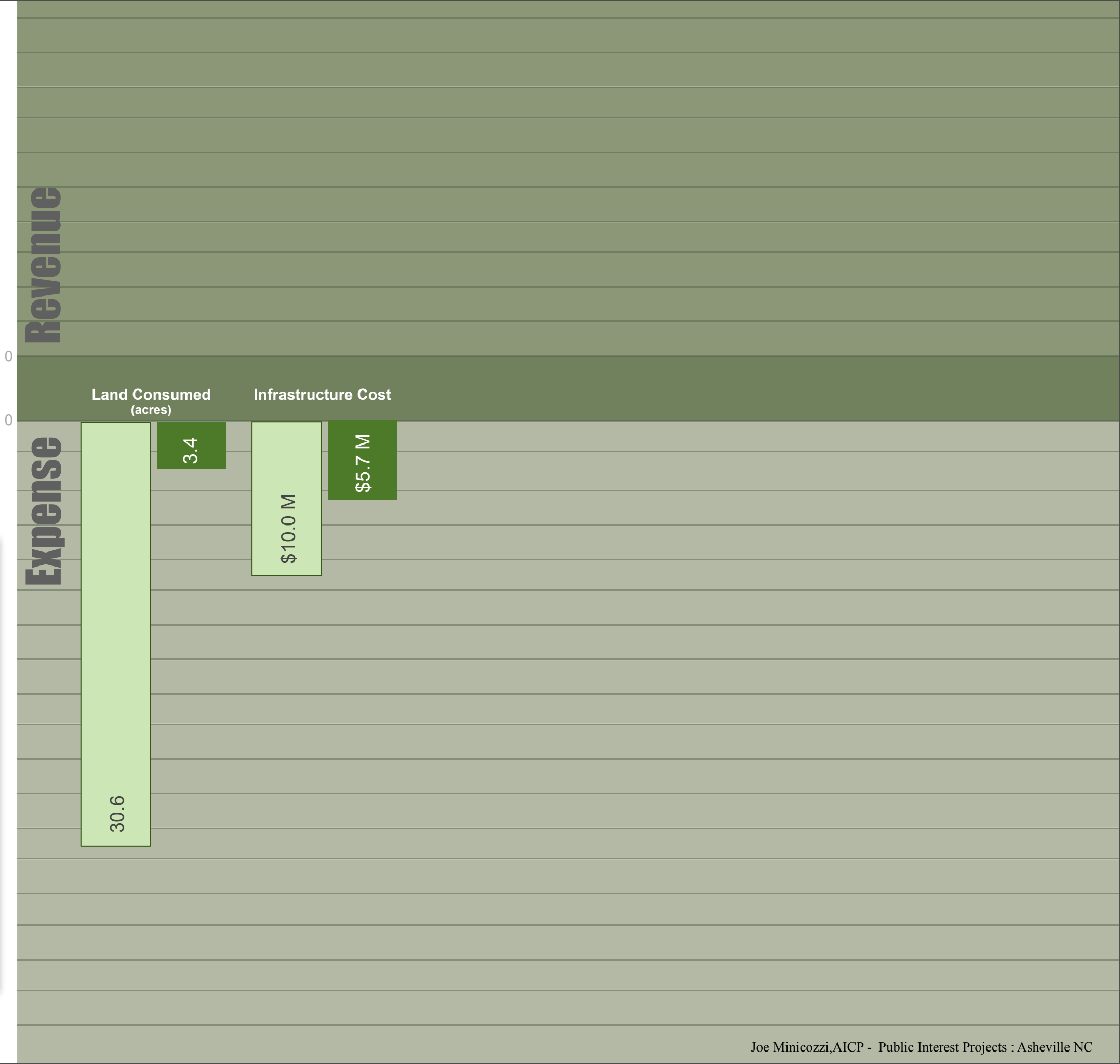
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Downtown Sarasota



100 Marlin Lakes Circle



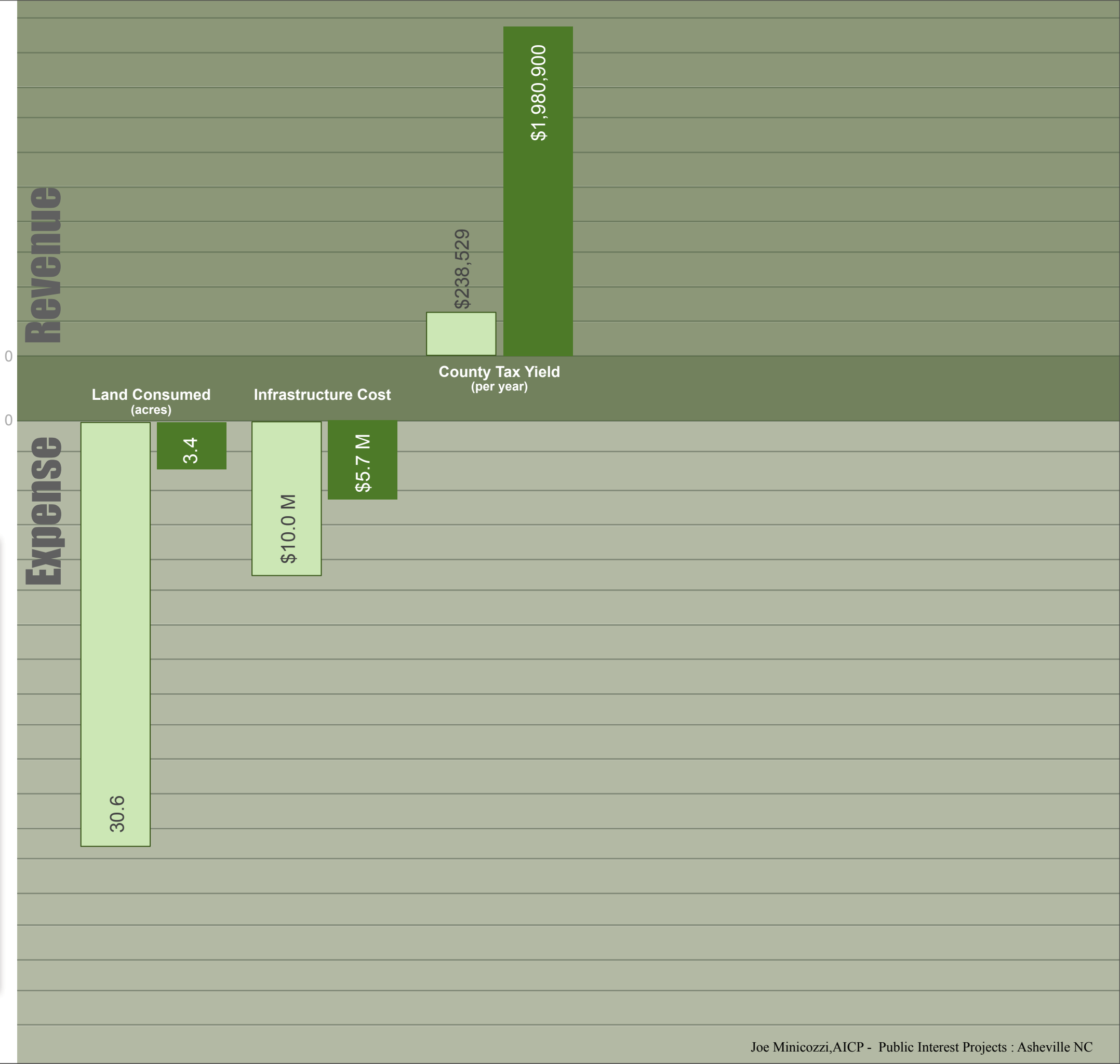
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Downtown Sarasota



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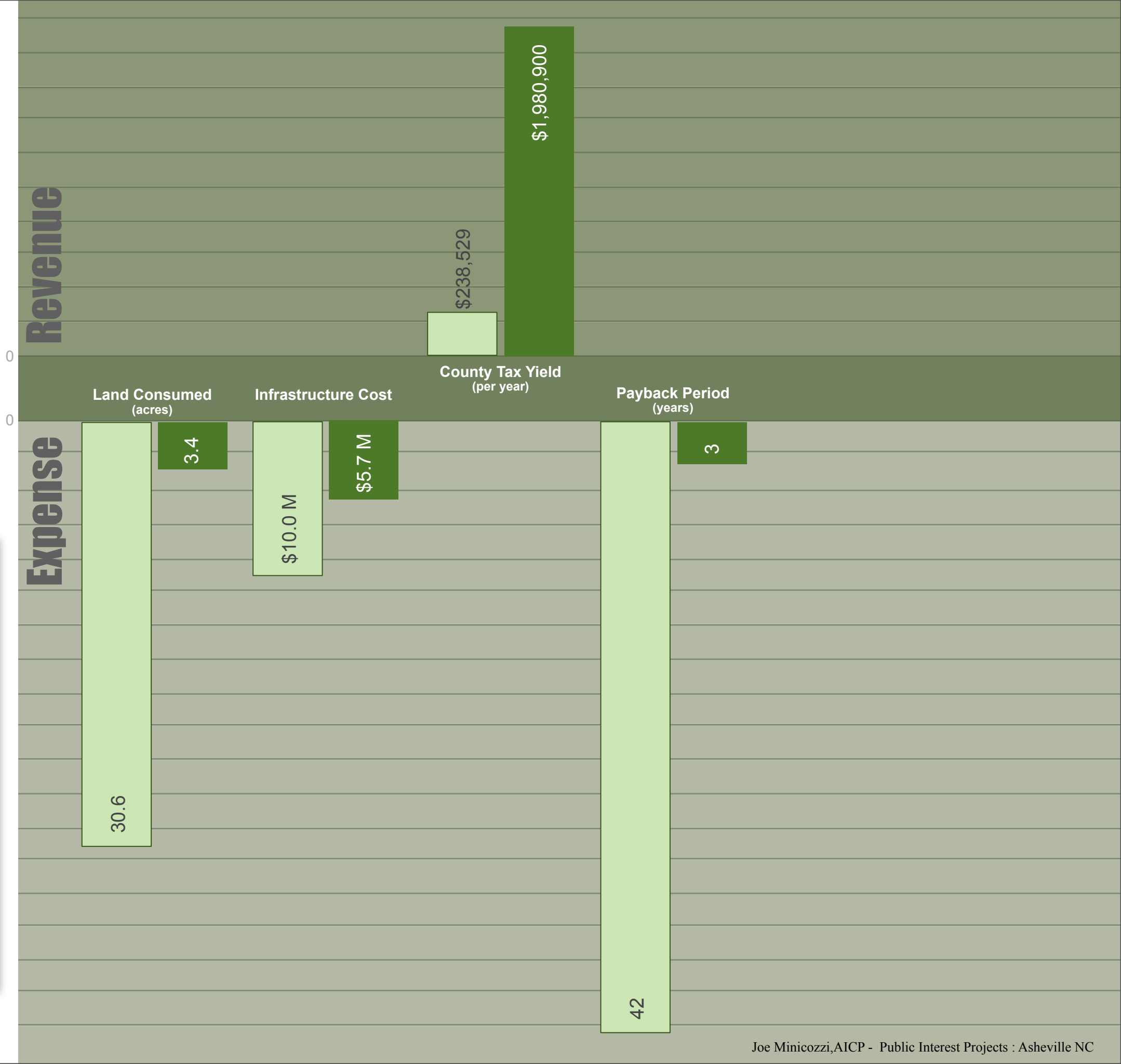
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Downtown Sarasota



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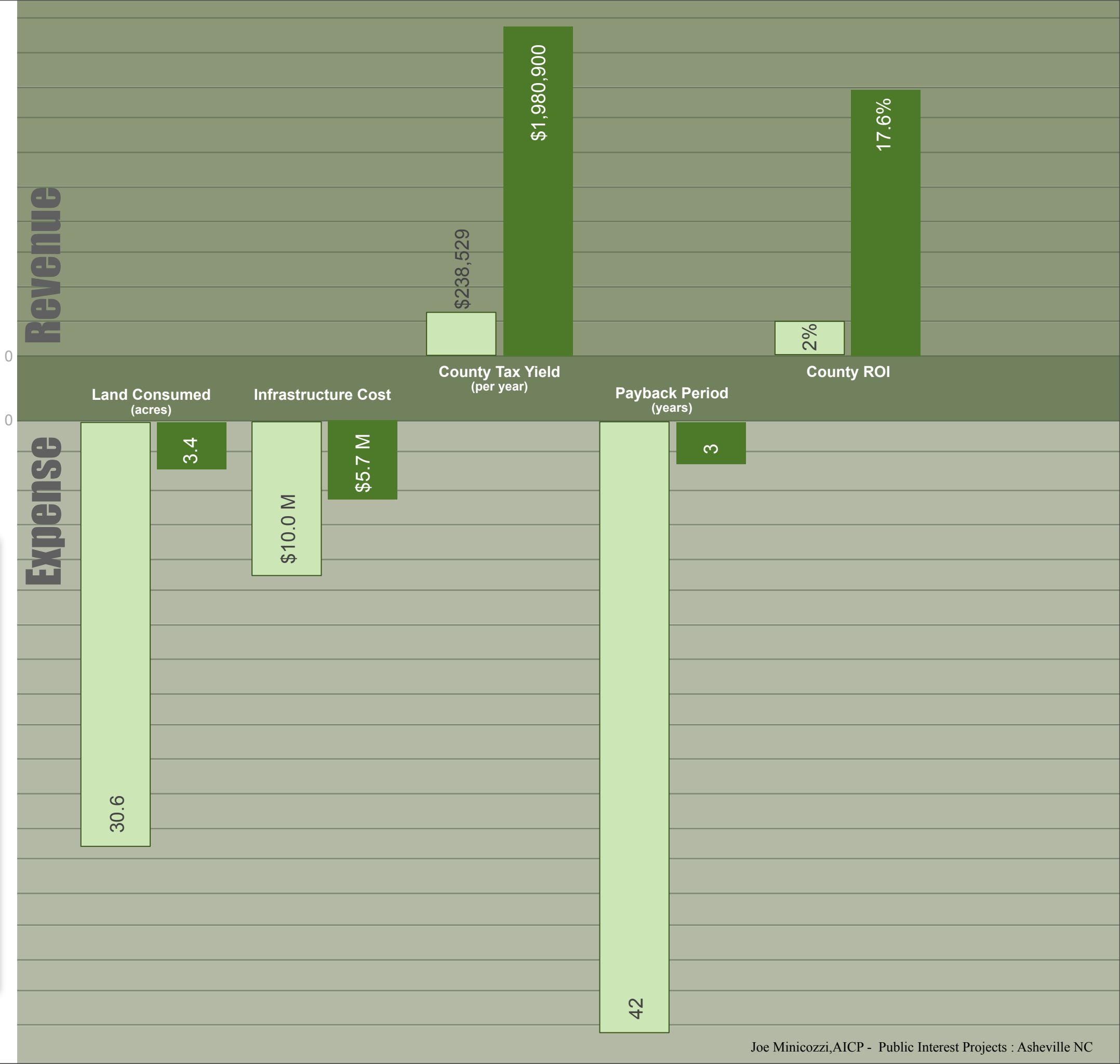
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Downtown Sarasota



100 Marlin Lakes Circle



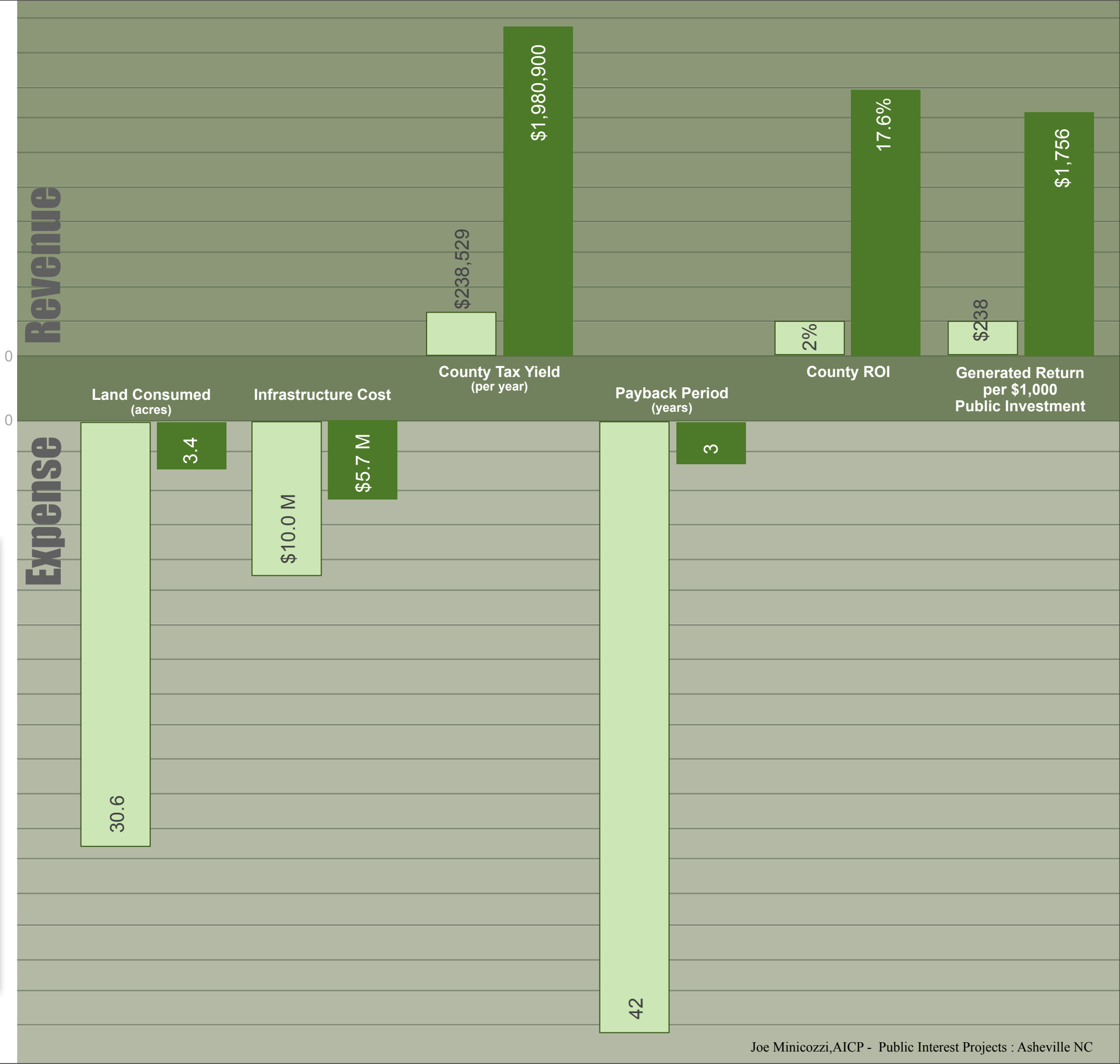
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Downtown Sarasota

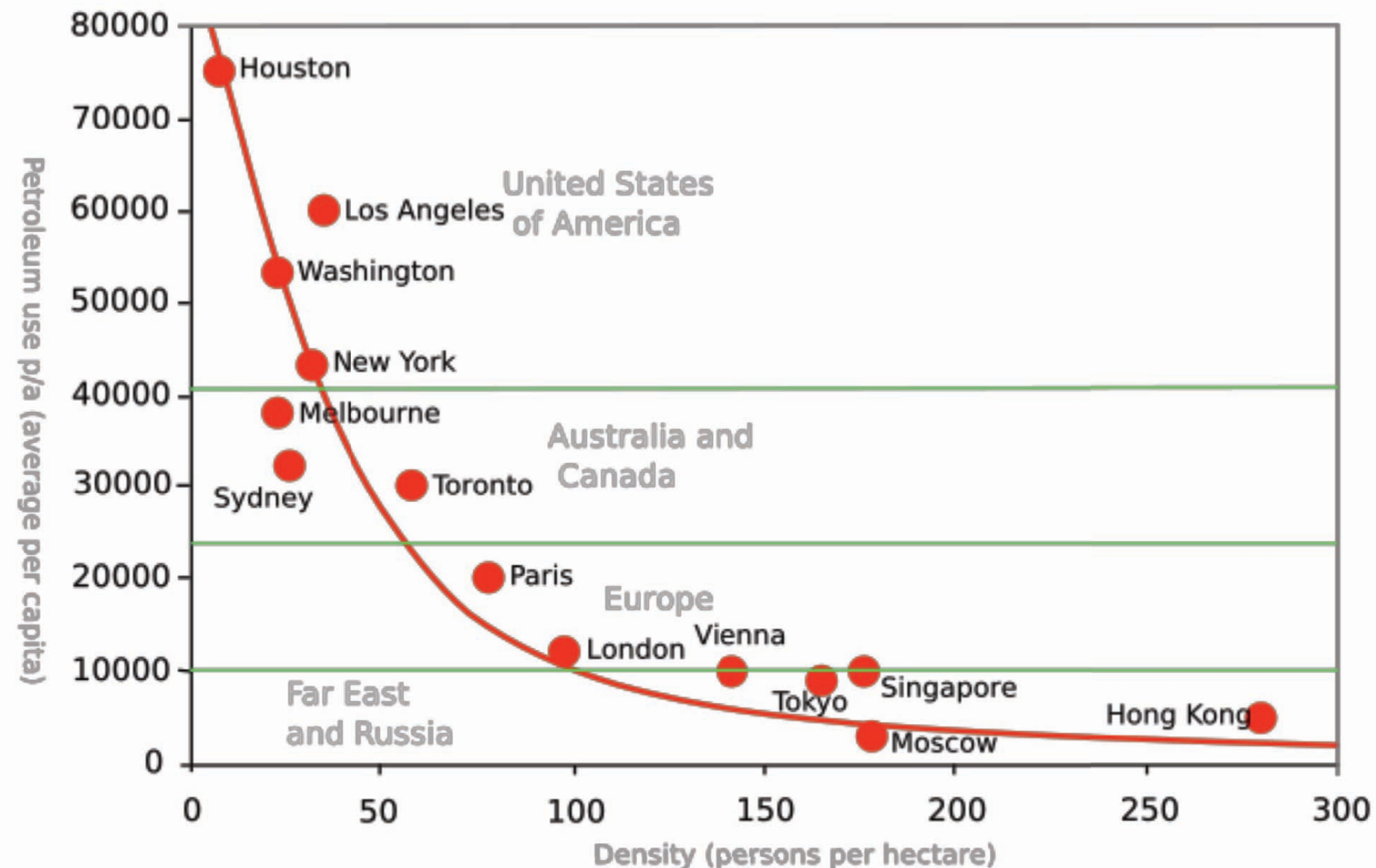


100 Marlin Lakes Circle



Relationship between Transport and Land Use

A commonly used study of 32 cities by Newman & Kenworthy in 1989 concluded that there was a strong link between urban development densities and petroleum consumption.

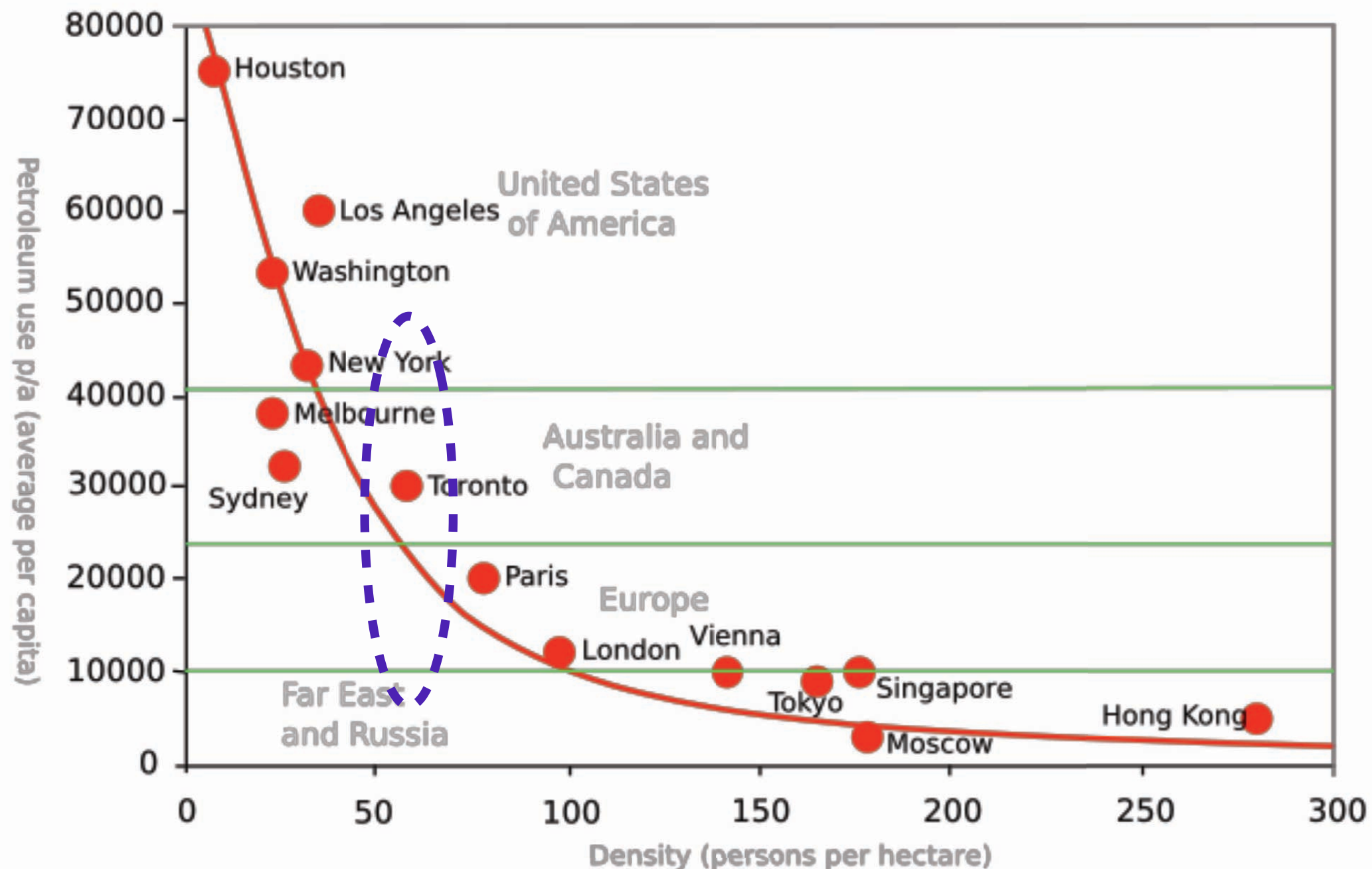


Annual petroleum use per capita adjusted to US MJ (1980)

After Andrew Wright Associates, small section taken from 'Towards an Urban Renaissance', Urban Task Force Partnership, 1999, © DETR, 1999

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Annual petroleum use per capita adjusted to US MJ (1980)

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Urban Task Force Partnership, 1999, © DETR, 1999

Comparing the cost of
400 units of multi-family
housing in Sarasota
County



Downtown Sarasota



100 Marlin Lakes Circle

Revenue

0

0

Expense

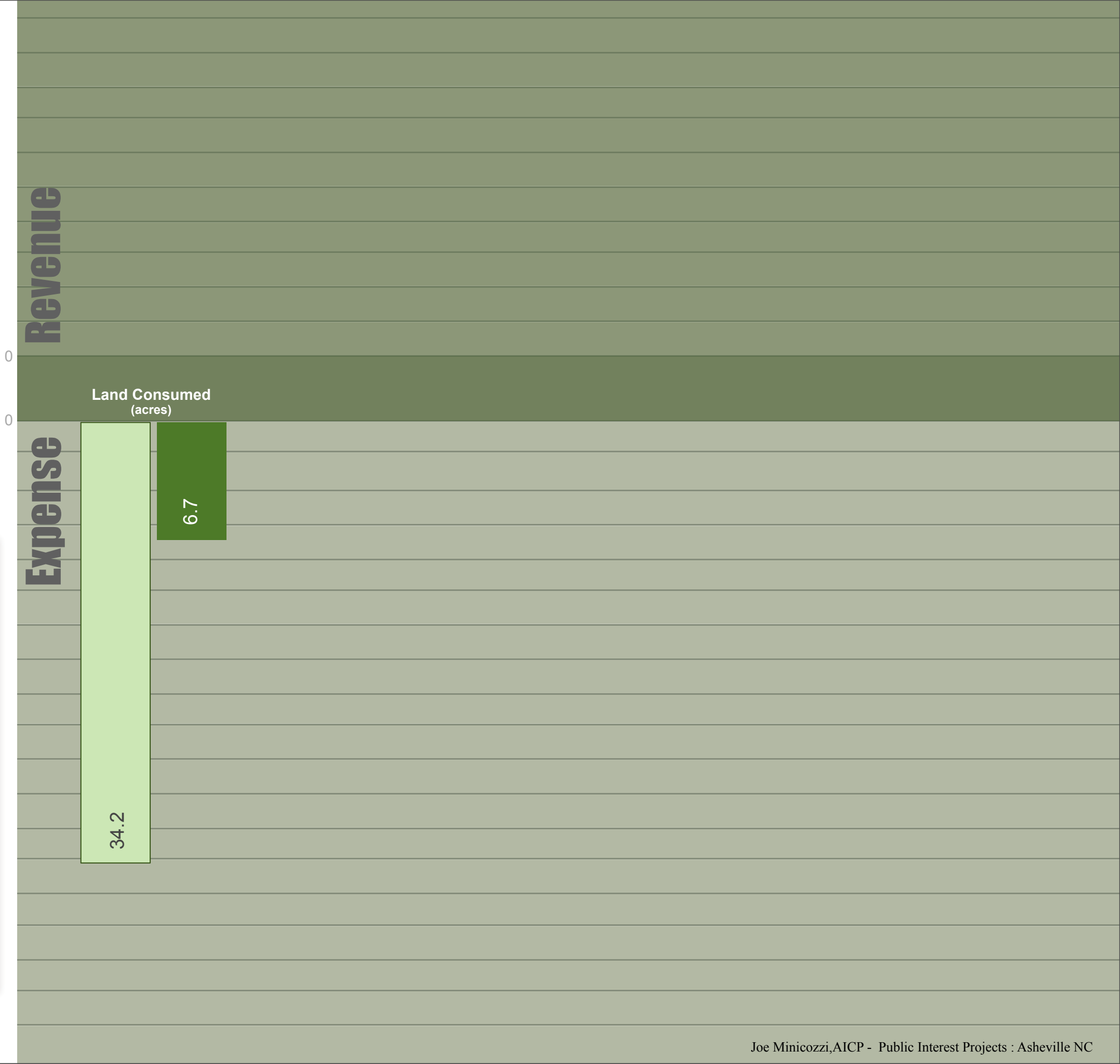
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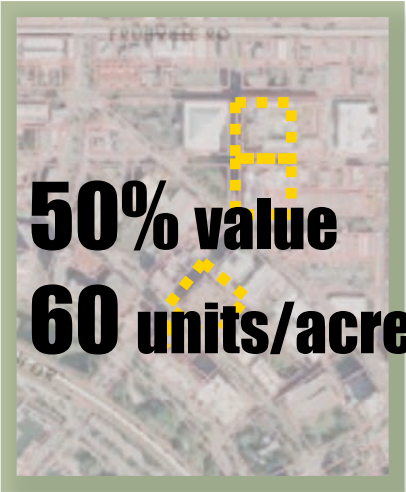
Downtown Sarasota



100 Marlin Lakes Circle



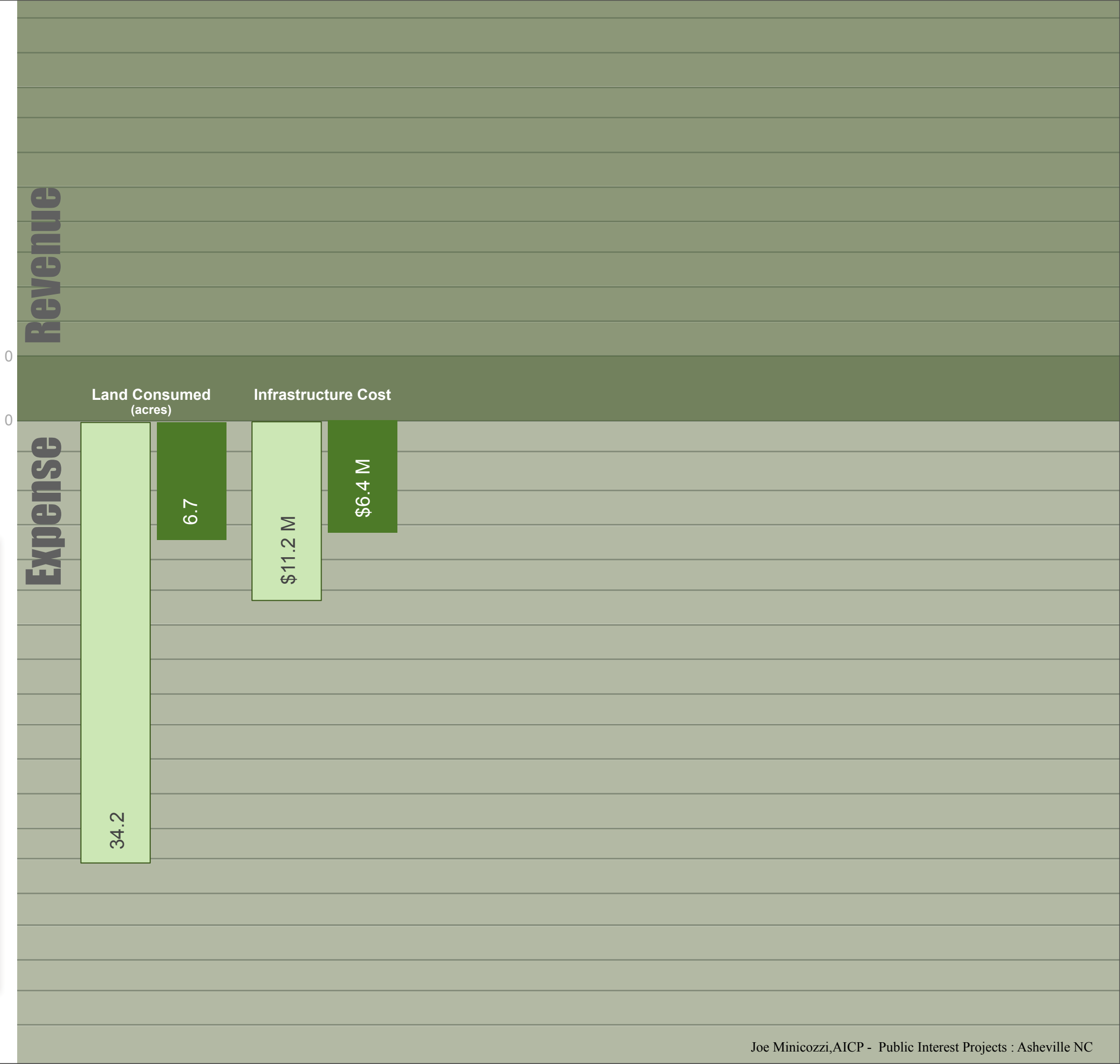
Comparing the cost of
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County



Downtown Sarasota



100 Marlin Lakes Circle



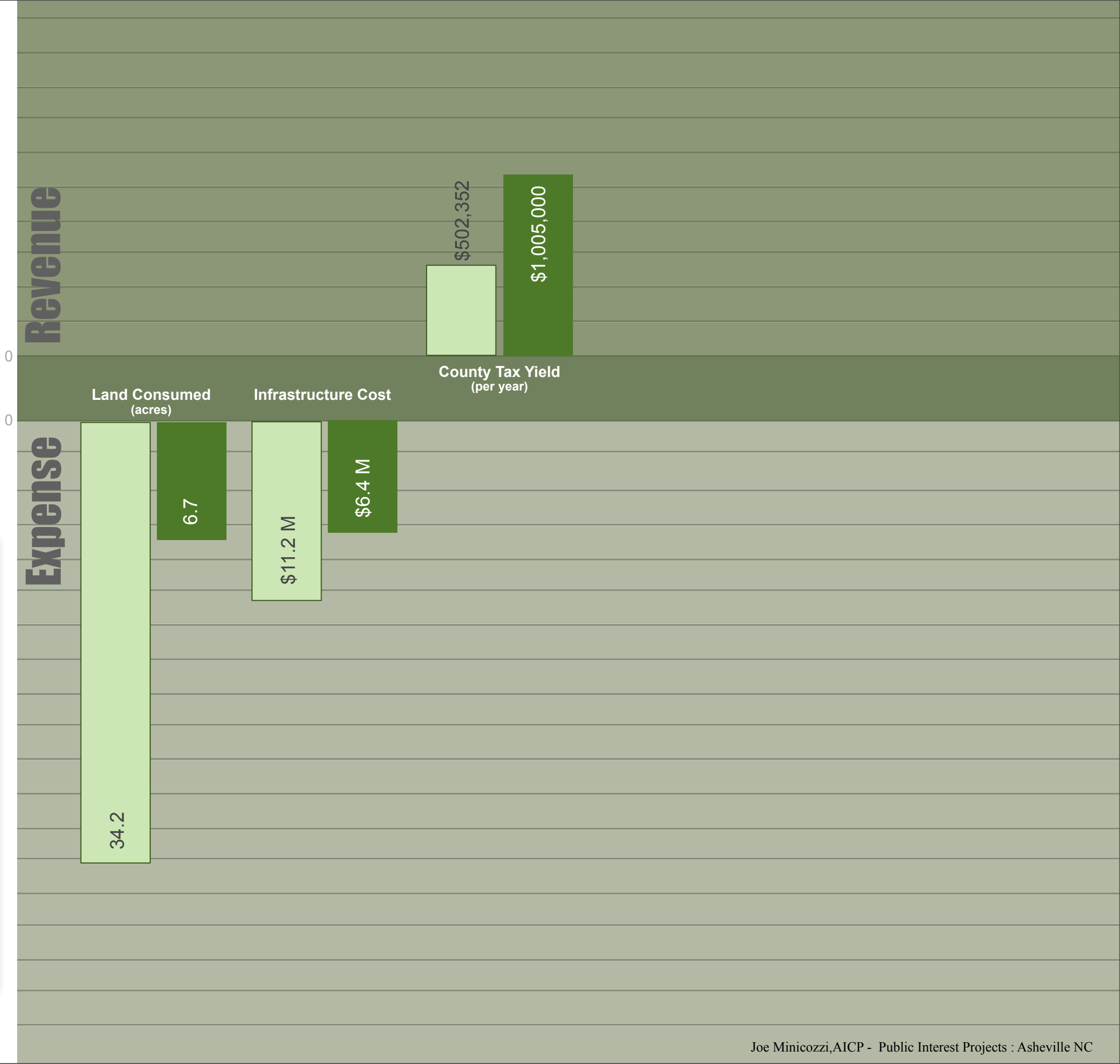
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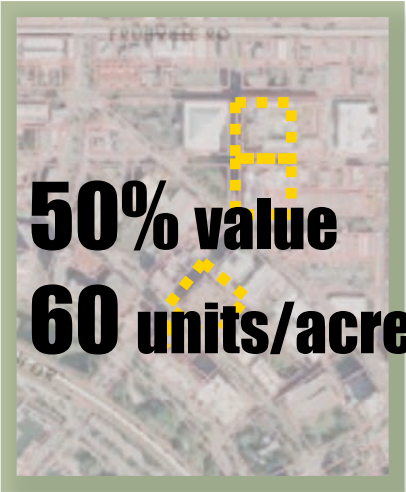
Downtown Sarasota



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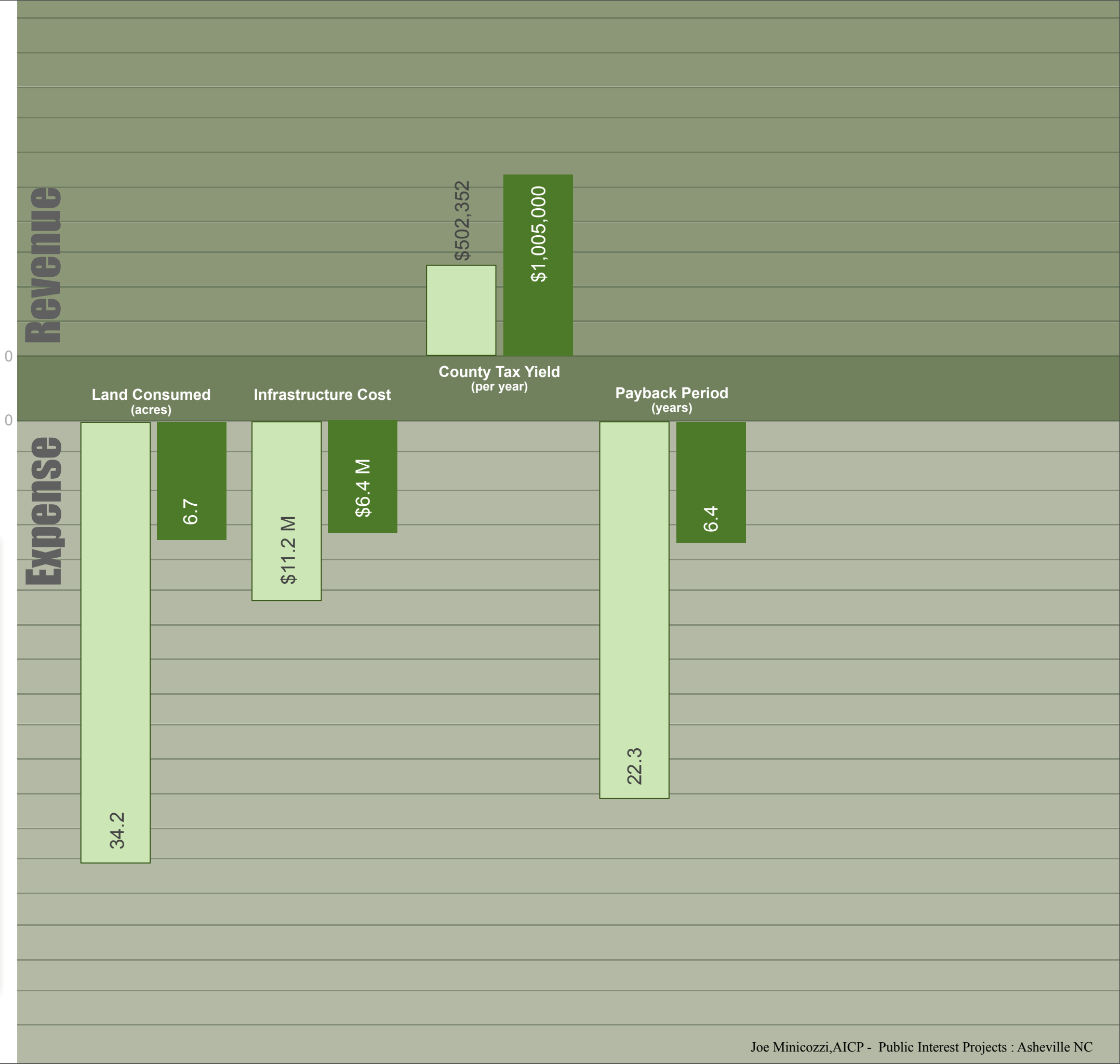
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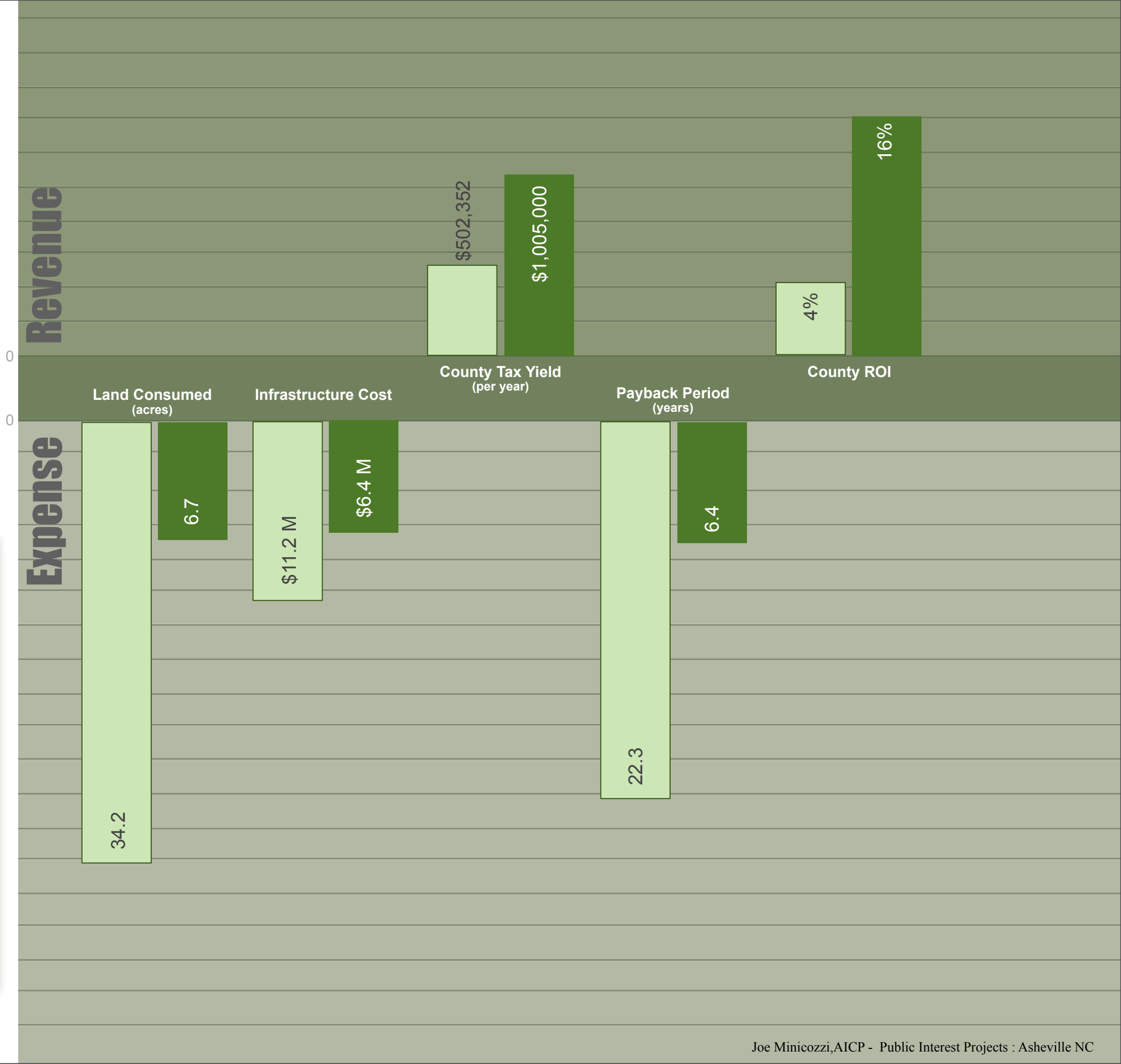
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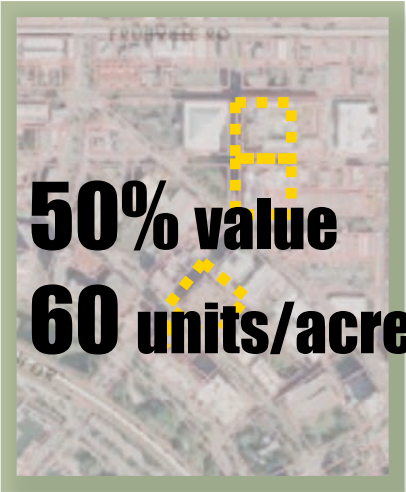
Downtown Sarasota



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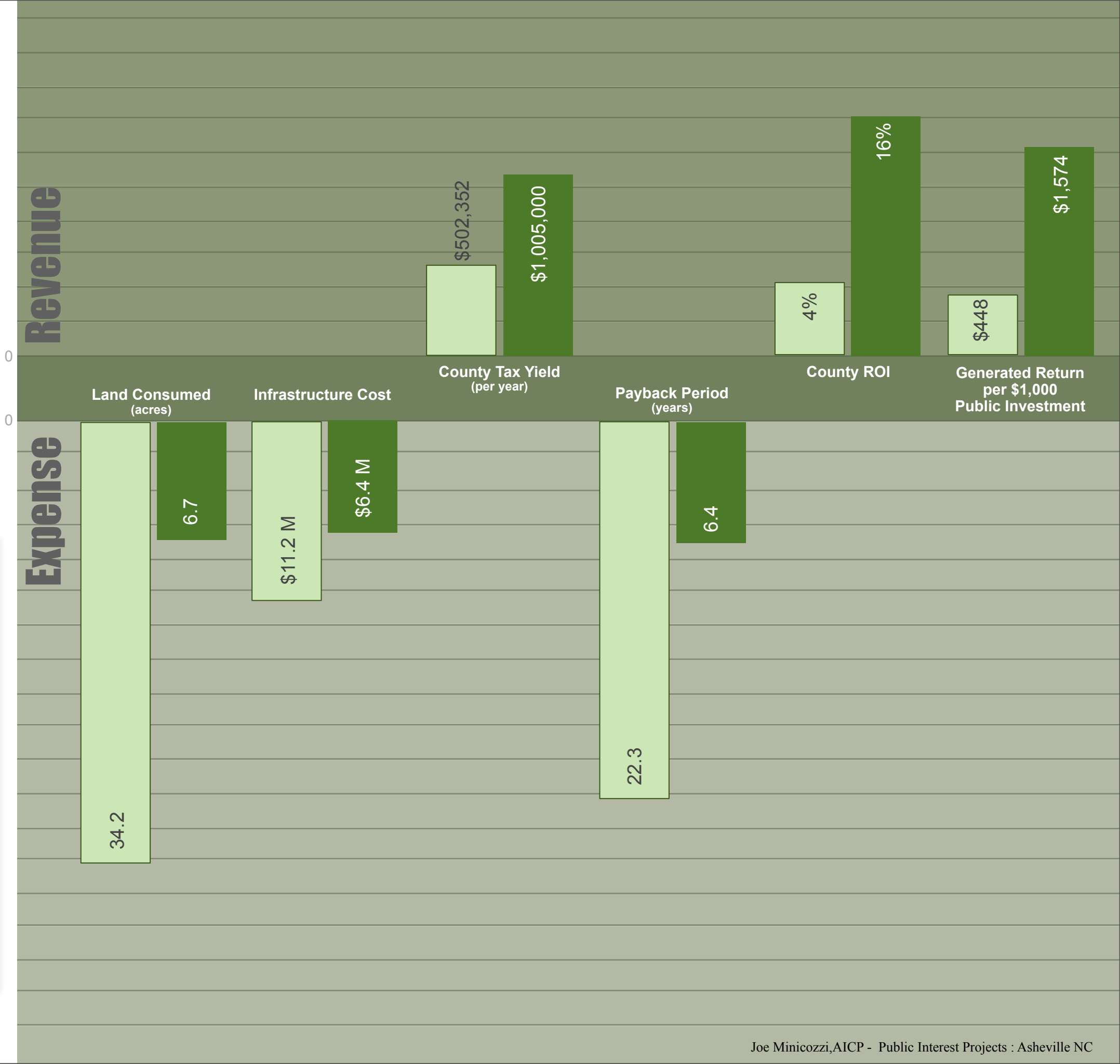
Comparing the cost of 400 units of multi-family housing in Sarasota County



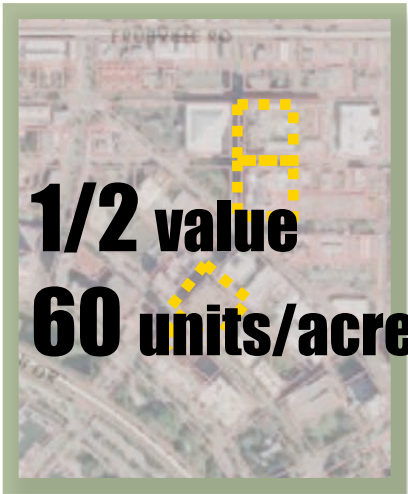
Downtown Sarasota



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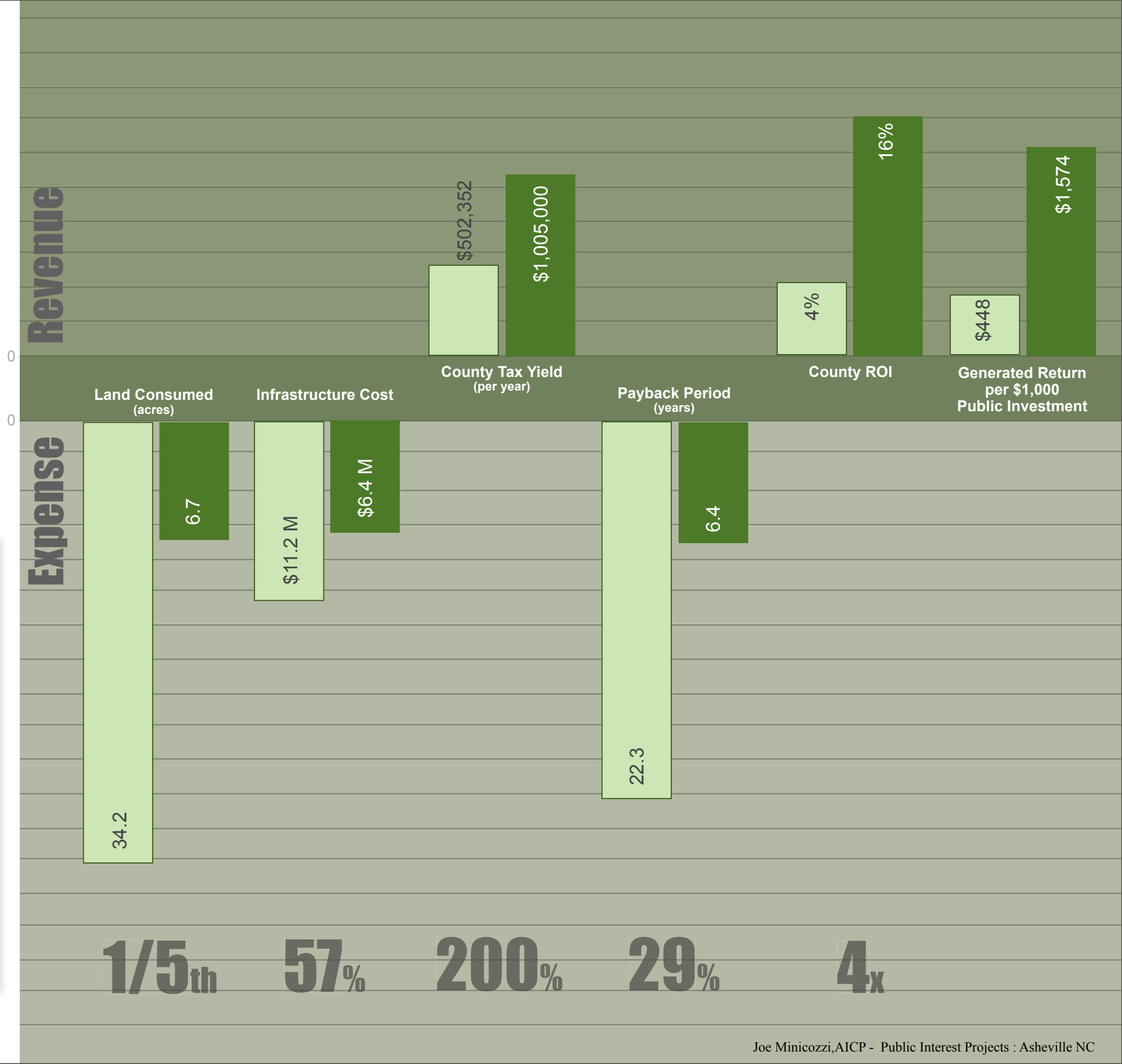
Comparing the cost of 400 units of multi-family housing in Sarasota County

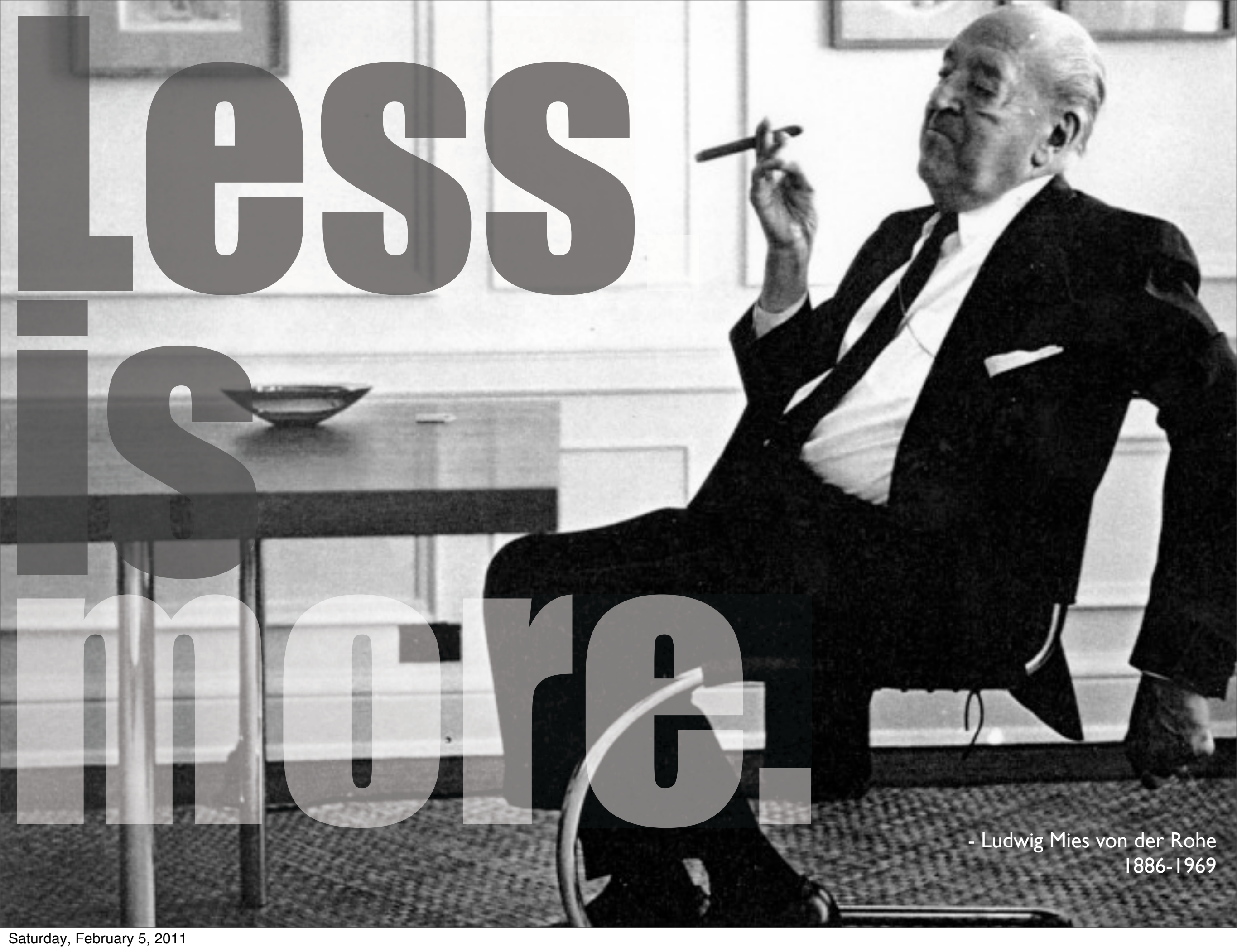


Downtown Sarasota



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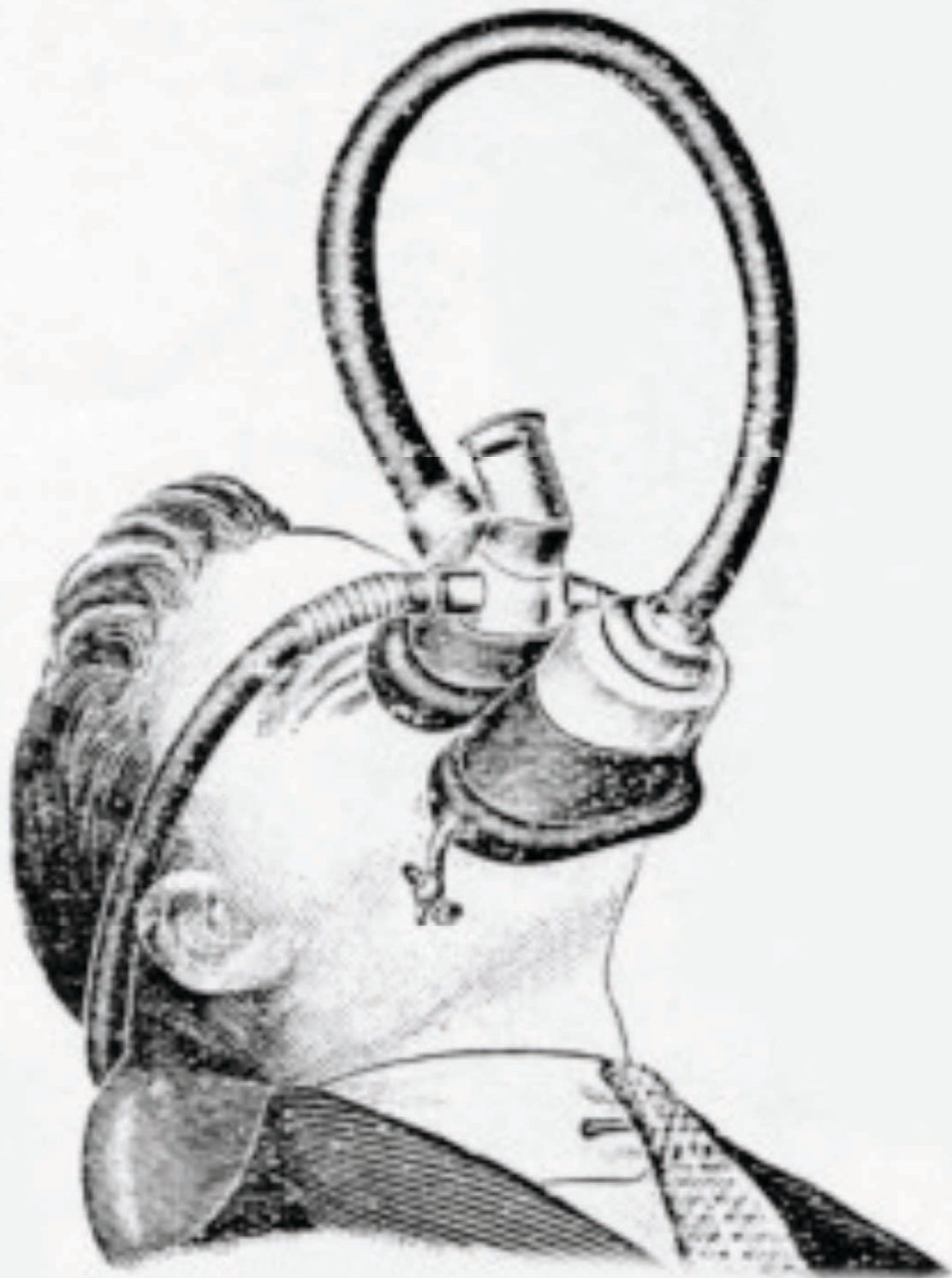




Less
is
more.

- Ludwig Mies von der Rohe
1886-1969

The Science of Appraisals



Search

Fly To

Find Businesses

Directions

Fly to e.g., 37 25.818' N, 122 05.36' W

asheville nc

Asheville, NC

Places

Add Content

Features (Taxable)

Feature Labels (Taxable)

3-d value/acre (exempt)

Features (MarketValu)

Feature Labels (apx_aprs)

dtown

Features (Taxable)

Feature Labels (Taxable)

dtown exempt

Features (MarketValu)

Layers

Primary Database

Geographic Web

Roads

3D Buildings

Street View

Borders and Labels

Traffic

Weather

Gallery

Ocean

Global Awareness

Places of Interest



Search

Fly To Find Bus

\$24M, 5.2 acres, 12 stories



\$34M, 0.7 acres, 9 stories, 70 units



Image © 2009 DigitalGlobe

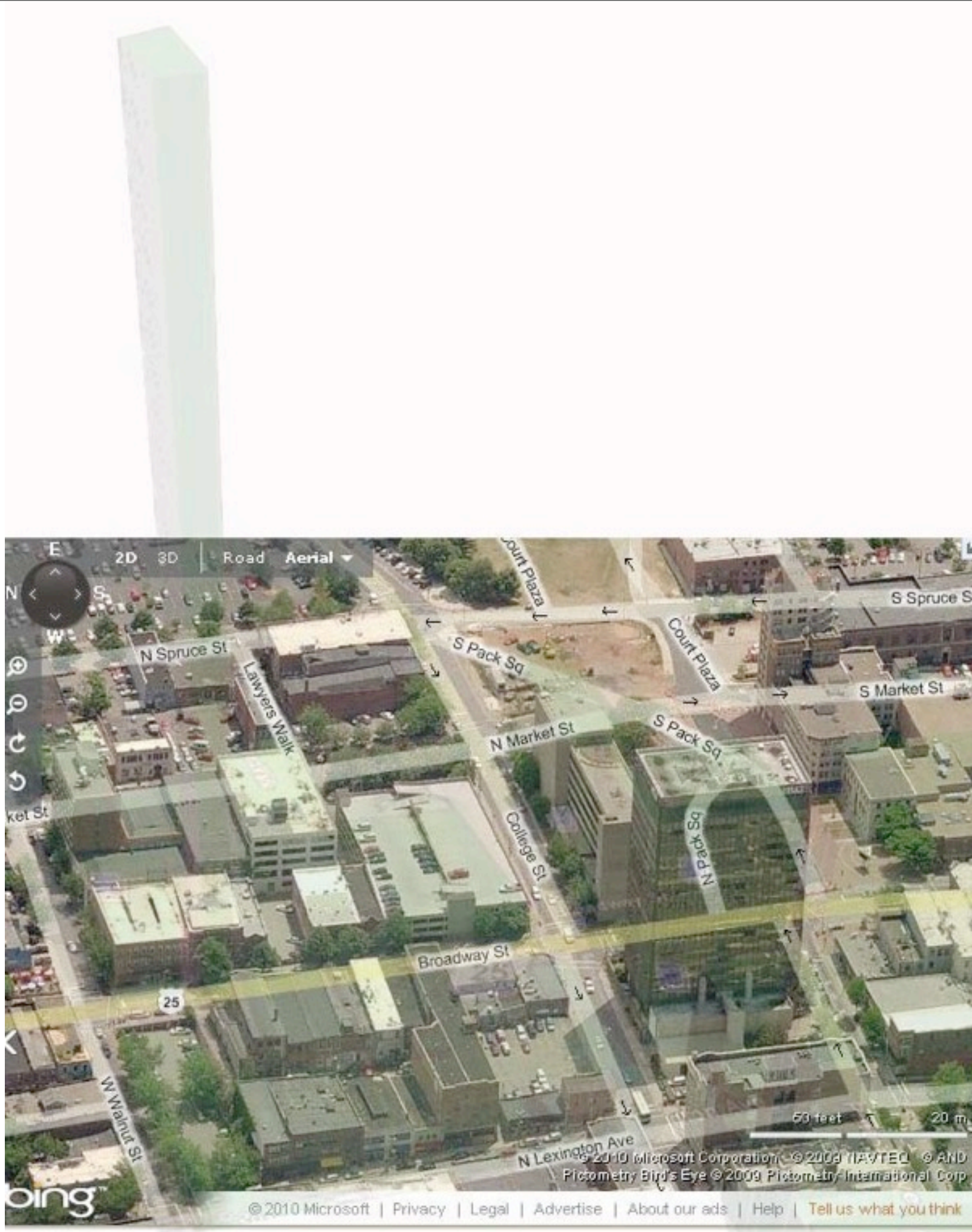
© 2009 Tele Atlas

Imagery Date: May 19, 2006

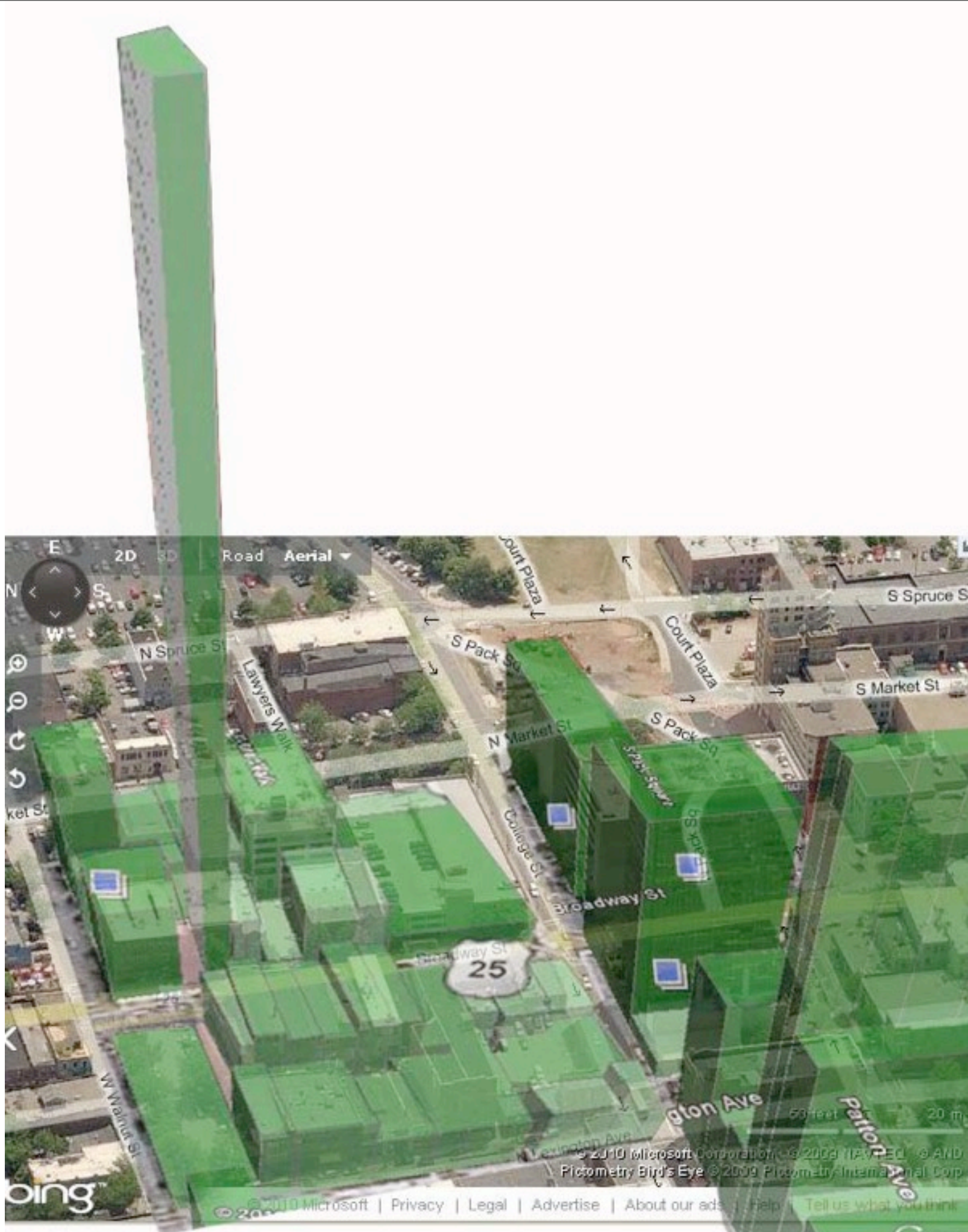
35°35'36.22" N 82°32'50.69" W elev 2168 ft

Eye alt 4239 ft

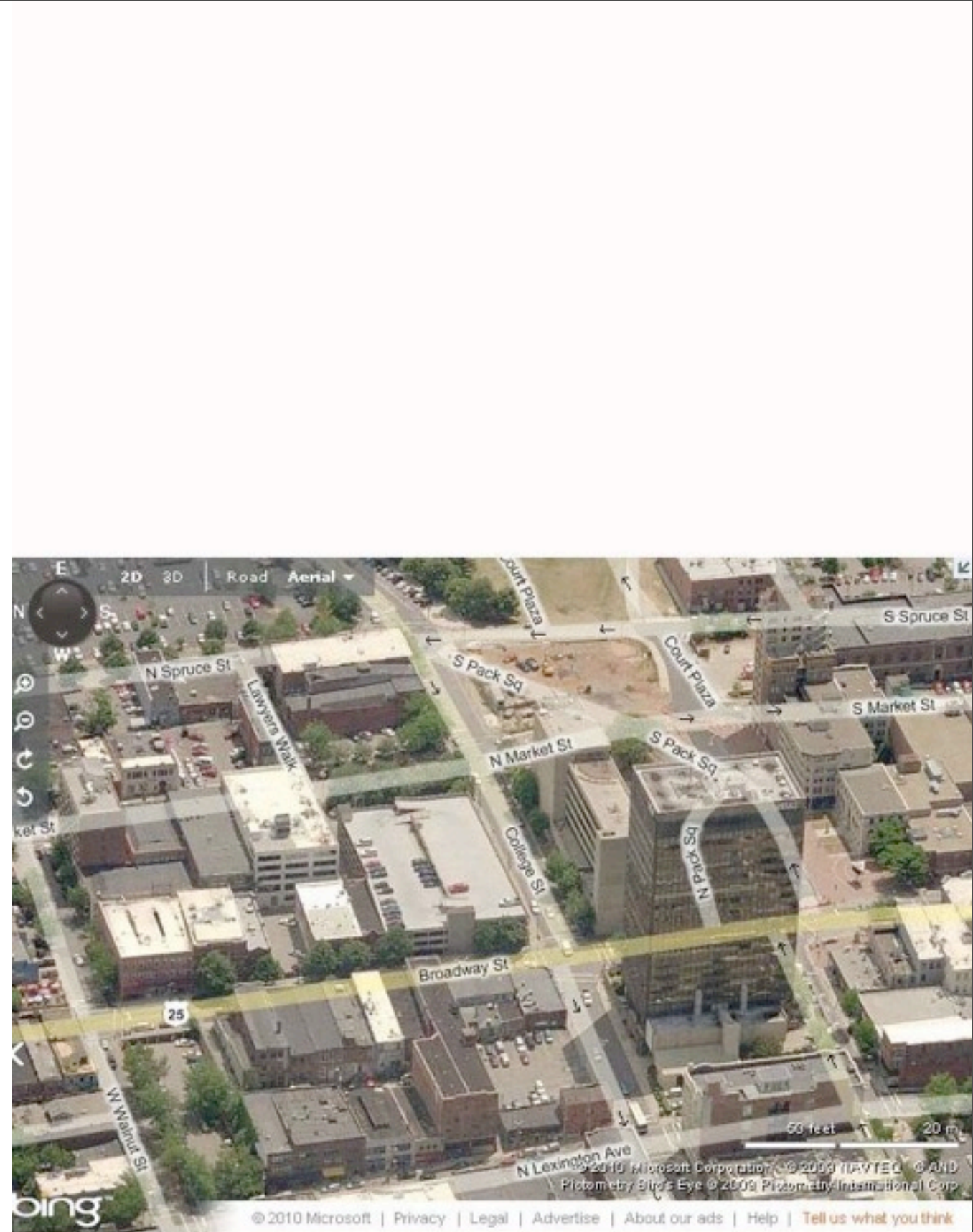


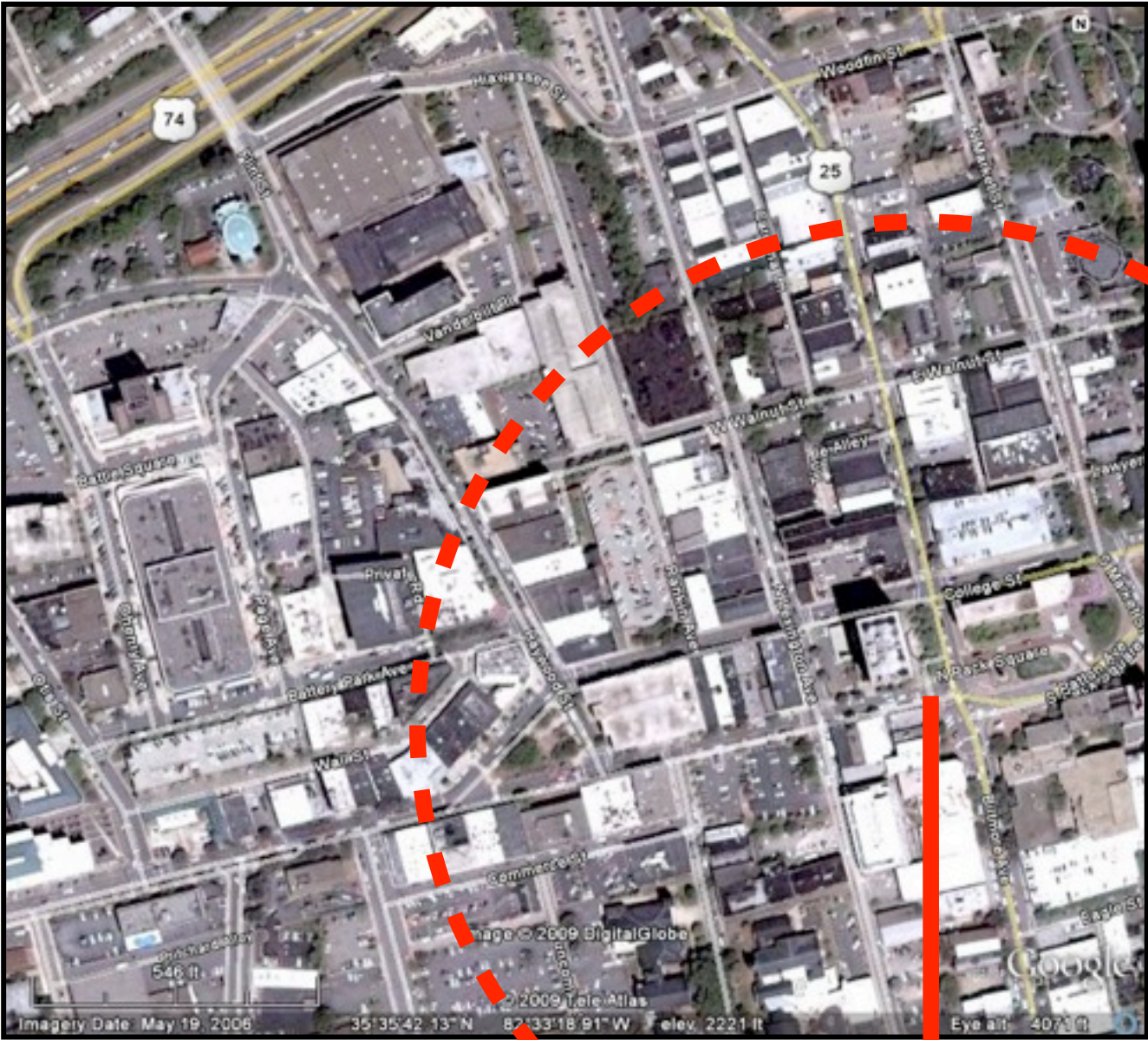




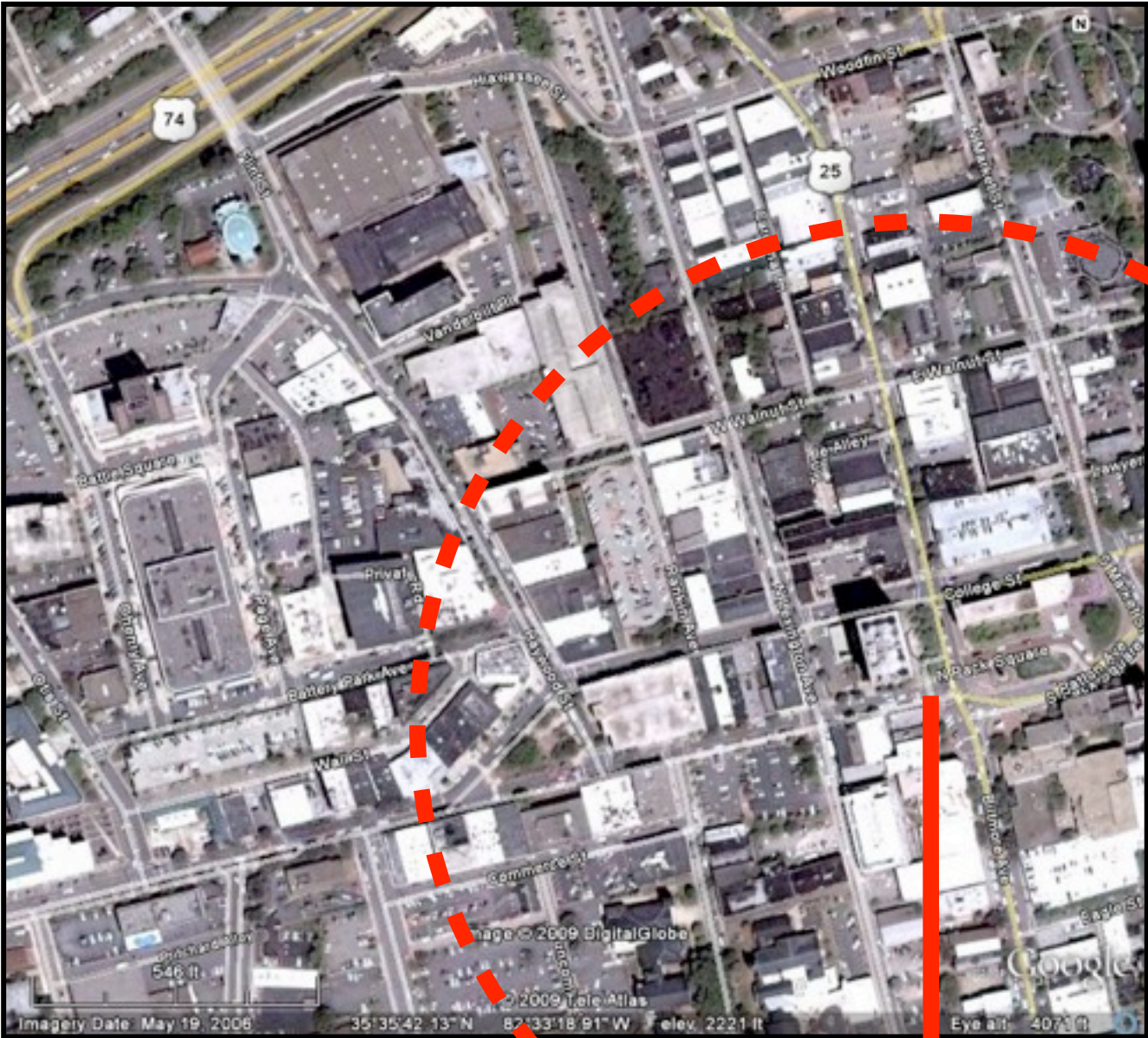




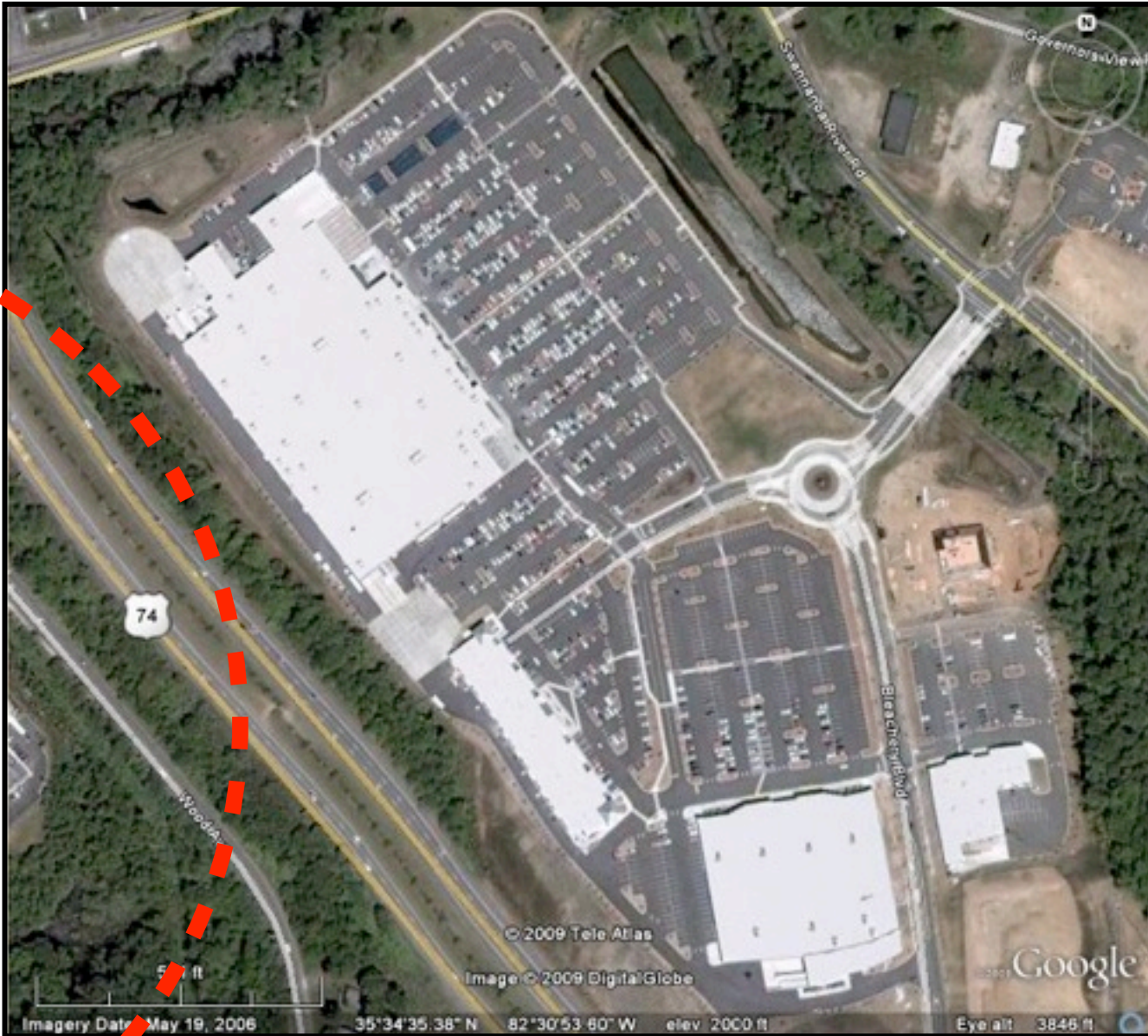




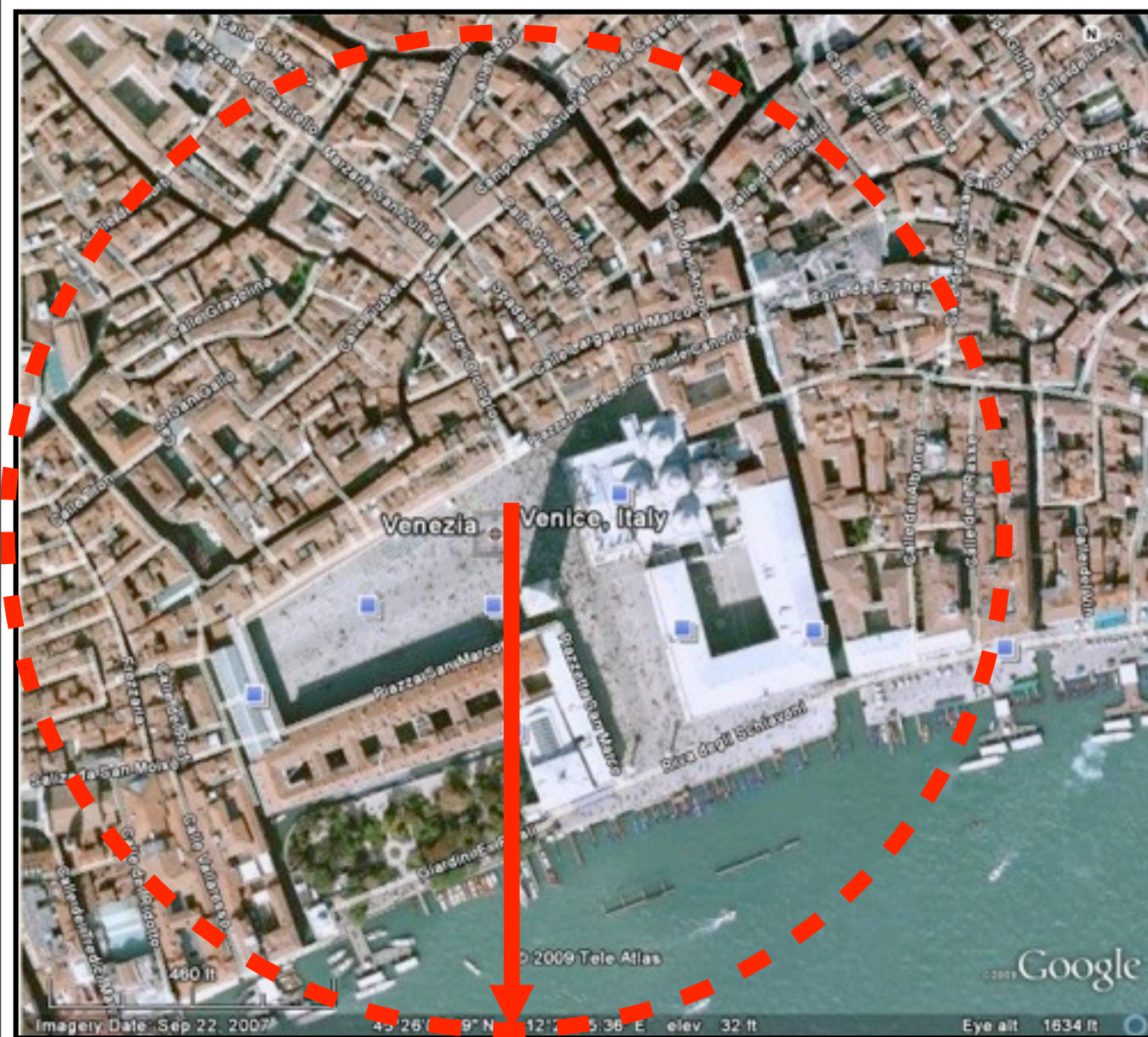
Asheville



Asheville



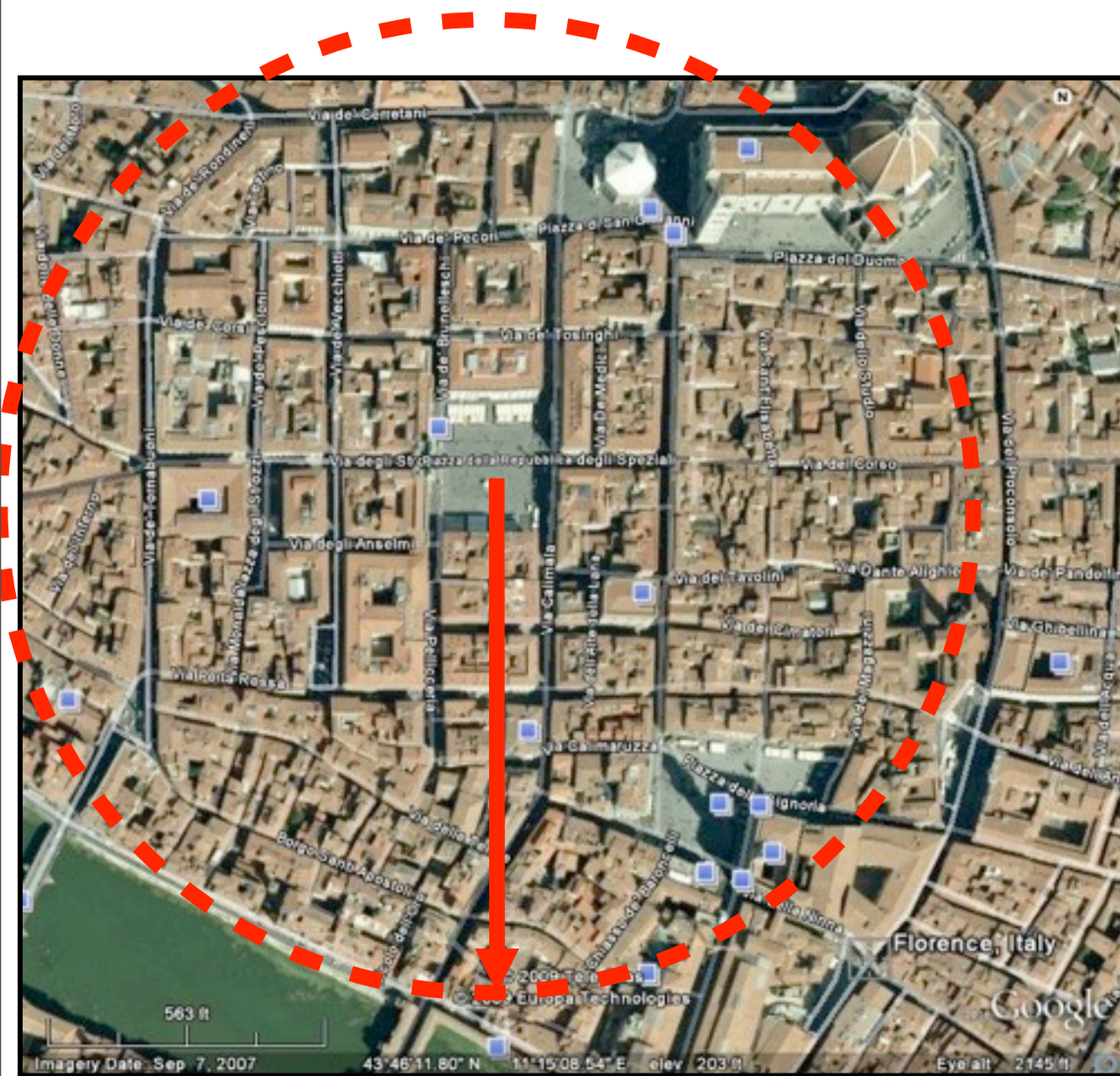
Asheville WalMart



Venice



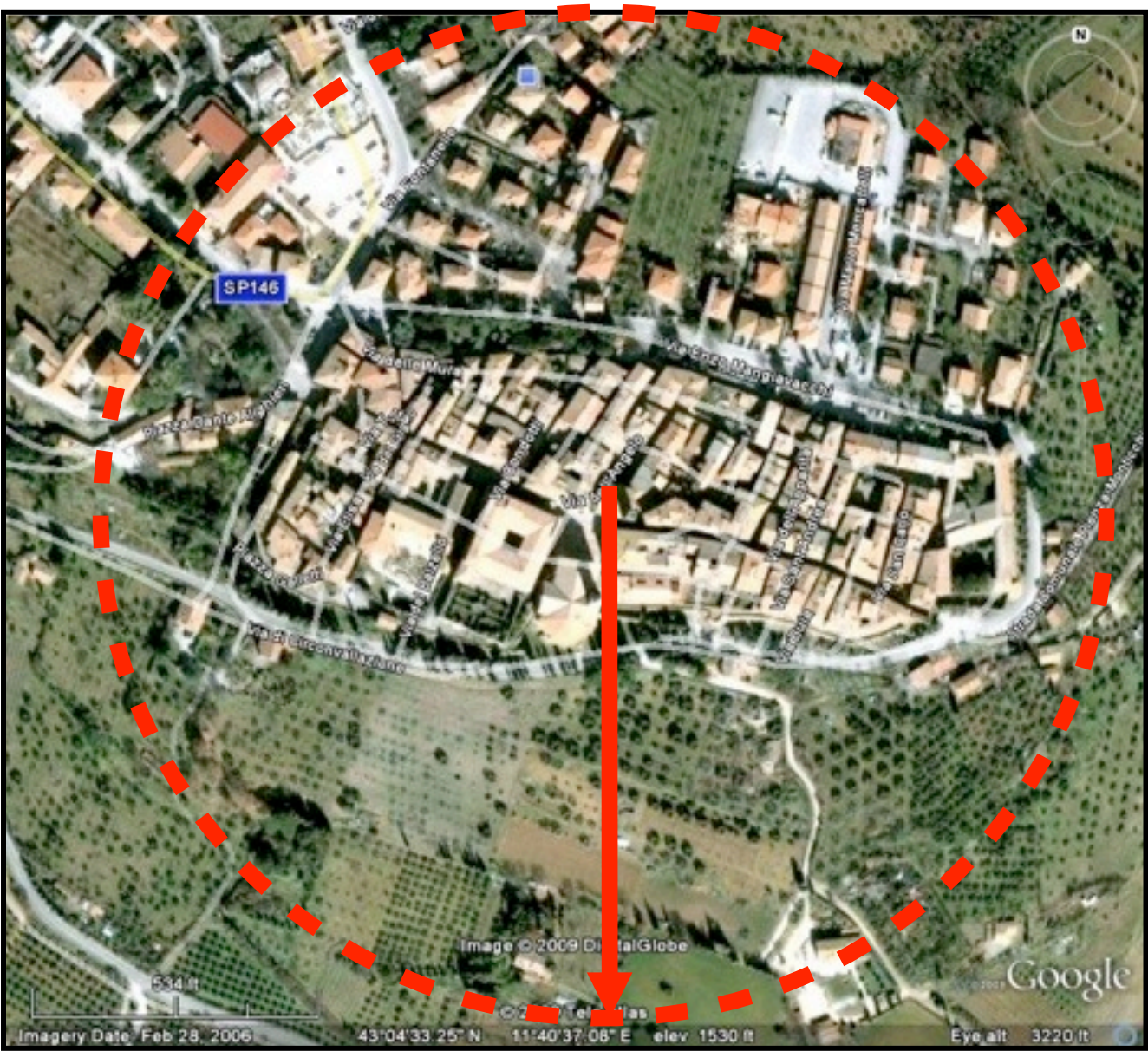
Asheville WalMart



Florence



Asheville WalMart



Pienza



Asheville WalMart



Pienza

Property Taxes



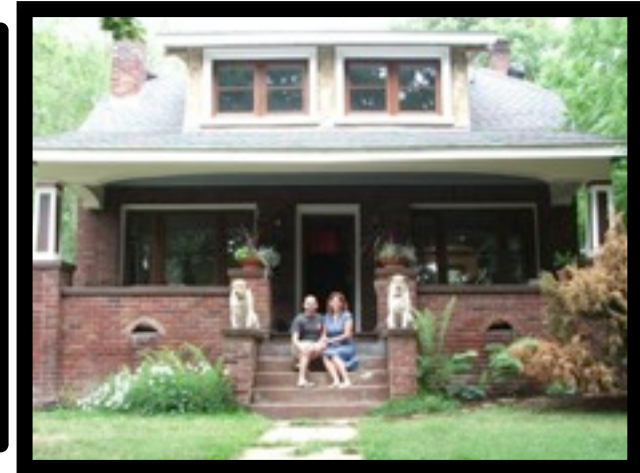
\$53/sq.ft.



\$38/sq.ft.



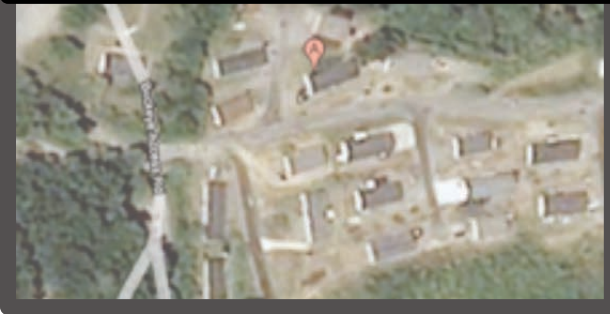
\$37/sq.ft.



\$128/sq.ft.

	201 Signal	58 Elkwood	100 Lookout	13 Brucemont
Acres	0.13	0.14	0.14	0.13
Building	1,848	1,870	1,700	1,800
Tax Value	\$98,700	\$71,300	\$62,200	\$232,000
County Tax	\$523	\$378	\$330	\$1,230
Value/Acre	\$759,231	\$509,286	\$444,286	\$1,784,615
County Tax/Acre	\$4,024	\$2,699	\$2,355	\$9,458

Property Taxes



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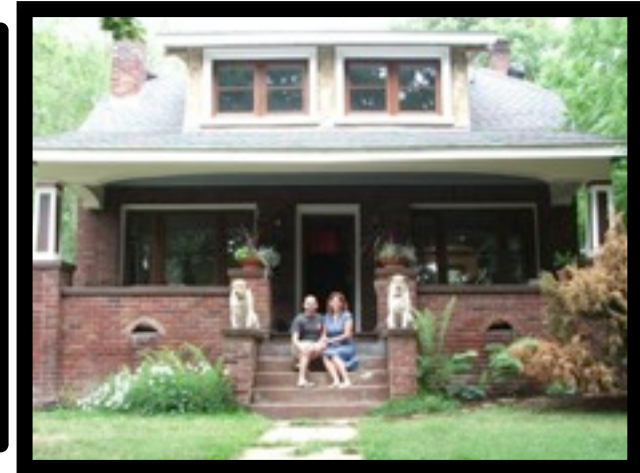
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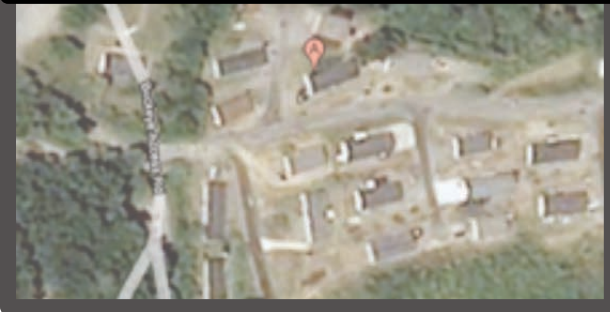
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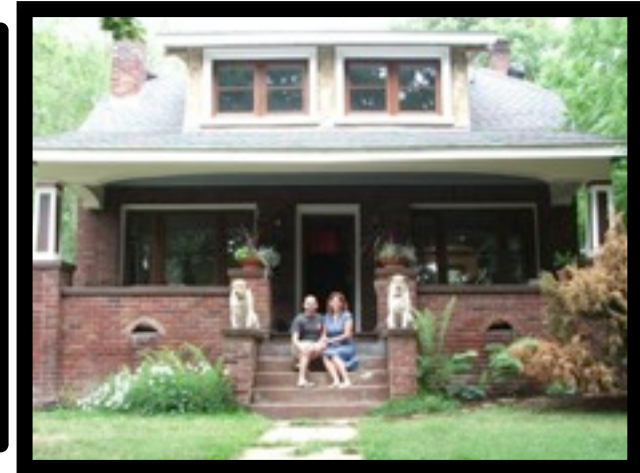
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The Window Tax

1696-1851, by King William III

Window tax consisted of:

1. a flat-rate house tax per house and,
2. a variable tax for # windows > 10
3. Between 10 and 20 = 4 shillings, and
4. Those > 20 = 8 shillings.



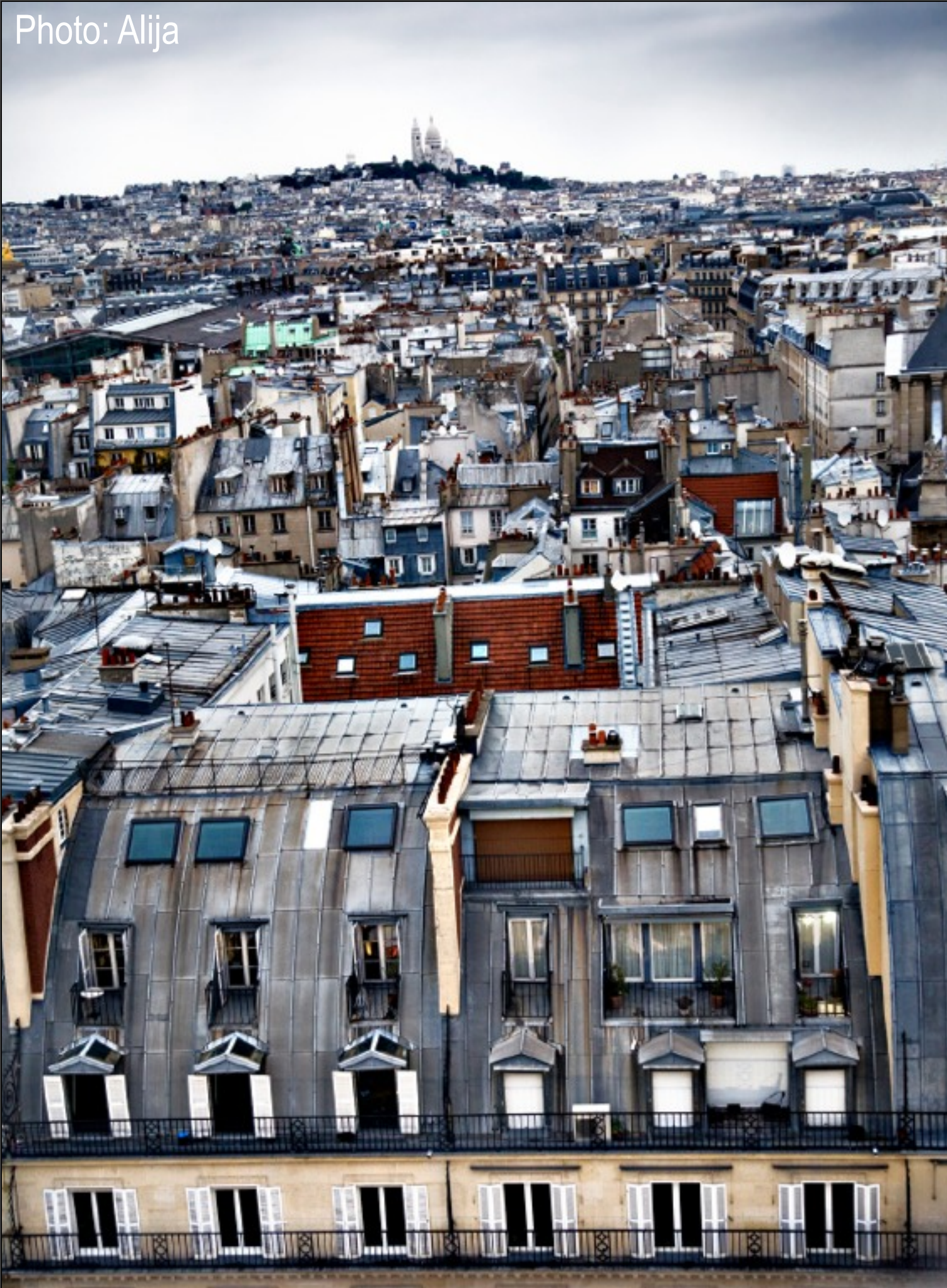


Photo: Alija

François Mansart, architect
(1598–1666)

His treatment of high roof stories gave rise to the term
“Mansard roof”

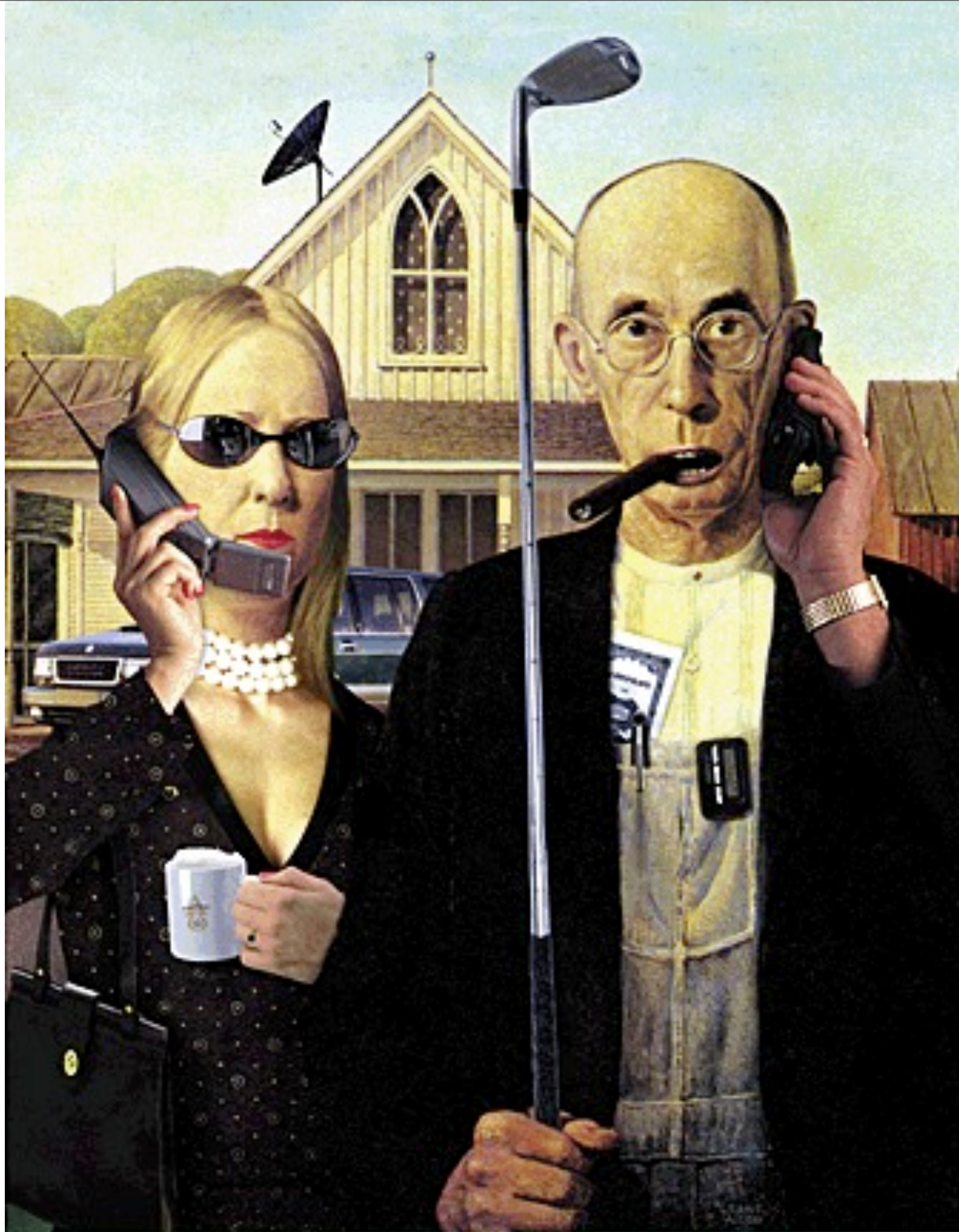
At the time, French houses were taxed by the number of floors below the roof, which exempted the upper floor from taxation.

An aerial photograph of Sun City, Arizona, showing a large residential development with concentric circular housing patterns. The image is used as a background for the text.

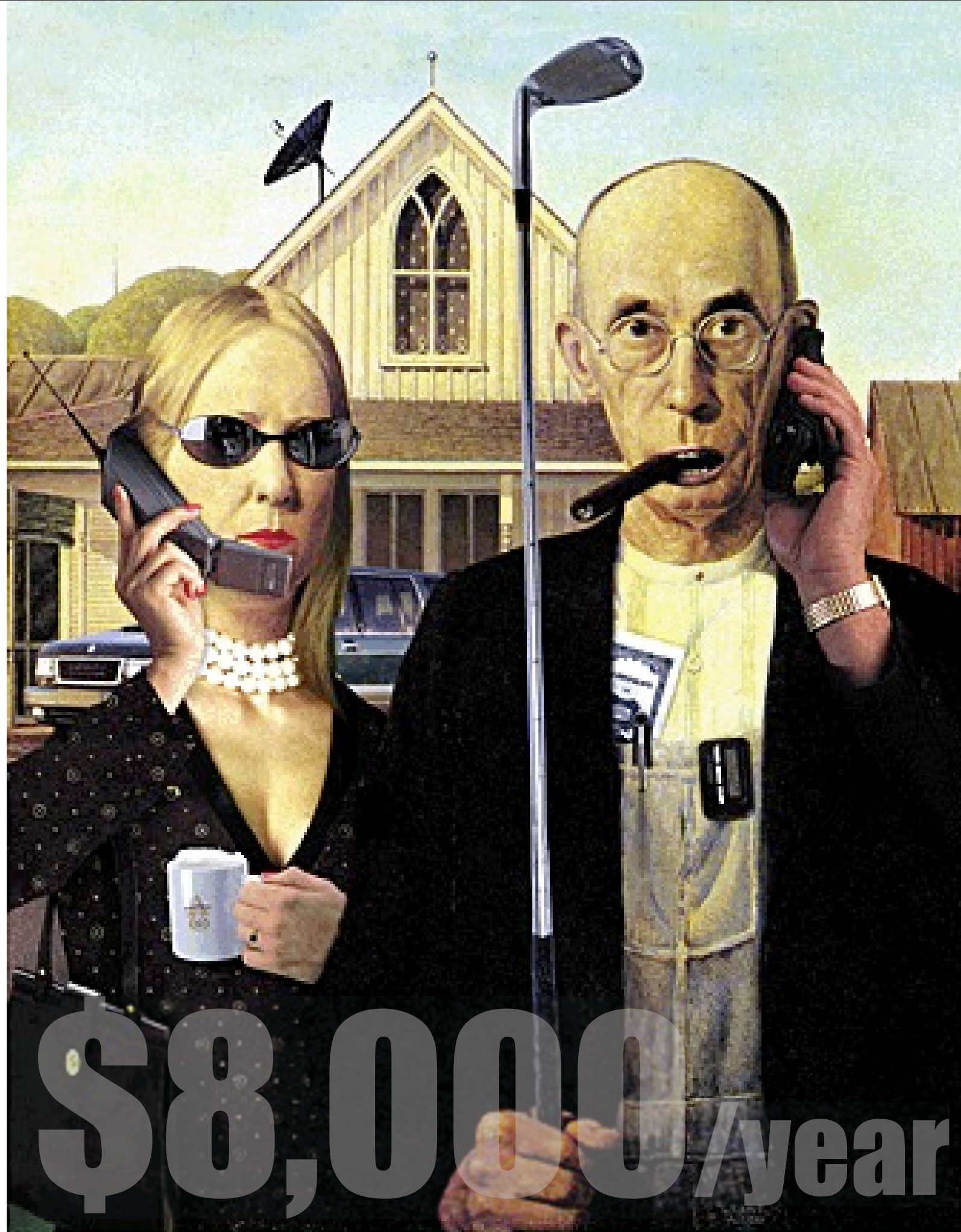
**We shape our buildings;
thereafter
they shape us.**

Winston Churchill

Sun City, AZ “Zoomberg” from Dolores Hayden’s Field Guide to Sprawl.







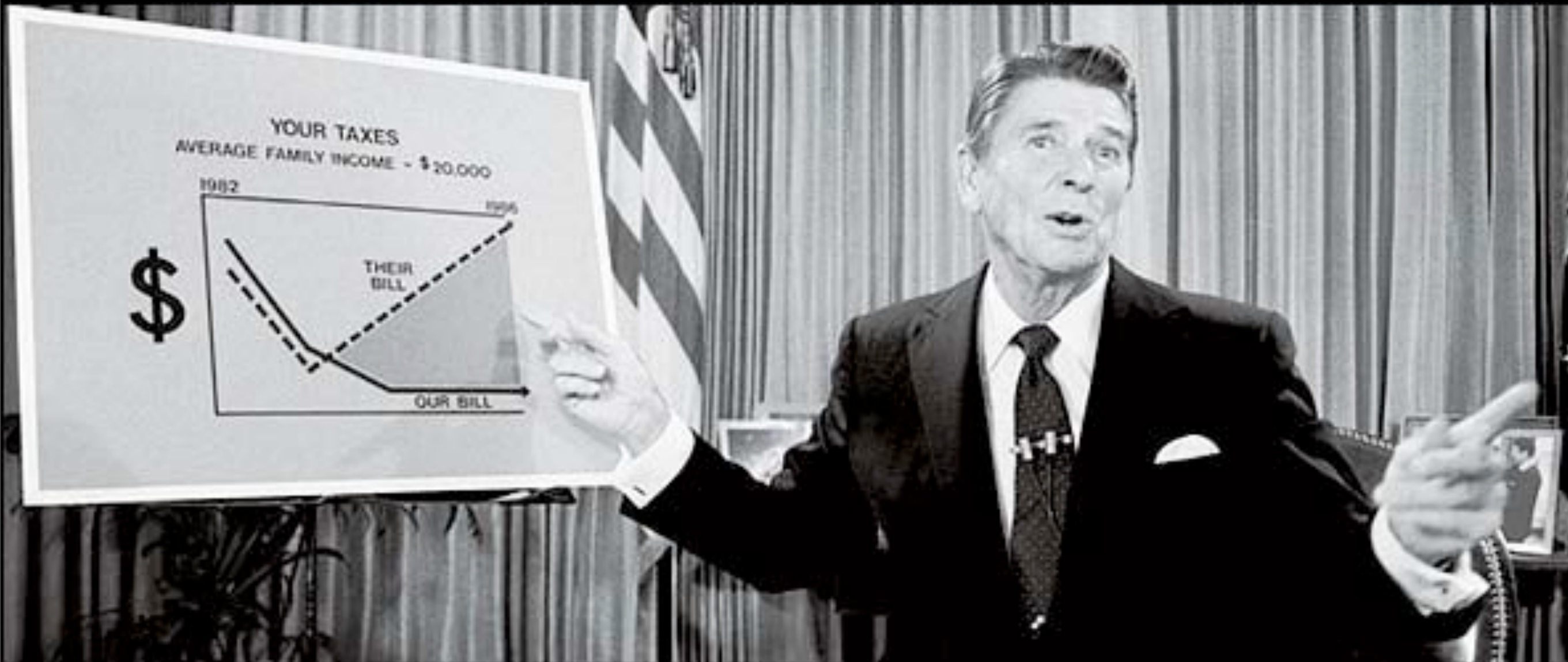


You never let a serious crisis go to waste.

And what I mean by that it's an opportunity to do things you think you could not do before.

- Rahm Emanuel

Our numeric illiteracy is part of the problem.



How do you compare a car?



Ford F150 Lariat LTD
648 miles per tank



Toyota Prius
571 miles per tank



1955 BMW Isetta
245 miles per tank



Rolls-Royce Phantom Drophead
380 miles per tank



Bugatti Veyron
390 miles per tank

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How do you compare a car?



Ford F150 Lariat LTD
13/18 mpg



Toyota Prius
51/48 mpg



1955 BMW Isetta
50/70 mpg



Rolls-Royce Phantom Drophead
11/18 mpg



Bugatti Veyron
8/15 mpg

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13/18 mpg



Toyota Prius
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1955 BMW Isetta
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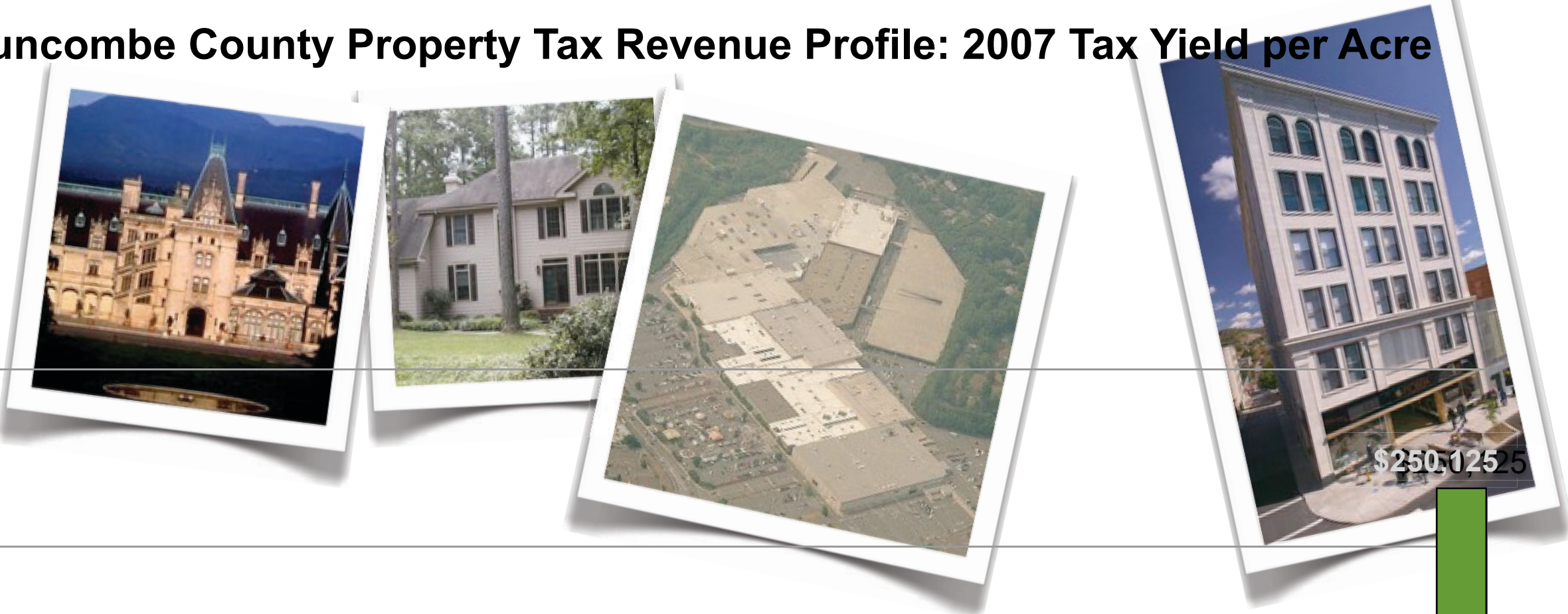


Rolls-Royce Phantom Drophead
11/18 mpg

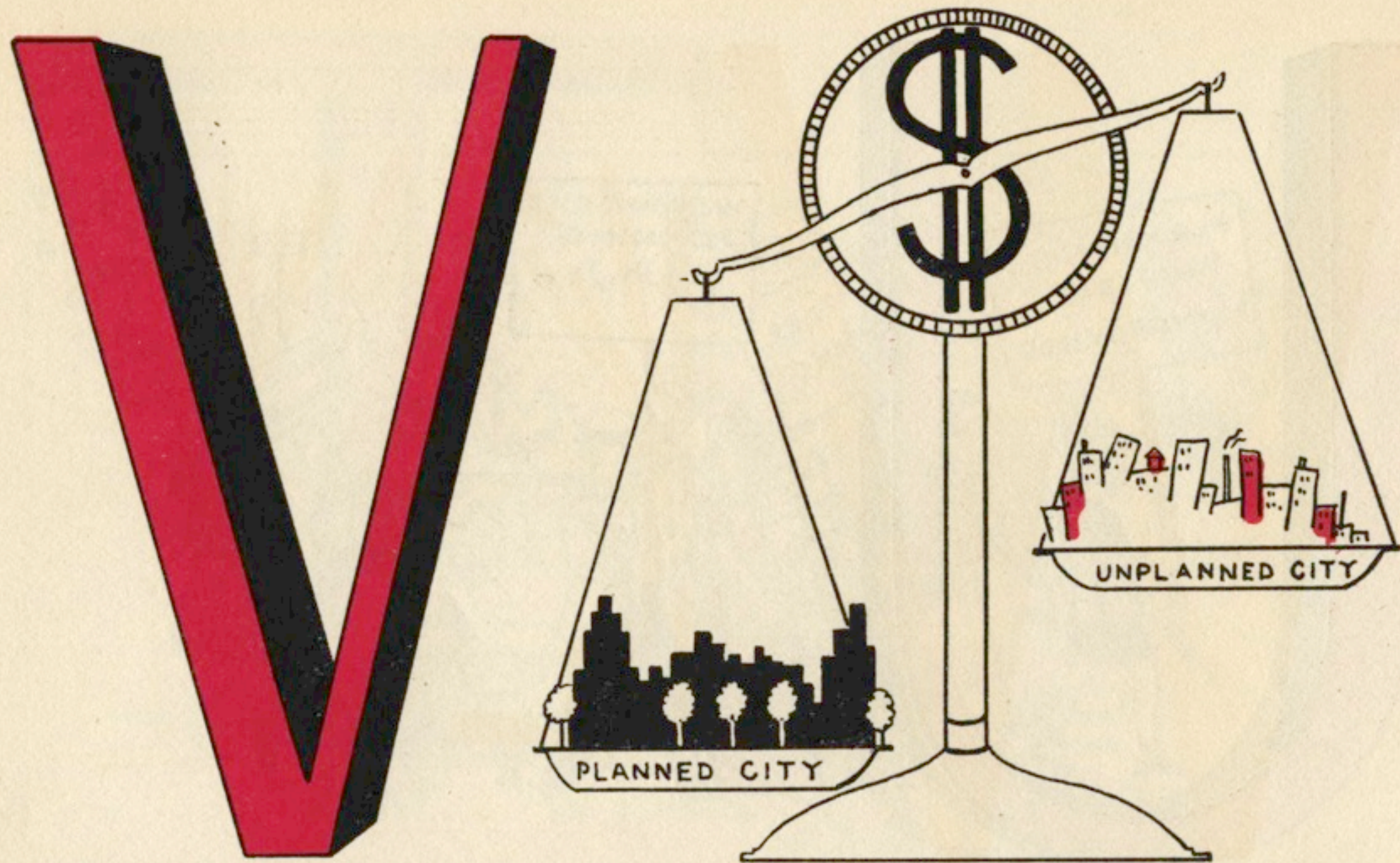


Bugatti Veyron
8/15 mpg

Buncombe County Property Tax Revenue Profile: 2007 Tax Yield per Acre



Joe Minicozzi, AICP - Public Interest Projects : Asheville NC



V—is for **VALUE**
Not measured in wealth.
Planners think wisely
Weighing comfort and health.

Research Triangle Park

\$1.6 Billion
7,000 acres

\$665M
359 acres

Downtown
Asheville

Research Triangle Park

\$1.6 Billion
7,000 acres

Three Downtown
Asheviiles have more
value that ONE Research
Triangle Park

... and takes up 15% of the area.



\$2B
1,077 acres

Downtown
Asheville

An aerial photograph of a vast, colorful patchwork landscape in Tsungwei, China. The land is divided into numerous irregular, multi-colored plots of varying sizes, creating a mosaic effect. The colors range from bright green and yellow to deep reds and purples. The landscape is set against a backdrop of rolling hills and a sky filled with soft, white clouds. The overall scene is a striking example of land reclamation or agricultural planning.

**Buy land, they're not
making it anymore.**

Will Rogers

Tsungwei