

Blount County Technical Memorandum #6

To: Blount County, Tennessee
From: Hunter Interests Inc. and The Growth Management Institute
Subject: Preliminary Recommendations
Date: July 16, 2004

The growth strategy for Blount County builds on five “Guiding Policies” recommended in the Blount County Policies Plan adopted in June, 1999 by the Blount County Regional Planning Commission. The plan listed as the primary policy agenda for guiding the County’s growth and development the following overall policies:

1. The rural, small town and natural character of the County should be preserved.
2. Land use and development should be managed and regulated in order to preserve the quality of our growing County.
3. The guiding policy in any government actions in relation to the use and development of land should be to limit regulations to specific public health, safety and welfare objectives balanced with responsible freedom in the use of land.
4. County roads should be improved and maintained to a level consistent with present development and expected future development.
5. Growth and development should be appropriately matched with provision of adequate infrastructure such as utilities, roads and schools.

The Policies Plan elaborated on each of the guiding policies with “objective policies” that further described the meaning of each principle.

Implementing the Policies: The Guiding Policies provide a strong foundation for a growth strategy formulated to shape the form and character of future County development. This strategic plan focuses on recommending a series of key actions for implementing the guiding policies. The proposed implementation actions are based on reviews of previous plans and reports prepared by County staff and other agencies, as well as ideas gleaned from dozens of interviews with local officials and citizens, from discussions with the County Commission and Planning Commission, and from several public forums and charrettes conducted by Hunter Interests, Inc.

The recommendations presented and discussed in the following sections are organized according to each guiding policy. For each, the objectives spelled out in the Policies Plan are outlined, opportunities and issues that will affect future implementation are identified, and recommended actions are described. The rationale, potential phasing, and related actions are discussed.

1. Preserving the County’s rural, small town, and natural character:

According to the Policies Plan, this policy calls for:

- conserving trees and natural vegetation, open space, and natural features
- protecting farmland, the scenic environment, and the water quality of lakes, rivers and streams
- fitting new development, including commercial development in Townsend and Tuckaleechee Cove, into the County’s rural and small town character.

Citizen input during the policy planning process and opinion surveys of County residents rate these objectives highly as an essential part of the quality of life they enjoy. However, to achieve these goals will require new and strongly proactive efforts by the County, including some or all of the following initiatives:

a. Curb low-density development now spreading into farmland and scenic areas

The County cannot continue to encourage very low-density development throughout the jurisdiction without losing much of its heritage of farmland and scenic areas. One-acre to five-acre and even larger lots consume land at a rapid pace. Agricultural and scenic areas make prime building sites. Concerted efforts to preserve substantial amounts of open space from development should utilize a broad-based approach using several techniques such as the following:

HUNTER INTERESTS

I N C O R P O R A T E D

- Zone designated lands as reserves for future development, by establishing densities such as 20-acre minimum lot sizes that will discourage building, and compensating landowners with tax abatements to be repaid upon later sale—the agricultural district technique used in many states. (The use of transferable development rights to compensate landowners for downzoning is probably too complex to apply in Blount County at this time.
 - Adopt a County program to purchase development rights in high-priority scenic areas, funded by public bonds underwritten by a small County-wide increase in property or sales taxes. Use federal and state programs if available and conservancy programs to supplement such a program. Take advantage of but do not depend on donations and other voluntary efforts which can assist but not carry the whole effort.
 - Prepare an open space plan to supplement the upcoming plan of the Parks and Recreation Facilities Commission that designates significant farmland, scenic, and other natural areas desirable to conserve, including opportunities for extending greenways. Identify lands best acquired through purchase of development rights and other lands in developing areas where subdivision developers would be required to dedicate open space.
 - Adopt a plan and implementation program (similar to one previously proposed) for preserving land and preventing harmful effects of development in the environmentally sensitive lands of the mountain area.
 - Establish open space standards in subdivision regulations and require developer dedication of parks, recreation areas, and natural areas such as stream valleys; also, provide incentives for conservation in subdivisions of other types of open spaces, including farmlands, forests, and wetlands.
 - Adopt an impact fee for open space preservation to apply in subdivisions where dedicated acreage would be too small for efficient management, to be used to assist in purchase of nearby, off-site open space.
- b. Promote compact development in sewerred growth areas around existing cities and towns and in designated growth areas within the County.**

To relieve pressures for development in rural areas, the County can take steps to increase the share of future growth taking place within sewerred areas, especially in already designated growth areas. This would place the County in a collaborative rather than competitive position with its municipalities in managing growth.

HUNTER INTERESTS

I N C O R P O R A T E D

- Establish intergovernmental agreements to promote compact development in city and town growth areas to reduce development pressures on rural lands elsewhere in the County. Such agreements could tailor County zoning to achieve such a goal and promote collaborative arrangements for funding sewer extensions.
 - Consider designation of “villages” or “hamlets” in rural areas that would cluster development in densities suitable for community sewer service.
 - Prepare a County-wide evaluation of long-range sewerage needs based on projected densities of development in various areas, and adopt a policy plan to guide decisions concerning the location and funding of future sewerage improvements.
- c. Improve management of stormwater runoff and surface and subsurface water quality.**

Although the County’s subdivision regulations currently mandate requirements for managing stormwater runoff and protection of lakes and streams, and significant studies have been prepared to assess water quality issues, more could be done to understand and support rather than interfere with hydrologic systems of water and stormwater flow.

- Amend subdivision regulations to require retention of natural cover in wetlands and along streams, retrofit ground cover in degraded areas, and minimize disturbance and compaction during construction.
- Work with developers to identify and protect wellhead and aquifer recharge areas in proposed subdivisions.
- Promote innovative techniques for retaining stormwater and improving groundwater recharge in higher-density developments, such as use of constructed wetlands, permeable pavements, design reductions in impervious surfaces, and tree wells.
- Review and upgrade standards for septic fields as appropriate and pursue enforcement of best practices in managing them.
- Continue working with various local, state, and federal agencies to identify and eliminate sources of water pollution, especially in the Little River (the principal supplier of water for the County).
- In drainage basins most threatened by mismanaged stormwater flows, assess problems and formulate retrofit drainage plans.

d. Adopt design standards to guide development in heritage areas such as Townsend and Tuckaleechee Cove.

These areas are considered significant contributors to the quality of the living environment in Blount County. The experience of rampant and unattractive commercial development in Pigeon Forge teaches that public guidance is necessary to protect the special character of such areas. Heritage areas can be protected and enhanced by formulating and adopting recommended guidelines for the design, appearance, and relationships of buildings, parking areas, signs, pedestrian paths, landscaping, and other aspects of the visual and functional environment.

2. Managing and regulating land use and development to preserve the quality of the growing County:

The Policies Plan spells out the following objectives for this policy:

- formulating and adopting zoning and other land development regulations
- regulating development on mountains and ridge tops to protect sensitive slopes and views
- regulating development in flood plains to allow opportunities for residents to purchase flood insurance
- improving management of junk on private property
- regulations to ensure the safety and quality of buildings
- reducing negative impacts of billboards, signs, towers, and other structures

The County has already adopted several types of regulations to advance toward these objectives, including a rather rudimentary zoning ordinance, detailed subdivision regulations with special attention to hillside development, and a flood-plain ordinance. In several respects, however, existing and future County growth calls for additional regulations to ensure the quality of development that will retain its desirable living and working environment. In addition to the zoning for conservation of farmland and scenic areas recommended in the previous section, the following actions are timely:

- a. Complete the updating of the comprehensive plan to guide future County growth as the framework for regulating land use and development.**

HUNTER INTERESTS

I N C O R P O R A T E D

The Policies Plan takes a significant step toward updating the 1976 land use plan. However, the Policies Plan recognizes that its general proposals require more detailed statements to specify desirable land use patterns and qualities and to lay out the related public facility systems necessary to support growth. These statements will provide a policy framework for guiding decisions on regulating development. Comprehensive plans typically incorporate the following types of proposals and supporting information:

- Existing and future land use patterns, indicating what, where, and when various types of residential, commercial, and industrial development would desirably take place, based on consideration of existing public facilities, market trends, natural assets, and other factors
- The state and County road network required to interconnect development within the County and connect the County to the rest of the region
- The system of parks, recreation facilities, natural areas, and other open spaces proposed to be conserved and protected from development
- Other facility systems, such as schools, libraries, and fire stations, that will be needed to serve County growth
- Many of the “secondary” policies spelled out in the Policies Plan would be appropriate to incorporate and expand upon in the new plan

b. Reconsider current zoning for commercial development along major highways.

Zoning that promotes strip commercial development along highways is often based on the following reasons: (1) that it is a traditional means for attracting tax-generating businesses; (2) that other communities already have generated substantial development along highways; and (3) no other development finds highway locations desirable. These reasons ignore the downsides of highway strip development, including impacts on highway safety and travel congestion, the unsightly conditions of scattered strip development, and inefficient use of key sites for resident services, all of which combine to devalue rather than add value to the future development in the County. Widely known design practices that can avoid these negative effects are available, such as:

- Concentrate zoning for highway-oriented commercial development at key intersections.
- Prepare access management plans to limit access for most of a highway’s frontage to reduce turning movements and provide intersections with

streets and frontage roads rather than allowing access directly to bordering development.

- Prepare and execute a planting plan for trees and shrubs along the highway right-of-way to screen bordering development.

c. Adopt zoning and subdivision provisions to promote mixed-use development and innovative subdivision designs such as clustering, conservation subdivisions, traditional neighborhoods, and traditional town centers.

Many communities are interested in promoting innovative forms of development that promise to provide high-quality living environments while preserving open space and improving travel options. Although the County allows mixed uses in planned unit developments, the concept can be promoted through other types of zoning and subdivision regulations as well, as suggested below.

- Cluster and conservation subdivisions are allowed under the County subdivision regulations but are feasible only with sewer service. Recommendations in the first section suggest approaches to promoting such types of development in Blount County.
- Mixed-use development can be encouraged through mixed-use zoning, which can be written to be either as-of-right or as conditional or overlay zoning subject to special reviews. Allowing a mix of uses increases the convenience of satisfying several errands or business visits within a small area, often by foot rather than by car.
- Traditional town centers have been built in many communities. They offer a mix of uses attractively designed along traditional shopping blocks rather than in a center surrounded by shopping. Many include residential uses as well. Such town centers have proven to be a tested competitor with standard shopping centers and strips, and provide a special “landmark” identity for the area. Zoning and subdivision regulations, especially with design guidelines, can promote such developments.

d. Adopt regulations to protect sensitive and scenic areas.

Recommendations for implementing the first Guiding Policy pertain to this objective.

e. Adopt building codes.

Most counties as populous as Blount County have adopted a building code. Building codes are essential tools for assuring safe building construction and provision of electrical, plumbing, heating and ventilation, and other systems. Several national model codes for all of these aspects of building construction are available; states also provide model codes. They are tedious to review and adapt to local conditions but absolutely essential to the well-being of residents and tenants of buildings constructed in future development. We are informed that the County has formed an advisory committee to consider and make recommendations on this matter. The County should move forward to adopt a building code as soon as possible.

f. Regulate signs and communication towers.

To establish the quality-of-life atmosphere that will maintain community and property values over the long term, sign and tower regulations are a must to avoid trashing up the visual environment.

- Regulations of signs and billboards are standard elements in zoning regulations, although the sign and billboard industries are adamantly opposed to any regulation and many businesses are leery of restrictions on sign sizes and gimmicks such as flashing lights. Nevertheless, most people appreciate the reduction in visual clutter that restrictions achieve.
- Regulations of towers to blend them into surroundings or reduce their number by combining locations help to retain scenic values in the landscape. Increasingly, restrictions on tower locations and heights have become standards provisions in zoning ordinances.

3. Government regulations on the use and development of land should be limited to those intended to achieve specific public health, safety and welfare objectives. This criterion and the stated objectives spell out the normal police powers given by states to local governments for planning and regulating development. They also conform to the usual criterion for avoiding “taking” issues under the U.S. Constitution. Therefore this statement allows use of the planning and regulatory approaches that most communities employ. Some techniques for guarding against undue impacts of public regulatory actions on property values include the following:

- An explicit requirement for any regulation to evidence a clear relationship to health, safety, and welfare objectives.
- Establish a process for reviewing grievances and providing relief—through, for example, variances or waivers – for property owners whose

HUNTER INTERESTS

I N C O R P O R A T E D

- Land value is significantly affected by County land use regulations.
- Provide relief for non-conforming uses or structures that are destroyed or discontinued for a reasonable maximum time, including commercial, industrial and agricultural uses and structures for which state exemptions apply.
- Provide a training program for public officials concerning the meaning of the “health, safety, public welfare” clause, focusing on the need to balance private property rights with the community benefits of regulations to manage growth and development.

4. County roads should be improved and maintained to serve current and expected future development. The objectives stated for this principle establish a basic expectation that County roads serving substantial development and with substantial traffic will have pavement at least 18 feet wide and that greater widths should be planned for arterial and collector roads as necessary to accommodate existing and projected traffic. Currently the County requests subdividers to provide 18 feet of paved road width as a condition for high or moderate density development, unless the right-of-way is not obtainable. A pavement width of 16 feet is allowed for lower-density development.

In preparation for continued development that will generate increased traffic loads on state and County roads, the County should consider the following approaches:

a. Prepare for future increases in traffic demands as the County grows.

The County needs to anticipate growth by providing now for future road needs before right-of-way options are foreclosed by development. Recommended approaches include:

- Collaborate with Maryville to fund and build arterial road segments that will create a connected system of major roads to serve developed and developing areas. Work with Alcoa and other towns to identify similar types of improvements that will improve traffic flows without the major expenditures needed for new highways.
- Review and update as necessary the roads study conducted about three years ago, particularly focusing on long-term traffic projections that may call for major improvements of arterial and collector roads. The County should prepare for constructing a functional network of such roads to connect the many low-density subdivisions now being developed to the state highway system.

HUNTER INTERESTS

I N C O R P O R A T E D

- Upgrade subdivision road standards. Current standards for paved widths and bordering drainage are lower than many communities require even under innovative design conditions (such as for neo-traditional neighborhoods) that also require sidewalks and planting strips within the rights-of-way. Consider that current standards provide roads that will be used for decades ahead.
 - Require developers to make off-site road improvements, including improvements as necessary to create the network of arterial and collector roads called for in the second item above. Consider adoption of road impact fees as an option to having developers construct off-site improvements.
- b. Begin now to anticipate opportunities for increasing the use of travel options such as transit, walking and biking.**

Although these options may not come to fruition for some time, subdivisions and commercial projects can be designed to make development “transit-ready” and pedestrian-friendly. Clustered subdivisions and traditional town centers, for example, emphasize walkable environments that provide transit-friendly forms of development as well. Proposed actions include:

- Work with regional planning and transportation agencies to identify County areas that are or will be serviceable by mass transit. Adopt subdivision design requirements to make new developments in those areas capable of adapting to future transit service.
- Adopt subdivision regulations to require sidewalks on one or both sides of roadways and/or pedestrian pathways that link subdivisions with each other and with nearby arterial and collector roads.
- Prepare a County-wide plan for bikeways and trails linked to the highway and road system.

5. Match the timing of development with provision of adequate infrastructure such as utilities, roads, schools, and open space.

The subdivision regulations incorporate a policy that the County will approve subdivisions only when adequate infrastructure to serve the approved development is available. Requirements for ensuring that public facilities to be used by future project residents have adequate capacities to support the planned development are quite common in today’s subdivision regulations. They are intended to alleviate impacts on overcrowded or congested facilities and provide improvements beneficial for new residents and tenants of the development.

HUNTER INTERESTS

I N C O R P O R A T E D

The County's current standards for facilities impacted by new development are either lacking or not up to par with those of many other growing communities. Measures of facility needs generated by proposed developments and of facility capacities are often complex and need careful study. Road and drainage standards have been established but should be upgraded as recommended in the sections on Guiding Policies 1 and 4. However, the Planning Commission is not applying the requirement for adequacy of schools, parks and recreation facilities as a condition of approval for proposed subdivisions due to a lack of standards for determining the adequacy or inadequacy of such facilities. The bottom line is that current subdivision approvals are undoubtedly creating needs for planning and funding future public improvements, an unwelcome burden for current and future residents.

The following approaches to correcting this situation are recommended:

- a. **The Planning Commission should continue to work with the Board of Education to define school capacity standards appropriate for determining the adequacy or inadequacy of school capacities to serve proposed subdivisions.**

Specific recommendations include:

- Establish reasonable measures of pupil generation from the various types of residential development occurring in the County to determine school capacity needs of proposed subdivisions. Share this information with the Board of Education to assist in planning future school facility needs.
 - Establish reasonable measures of available capacity, based on appropriate capacity standards. Determine how and when changes in school service boundaries or changes in the school year could alleviate capacity shortages. Determine a policy for use of portable classrooms to provide temporary capacity.
 - Reach an agreement between the Planning Commission and Board of Education about methods of forecasting future pupil generation as a basis for planning future school needs.
- b. **Adopt and apply standards and requirements for parks, recreation facilities, protection of natural areas, scenic areas, and farmland as recommended for implementing Guiding Principle 1.**
 - c. **Require specific information from developers of proposed subdivisions on items selected from the list shown as "Assessment Information" in the subdivision regulations.**

The Planning Commission has ceased asking this information because it was too difficult to obtain and responsibilities were divided between developers and Commission staff. Nevertheless, some of the listed data, such as projected traffic generation, is key information for the Commission's deliberations on approval. This kind of information is required by many communities and should be a matter of course in Blount County. The Planning Commission staff can identify the most important types of information and establish a means of obtaining it.

d. Prepare an annual six-year capital improvements program.

Such programs are adopted by many jurisdictions to identify facility needs, determine priorities for timing of construction, and determine funding resources, including public sources and developer contributions. The programs are based on an adopted comprehensive plan that shows areas intended for development and types of proposed land uses. If rigorously adhered to, capital improvement programs alert public officials and the general public to future needs and provide a predictable plan for making facility improvements, thus easing concerns over growth. For decisions on subdivision approvals, they also provide a ready source for determining when additional facility capacities are expected to come on line.

e. Establish policies and programs to identify and respond to the cumulative effects of minor and one-lot subdivisions on adequacy of facilities.

Consider:

- Establishing a threshold ceiling on annual permits for development of such subdivisions to allow for timely additions to facility capacities to serve them.
- Imposing impact or "in-lieu" fees for building permits in such subdivisions to equalize requirements with larger subdivisions.

Blount County Technical Memorandum #7

To: Blount County
From: Hunter Interests Inc.
Subject: Fiscal Analysis Model
Date: November 5, 2004

Table of Contents

		Page
Project Assumptions	1	
Accessing the Model	3	
Entering Data — Exercise 1	3	
Entering Data — Exercise 2	7	
Internal Worksheets	13	
Residential Costs	13	
Commercial Costs	14	
Property Taxes	14	
Other Taxes	14	
Fiscal Costs	15	
Employment, Salaries, and Wages	17	
Summary	18	
Fiscal Impact Analysis Tables	19	
Economic Impact Analysis Tables	21	
Development Project Direct construction Jobs and Wages	21	
Employment and Earnings Impact	22	
Project Fiscal and Economic Impact Summary	22	
Using the Output Tables	23	

HUNTER INTERESTS

I N C O R P O R A T E D

Figure 1: Residential Project Inputs	4
Figure 2: Residential Project Inputs, After Data Entry	5
Figure 3: Residential Project Inputs, Totals	6
Figure 4: Fiscal Impact Analysis Table	7
Figure 5: Residential Project Inputs, Completed Screen	8
Figure 6: Commercial Project Inputs	9
Figure 7: Commercial Project Inputs, Taxes	10
Figure 8: Commercial Project Inputs, Tax Totals	12
Figure 10: Other Taxes Worksheet	15
Figure 11: Costs of Services Worksheet	16
Figure 12: Employment, Salaries and Wages	17
Figure 13: Fiscal Costs Analysis Table	19
Figure 14: Fiscal Impact Analysis Table	20
Figure 15: Direct Construction Jobs and Wages Table	21
Figure 16: Employment and Earnings Impact Table	22
Figure 17: Project Fiscal and Economic Impact Summary Table	23

Introduction

The Blount County Fiscal Impact Model (model) was developed as an economic development tool to assist the County government in assessing the fiscal impacts of real estate development projects. The model is designed specifically for projects in Blount County using a Microsoft Excel platform, and presents its output in a tabular mode that can be easily inserted into a Microsoft Word or similar text document.

A fiscal impact analysis projects the net cash flow to a jurisdiction resulting from new development. This includes annual expenses for services that will be affected by new development. The model's output includes projected property tax revenues, other taxes, and costs associated with specific case studies. It is a means of quickly and efficiently measuring the gross and net fiscal benefit or cost of a specific type, or mix, of real estate development.

The model can be employed in the following applications: development proposals, economic and market feasibility studies, growth alternatives analyses, cost of growth analyses/fiscal impact, tax incentive quantification, evaluation of real estate oriented tax incentive program, growth management strategies, and assessment of community redevelopment programs. For example, the model can be used to weigh the relative benefits of different development scenarios for a specific parcel. The model provides three fiscal output tables from which to tailor or customize a report to fit specific objectives.

The following users manual is designed to orient the user to the model's operation, and to teach the user how to apply the model to case studies of projected or potential real estate development projects in Blount County.

Some of the assumptions contained herein, including unit counts and price points, are for demonstration purposes only, and should not be construed as actual projections. Tax rates and budget figures are based on actual figures and estimates provided by the county.

Methodology

The Blount County Fiscal Impact Model is designed to measure the comparative impacts of real estate development projects, both residential and commercial, over a ten-year time horizon. Due to the relative complexities in assigning fiscal revenues and costs for commercial development, its impact is measured primarily in real estate tax revenue, with a provision for manually entering personal property tax. Fiscal revenues for residential development are projected using a combination of real estate property taxes and other revenues/sources. Fiscal costs are applied on a per-resident-generated or per-pupil-generated basis. Brief explanations of revenues and cost categories incorporated into the model are given below.

A. Fiscal Revenues

Real Estate and Personal Property Taxes — Real estate (ad valorem) and personal property taxes, combined, comprise the source of highest revenue to Blount County. The model calculates real estate values based on projected price points and/or construction costs for new development, then applies current assessment practices to derive estimated tax revenues. Assessment cycles and indexes, assessment ratios, and tax rates are factored into embedded formulas, and can be changed or updated at any time.

State of Tennessee — The State of Tennessee shares tax revenues with the counties, most of which is collected through sales taxes. In Fiscal Year 2002-03, the state disbursed approximately \$37.7 million of this revenue to Blount County. The model projects revenues from this category on a per *resident* basis, which is calculated by dividing revenues by population.

Other Revenues/Sources — The model recognizes other revenues/sources as presented in the annual budget, under “All Funds Combined.” These categories include: *Licenses and Permits; Fines, Forfeitures, & Penalties; Charges for Current Services; Other Local Revenues; Fees of*

HUNTER INTERESTS

I N C O R P O R A T E D

County Officials; Federal Government; Other Governments & Groups, and; Other Sources.

Similar to shared state taxes, the model projects revenues from these categories on a per *resident* basis.

B. Fiscal Costs

Public Schools — The Blount County Annual Budget includes expenditures/uses for General Schools, School Federal Projects, Central Cafeteria, and Extended Day Care. Costs associated with these categories are projected on a per *pupil* basis.

Other Expenditures/Uses — The Blount County Annual Budget also includes expenditures/uses for the following categories: *General County; Courthouse and Jail Maintenance; Law Library; Public Library; Drug Control; Other Special Revenue; Highway/Public Works, and; Debt Service.* Costs associated with these categories are projected on a per *resident* basis.

Project Assumptions

The Blount County Fiscal Impact Model (model) is designed to key in on certain assumptions relative to proposed development projects in the County. The first step in utilizing the model is to obtain relevant information for a proposed project to provide the necessary input data. This data will include assumptions regarding

the construction type, use type, projected price points, the size and scope of the project, and current assessed values for land, and if applicable, improvements, on the subject property. The compilation and incorporation of this data will establish a project value, from which fiscal impacts are calculated.

The model recognizes two major categories of development—residential and commercial. Information provided for residential projects should include numbers of units and dwelling unit types, such as single-family homes, townhouses, condos, and apartments. Residential information will include price points for various products, as a means of establishing the assessable value of the project. Information provided for commercial projects should include use type, such as office, retail, etc., and square footage. The model has built-in assumptions that are used to calculate the values of commercial projects, but allows for built-in assumptions to be overridden as more refined data for a project becomes available. The model also calculates property tax revenues based on current and projected assessment.

The model uses several worksheets, or “screens” to enter project data, which represent the two major categories of development—residential and commercial. Residential quantities are expressed in numbers of units. Commercial quantities are expressed in square footage, except in the case of lodging, which is expressed in number of rooms.

Residential use types are divided into the following sub-categories, which are further divided into different price points or types:

- Single Family — 3 price points
- Townhouse — 3 price points
- Condominium — 3 price points
- Apartments — 6 types

HUNTER INTERESTS

I N C O R P O R A T E D

Price points are average prices for for-sale housing, and are manually entered into the model. They are used to calculate the project's value. The model allows for three different price points per project for each for-sale use type, to accommodate projects that offer a variety of housing. For instance, it is not unusual for a builder to offer a high-end, standard, and economy product in the same community. In the case of for-rent housing, the model uses construction cost assumptions for six different types of product to calculate value.

Privately owned real estate typically generates property taxes based on its assessment, regardless of whether it is open farmland or a twelve-story office tower. Assessment is the total of the value of the land plus the value of improvements. Value is generally added to property with the addition of improvements, which are typically buildings of some kind. After improvements are made, the property is usually reassessed to a higher value, and the tax revenue increases. The difference between the old revenue and the new revenue is the net revenue, which represents the actual benefit to the tax revenue recipient. In order to calculate this net benefit, the property's current assessment should be obtained from the tax assessor.

In summary, the user should have the following information at hand prior to accessing the model: size and scope of project, including number of units, square footage, and price points, where applicable, and; subject property tax assessment, land, and improvements. Once all of the necessary information is obtained, the data can be entered into the model.

Accessing the Model

To access the Blount County Fiscal Impact Model, select the icon on the Windows desktop labeled Blount Fiscal Model, and double click to open. This will launch an Excel workbook, which should consist of 14 separate worksheets. The first worksheet is labeled “New Residential 1”, the second worksheet is labeled “New Residential 2”, and the third worksheet is labeled “New Commercial.” Most of the data for specific development projects will be entered on these three screens. If a project is exclusively residential, only the “New Residential 1” and/or the “New Residential 2” screens will be used. If a project is exclusively commercial, only the “New Commercial” screen will be used. If the project is a combination of residential and commercial, all three screens may be used. Two other screens, “Residential Values” and “Commercial Values,” allow for the input of price points or unit construction costs into the model. Other worksheets and their functions will be discussed in depth in subsequent sections of the Users Manual.

It is of critical importance that each time the model is accessed for a project, that a new file be created for that specific project.

Entering Data—Exercise 1

For the purposes of this exercise, a hypothetical project will be used to demonstrate the data entry function of the model. The user has already collected vital information on the project. The following assumptions include key pieces of information to be entered into the model:

- Project Name: Addison Acres
- Project Description: 100 single family homes
- Price Points: 40 homes @ \$250,000, 60 homes @ \$300,000
- Projected Build-out: Four years

In this example, all of the data will be entered on the “New Residential” screen. Figure 1 shows the screen before any data has been entered.

Figure 1

The top of the table includes cells for entering the project name and description. These cells are indicated by white with a black border, as are the other data entry cells located in the body of the screen. Data entry cells correspond to the use-type categories, number of units, projected average sales prices, and current taxable assessment for land and buildings. Data entered into these cells will appear in black font.

Blount County Fiscal Analysis Model Residential Inputs - Proposed Projects										
Project Name:										
Project Description:										
Use Type	Number of Units Year 1	Number of Units Year 2	Number of Units Year 3	Number of Units Year 4	Number of Units Year 5	Number of Units Year 6	Number of Units Year 7	Number of Units Year 8	Number of Units Year 9	Number of Units Year 10
Residential, for Sale										
Single Family 1 - each year										
<i>Single Family 1 - cumulative</i>	0	0	0	0	0	0	0	0	0	0
Single Family 2 - each year										
<i>Single Family 2 - cumulative</i>	0	0	0	0	0	0	0	0	0	0
Single Family 3 - each year										
<i>Single Family 3 - cumulative</i>	0	0	0	0	0	0	0	0	0	0
Townhouse 1 - each year										
<i>Townhouse 1 - cumulative</i>	0	0	0	0	0	0	0	0	0	0
Townhouse 2 - each year										
<i>Townhouse 2 - cumulative</i>	0	0	0	0	0	0	0	0	0	0
Townhouse 3 - each year										
<i>Townhouse 3 - cumulative</i>	0	0	0	0	0	0	0	0	0	0
Condominium 1 - each year										
<i>Condominium 1 - cumulative</i>	0	0	0	0	0	0	0	0	0	0
Condominium 2 - each year										
<i>Condominium 2 - cumulative</i>	0	0	0	0	0	0	0	0	0	0
Condominium 3 - each year										
<i>Condominium 3 - cumulative</i>	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0

Project data can now be entered into the model. The first piece of data to be entered is the project name Addison Acres, which will be typed into the cell next to the “Project Name” label. Second, a brief description of the project should be entered in the “Project Description” cell. This can read 100 SFD. This completes the project title, which will serve as a point of reference for the operator.

The next inputs will be the numerical values associated with the project. The relevant bits of information that will be entered will include the numbers of units and the projected prices. Annual build-out of units will be entered into the “New Residential 1” worksheet. Based on a projected build-out of four years, absorption can be distributed evenly over the four year time period. Figure 2 shows how the top portion of the screen should appear after the data is entered. Note that the model calculates cumulative units.

Figure 2

Blount County Fiscal Analysis Model Residential Inputs - Proposed Projects										
Project Name:	Addison Acres									
Project Description:	100 SFD									
Use Type Residential, for Sale	Number of Units Year 1	Number of Units Year 2	Number of Units Year 3	Number of Units Year 4	Number of Units Year 5	Number of Units Year 6	Number of Units Year 7	Number of Units Year 8	Number of Units Year 9	Number of Units Year 10
Single Family 1 - each year	10	10	10	10						
<i>Single Family 1 - cumulative</i>	10	20	30	40	40	40	40	40	40	40
Single Family 2 - each year	15	15	15	15						
<i>Single Family 2 - cumulative</i>	15	30	45	60	60	60	60	60	60	60

The second step to entering project data is to activate the Residential Values worksheet, and enter price point information for the project. This is accomplished by entering values into the first cell in the row that corresponds to the data entered into the *New Residential 1* worksheet. Figure 3 shows how this data would be entered.

Figure 3

Blount County Fiscal Analysis Model Residential Inputs - Value by Units											
Project Name:	Addison Acres										
Project Description:	100 SFD										
Use Type	Market Value Year 1	Assessed Value Year 1	Assessed Value Year 2	Assessed Value Year 3	Assessed Value Year 4	Assessed Value Year 5	Assessed Value Year 6	Assessed Value Year 7	Assessed Value Year 8	Assessed Value Year 9	Assessed Value Year 10
Residential, for Sale											
Index Factor		-20.0%	30.0%	0.0%	0.0%	0.0%	0.0%	20.0%	0.0%	0.0%	15.0%
Single Family 1	\$ 250.0k	\$ 200.0k	\$ 260.0k	\$ 260.0k	\$ 260.0k	\$ 260.0k	\$ 260.0k	\$ 312.0k	\$ 312.0k	\$ 312.0k	\$ 358.8k
Single Family 2	\$ 300.0k	\$ 240.0k	\$ 312.0k	\$ 312.0k	\$ 312.0k	\$ 312.0k	\$ 312.0k	\$ 374.4k	\$ 374.4k	\$ 374.4k	\$ 430.6k

As Figure 3 shows, the row labeled “Index Factor” contains percentage values in red. These correspond to the methodology used by the Blount County Property Assessor for assigning assessable value to properties. Property improvements undertaken in years subsequent to the last assessment must be adjusted to reflect assessment year market values. For the past 15 years, the County Assessor has used an index of 5% per year. The -20% index entered into Year 1 accounts for five years of a six year cycle — the 30% index in year two corresponds to an assessment year, when assessable values are brought in line with actual market values. The use of the index factor results in a more accurate estimation of tax base.

Once the data is entered, the model calculates the fiscal impacts of the subject project. Figure 4 shows an output table summarizing the impacts, which will be discussed in more detail in a later section.

Figure 4

Table 3 Blount County Fiscal Analysis Model Fiscal Impact Analysis											
Project Name	Addison Acres										
Project Description	100 SFD										
NPV discount rate	6%	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
Total Annual Revenues	\$ 69,859	\$ 160,130	\$ 240,195	\$ 320,260	\$ 320,260	\$ 320,260	\$ 355,641	\$ 355,641	\$ 355,641	\$ 387,484	
Present Value - taxes	\$ 2,015,384										
Annual Fiscal Costs	\$ 46,316	\$ 150,864	\$ 226,296	\$ 301,728	\$ 301,728	\$ 301,728	\$ 301,728	\$ 301,728	\$ 301,728	\$ 301,728	\$ 301,728
Present Value - costs	\$ 1,782,186										
Annual Fiscal Benefit/Cost	\$ 23,543	\$ 9,266	\$ 13,899	\$ 18,532	\$ 18,532	\$ 18,532	\$ 53,913	\$ 53,913	\$ 53,913	\$ 85,756	
Net Present Value	\$ 233,198										

Entering Data—Exercise 2

The following example uses a hypothetical commercial project. The following other assumptions apply:

- Project Name: Greenbelt View
- Project Description: Mixed Use — Office, Retail
- 75,000 SF Low-Rise Office
- 180-room hotel

Project data can now be entered into the model. Data will be entered into the “New Commercial” worksheet. Name and descriptions should be entered in the appropriate cells. Data for the office component will be entered as square footage, while data for the hotel component should be entered as number of rooms. Delivery of both components will occur in the same year.

The “Commercial Values” worksheet contains built-in assumptions on unit costs that are used as default variables to calculate value. These unit costs can be changed if actual construction costs are available. The unit costs are based on current, regionally adjusted hard and soft development costs.

Although initial assessments are based on construction costs, subsequent assessments are based on income valuation, and seldom exceed initial assessments. Indexing and/or property value escalations should be entered at the discretion of the user, and would most likely involve a best guess, or the assistance of the Property Assessor. Figure 5 shows data entered into the “New Commercial” worksheet. Figure 6 shows a section of the “Commercial Values” worksheet.

Figure 5

Blount County Fiscal Analysis Model										
Industrial / Commercial Inputs - Proposed Projects										
Project Name:	Greenbelt View									
Project Description:	75,000 SF Office, 180-Room Hotel									
Use Type	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet
Industrial	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Warehouse/Distribution - each year										
<i>Warehouse/Distr - cumulative</i>	-	-	-	-	-	-	-	-	-	-
Manufacturing - each year										
<i>Manufacturing - cumulative</i>	-	-	-	-	-	-	-	-	-	-
Total - Industrial	-	-	-	-	-	-	-	-	-	-
Use Type	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet
Office	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Low-Rise (< 4 Stories) - each year	75k									
<i>Low-Rise - cumulative</i>	75k	75k	75k	75k	75k	75k	75k	75k	75k	75k
Hi-Rise (4 Stories +) - each year										
<i>Hi-Rise - cumulative</i>	-	-	-	-	-	-	-	-	-	-
Flex/Tech - each year										
<i>Flex/Tech - cumulative</i>	-	-	-	-	-	-	-	-	-	-
Total - Office	75k	75k	75k	75k	75k	75k	75k	75k	75k	75k
Use Type	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet
Retail	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Convenience/Nbrhd - each year										
<i>Conv./Nbrhd - cumulative</i>	-	-	-	-	-	-	-	-	-	-
Community Center - each year										
<i>Community Center - cumulative</i>	-	-	-	-	-	-	-	-	-	-
Regional/Power Center - each year										
<i>Rgnl/Pwr Center - cumulative</i>	-	-	-	-	-	-	-	-	-	-
Super Regional Mall - each year										
<i>Super Rgnl Mall - cumulative</i>	-	-	-	-	-	-	-	-	-	-
Total - Retail	-	-	-	-	-	-	-	-	-	-
Use Type	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet	Sq. Feet
Food, Beverage, Ent.	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Fast Food - each year										
<i>Fast Food - cumulative</i>	-	-	-	-	-	-	-	-	-	-
Seated - each year										
<i>Seated - cumulative</i>	-	-	-	-	-	-	-	-	-	-
Nightclub - each year										
<i>Nightclub - cumulative</i>	-	-	-	-	-	-	-	-	-	-
Theatre - each year										
<i>Theatre - cumulative</i>	-	-	-	-	-	-	-	-	-	-
Total - Food, Beverage, Ent.	-	-	-	-	-	-	-	-	-	-
Use Type	rooms	rooms	rooms	rooms	rooms	rooms	rooms	rooms	rooms	rooms
Lodging	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Full Service - each year										
<i>Full Service - cumulative</i>	0	0	0	0	0	0	0	0	0	0
Limited Service - each year	180									
<i>Limited Service - cumulative</i>	180	180	180	180	180	180	180	180	180	180
Budget - each year										
<i>Budget - cumulative</i>	0	0	0	0	0	0	0	0	0	0
Total - Lodging	180	180	180	180	180	180	180	180	180	180
Total - All - Commercial	75k	75k	75k	75k	75k	75k	75k	75k	75k	75k

Figure 6

Blount County Fiscal Analysis Model											
Industrial / Commercial Inputs - Estimated Unit Costs											
Project Name:	Greenbelt View										
Project Description:	75,000 SF Office, 180-Room Hotel										
Use Type	Actual Unit Costs	Assessible Unit Costs	Assessible Unit Costs	Assessible Unit Costs	Assessible Unit Costs	Assessible Unit Costs	Assessible Unit Costs	Assessible Unit Costs	Assessible Unit Costs	Assessible Unit Costs	Assessible Unit Costs
Industrial	Year 1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Index Factor		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Warehouse/Distribution	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Manufacturing	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110
Use Type	Actual Unit Costs	Assessible Unit Costs	Assessible Unit Costs	Assessible Unit Costs	Assessible Unit Costs	Assessible Unit Costs	Assessible Unit Costs	Assessible Unit Costs	Assessible Unit Costs	Assessible Unit Costs	Assessible Unit Costs
Office	Year 1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Index Factor		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Low-Rise (< 4 Stories)	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120
Hi-Rise (4 Stories +)	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130
Flex/Tech	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140

Figure 6 shows fiscal revenues for the office and hotel project. Recall that the model only calculates property tax revenues for commercial projects. Notice that there is a row to enter values for personal property taxes, which must be calculated and entered manually.

Figure 7

Table 1											
Blount County Fiscal Analysis Model											
Fiscal Revenues Analysis											
Project Name	Greenbelt View										
Project Description	75,000 SF Office, 180-Room Hotel										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Residential Taxable Basis	-	-	-	-	-	-	-	-	-	-	-
Industrial Taxable Basis	-	-	-	-	-	-	-	-	-	-	-
Commercial Taxable Basis	\$ 28,800k	\$ 28,800k	\$ 28,800k	\$ 28,800k	\$ 28,800k	\$ 28,800k	\$ 28,800k	\$ 28,800k	\$ 28,800k	\$ 28,800k	\$ 28,800k
Annual Revenues											
Local Property Taxes	\$ 279,936	\$ 279,936	\$ 279,936	\$ 279,936	\$ 279,936	\$ 279,936	\$ 279,936	\$ 279,936	\$ 279,936	\$ 279,936	\$ 279,936
Licenses and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, Forfeitures, & Penalties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Current Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees of County Officials	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Tennessee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Governments & Groups	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Personal Property Taxes*</i>											
Total Annual Revenues	\$ 279,936	\$ 279,936	\$ 279,936	\$ 279,936	\$ 279,936	\$ 279,936	\$ 279,936	\$ 279,936	\$ 279,936	\$ 279,936	\$ 279,936

*Must be calculated and entered manually

Internal Worksheets

This section explains the mechanism by which the products of the model's output are derived. Certain imbedded variables such as tax rates, construction unit costs, school pupil generation, per capita fiscal costs, etc., must be applied as factors to data entered in the input fields to calculate fiscal revenues and costs, along with economic impacts associated with specific development projects. Much of the work of calculating outputs is accomplished in the internal worksheets, of which there are six:

- Residential Tax Base — Calculates adjusted value of residential property.
- Commercial Tax Base — Calculates adjusted value of commercial property.
- Population and Pupils — Calculates population generation by average household size, and pupil generation by population.
- Property Taxes — Contains property tax rates and performs calculations to yield property tax revenue.
- Other Revenues — Contains multipliers and performs calculations for a range of other applicable taxes and revenues, such as shared state sales tax and licenses and fees.
- Fiscal Costs — Contains a series of multipliers used to calculate costs of County services and impact to schools associated with project.

Property Taxes — The Property Taxes worksheet calculates total property taxes for a project based on its adjusted estimated value multiplied by the current property tax ratios and rates. Tax rates can and should be updated when circumstances warrant. Figure 8 shows how part of the table would appear from the residential project in Exercise 1.

Figure 8

Blount County Fiscal Analysis Model Property Tax Worksheet				
Total Assessed Value	Category	Assessment Ratio	County Real Property	Total County Tax
YEAR 1				
\$ 5,600,000	Residential	25%	2.4300	\$ 34,020
\$ -	Industrial	55%	2.4300	\$ -
\$ -	Commercial	40%	2.4300	\$ -
	Total			\$ 34,020
YEAR 2				
\$ 14,560,000	Residential	25%	2.4300	\$ 88,452
\$ -	Industrial	55%	2.4300	\$ -
\$ -	Commercial	40%	2.4300	\$ -
	Total			\$ 88,452

Other Revenues — This worksheet calculates per capita revenues as accounted for in the Annual Budget including: *Licenses and Permits; Fines, Forfeitures, & Penalties; Charges for Current Services; Other Local Revenues; Fees of County Officials; Federal Government; Other Governments & Groups*, and; *Other Sources*. Other Revenues can and should be updated annually by revising line item budget figures to reflect the latest County Budget Report, and estimated population figures, resulting in up-to-date per capita values. See Figure 9.

Figure 9

Blount County Fiscal Analysis Model Other Revenues Worksheet			
	2002-03 Revenues By Source	2003 Est. Population	Per Capita Revenue
Licenses and Permits	\$645,035	111,000	\$6
Fines, Forfeitures, & Penalties	\$636,445	111,000	\$6
Charges for Current Services	\$3,781,318	111,000	\$34
Other Local Revenues	\$1,647,794	111,000	\$15
Fees of County Officials*	\$4,392,762	111,000	\$40
State of Tennessee	\$37,742,856	111,000	\$340
Federal Government	\$9,588,025	111,000	\$86
Other Governments & Groups	\$1,575,332	111,000	\$14
Other Sources	\$6,292,685	111,000	\$57

Fiscal Costs — This worksheet calculates per capita and per pupil costs for government services. Other revenues can and should be updated annually by revising line item budget figures to reflect the latest County Budget Report, and estimated population figures, resulting in up-to-date per capita values. See Figure 10.

Figure 10

Blount County Fiscal Analysis Model Fiscal Costs Worksheet						
Program	2002-03 Budget Expenditures	2002-03 Budget Allocation	2003 Est. Population	2003 Est. School Pop.	Per Capita Expenditure	Per Pupil Expenditure
General County	\$29,099,956	26.15%	111,000	11,000	\$262	
Courthouse & Jail Maintenance*	\$10,460	0.01%	111,000	11,000	\$0	
Law Library	\$5,966	0.01%	111,000	11,000	\$0	
Public Library	\$1,389,150	1.25%	111,000	11,000	\$13	
Drug Control	\$178,036	0.16%	111,000	11,000	\$2	
Other Special Revenue	\$212,724	0.19%	111,000	11,000	\$2	
Highway/Public Works	\$5,443,387	4.89%	111,000	11,000	\$49	
General Schools	\$56,262,969	50.56%	111,000	11,000		\$5,115
School Federal Projects	\$5,057,995	4.55%	111,000	11,000		\$460
Central Cafeteria	\$3,921,733	3.52%	111,000	11,000		\$357
Extended Day Care	\$1,217,016	1.09%	111,000	11,000		\$111
Debt Service	\$8,471,055	7.61%	111,000	11,000	\$76	
Total	\$111,270,447	100%	111,000	11,000	\$1,002	

Population and Pupils — This worksheet calculates population generated by residential type, based on census data, and pupil generation, based on local data. This table should be updated when circumstances warrant. See Figure 11.

Figure 11

Blount County Fiscal Analysis Model Population and Pupil Yield Worksheet						
	Housing Class	Units	Avg. HH Size	Population Yield	Pupil to Population Ratio	Pupil Population
YEAR 1	Single Family	25	2.4	60	0.10	6
	Multi-Family	0	2.1	0	0.10	0
	Senior	0	1.5	0	0.0	0
	Student	0	3.0	0	0.0	0
	Total	25			60	
YEAR 2	Single Family	50	2.4	120	0.10	12
	Multi-Family	0	2.1	0	0.10	0
	Senior	0	1.5	0	0.0	0
	Student	0	3.0	0	0.0	0
	Total	50			120	

Fiscal Impact Analysis Tables

The fiscal impact analysis tables constitute the output of the model. They are a direct product of project inputs, and are labeled in numerical sequence (Table 1, Table 2...). The output tables are formatted in report-ready presentation form using a Times New Roman font, and are easily imported into a Microsoft Word document.

Tables 1 through 3 pertain directly to fiscal impacts, and are titled Fiscal Revenues Analysis, Fiscal Costs Analysis, and Fiscal Impacts Analysis, respectively. Examples of Tables 1 and 3 were shown in previous sections. Below is Table 2 as it applies to the residential project in Exercise 1.

Figure 10

Table 3											
Blount County Fiscal Analysis Model											
Fiscal Impact Analysis											
Project Name	Addison Acres										
Project Description	100 SFD										
NPV discount rate	6%	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Total Annual Revenues	\$ 69,859	\$ 160,130	\$ 240,195	\$ 320,260	\$ 320,260	\$ 320,260	\$ 355,641	\$ 355,641	\$ 355,641	\$ 387,484	
Present Value - taxes	\$ 2,015,384										
Annual Fiscal Costs	\$ 46,316	\$ 150,864	\$ 226,296	\$ 301,728	\$ 301,728	\$ 301,728	\$ 301,728	\$ 301,728	\$ 301,728	\$ 301,728	\$ 301,728
Present Value - costs	\$ 1,782,186										
Annual Fiscal Benefit/Cost	\$ 23,543	\$ 9,266	\$ 13,899	\$ 18,532	\$ 18,532	\$ 18,532	\$ 53,913	\$ 53,913	\$ 53,913	\$ 85,756	
Net Present Value	\$ 233,198										

Using the Output Tables

The output tables can be incorporated into a report or memorandum pertaining to a specific development project. The output can be used to evaluate various development alternatives for a particular site, or can serve as the foundation for testing real estate-oriented economic development initiatives such as tax increment financing.

The easiest method for importing the Excel tables to a text document is to select and copy the table, then select its location in the text document. Under Edit, the Paste Special feature should be used to paste the table into the document. This will allow edits to the table within the document.

Blount County Technical Memorandum #8

To: Blount County, Tennessee
From: Hunter Interests Inc.
Subject: Growth Strategy Charrette Notes
Date: July 21,2004

This Technical Memorandum conveys notes taken from facilitators' writings at the design charrette held at the Blount County Library on Tuesday, July 20, 2004. The content and context of these notes are being assimilated into the Blount County Growth Strategy. Graphic sketches and diagrams prepared at the charrette are also being incorporated into the study process.

Air Quality and Other Environmental Issues
Facilitator: Nina Greg

Air Quality

- Bringing experience from air quality subcommittee of EHAT.
- Environmental epidemiologist for East TN—regional health department to help with human health issues.
- Interested in environmental issues — to learn, contribute, and listen. What comes to mind?
- Air pollution.
 - Powers that be don't take it seriously.
 - Have known for a long time about the problem.
- Little or no control over sources.
 - Cars — outside area.
 - Power plants.
- Health Effects.
 - What is air quality doing to our health?
 - What happens when we breathe the air? E.g., ozone non-attainment, particulate matter concern.

HUNTER INTERESTS

I N C O R P O R A T E D

- Mountains affect air quality — collection in Blount County.
- Relationship of cars, trucks to air quality.
 - Fuel efficiency.
 - Speed limits.
- Put on table in Blount County — emissions testing for cars, trucks, buses, and commercial vehicles.
- We need to start somewhere — the longer it's put off, the longer until it's done. We can set an example.
- Who runs the emission testing program and who pays for it? Example— Lebanon, TN.

Water Quality

- Contamination of Little River, our water source, from subdivision development near the river.
- More complicated. Development and growth in Townsend require sewer.
- Industrial impacts on run-off, ground water (e.g., Stock Creek).
- Storm water/impervious surfaces carrying oil, grease, etc.
- Non-point source pollution from septic systems and farm animals.

Recycling

- We would like it to be easier — more deposit stations.
- Why won't they take more plastics?
- Add deposit to glass, maybe also aluminum, and plastic.
- Base private hauler and tipping fees on weight—this would increase recycling.
- Provide hazardous waste collection site (more often than two times/year).
- Enforce existing regulations on commercial application of pesticides and herbicides to reduce run-off into water and air-borne/vaporized impacts.
- Develop incentive programs to reduce use of toxins and encourage use of non-toxic treatments.

HUNTER INTERESTS

I N C O R P O R A T E D

Land Use

- Affects water quality — how subdivisions are developed.
- Outside burning — construction debris.
- All development (residential, infrastructure, commercial, industrial, transportation) has an impact on the environment that needs to be minimized.
- More holistic planning.

Natural Environment — Visual Landscape

- Control billboards and signage.
- Control ridgetop development.
- Manage or reduce lighting after business hours.
- Refuse collection centers?
- Community education about environmental issues.
 - “What you can do to help...”
 - Put it into schools.
 - Environmental fair.
 - Booths at Fall Festival.
- Promote/encourage alternative vehicles for government/municipal use.
 - Biodiesel.
 - Hybrids.
- Use best management practices to reduce impact of construction.
- Pressure TVA, Lowlands, Eastman Kodak, and Staley to do more to control emissions.
- Lobbying our government on improving fuel efficiency standards.
- Indoor air quality—tobacco, secondary smoke health effects.
- Use Knoxville as hub and run light rail along commuter routes (or Maryville/ Alcoa).
 - Example: greater Nashville/Lebanon, Hermitage, etc.
- Park and ride vans/carpools—use TPOs, ride-share system.
- Land use relates to vehicle miles traveled.
 - Make more commercial centers/neighborhood development to reduce vehicle miles traveled.
 - More mixed use (cluster) development.

Noise

- Protect natural soundscape.
- Mufflers, car radios and stereos — have some maximum standard.

Residential
Facilitator: Gary Maule

The discussion generally would move away from the specifics of residential character (variety, affordable, higher density, etc.) into over-arching issues of constraints; infrastructure capacity of existing systems and opportunity of preserving the rural character and how increased housing impacts them.

Everyone recognizes that there will be new growth (housing), the question is what kind of housing and where. There was little discussion of preventing any housing other than SFD on one acre plus lots. People were generally accepting of affordable housing and allowing higher densities if there was adequate infrastructure capacity.

There was interest in initiating development standards addressing roads, light pollution, open space, setbacks from roads, grading, steep slope and tree preservation, and stream valleys.

Everyone whether no-growth or pro-growth wanted to preserve the “rural character.”

- Concern about the impact of new housing upon on existing infrastructure, sewer, utilities, schools, and roads.
- Concept of taxing new construction — they are putting new people on the roads and children in the schools.
- Would like to see higher density — four to the acre.
- Consider farmland preservation
- Tax incentive exists — 15 acres + and farms earning more then \$1,000.00 annually can receive a reduction in taxes.
- Like the concept of planned residential communities.
- There was much discussion about the need for open space both regionally and site by site.
- Support new urbanist concepts including affordable housing, green space, pedestrian, mixed use, community/civic uses such as post office.
- There are good examples of housing development in region: Rarity Ridge, Rarity Point, Rarity etc.
- Concern about roadway character.
- Consider development standards for housing and streets.

HUNTER INTERESTS

I N C O R P O R A T E D

- Stay rural — spread houses, roads, and schools.
- Designate more scenic highways to preserve rural character.
- Need for places with a village character to provide services and goods for the emerging portions of the County. Currently have to drive 7 to 10 miles to grocery.
- Restrict grading and tree stand removal in housing development. Developers tend to flatten the site and remove trees.
- There was discussion about cluster development as a means to preserve open space character.
- Would like to see new subdivision regulations—road standards too narrow and too many units per access road. 16' without shoulder. Loudoun requires 22'.
- Concern about new industrial being proposed.
- Preserve the slopes, mountain crests, and tree stands when developing housing.

Water Resources

Facilitator: Gary Ferguson

- What to protect? Where?
- How to protect?
- Buffers?
- Wetlands?
- Steep Slope issues?
- Well and drinking water issues?
- How to protect:
 1. What kind of industry — environmental friendly.
 2. Community involvement.
 - a. EHAT
 - b. Little River Watershed Association
 - c. Water Quality Forum
 - d. Short Creek Project
 3. Cluster Development.
 - a. Green space.
 - b. Carpooling.

4. Public Sewer.
 - a. Impervious areas?
 - b. Density?
 - c. Zoning Issues?

Roads/Pathways/Highways
Facilitator: Brad Winkler

- Circumferential concept.
- Hot spots.
- Highway impacts on growth.
- Corridors.
- Pedestrian opportunities.
- Parking.
- Bike trail plan.
- Fix existing roadway problems.
 - Fix intersections and geometry
- Many unsafe roads (geometric problems) including secondary routes.
- Argument in support of 411 bypass.
- Argument opposed to 411 bypass southern loop.
- Request to review Knoxville highway county line south to Maryville.
- Request to get City to back off TDOT on Montvale Rd.
- Any O-D studies done?
- Alternative modes of transportation.
 - Park and ride, transit, area trolley, vanpool, light rail, BRT.
- Pedestrian accommodations/bikes.
 - Poor in county.
 - Needs connectivity.
 - Must consider.
- Comment on grid concept for roads.
- Substation at William Blount and Rt. 411 is an example of poor planning.
- Comment— reversible lanes on Montvale.

HUNTER INTERESTS

I N C O R P O R A T E D

The Rural Economy **Facilitator: Mike Walker**

- 321 (rural) route — Heritage to Townsend?
 - Sewer Development
- Horse farming (inventory—basis for commercial).
- Green belt area?
- 1-40 — extension development (how, where, what).
- Rural economy — agri-tourism.
- Tourism — Townsend.
- Resort—Louisville/Friendsville.
- Development — Infrastructure based (sewer, water, gas).
- Ridgetop — (planning) before infrastructure extensions.
- Multi-Use (area/building) centrally located to mountains.
- Farm to school program.
- Farmers market (downtown, restaurant quality).
- Historical park development (based on historical marker in Blount).
- Tourism — dude ranch, working farm, hiking, historical working farm, story telling.
- Unique lodging (farm based, rural based, historical).
- Bird watching (migratory, wetlands).
- Farming workshops (how to).
- Lease to farm program (farm leasing acreage for use).
- Net producer of electricity (solar, etc.).
- Harvesting biomass produced by farming activities.
- Subscription farming (subscriber for current services).

Development Opportunities
Facilitator: Ernie Bleinberger

- Appropriate development culture.
- Economics/other not in conflict.
- East Tennessee Tech corridor to extend into Blount County.
- Environmental/biomedical health — 20-year niche.
- Downtown — Sullivans.
- Loft apartments—luxury lofts.
- Market square model (Knoxville).
- Fresh Market/Harris Teeter/Whole Foods (Bearson).
 - West Maryville Area/North toward Knox.
- Equestrian Estates.
 - Sam Houston Area—Old Knoxville Highway.
- Development Corridors.
 - Governor Sevier/Alcoa Highway.
- Upscale sports bar and restaurant (near mall?).
- Northern Crescent of Development Potential.
- Identify specific locations for commercial and other development types — establish proper zoning/regulatory environment and pursue investment that will contribute to tax base.
- Access/Parking Guidelines.
 - Little River as development opportunity.
 - Riparian greenway along river.
- Tourism — a reason to stop.
 - Sales Tax Generation!
 - Lodging, recreation, eating.
- Cluster development/town centers.
- New buildings in parking areas by foothills mall—out parcels available.
- Constraints.
 - Moratorium on 411 South.
 - Rural arterial commercial (RAC).
 - No sewer/no commercial.
 - Land costs.
 - Connecting one county with another through sewer extension.
 - Loudon County is pro-development.

Schools and Public Infrastructure
Facilitator: Ken Brown

- Children are our most valuable resource.
- Is funding adequate/wasted.
- Maintenance required.
- Are fundraisers required/well managed?
- Blount County Schools are best in state of all counties.
- BCS has no funding problem.
- Portables—overcrowding.
- Monitor of money—school boards job.
- Schools are center of community.
- Schools used to be open in evening to community.
- Parent involvement more at younger ages.
- Federal government makes local schools too expensive.
- Uniforms—not good for individuality.
- Standard dress codes.
- Impact fee on development to provide schools, infrastructure adequately.
- Is there a formula for ideal number of people/infrastructure?
- Code 8 is goal — fire hydrants must be available (6” main required).
- Proposed annexations will put Blount County out of schools.
- Retirement migrants don’t always want to fund education.
 - Increased costs to “native” retirees.
- Aging population doesn’t always want to fund education.
- Funding formula w/MCS and ACS adversely affects Blount County Schools.
- MHS uses volunteer parents well.
- Multiple uses of schools/facilities by community.
- Pellissippi — more adult education.
- Continuing education (like UT) needed.
- Property tax (school) decreases for elderly property owners.
- At what point do residents say, “We won’t provide any more infrastructure!”

HUNTER INTERESTS

I N C O R P O R A T E D

- Incentives to get students to walk to MCS — parent volunteers/safety.
- Bus “parent.”
- School district consolidation?
- Busing?
- Are all buses needed? Lots of parents bring kids.
- Consolidation/efficiency of all emergency services?
 - Differences in terrain/population.
- Is bigger better?
- A development tax years ago would have provided adequate services.
- Smaller class size is optimal.
- Lag time between funding, construction, and opening of new schools.
- Slowing development in overcrowded districts will encourage growth in less crowded areas.
- Investigate possibility of consolidated vocational school where science/math technology are stressed — tie this into Pellissippi’s post-grad programs/ technology corridor.
- Sponsorship by industry.
- Renting of school space.
- High school solution should spin out of a roundtable of industrial, county, city and collegiate educators.
- Larger lots mean less impact on infrastructure.

Unique Community

- Watershed.
 - Drinking source.
 - Economic asset.
 - Recreation.
- Planning Process.
 - Lot density.
 - Infrastructure.
- What is polluting the water?
 - Sediment—erosion.
 - Underground storage tanks.
 - Septic systems.

Green Space
Facilitator: Dede Christopher

- Green infrastructure.
- Parks and Recreation.
- Mountain/ridgetops.
- View sheets/corridors.
- Protected areas.
 - Encourage High Density Residential Areas to help preserve open green space.
 - Change zoning laws and enforce.
 - Establishing a view corridor, regulating ridgetop development.
 - Preserve scenic highway and provide buffers between commercial and residential, landscape buffers (20'), and coordinating parks w/view corridors.
 - Mandate a certain percentage of the development allocated to green space and habitat protection.
 - Design a green space corridor to tie development together.
- Offer incentives to developers for tax easements for land grants etc. to set aside green space.
 - o Parks.
 - More wild green areas for jogging.
 - Lake Park place to swim.
 - Pavilion Parks, barbeques, events.
 - Have access control so that you could have a festival or a place to have events. Parking in grass—subsidize “Small Fairgrounds”—horse shows.
 - Greenbelt through county.
 - Greenbelt path through Smokies.
 - Bicycle trails, sidewalks along main roads.
- Maintain a certain density of working farmland.
 - o Establish “Farm to School” programs.
 - o Farmers Market.
- Farmers Market—Encourage local farmers.
- Establish tree ordinances.
 - o Tree topping.
 - o Replacement tree program.
 - o Developers required to replant what they take away.

HUNTER INTERESTS

I N C O R P O R A T E D

- Tie historical markers for Sam Houston to a greenbelt corridor.
- Establish a landscape plan for important entrances and important areas into the city.
- Establish ridgetop setbacks and development requirements. Height restrictions — no rooftops higher than the mountains.
- County needs to regulate and preserve view corridors and scenic highways.
- Establish a protected greenway along the Little River from Smokies to Rockford. Establish recreation areas along river. Establish setbacks of new development.
- Create a zoning regulation to green the parking lots for shade and attractiveness.
- Encourage Preservation of Rural Character.
- Encourage development that encourages the preservation of green space.
 - o Replacing trees green set-asides.
 - o Green set-asides.
 - o More public park space.
- County parks that offer park-controlled gathering space: a small fairground, farmers market, and horse activities.
- Establish an overall landscape plan for the county.
 - o Bicycle trails and greening at main streets.
 - o Green setbacks—tree ordinances.
 - o Historical markers (i.e., Sam Houston).
 - o Green parking lots.
- Protect Natural Beauty.
 - o Ridgetop regulations — scenic highways, Little River protected greenway.
- Encourage preservation of farmland.
 - o Establish land bank programs and look into Federal and State programs to help protect land.
 - o Farmers Market for local produce.

Growth Management
Facilitator: Doug Porter

- Commission doesn't follow its own rules.
- County planning department is against zoning – How can it handle growth management?
- Schools are overflowing – Management a must.
- Developers should pay for impacts.
- Must adopt building code.
- City shouldn't annex – will take the best property.
- Roads should be a priority.
- What about schools?
- Preserve rural character at all costs.
- Little River is dying.
- Need money for growth management – Where?
- What about sewer and townsend?
- Already polluted air – what next?
- Preserve farms.
- Commission won't follow plan.
- Stop building.
- More density in city might help.
- Citizens should pressure government to manage growth for the future.
- Help farmers – new techniques/programs.
- Keep views/stop ridge-top development.
- Parks.
- 321 and 411 should be protected.
- Should the action plan be “nogrowth” or controlled growth?
- Concentrate growth on existing areas with infrastructure.
- Look at what is appropriate for land.
- Give tools needed for management.