



**CIVIC LEAGUE**  
For New Castle County

*Informed Citizens for Sound County Growth*

P.O. Box 11523 - Wilmington, DE 19850

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**April  
2011**

# COUNTY COMMENTS

CIVIC LEAGUE FOR NEW CASTLE COUNTY  
*Informed Citizens for Sound County Growth*

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## MEETING

**Wednesday, April 13, 2011**

6:30 PM at the Tatnall School (lower level)  
1501 Barley Mill Road  
Wilmington, DE 19807

## AGENDA

Westover Hills area's concerns on the Stoltz projects

### STATEMENT OF PRINCIPLE

Monitor and selectively evaluate government actions including laws, regulations and policy.

Provide appropriate forums for informing as well as soliciting input from the public.

Establish positions based on responsible studies and consistent with the aims and purpose of the organization.

Advocate these positions.

Founded in 1962, the Civic League is non-profit volunteer organization, which studies and illuminates County and State government actions concerning comprehensive developments and the quality of life and is a vocal advocate of relevant positions.

County Comments is the official publication of the Civic League for New Castle County.

Chuck Mulholland,  
President

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### SUMMARY OF COST OF COMMUNITY SERVICES STUDIES REVENUE-TO-EXPENDITURE RATIOS IN DOLLARS

Columns below illustrate the ratio between revenue receipts (left) and service expenditure / demand.  
Housing is consistently a deficit, or costing more for services than produced in tax revenue.

Community	Residential Incl. farm houses	Commercial & Industrial	Working & Open Land
<b>Maryland</b>			
Carroll County	1 : 1.15	1 : 0.48	1 : 0.45
Cecil County	1 : 1.17	1 : 0.34	1 : 0.66
Cecil County	1 : 1.12	1 : 0.28	1 : 0.37
Frederick County	1 : 1.14	1 : 0.50	1 : 0.53
Harford County	1 : 1.11	1 : 0.40	1 : 0.91
Kent County	1 : 1.05	1 : 0.64	1 : 0.42
Wicomico County	1 : 1.21	1 : 0.33	1 : 0.96
<b>New Jersey</b>			
Freehold Township	1 : 1.51	1 : 0.17	1 : 0.33
Holmdel Township	1 : 1.38	1 : 0.21	1 : 0.66
Middletown Township	1 : 1.14	1 : 0.34	1 : 0.36
Upper Freehold Township	1 : 1.18	1 : 0.20	1 : 0.35
Wall Township	1 : 1.28	1 : 0.30	1 : 0.54
<b>Pennsylvania</b>			
Allegheny Twp.	1 : 1.06	1 : 0.14	1 : 0.13
Bedminster Twp.	1 : 1.12	1 : 0.05	1 : 0.04
Carroll Twp.,	1 : 1.03	1 : 0.06	1 : 0.02

In a letter dated March 18, 2011, under the banners of the Millcreek Limestone Civic Alliance, the League of Women Voters, Bike Delaware, Delaware Greenways, the Delaware Nature Society, and the Civic League for New Castle County, concerns regarding the selection of a new DeIDOT Secretary were voiced to Governor Jack Markell.

paragraph #3...*"As you know, Delaware is in a difficult situation because of the high costs of building infrastructure for, and providing services to, highly dispersed, low-density development. For example, between 1986 and 2006, the state's per capita capital budget increased by almost 250%. That increase was 8 times greater than the state's population increase and 6 times greater than the increase in total housing units over the same period."...*

For Fiscal Year 2010, according to figures through the State Comptrollers office, Delaware had a bonded debt of \$1,662,200,000.00.

A March 10, 2011 communication from the Delaware Department of Finance included the line *"In October 2010, a new issue sale, including a refunding, brought the outstanding debt balance to \$1,753.0 million. (\$1,753,000,000)."*

Included in this newsletter edition are recent cost comparisons resulting from residential construction, as related to infrastructure (schools and roads, etc) as calculated by the American Farmland Trust. While the State legislators struggle to balance the budget, should they also consider the long range consequences, and cost, of thousands of new residential lots being reviewed by various land use agencies and departments. Or continue business as usual....

## Farmland Information Center - Fact Sheet

### COST OF COMMUNITY SERVICES STUDIES

#### DESCRIPTION

Cost of Community Services (COCS) studies are a case study approach used to determine the fiscal contribution of existing local land uses. A subset of the much larger field of fiscal analysis, COCS studies have emerged as an inexpensive and reliable tool to measure direct fiscal relationships. Their particular niche is to evaluate working and open lands on equal ground with residential, commercial and industrial land uses.

COCS studies are a snapshot in time of costs versus revenues for each type of land use. They do not predict future costs or revenues or the impact of future growth. They do provide a baseline of current information to help local officials and citizens make informed land use and policy decisions.

#### METHODOLOGY

In a COCS study, researchers organize financial records to assign the cost of municipal services to working and open lands, as well as to residential, commercial and industrial development. Researchers meet with local sponsors to define the scope of the project and identify land use categories to study. For example, working lands may include farm, forest and/or ranch lands. Residential development includes all housing, including rentals, but if there is a migrant agricultural work force, temporary housing for these workers would be considered part of agricultural land use. Often in rural communities, commercial and industrial land uses are combined. COCS studies findings are displayed as a set of ratios that compare annual revenues to annual expenditures for a community's unique mix of land uses.

COCS studies involve three basic steps:

1. Collect data on local revenues and expenditures.
2. Group revenues and expenditures and allocate them to the community's major land use categories.
3. Analyze the data and calculate revenue-to expenditure ratios for each land use category.

The process is straightforward, but ensuring reliable figures requires local oversight. The most complicated task is interpreting existing records to reflect COCS land use categories. Allocating revenues and expenses requires a significant amount of research, including extensive interviews with financial officers and public administrators.

#### HISTORY

Communities often evaluate the impact of growth on local budgets by conducting or commissioning fiscal impact analyses. Fiscal impact studies project public costs and revenues from different land development patterns. They generally show that residential development is a net fiscal loss for communities and recommend commercial and industrial development as a strategy to balance local budgets.

Rural towns and counties that would benefit from fiscal impact analysis may not have the expertise or resources to conduct a study. Also, fiscal impact analyses rarely consider the contribution of working and other open lands, which is very important to rural economies.

American Farmland Trust (AFT) developed COCS studies in the mid-1980s to provide communities with a straightforward and inexpensive way to measure the contribution of agricultural lands to the local tax base. Since then, COCS studies have been conducted in at least 151 communities in the United States.

#### FUNCTIONS & PURPOSES

Communities pay a high price for unplanned growth. Scattered development frequently causes traffic congestion, air and water pollution, loss of open space and increased demand for costly public services.

This is why it is important for citizens and local leaders to understand the relationships between residential and commercial growth, agricultural land use, conservation and their community's bottom line.

COCS studies help address three misperceptions that are commonly made in rural or suburban communities facing growth pressures:

1. Open lands—including productive farms and forests—are an interim land use that should be developed to their "highest and best use."
2. Agricultural land gets an unfair tax break when it is assessed at its current use value for farming or ranching instead of at its potential use value for residential or commercial development.
3. Residential development will lower property taxes by increasing the tax base.

While it is true that an acre of land with a new house generates more total revenue than an acre of hay or corn, this tells us little about a community's bottom line. In areas where agriculture or forestry are major industries, it is especially important to consider the real property tax contribution of privately owned working lands. Working and other open lands may generate less revenue than residential, commercial or industrial properties, but they require little public infrastructure and few services.

COCS studies conducted over the last 20 years show working lands generate more public revenues than they receive back in public services. Their impact on community coffers is similar to that of other commercial and industrial land uses. On average, because residential land uses do not cover their costs, they must be subsidized by other community land uses. Converting agricultural land to residential land use should not be seen as a way to balance local budgets.

The findings of COCS studies are consistent with those of conventional fiscal impact analyses, which document the high cost of residential development and recommend commercial and industrial development to help balance local budgets. What is unique about COCS studies is that they show that agricultural land is similar to other commercial and industrial uses. In nearly every community studied, farmland has generated a fiscal surplus to help offset the shortfall created by residential demand for public services. This is true even when the land is assessed at its current, agricultural use. However as more communities invest in agriculture this tendency may change. For example, if a community establishes a purchase of agricultural conservation easement program, working and open lands may generate a net negative.

Communities need reliable information to help them see the full picture of their land uses. COCS studies are an inexpensive way to evaluate the net contribution of working and open lands. They can help local leaders discard the notion that natural resources must be converted to other uses to ensure fiscal stability. They also dispel the myths that residential development leads to lower taxes, that differential assessment programs give landowners an "unfair" tax break and that farmland is an interim land use just waiting around for development.

One type of land use is not intrinsically better than another, and COCS studies are not meant to judge the overall public good or long-term merits of any land use or taxing structure. It is up to communities to balance goals such as maintaining affordable housing, creating jobs and conserving land. With good planning, these goals can complement rather than compete with each other. COCS studies give communities another tool to make decisions about their futures.

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**The FARMLAND INFORMATION CENTER (FIC) is a clearinghouse for information about farmland protection and stewardship. The FIC is a public/private partnership between the USDA Natural Resources Conservation Service and American Farmland Trust.**

**For additional information on farmland protection and stewardship contact the Farmland Information Center. The FIC offers a staffed answer service and online library with fact sheets, laws, sample documents and other educational materials. [WWW.farmlandinfo.org](http://WWW.farmlandinfo.org) - (800) 370-4879**

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