

Study of the Metropolitan Area Fiscal Disparities Program

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This study was prepared by TischlerBise for the Minnesota Department of Revenue.

TischlerBise is a fiscal, economic, and planning firm specializing in fiscal/economic impact analysis, impact fees, infrastructure financing studies, cost allocation plans, user fees, utility rate studies, and related revenue strategies. We have been providing consulting services nationally for over 30 years during which time we have advised over 2,000 communities.

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** The chapter on property tax, aid, and local development programs that interact with Fiscal Disparities program was written by Minnesota Department of Revenue.*

Study of the Metropolitan Area Fiscal Disparities Program For the Minnesota Department of Revenue

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I. EXECUTIVE SUMMARY

OVERVIEW OF THE STUDY

TischlerBise has been retained by the Minnesota Department of Revenue to analyze the Twin Cities Metropolitan Area Fiscal Disparities Program. The “Charles R. Weaver Metropolitan Revenue Distribution Act” enacted in 1971, commonly referred to as the Metropolitan Fiscal Disparities program, was an attempt to address growing fiscal concerns within the seven-county Minneapolis-St. Paul region, home to over 180 cities and townships, over 60 school districts, and dozens of other taxing authorities. The law requires all communities in the seven-county area to contribute 40 percent of the growth in their commercial/industrial tax base (from 1971) to a regional pool.

The objectives of the Program as stated in the original Act were as follows:

- To provide a way for local governments to share in the resources generated by the growth of the area, without removing any resources that local governments already have.
- To increase the likelihood of orderly urban development by reducing the impact of fiscal considerations on the location of business and residential growth and of highways, transit facilities, and airports.
- To establish incentives for all parts of the area to work for the growth of the area as a whole.
- To provide a way whereby the area’s resources can be made available within and through the existing system of local governments and local decision making.
- To help communities in different stages of development by making resources increasingly available to communities at those early stages of development and redevelopment when financial pressures on them are the greatest.
- To encourage protection of the environment by reducing the impact of fiscal considerations so that flood plains can be protected and land for parks and open space can be preserved.

These objectives have been commonly reduced to two main goals:¹

- *Promoting more orderly regional development.*
- *Improving equity in the distribution of fiscal resources.*

This report seeks to provide information and analysis on:

- Growth trends in the Twin Cities metro region;
- Fiscal and economic conditions in the region;
- The basics of the Fiscal Disparities program including what has been said about it in the past and today, what the trends have been regarding tax capacity, tax rates, and residential homestead burden, and what the changes would be if the program were eliminated particularly on tax rates, taxes paid, and residential homestead burden;
- The potential “overburden” on jurisdictions—including the major local taxing jurisdictions (city, county, school)—from different types of land uses both under the current taxation system (with Fiscal Disparities) and a hypothetical scenario if the program were eliminated; and
- Major policy considerations addressing criticisms, issues, and praise for the program.

THE REGION

The Fiscal Disparities Program in the Minneapolis-St. Paul region includes seven counties and is home to over 180 cities and townships; over 60 school districts; and dozens of other taxing authorities. While the region has expanded in recent years in terms of economic reach, market area, and commuting patterns—as evident by the U.S. Census metropolitan statistical area (MSA) expansion from 5 to 13 counties from 1971 to 2009—the Fiscal Disparities Program by law includes only the jurisdictions within the seven-county region.

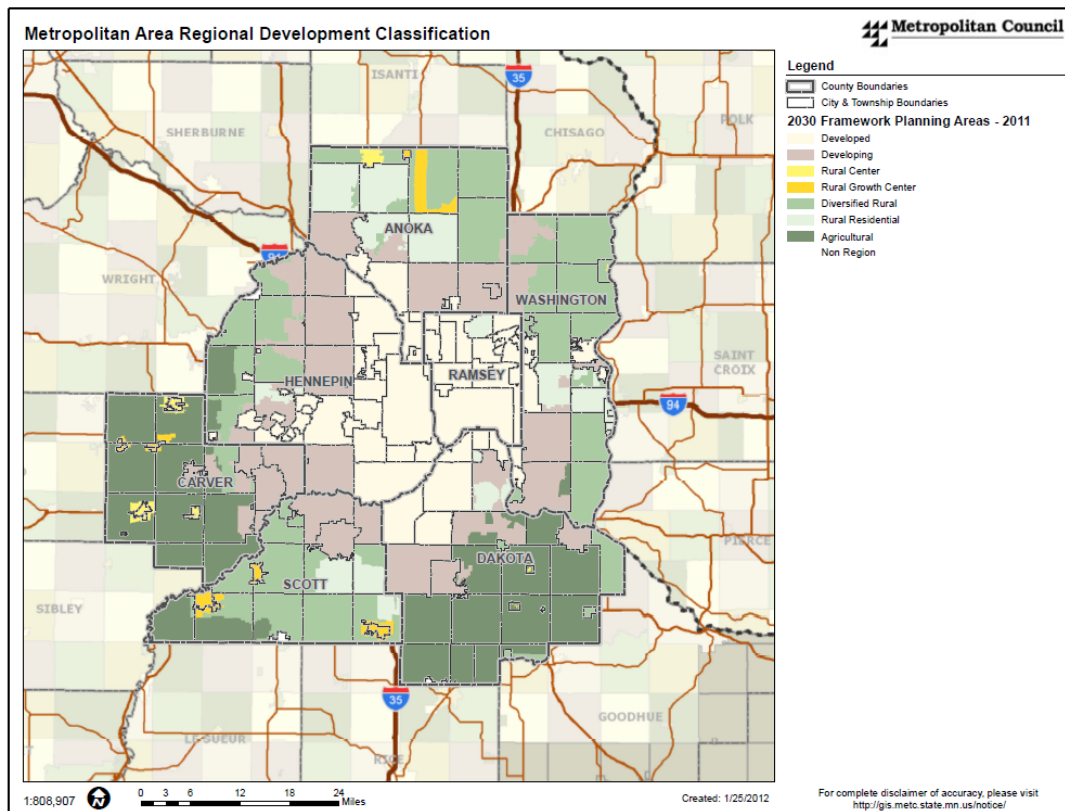
This study primarily uses three groupings to describe and discuss the jurisdictions included in the Fiscal Disparities Program.

- First, we group by County for the seven-county region: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

¹ Hinze and Baker, 2005.

- The second grouping is the Metropolitan Council's regional development classifications or planning areas,² which provide a way to group localities by development characteristics in a way that geographic classifications do not. (See map below.) The groups are:
 - Central City
 - Developed Area
 - Developing Area
 - Rural Area
 - Rural Growth Center

Figure 1. Metropolitan Council Regional Development Classification



- The third and final grouping is by Fiscal Disparities status as a *net contributor* or *net recipient*.

² Regional development framework classifications or planning areas used in this study are the Metropolitan Council designations as of 2011. The designations were originally established in 2004.

GROWTH TRENDS

The seven-county metropolitan region has grown significantly from 1970 to today. The current estimate of total population is approximately 2.85 million. This reflects an increase of almost 1 million people since 1970. Hennepin and Ramsey counties—while still the most populous counties in the region—comprise a smaller share of the regional population in 2010 when compared to 1970.

Additional detail is provided below in Figure 2, depicting the absolute growth and percentage increase in population from 1970 to 2010. As shown, the highest percentage growth occurred in Scott County followed by Carver and Washington counties. The lowest percentage growth occurred in Ramsey and Hennepin counties.

Figure 2. Population Growth by County: 1970 to 2010

	Population		Population Growth or Decline From 1970 to 2010		
	1970	2010	Increase/Decrease	% Total Growth	% Avg Ann Growth
Anoka	154,815	331,022	176,207	113.8%	2.8%
Carver	27,652	91,042	63,390	229.2%	5.7%
Dakota	139,824	397,405	257,581	184.2%	4.6%
Hennepin	962,393	1,155,495	193,102	20.1%	0.5%
Ramsey	473,822	505,795	31,973	6.7%	0.2%
Scott	32,423	129,928	97,505	300.7%	7.5%
Washington	79,980	237,733	157,753	197.2%	4.9%
Grand Total	1,870,909	2,848,420	977,511	52.2%	1.3%

Source: Census data via Metropolitan Council; analysis by TischlerBise

Grouping metropolitan area communities into regional development classifications reveals that population in the Central Cities has decreased from 1970 to 2010 by a little over 10 percent, which is a decrease of approximately .3 percent per year when averaged over the 40-year time period. At the other end of the continuum are Developing Areas, which saw an increase in population of over 350 percent from 1970 to 2010. This reflects a 9 percent average annual growth rate over the 40-year time period.

Figure 3. Population Growth by Regional Development Classification: 1970 to 2010

	Population		Population Growth or Decline From 1970 to 2010		
	1970	2010	Increase/Decrease	% Total Growth	% Avg Ann Growth
Central Cities	744,266	667,646	-76,620	-10.3%	-0.3%
Developed Area	873,808	1,184,186	310,378	35.5%	0.9%
Developing Area	180,660	823,895	643,235	356.0%	8.9%
Rural Areas	53,981	116,813	62,832	116.4%	2.9%
Rural Growth Centers	13,641	49,255	35,614	261.1%	6.5%
Excluded from FD	4,553	6,625	2,072	45.5%	1.1%
Grand Total	1,870,909	2,848,420	977,511	52.2%	1.3%

Source: Census data via Metropolitan Council; analysis by TischlerBise

Employment in the region has also grown significantly, essentially doubling from 1970 to today. The current estimate of total number of jobs in the seven-county study region is approximately 1.5 million. Hennepin and Ramsey counties contain the largest number of jobs in the region, but have declined in regional share relative to the other counties (combined comprising 73 percent of jobs in the region down from 89 percent in 1970).

As shown below, the highest percent of growth occurred in Carver County followed by Scott, Dakota, and Washington counties. The largest absolute gain in employment occurred in Hennepin County following by Dakota County. The lowest percentage increase occurred in Ramsey County.

Figure 4. Employment Growth by County: 1970 to 2010

	Jobs		Job Growth From 1970 to 2010		
	1970	2010	Increase/Decrease	% Total Growth	% Avg Ann Growth
Anoka	29,170	107,074	77,904	267.1%	6.7%
Carver	4,120	32,955	28,835	699.9%	17.5%
Dakota	31,100	169,360	138,260	444.6%	11.1%
Hennepin	463,090	804,056	340,966	73.6%	1.8%
Ramsey	230,240	314,347	84,107	36.5%	0.9%
Scott	6,820	41,557	34,737	509.3%	12.7%
Washington	14,370	71,454	57,084	397.2%	9.9%
Grand Total	778,910	1,540,803	761,893	97.8%	2.4%

Grouping employment data into regional development classifications shows that all areas added jobs since 1970 with Developing Areas adding the second largest number of jobs (behind Developed Areas) with the highest growth rate. Rural Areas also added jobs at a high growth rate, mainly because the initial number of jobs is so low. Central Cities added jobs, but at a much lower growth rate than all other areas.

Figure 5. Employment Growth by Regional Development Classification: 1970 to 2010

	Jobs		Job Growth From 1970 to 2010		
	1970	2010	Increase/Decrease	% Total Growth	% Avg Ann Growth
Central Cities	435,580	456,798	21,218	4.9%	0.1%
Developed Area	288,550	712,372	423,822	146.9%	3.7%
Developing Area	36,440	320,367	283,927	779.2%	19.5%
Rural Areas	2,060	16,272	14,212	689.9%	17.2%
Rural Growth Centers	2,020	9,237	7,217	357.3%	8.9%
Excluded from FD	14,140	25,757	11,617	82.2%	2.1%
Grand Total	778,790	1,540,803	762,013	97.8%	2.4%

Source: Data from Metropolitan Council and MN Dept. of Employment and Economic Development; analysis by TischlerBise

More recent job growth data is shown below from 2000 to 2009. During the recent recession with overall job losses experienced in the region as a whole, it is interesting to note that both the Developing Areas and Rural Areas have added jobs while Central Cities and Developed Areas have lost jobs. See Figure 6.

Figure 6. Employment Growth by Regional Development Classification: 2000 to 2009

	2000 (2nd Qtr)	2009 (2nd Qtr)	Gain (Loss)	% Gain/Loss
Central Cities	496,251	458,026	(38,225)	-7.7%
Developed Areas	709,258	652,577	(56,681)	-8.0%
Developing Areas	374,295	410,827	36,532	9.8%
Rural Areas	23,628	25,726	2,098	8.9%
Rural Centers	9,451	9,762	311	3.3%
Other Rural	14,177	15,964	1,787	12.6%
Metro Council Regional Total	1,603,432	1,547,156	(56,276)	-3.5%

Note: All Metro localities are included in one of the categories (unlike above tables with an "Excluded from FD" group).

Source: Metro Council Data; analysis by TischlerBise.

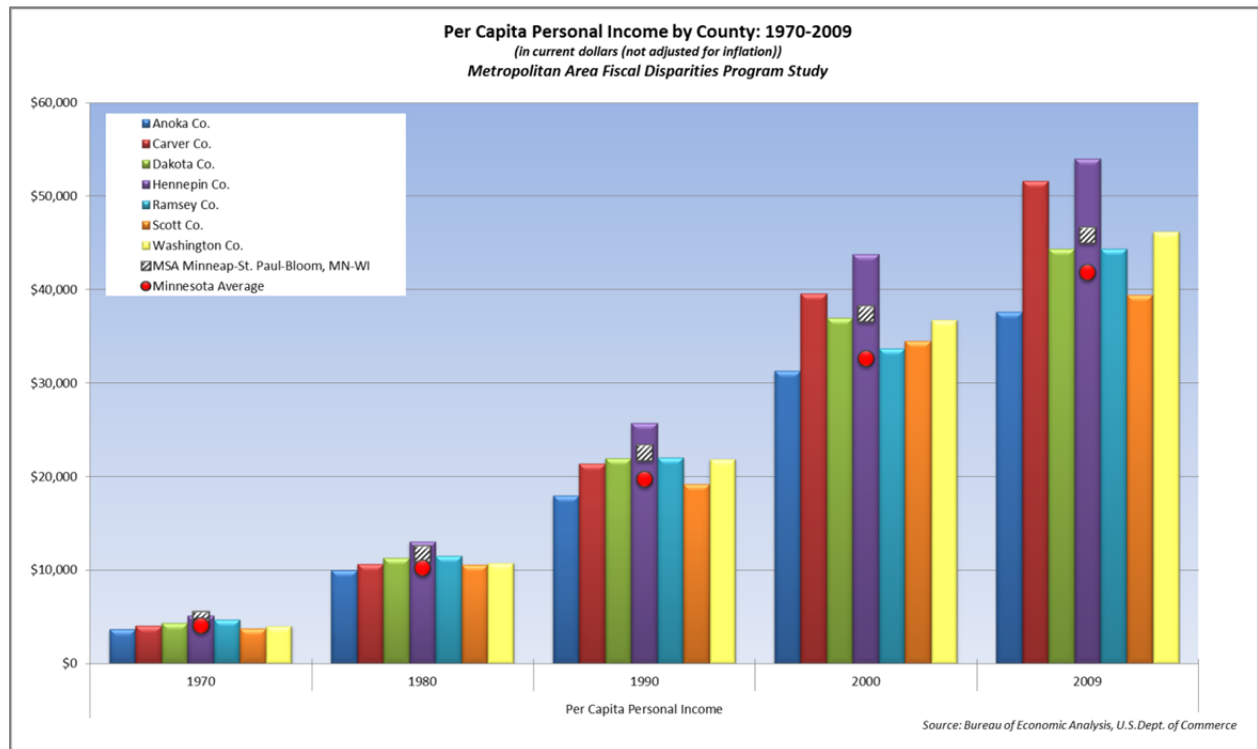
ECONOMIC AND TAX BASE TRENDS

To provide further context of economic and tax base trends in the region, we examine other economic and fiscal factors in this study such as personal income, wages, gross domestic product (GDP) by MSA, and tax base composition.

Economic Trends

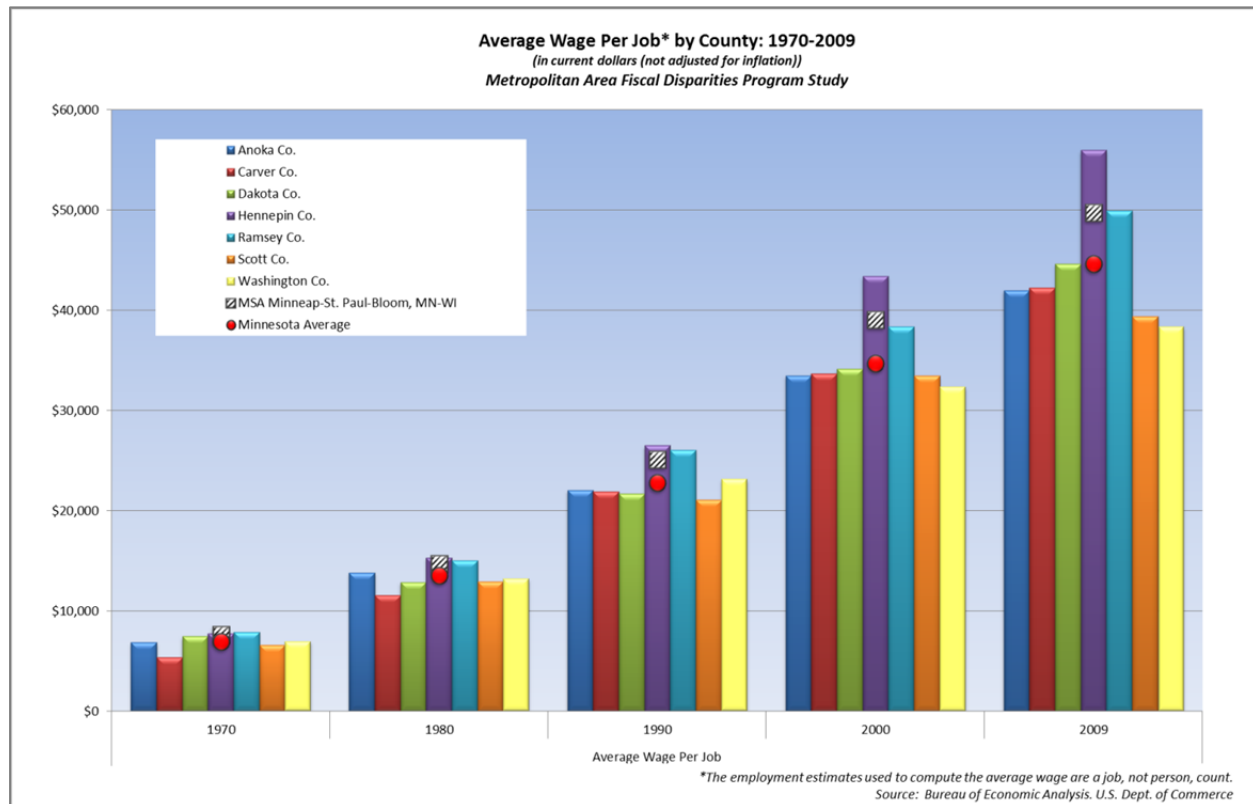
Personal income by *place of residence* is shown below in Figure 7. (Data shown are in current dollars; that is, not adjusted for inflation.) Over the past 40 years, personal income levels have varied when comparing counties in the region. Hennepin County has consistently had the highest per capita income in the region with Anoka County having the lowest. Most of the counties are higher than the Minnesota average with Anoka and Scott counties hovering at or below the state average.

Figure 7. Per Capita Personal Income by County: 1970 to 2009



Another factor to examine is wage and salary data by *place of employment*. Figure 8 shows average wages per job by County location, reflecting where the job is located as opposed to where workers live. (Data shown are in current dollars; that is, not adjusted for inflation.) Aside from 1970, Hennepin County has had the highest average wages per job in the region. Ramsey County has ranked second in all years except 1970 when it was ranked first. The county with the lowest average wages per job has changed over time with Carver County ranking at the bottom in 1970 and Washington County in 2009.

Figure 8. Average Wage Per Job by County: 1970 to 2009



Tax Base Composition

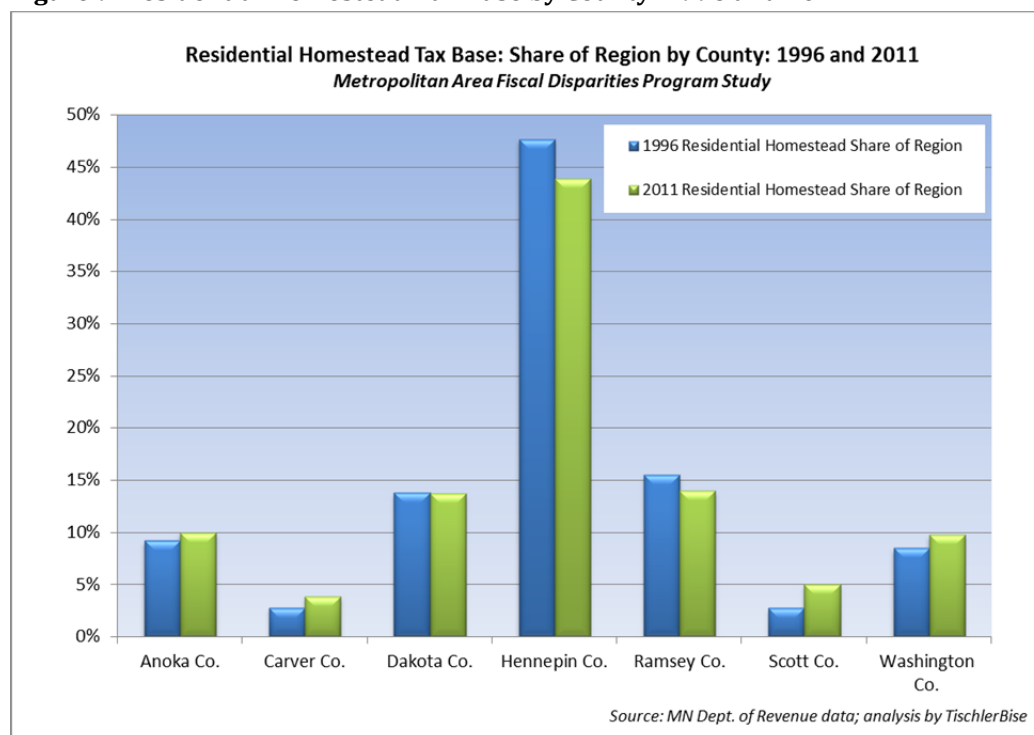
Tax base composition was also evaluated to understand fiscal conditions in the region and changes over time. Results are presented in the body of the report by county for 1996 and 2011 showing the dollar amounts and share by type of tax capacity³ (residential homestead, commercial/industrial, and other). In 1996, tax base in the region was generally evenly split between residential homestead and commercial/industrial properties. Hennepin and Ramsey counties were the only counties with a higher percentage of the tax base in commercial/industrial property, however counties had a range of 40 to 60 percent of its tax capacity from residential homestead property. The characteristics of the tax base has shifted by 2011, partly due to state policy changes, especially from 1997 to 2002, that significantly changed class rates to reduce C/I tax base relative to residential homestead tax base. In 2011, all counties have a majority of its tax capacity from residential homestead properties with most counties

³ Tax capacity is based on a property's market value and the state-mandated classification system by land use type (e.g., residential homestead property under \$500,000 has a class rate of 1.0 percent compared to a commercial/industrial property with a class rate of 1.5 percent for the first \$150,000 in value and 2 percent over \$150,000.).

now having anywhere from 50 to 64 percent of their tax capacity from residential homestead properties.

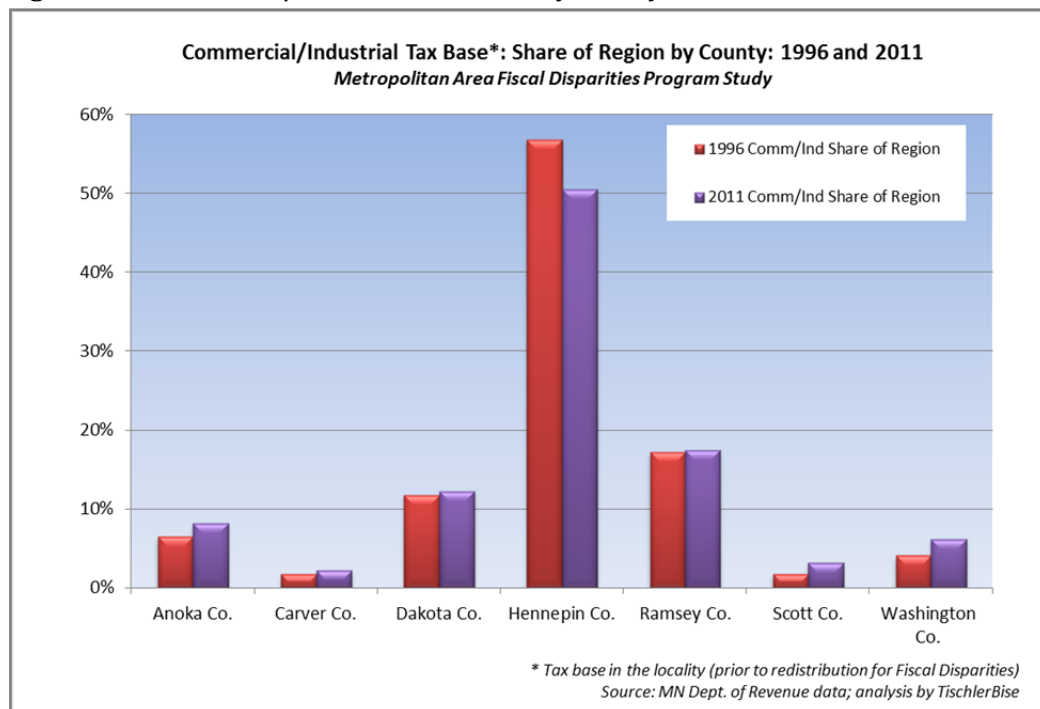
County data was analyzed for 1996 and 2011 looking at each county's share of the regional total and how that may have changed over time. For residential homestead tax capacity, most counties have maintained the same approximate share of the regional total from 1996 to 2011 with the exception of Hennepin County (with a 3.8 percent *decrease* in regional share) and Scott County (with a 2.2 percent *increase* in regional share). See Figure 9.

Figure 9. Residential Homestead Tax Base by County: 1996 and 2011



For commercial/industrial tax capacity (before Fiscal Disparities distributions), Hennepin County has lost 6.3 percent of its regional share from 1996. All other counties have either retained or increased their share since 1996. Counties that have increased their regional share of commercial/industrial tax capacity by over 1 percent are Anoka, Scott, and Washington counties. See Figure 10.

Figure 10. Commercial/Industrial Tax Base by County: 1996 and 2011

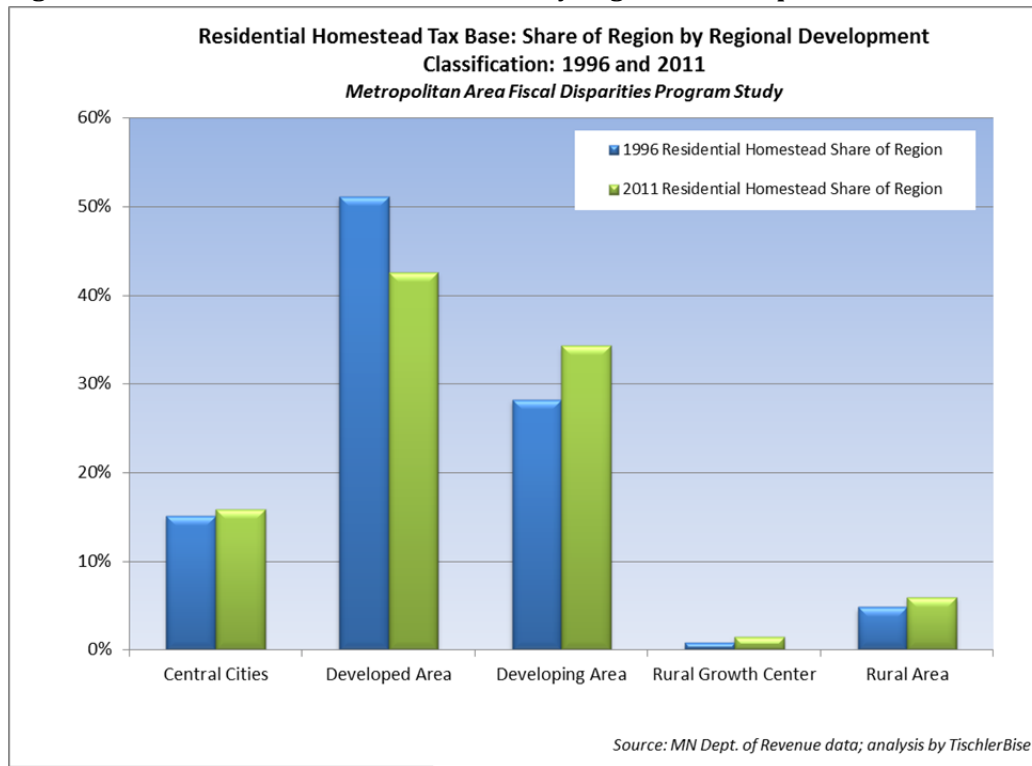


The above analysis was replicated using the regional development classifications. In 1996, Central Cities and Developed Areas had the majority of their tax capacity from commercial/industrial property. As one moves down the development classification continuum from more developed (Central Cities) to less (Rural Areas), the share in commercial/industrial properties decreases, as one would expect.

In 2011, characteristics of the tax base have shifted by 2011, partly due to state policy changes, especially from 1997 to 2002, that significantly changed class rates to reduce C/I tax base relative to residential homestead tax base. However, the general relationship holds that as one moves down the development classification continuum from more to less developed, the share in commercial/industrial properties decreases, as one would expect.

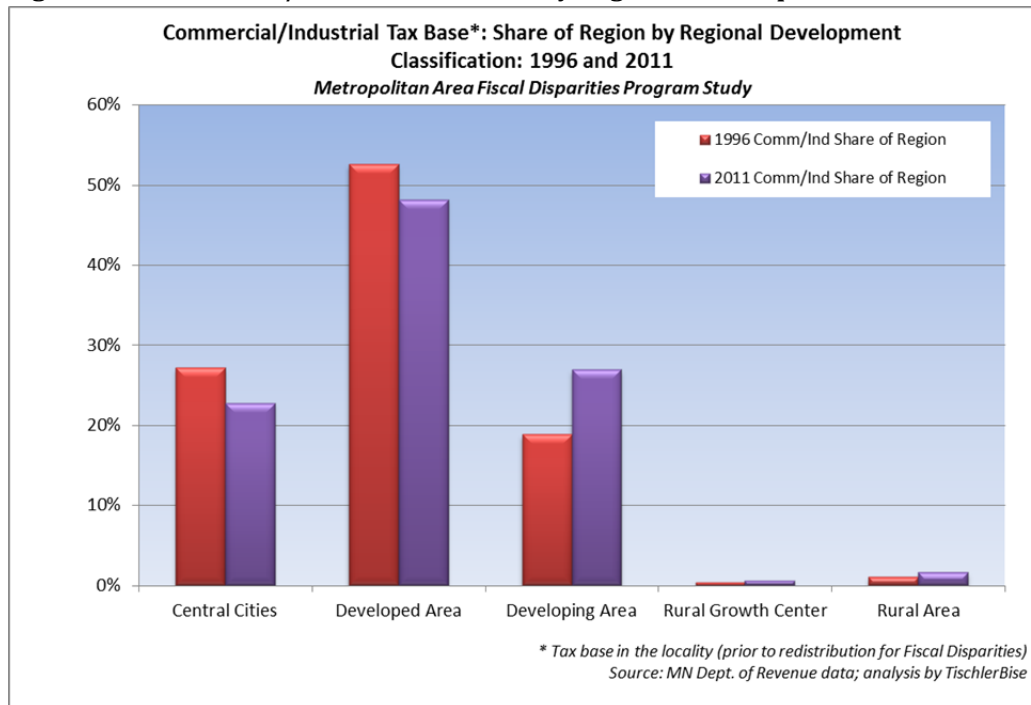
As was done by county, regional development classification groupings were analyzed for 1996 and 2011 to evaluate the share of tax capacity out of the regional total and how that may have changed over time. For residential homestead tax capacity, most areas have maintained the same approximate share of the regional total from 1996 to 2011 with the exception of Developed Areas (with a 9 percent *decrease* in regional share) and Developing Areas (with a 6 percent *increase* in regional share). See below.

Figure 11. Residential Homestead Tax Base by Regional Development Classification: 1996 and 2011



For commercial/industrial tax base (before Fiscal Disparities distributions), Central Cities and Developed Areas have each lost 4 percent of their regional share with Developing Areas gaining 8 percent. This reflects the development trends discussed above (and in further detail in the body of the report) regarding the outward growth of employment. See Figure 12.

Figure 12. Commercial/Industrial Tax Base by Regional Development Classification: 1996 and 2011



PROPERTY TAX, AID, AND LOCAL DEVELOPMENT PROGRAMS THAT INTERACT WITH FISCAL DISPARITIES

The report provides a description of a range of property tax, aid, and local development programs that are in existence in Minnesota and available to local governments. The following are discussed in the body of the report:

- Category I: Classification and Other Tax Base Features
 - Classification
 - Homestead Market Value Exclusion
- Category II: Aids and Refunds
 - Local Government Aid
 - County Program Aid
 - Property Tax Refund
 - Disparity Reduction Aid
- Category III: TIF and Economic Development
 - Tax Increment Financing
 - Economic Development Abatements
 - Metro Vacant Land Plat Law

- Category IV: Open Space Preservation and Conservation
 - Green Acres Program
 - Rural Preserve Program
 - Ag Preserves Credit
 - Open Space Property
 - Agricultural Homestead Market Value Credit
 - Payments in Lieu of Taxes (PILT)
 - Sustainable Forest Incentive Act

FISCAL DISPARITIES PROGRAM OVERVIEW

The Minnesota Fiscal Disparities Act of 1971 was an attempt to address growing fiscal concerns within the seven-county Minneapolis-St. Paul region. The law, which took effect 35 years ago after surviving two court challenges, required all communities in the seven-county area to contribute 40 percent of the growth after 1971 in their commercial-industrial tax base to a regional pool. By 2011, the Fiscal Disparities program included \$420.7 million of shared tax base resulting in \$544.1 million in tax revenue generated across all taxing jurisdictions.⁴

The distribution of the pool is based on fiscal capacity, defined as equalized market value per capita. This means that:

- If the municipality's fiscal capacity is the same as the metropolitan average, its percentage share of the pool will be the same as its share of the area's population;
- If its fiscal capacity is above the metro average, its share will be smaller; and
- If its fiscal capacity is below the metro average, its share will be larger.⁵

All units of local government in the Fiscal Disparities program are participants, including cities, counties, school districts, and special districts. Each jurisdiction determines its levy needs (i.e., the amount of property taxes needed to provide its desired level of services) and then determines the property tax rate based on the levy and net tax capacity in the taxing unit. Without the Fiscal Disparities program, the rate would be determined based on the tax base of the jurisdiction, with no contribution or distribution of tax base. With the Fiscal Disparities program, the tax rate—and burden—is determined based on an adjusted net tax capacity. Taxpayers in jurisdictions contributing more than they receive (net contributors), pay more than their jurisdiction's levy, and those receiving more than they contribute (net recipients) pay less.⁶

⁴ Metropolitan Council.

⁵ Hinze and Baker, 2005.

⁶ From Hinze and Baker, 2005; this report also provides a detailed description of the Fiscal Disparities formula.

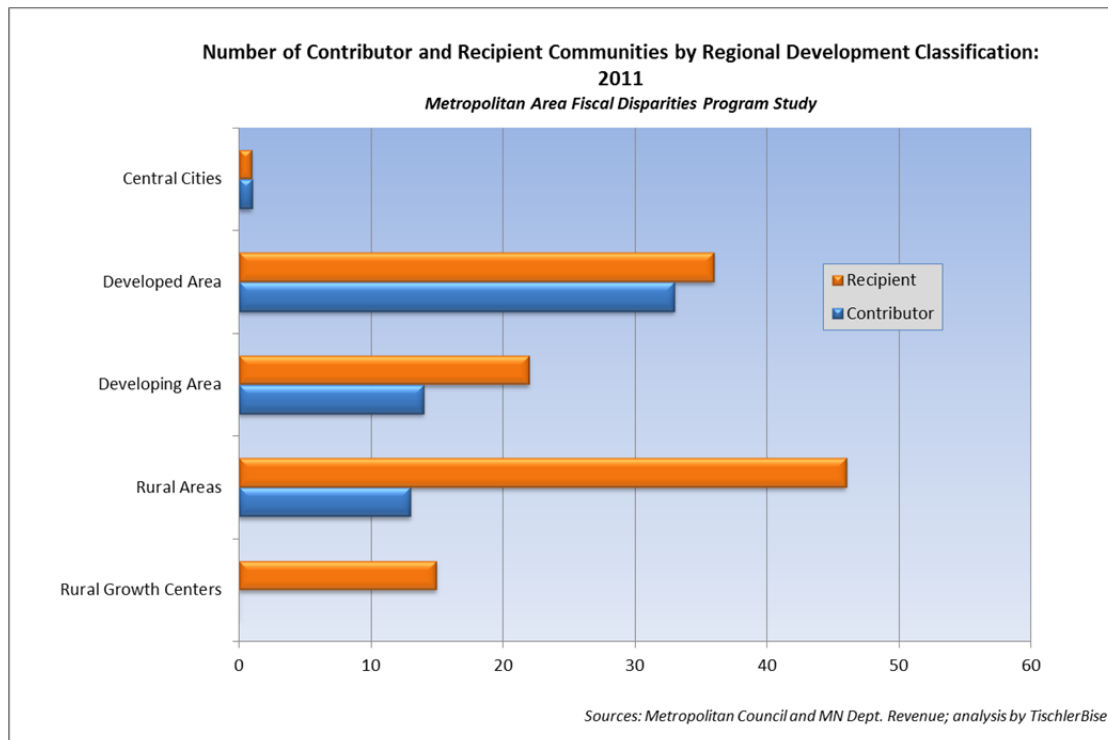
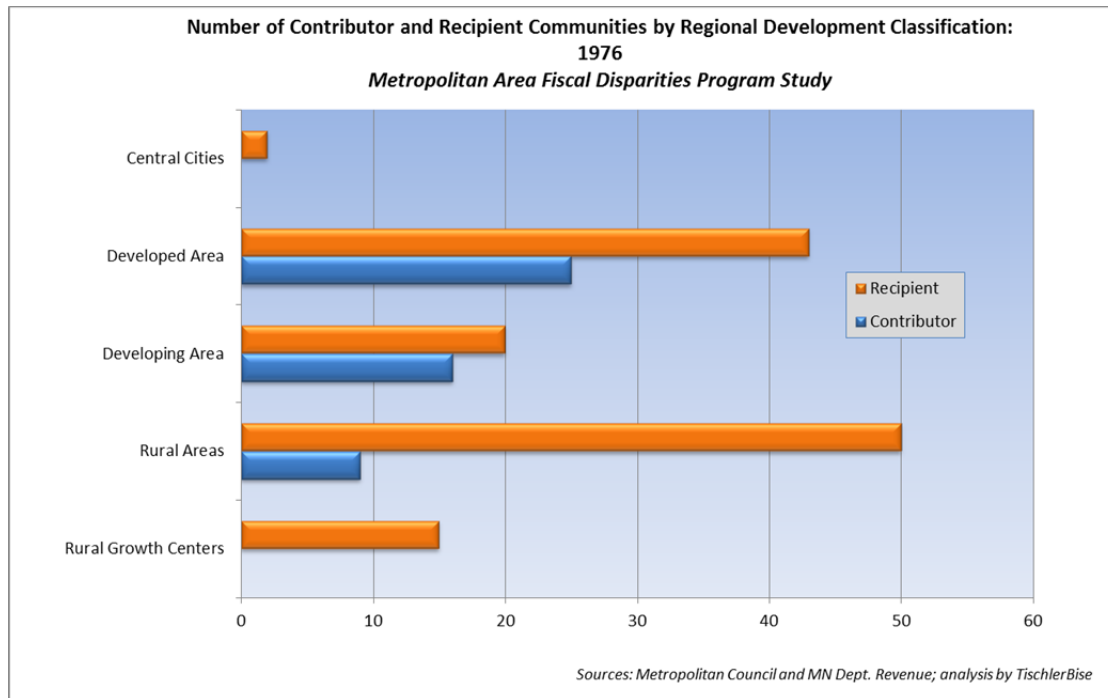
FISCAL DISPARITIES PROGRAM TRENDS

Jurisdictions that contribute more in tax base than they receive are known as “net contributors” and those that contribute less tax base than they receive are known as “net recipients.” Figure 13 provides further detail on the types of communities that are net contributors or net recipients comparing the start of the program, 1976 to 2011.⁷ The comparison reveals the following:

- Central Cities (for which there are two) have typically been either all recipients or split with Minneapolis as a net contributor and St. Paul as a net recipient.
- Developed Areas in 2011 are almost evenly split between recipients and contributors with recipients outnumbering contributors only slightly, which is a change from 1976 where recipients outnumbered contributors by a factor of 1.7.
- The number of Developing Area communities in either category has remained relatively constant when comparing 1976 to 2011 with net recipients outnumbering contributors in both years.
- For Rural Areas, the relationship of recipients to contributors has changed from 1976, where the ratio of recipients to contributors was 5.5. In 2011, the ratio has decreased to 3.5.
- All Rural Growth Centers are net recipients in 2011, as they were in 1976 as well.

⁷ The regional development classifications were designated in 2004 and therefore were not in existence in 1976. However, as is done elsewhere in this study, we group the municipalities in these classifications for comparison purposes.

Figure 13. Number of Recipients and Contributors by Regional Development Classification: 1976 and 2011



Impacts if the Fiscal Disparities Program Were Eliminated

We then examine the impact to tax capacities if the program had not been in existence in 1996 as well as today (2011). We also evaluate the impact to taxes paid and tax rates in 2011 if the program were eliminated.

Impact on Tax Capacity

Per capita commercial/industrial tax capacities are evaluated with and without the Fiscal Disparities Program to enable a comparison among counties. The first set of figures is C/I tax capacity per person by County compared to the regional average.

Figure 14. Commercial/Industrial Tax Capacity Per Capita with and without the Fiscal Disparities Program by County: 1996

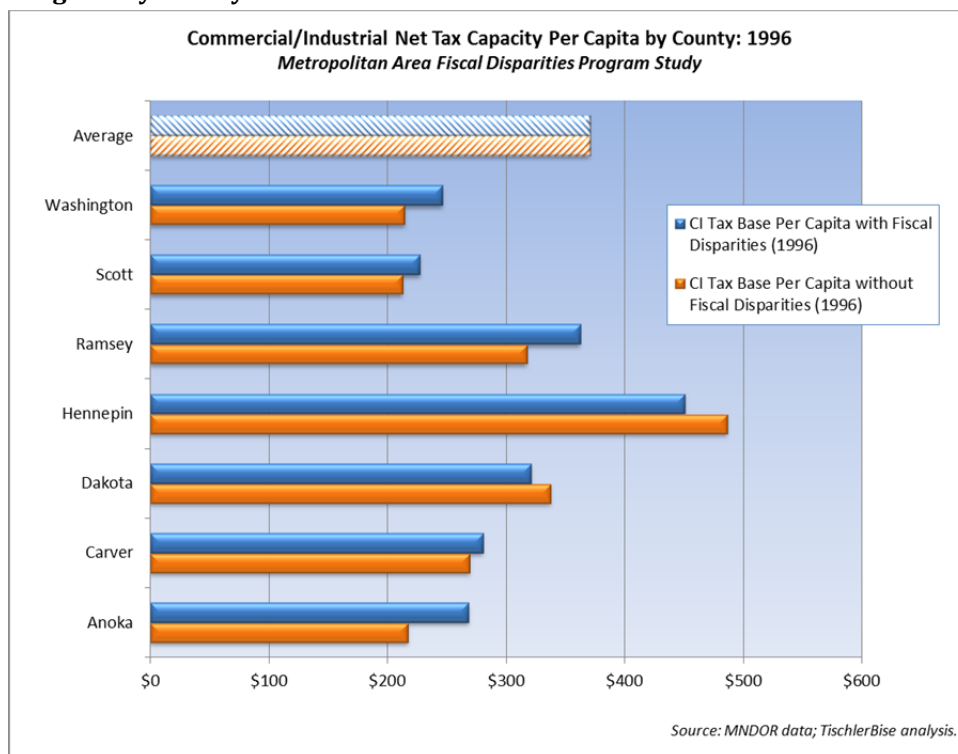
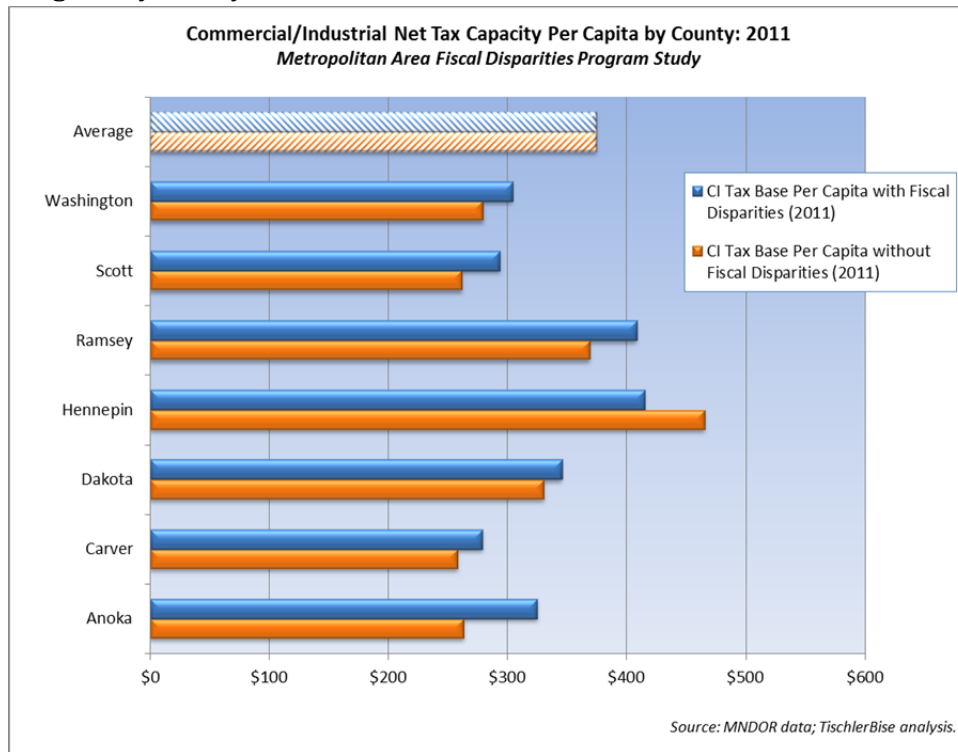


Figure 15. Commercial/Industrial Tax Capacity Per Capita with and without the Fiscal Disparities Program by County: 2011



The average C/I tax capacity per person has remained constant from 1996 to 2011 at around \$370 per person.⁸ In 1996, Hennepin County was the only county with *above average* per capita figures both with and without the Fiscal Disparities Program. In 1996, Hennepin and Dakota counties were net contributors, therefore with the Fiscal Disparities Program both have a lower per capita amount with the program in effect than each would if the program were eliminated.

In 2011, Hennepin County still has a higher than average per capita amount, under both scenarios—with and without the program. Ramsey County also has a higher than average per capita amount with the Fiscal Disparities Program and a lower than average amount if the program were eliminated. If the program were eliminated, Hennepin County's per capita value would increase by 12 percent, and all other counties would decrease in total by approximately 11 percent.

Impact on Taxes Paid and Tax Rates

One of the questions addressed in this study is the impact on taxes paid and tax rates if the program were to be eliminated. The impact on taxes paid is shown below in the following figures. The data

⁸ The property tax reforms from 1997 to 2002 contributed to lowered Commercial/Industrial tax capacities, therefore even with population increasing, the average value per person remains at around the 1996 level.

reflects the amount of taxes paid within each group to **all taxing jurisdictions**, including city, county, schools, state, and any applicable special districts. The assumption regarding the taxes paid with “FD Eliminated” is that there is **no change in the levy amount**. In reality, a jurisdiction is likely to adjust the levy, particularly in localities that would see a significant increase in tax rates as a result of elimination of the program.

Results by County

Results are first presented grouped by county for *taxes paid* and then implications to tax rates if the Fiscal Disparities Program were eliminated. All dollars are shown in thousands for Taxes Payable 2011.

In total, Hennepin County would see the largest percentage decrease (at 2.7 percent) and Anoka County would see the largest increase (at 5.5 percent) if the program were eliminated. The body of the report provides detail on the impact to residential homestead and commercial/industrial properties separately.

Figure 16. Total Taxes Paid with and without the Fiscal Disparities Program by County: 2011

<u>County Name</u>	TOTAL <i>Taxes Payable 2011 (in \$1,000s)</i>		TOTAL <i>Increase/Decrease</i>
	<u>Current Taxes</u>	<u>Taxes with FD Eliminated</u>	<u>Without FD</u>
Anoka	\$444,483	\$468,862	5.5%
Carver	\$159,947	\$160,897	0.6%
Dakota	\$598,079	\$598,832	0.1%
Hennepin	\$2,541,133	\$2,473,551	-2.7%
Ramsey	\$803,385	\$834,342	3.9%
Scott	\$204,559	\$208,626	2.0%
Washington	\$357,545	\$359,143	0.4%
Grand Total	\$5,109,131	\$5,104,253	-0.1%

Source: MN Dept. of Revenue data; analysis by TischlerBise.

Implications to *tax rates* if the Fiscal Disparities Program were eliminated are evaluated as well and grouped by county. All rates are averages of jurisdiction rates within each County for Taxes Payable 2011. The rates shown under the “No FD” scenario assumes the same amount of local levy as under the “Current Law” scenario. Also shown for comparison purposes is the 2011 Fiscal Disparities areawide rate, the tax rate applied to the pooled commercial/industrial property tax capacity.

Figure 17. Tax Rates with and without the Fiscal Disparities Program by County: 2011

County	Average of Current Law County Rate	Average of Current Law Muni Rate	Average of Current Law School Rate	Average of Current Law Specials Rate	Average of Current Law Total Rate	
Anoka	39.89%	45.64%	24.83%	5.96%	116.32%	
Carver	40.44%	33.97%	28.50%	5.32%	108.23%	
Dakota	28.31%	29.62%	23.83%	5.13%	86.89%	
Hennepin	44.93%	36.00%	23.59%	10.06%	114.58%	
Ramsey	53.71%	24.70%	18.87%	8.99%	106.27%	
Scott	35.17%	27.61%	28.52%	5.19%	96.49%	
Washington	30.52%	29.03%	24.43%	5.99%	89.97%	

County	Average of No FD County Rate	Average of No FD Muni Rate	Average of No FD School Rate	Average of No FD Specials Rate	Average of No FD Total Rate	Inc/Dec in Rate without FD
Anoka	41.95%	53.95%	30.15%	6.23%	132.27%	15.95%
Carver	41.53%	38.16%	31.46%	5.52%	116.68%	8.44%
Dakota	29.04%	31.41%	27.52%	5.23%	93.20%	6.31%
Hennepin	43.48%	35.37%	24.54%	9.69%	113.08%	-1.50%
Ramsey	55.16%	25.00%	21.12%	9.27%	110.55%	4.28%
Scott	36.26%	29.43%	31.72%	5.40%	102.81%	6.32%
Washington	30.22%	39.48%	25.72%	5.95%	101.37%	11.41%

2011 Fiscal Disparities Areawide Rate	129.327%
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Source: MN Dept. of Revenue data; analysis by TischlerBise.

As shown above, all counties would see an increase in tax rates with elimination of the program except Hennepin County. The largest percentage increases would be in Anoka and Washington counties.

Results by Regional Development Classification

Results are also grouped by regional development classification for taxes paid and then implications to tax rates if the Fiscal Disparities Program were eliminated. All dollars are shown in thousands for Taxes Payable 2011.

In total, Developed Areas would see the largest percentage decrease (at 1.6 percent) and Rural Growth Centers would see the largest percentage increase (at 10.9 percent) in taxes paid. What is noticeable here is the magnitudes of the increases and decreases—with decreases in taxes at a much lower percent than the increases. This can be somewhat explained by the size of the property tax pool in the respective categories. In this case, a \$36 million decrease in taxes out of a larger base results in a smaller percentage (decrease) than a \$5.8 million increase in taxes out of a smaller base.

Figure 18. Total Taxes Paid with and without the Fiscal Disparities Program by Regional Development Classification: 2011

<u>Regional Classification</u>	TOTAL <i>Taxes Payable 2011 (in \$1,000s)</i>		TOTAL <i>Increase/Decrease</i>
	<u>Current Taxes</u>	<u>Taxes with FD Eliminated</u>	<u>Without FD</u>
Central Cities	\$1,168,801	\$1,198,490	2.5%
Developed Area	\$2,212,327	\$2,176,355	-1.6%
Developing Area	\$1,478,091	\$1,466,343	-0.8%
Rural Areas	\$178,429	\$185,320	3.9%
Rural Growth Centers	\$53,274	\$59,095	10.9%
Excluded from FD	\$18,209	\$18,650	2.4%
Grand Total	\$5,109,131	\$5,104,253	-0.1%

Source: MN Dept. of Revenue data; analysis by TischlerBise.

Implications to tax rates if the Fiscal Disparities Program were eliminated are evaluated and grouped by regional development classifications. All rates are for Taxes Payable 2011. The rates shown under the “No FD” scenario assumes the same amount of local levy as under the “Current Law” scenario. Also shown for comparison purposes is the 2011 Fiscal Disparities areawide rate, the tax rate applied to the pooled commercial/industrial property tax capacity.

Figure 19. Tax Rates with and without the Fiscal Disparities Program by Regional Development Classification: 2011

	<u>Average of Current Law County Rate</u>	<u>Average of Current Law Muni Rate</u>	<u>Average of Current Law School Rate</u>	<u>Average of Current Law Specials Rate</u>	<u>Average of Current Law Total Rate</u>	
Central Cities	47.79%	57.81%	24.15%	9.98%	139.72%	
Developed Areas	43.30%	37.66%	22.02%	8.61%	111.60%	
Developing Areas	38.56%	34.29%	26.34%	7.34%	106.53%	
Rural Areas	33.26%	22.29%	24.90%	5.73%	86.19%	
Rural Growth Centers	37.21%	51.17%	26.63%	5.49%	120.50%	
Excluded	38.04%	22.87%	14.75%	6.88%	82.54%	

	<u>Average of No FD County Rate</u>	<u>Average of No FD Muni Rate</u>	<u>Average of No FD School Rate</u>	<u>Average of No FD Specials Rate</u>	<u>Average of No FD Total Rate</u>	<u>Inc/Dec in Rate without FD</u>
Central Cities	46.80%	58.32%	27.88%	9.73%	142.73%	3.01%
Developed Areas	42.52%	36.98%	23.80%	8.39%	111.69%	0.09%
Developing Areas	38.33%	33.82%	28.38%	7.26%	107.79%	1.27%
Rural Areas	34.69%	23.63%	28.37%	5.97%	92.67%	6.48%
Rural Growth Centers	38.90%	60.03%	31.12%	5.75%	135.80%	15.30%
Excluded	39.04%	22.87%	15.67%	7.05%	84.64%	2.10%

2011 Fiscal Disparities Areawide Rate	129.327%
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Source: MN Dept. of Revenue

All groupings would experience an increase in tax rates if the Fiscal Disparities program were eliminated. As shown above, the largest tax rate increase would be experienced in Rural Growth Centers (with an increase of 15.3 percent). The lowest rate increase would be experienced in Developed Areas, with a practically insignificant percentage increase of .09 percent.

To further investigate the effect of the Fiscal Disparities Program on tax rates, we used the net contributor/net recipient groupings to determine the magnitude of the rate increase and decrease. Findings are shown below.

Figure 20. Tax Rates with and without the Fiscal Disparities Program for Contributors and Recipients: 2011

	<i>Average of Current Law County Rate</i>	<i>Average of Current Law Muni Rate</i>	<i>Average of Current Law School Rate</i>	<i>Average of Current Law Specials Rate</i>	<i>Average of Current Law Total Rate</i>	
Contributor	43.39%	39.99%	22.80%	8.98%	115.15%	
Recipient	39.83%	38.81%	25.72%	7.20%	111.55%	
	<i>Average of No FD County Rate</i>	<i>Average of No FD Muni Rate</i>	<i>Average of No FD School Rate</i>	<i>Average of No FD Specials Rate</i>	<i>Average of No FD Total Rate</i>	<i>Inc/Dec in Rate without FD</i>
Contributor	42.09%	37.82%	23.80%	8.65%	112.35%	-2.80%
Recipient	40.69%	41.98%	30.12%	7.33%	120.11%	8.57%
2011 Fiscal Disparities Areawide Rate					129.327%	

Source: MN Dept. of Revenue

As shown, net contributors would see a decrease of 2.8 percent in the overall tax rate. Net recipients would see an increase of 8.57 percent to the overall rate. Further detail is provided in the body of the report and Appendix B provides a ranking of the top twenty jurisdictions experiencing a decrease or increase in the total rate without the program.

Residential Homestead Burden

The Minnesota Department of Revenue maintains a database of property-tax and income for each homestead in the state ("Voss database"). For the Fiscal Disparities analysis, the Voss database is used to provide information on the *property tax burden as a percent of income* both under the current Fiscal Disparities law as well as if the program were eliminated. Data are from taxes payable year 2008.

Figure 21. Residential Homestead Property Tax Burden by County (2008)

County	Residential Homestead Taxes			Homestead Burden Current Law	Homestead Burden No FD
	Median Total Net Tax*	Median Total Net Tax*	Inc/(Dec)		
	Current Law	No FD	No FD		
Anoka	\$2,252	\$2,403	\$151	3.27%	3.49%
Carver	\$3,013	\$3,107	\$94	3.38%	3.48%
Dakota	\$2,530	\$2,604	\$74	3.13%	3.23%
Hennepin	\$2,785	\$2,784	(\$1)	3.67%	3.65%
Ramsey	\$2,320	\$2,426	\$106	3.45%	3.63%
Scott	\$2,886	\$2,990	\$104	3.51%	3.62%
Washington	\$2,469	\$2,559	\$90	2.98%	3.08%
Overall Median	\$2,577	\$2,640	\$63	3.41%	3.49%

* Taxes Payable 2008 (latest data available for Homestead Burden analysis).

Source: MN Dept. of Revenue

Assuming elimination of Fiscal Disparities with no adjustment in levy amounts, median taxes paid would increase in all counties, except Hennepin where the decrease would be negligible. As a percent of income, the homestead burden would increase for all property from 3.41 percent to 3.49 percent. The largest increase would be in Anoka County increasing from 3.27 percent to 3.49 percent (*a .22 percent increase*). Hennepin County's burden would decrease from 3.67 percent to 3.65 percent, *a .02 percent decrease*.

Looking at the data grouped by regional development classification yields the following results.

Figure 22. Residential Homestead Property Tax Burden by Regional Development Classification (2008)

	<i>Number of Homesteads (2008)</i>	<i>Homestead Burden* Current Law</i>	<i>Homestead Burden* No FD</i>
Central Cities	130,110	3.95%	4.11%
Developed Area	329,039	3.34%	3.40%
Developing Area	218,933	3.27%	3.33%
Rural Areas	40,726	3.28%	3.44%
Rural Growth Centers	13,395	3.43%	3.72%
Excluded from FD	1,904	3.53%	3.57%

** Taxes Payable 2008 (latest data available for Homestead Burden analysis).*

Source: MN Dept. of Revenue

Median taxes paid by residential homestead properties grouped by regional development classifications as a percent of income would increase for all groups if the Fiscal Disparities program were eliminated. Rural Growth Centers, Rural Areas, and Central Cities would see the largest increases in homestead burden.

Finally, the data is grouped by Fiscal Disparities status (net contributor or net recipient in 2011). Results are shown below.

Figure 23. Residential Homestead Property Tax Burden by Fiscal Disparities Status (2008)

	<i>Number of Homesteads (2008)</i>	<i>Homestead Burden* Current Law</i>	<i>Homestead Burden* No FD</i>
Contributor**	364,194	3.37%	3.37%
Recipient**	368,009	3.44%	3.62%
n/a	1,904	3.53%	3.57%

** Taxes Payable 2008 (latest data available for Homestead Burden analysis).*

*** Status for taxes payable 2011*

Source: MN Dept. of Revenue

Homestead burden would stay the same in contributor communities at 3.37 percent of income. Residential homestead property taxes in recipient communities would increase the percentage of income spent on taxes from 3.44 percent to 3.62 percent. What is also interesting to note is the number of homestead properties in each category, which is almost evenly split between contributors and recipients (in 2011).

EVALUATION OF OVERBURDEN: FISCAL IMPACTS OF LAND USES

The legislation authorizing this study identified a need to analyze a locality's "overburden," particularly related to Commercial/Industrial property under the Fiscal Disparities program. That is, is the revenue generated to a locality from C/I property sufficient to cover the direct expenditures incurred.

To attempt to address the issues identified in the legislation authorizing the study as well as in stakeholder discussions, we conducted a *Cost of Land Use* fiscal impact analysis of a select group of jurisdictions in the region. The selected jurisdictions reflect one from the regional development classification groupings used in this analysis:

- Central Cities
- Developed Cities
- Developing Cities
- Rural (Rural Area and Rural Growth Center)

Fiscal impact analysis is one tool to understand the direct fiscal implications of tax structures, cost burdens, and development patterns on local governments. Most states require local governments to prepare a balanced budget on an annual basis. However, most states do not require that jurisdictions conduct fiscal impact evaluations to help ensure that local officials understand the short- and long-term fiscal effects of land-use and development policies and of potential new development. A fiscal impact analysis clarifies the financial effects of such policies and practices by projecting net cash flow to the public sector due to residential and nonresidential development.

A Cost of Land Use fiscal impact study is one type of fiscal analysis. It analyzes the fiscal impact of prototypical land uses that are currently developed in the jurisdiction. In this type of analysis, a "snapshot" approach is used that determines the costs and revenues for various land use prototypes in order to understand the fiscal effect each land use has independently on the jurisdiction. In other words, it seeks to answer the question, ***"What type of development pays for itself?"***

This type of analysis is used to investigate whether there is an "overburden" in providing public services to commercial and industrial land uses that are not sufficiently being covered by revenues generated by that land use—particularly due to the Fiscal Disparities program. Toward that end, we include in this analysis two scenarios for each case study:

1. With Fiscal Disparities (Current System)
2. Without Fiscal Disparities (Hypothetical Scenario)

For each jurisdiction, TischlerBise evaluated nine land use categories—five residential and four nonresidential land uses. The land use categories are listed below. Demographic factors vary by jurisdiction and are discussed in each jurisdiction’s section of this report. These prototypes are then used to analyze fiscal impacts to the (a) municipality, (b) county, and (c) primary school district.

Residential Land Use

- Single family detached unit: Higher value
- Single family detached unit: Median value
- Single family detached unit: Lower value
- Multifamily/Condo (Homestead) unit
- Apartment unit

Nonresidential Land Use

- Commercial/Retail
- Office
- Industrial
- Institutional (tax exempt)

This study does not intend to be comprehensive or exhaustive identifying overburdens in Metro area municipalities or fiscal impacts if the Fiscal Disparities program were eliminated. This would be impossible even with unlimited time and funding.⁹ Rather, it is intended to identify the fiscal relationship between land uses and service demands/costs at the main levels of government providing services and infrastructure under the current Fiscal Disparities program and potential fiscal impacts if the program were eliminated.

Cost of Land Use Fiscal Analysis: General Approach

For each case example, cost and revenue factors have been determined based on FY 2011 budgets and additional fiscal research. The analysis is based on **current levels of service**. Current levels of service represent the respective level of government’s (City, County, or School District) current level of spending for services and facilities. That is, assumptions made in the analysis are based on revenue sources, programs, services, requirements, and policies that are in place today (with the exception of the “without Fiscal Disparities Program” scenario where tax rates are adjusted to reflect hypothetical elimination of the program).

The analysis includes General Funds and major Special Funds, both operating and capital, for each level of government evaluated. Enterprise funds are not included in the analysis as they are assumed to be

⁹ However, on a location-specific level, this could be done as is being done in the City of Anoka (see the GISRDC study) as well as was conducted by TischlerBise in 2000-01.

self-sustaining. Only those revenues and costs **directly attributed** to the land use are assumed with the exception of Fiscal Disparities Program revenue. The approach taken for Fiscal Disparities revenue allocates the distribution levy in the jurisdiction using the factors in the Fiscal Disparities distribution formula—namely market values and population. Therefore, the residential prototypes in this analysis get “revenue credit” for distribution levies in the “With Fiscal Disparities” scenario.

Indirect, or spin-off, impacts are not included. An average cost approach is taken and where appropriate, revenues and costs are allocated to residential development, nonresidential development, or both with proportionate share factors.

As noted, there are two scenarios analyzed: (1) Current with Fiscal Disparities (Current System); and (2) Without Fiscal Disparities (Hypothetical Scenario). In the latter scenario, the tax rates are adjusted to assume the same amount of levy in the respective locality; therefore, for net contributors, the tax rates are assumed to decrease and for net recipients, the tax rates are assumed to increase. However, other revenue sources (such as state funding that may be affected by changes to the Fiscal Disparities program) are **not** adjusted. The concept is to test what would happen to revenue generation by type of land use if the Fiscal Disparities program were to be dismantled and levels of service maintained—without clouding the results with changes to other funding programs.

The Cost of Land Use fiscal impact results for all levels of government are discussed in terms of annual net results for each land use prototype. The figures show net fiscal results by type of land use for residential development and nonresidential development. For residential development, results are shown **per residential unit** and for nonresidential development results are shown **per 1,000 square feet of floor area** in all figures. ***Data points above the \$0 line represent net surpluses; data points below the \$0 line represent net deficits. Where net deficits are shown, one can assume an “overburden” for that particular prototype land use.***

Summary results are provided below for each of the case example jurisdictions for all levels of government.

Summary Results of Cost of Land Use Fiscal Impact Analysis

Results for each case example are presented in total layering each jurisdiction’s results in one chart. For each case example, fiscal impact summary results are shown first with the Fiscal Disparities program followed by fiscal impact summary results without the Fiscal Disparities program. While results are presented in total (combined results from the city, county, and school district), it should be acknowledged that local governments provide services and infrastructure separately. Therefore, a “net surplus” per land use at one level of government (e.g., city, county, schools) does not offset a “net deficit” at another level.

Central City Fiscal Impact Results

Figure 24. CENTRAL CITY Annual Net Fiscal Results: TOTAL Results with Fiscal Disparities

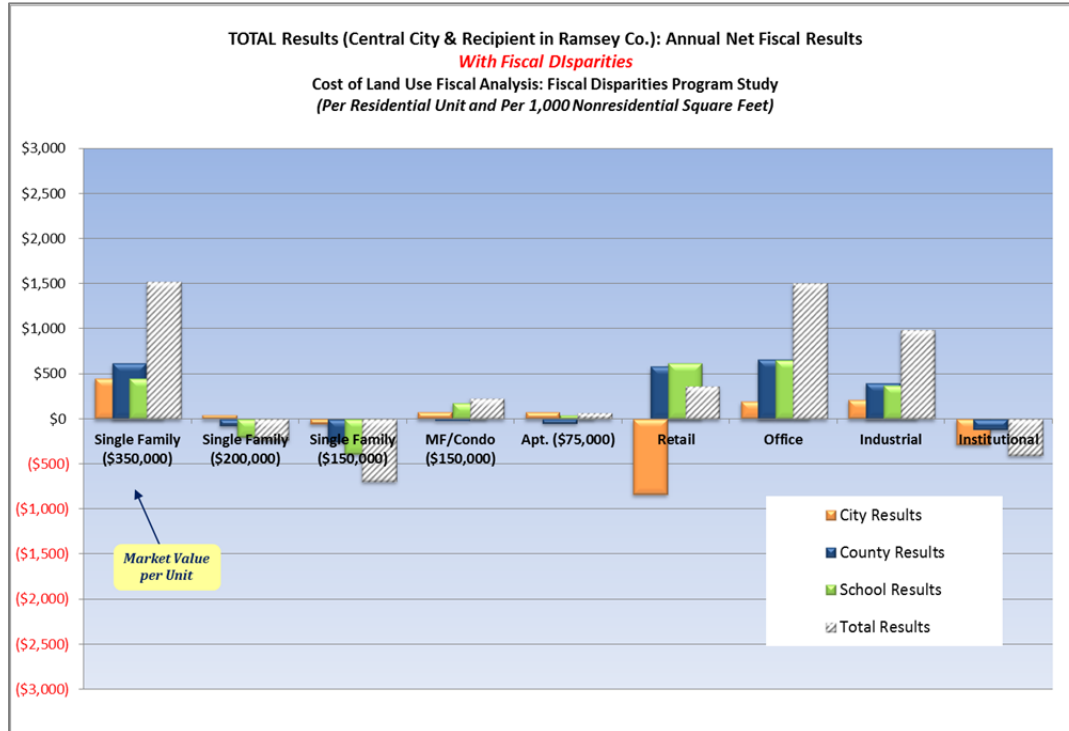
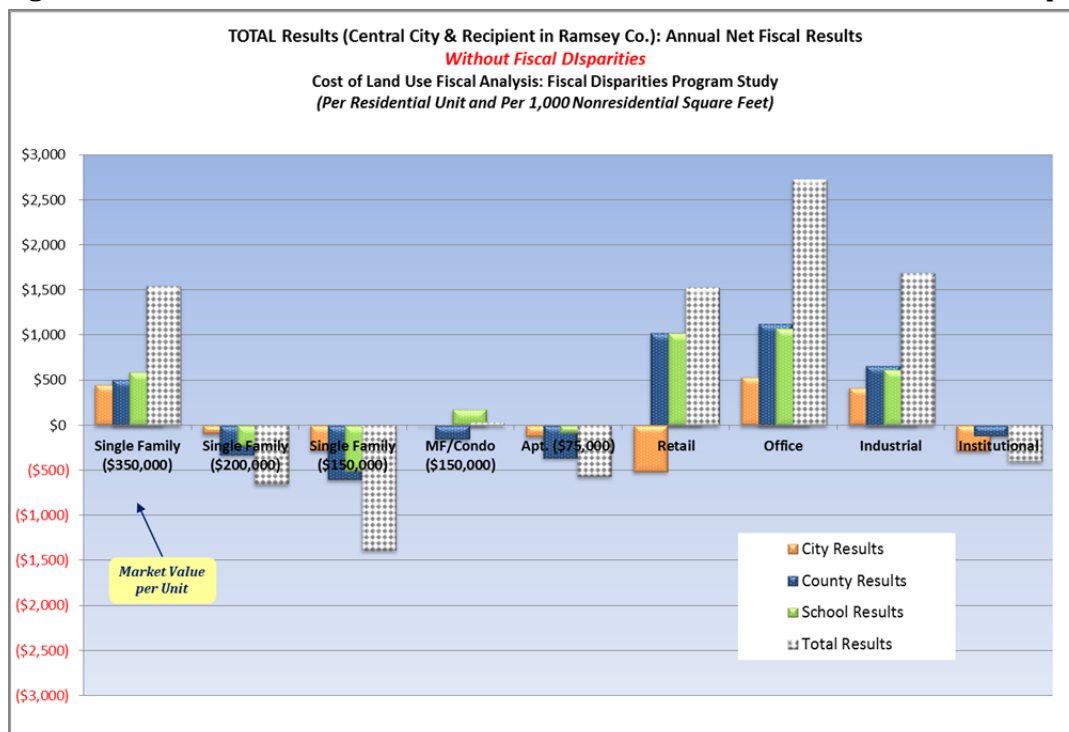


Figure 25. CENTRAL CITY Annual Net Fiscal Results: TOTAL Results without Fiscal Disparities



- With all jurisdictions combined, single family residential prototypes tend to produce net deficits unless the property values are high enough to offset the expenditures. This is true both under the current law—with Fiscal Disparities—and if it were eliminated. At the City government level, however, results for all residential prototypes under the current system are net surpluses or small net deficits, due to non-local revenues.
- For multifamily units, the results are worse with Fiscal Disparities eliminated—costs are assumed to remain the same but less revenue is allocated to these units due to loss of Fiscal Disparities revenue allocated to these units with a tax rate increase that does not cover the shortfall.
- For all nonresidential land uses except institutional uses, the overall fiscal impact is positive. The combined result is that there does not appear to be an “overburden” in total to serve these land uses (based on the prototype land use assumptions in this analysis). The results are better per nonresidential prototype without the program because more direct revenue is allocated to these land uses. Results vary by type of jurisdiction where service impacts are experienced, specifically for retail land uses where a net deficit (overburden) is generated at the city level but not at other governmental unit levels under both scenarios. Institutional uses generate a net deficit at all levels.

Developed City Fiscal Impact Results

Figure 26. DEVELOPED CITY Annual Net Fiscal Results: TOTAL Results with Fiscal Disparities

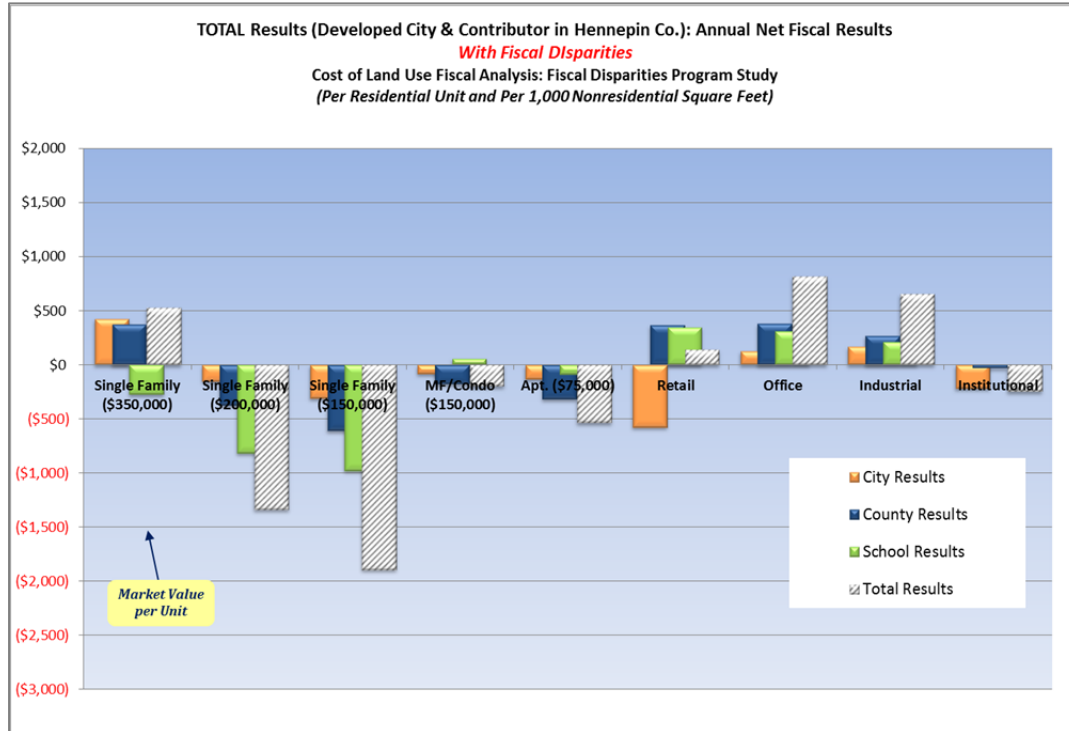
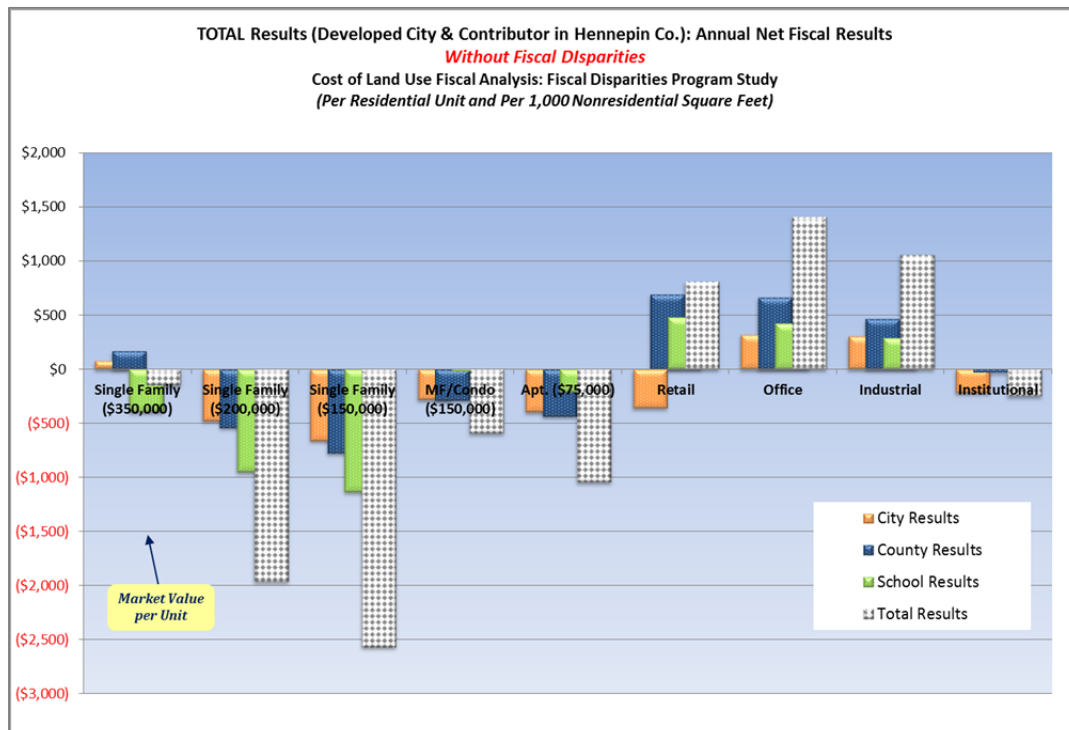


Figure 27. DEVELOPED CITY Annual Net Fiscal Results: TOTAL Results without Fiscal Disparities



- With all jurisdictions combined, all single family residential prototypes produce net deficits, except for single family detached units of higher value under the current taxing system. Multifamily (condo homestead) units generate the smallest overall net deficit due to a smaller relative household size and number of students per unit.
- For residential development, overall fiscal results are essentially the same (i.e., net deficits) under the current law—with Fiscal Disparities—and without it. The magnitude of the net deficits is greater assuming elimination of the program due to a lower property tax rate in this net contributor city. The exception is a single family unit of higher value, which switches from a net surplus to a net deficit under the scenario eliminating the program due to lower property taxes.
- All nonresidential land use prototypes produce net surpluses in total, with the exception of institutional uses. The combined result is that there does not appear to be an “overburden” in total to serve these prototype land uses. Results vary by jurisdiction level with retail as an overburden to the city, but not the other levels of government. All other nonresidential prototype land uses cover their respective costs.
- The results are better per nonresidential prototype without the Fiscal Disparities program because more direct revenue is allocated to these land uses, even with the lowered tax rate. And as discussed above, results vary by jurisdiction level where service impacts are experienced, specifically for retail land uses. At the city level, retail still generates a net deficit (an “overburden”) even with elimination of the program.

Developing City Fiscal Impact Results

Figure 28. DEVELOPING CITY Annual Net Fiscal Results: TOTAL Results with Fiscal Disparities

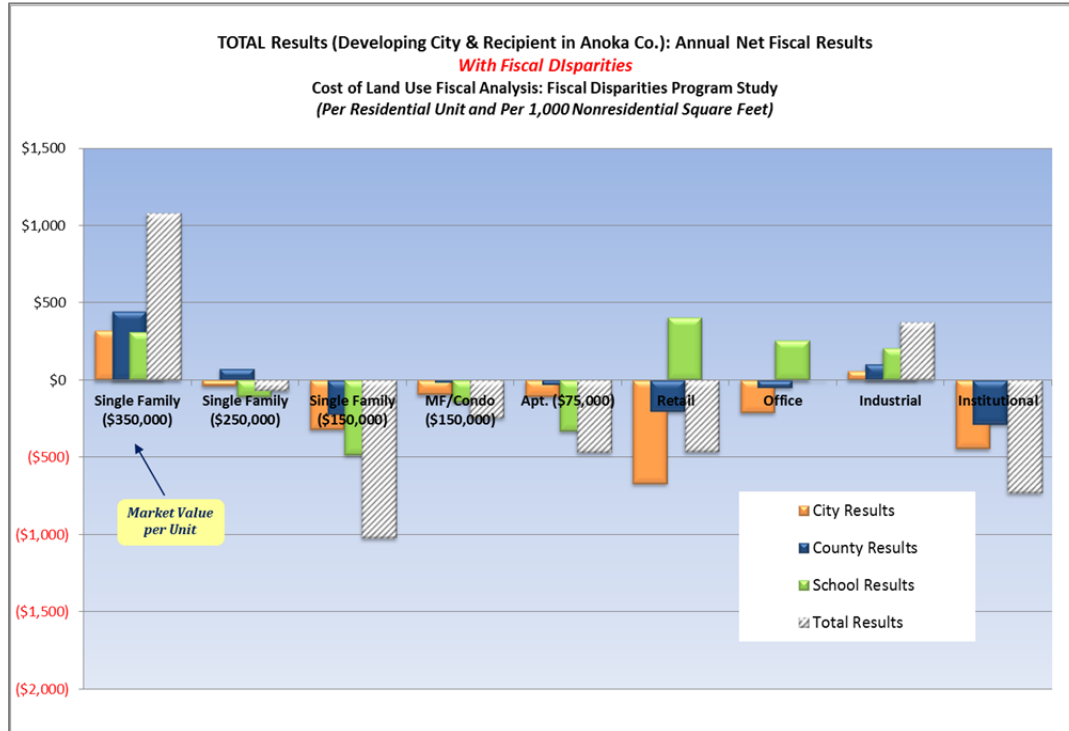
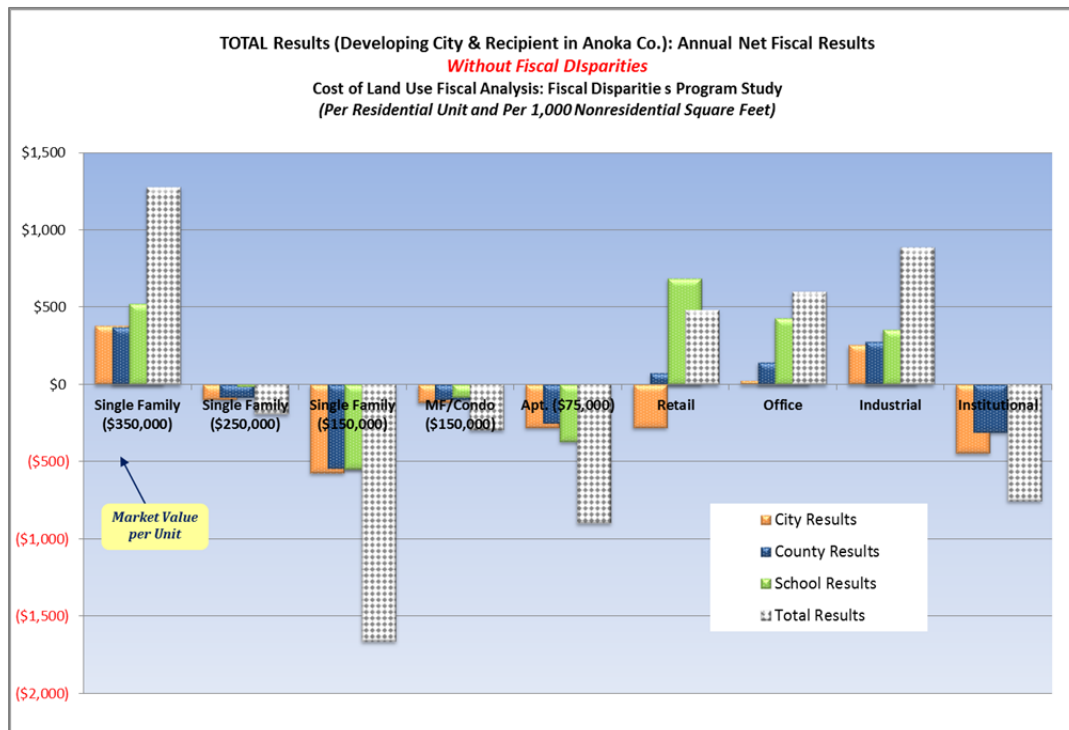


Figure 29. DEVELOPING CITY Annual Net Fiscal Results: TOTAL Results without Fiscal Disparities



- With all jurisdictions combined, all single family residential prototypes produce net deficits, except for single family detached units of higher value under both tax system assumptions. For all residential land uses—single family median and lower value units, multifamily/condo, and apartment—revenues at each level of government are insufficient to cover costs. (The only exception is single family median value units at the county level under the current system.) Even with Fiscal Disparities allocation to residential land uses, net deficits are generated.
- For residential units without the Fiscal Disparities program, net deficits are deepened—and generated at all levels of government (with the exception of higher value single family units). The increase in tax rates is not sufficient to cover the loss in Fiscal Disparities revenue.
- For nonresidential prototype land uses under the current tax system, only industrial land uses generate net surpluses. The remaining nonresidential prototypes generate net deficits (office and institutional)—an overburden—or break even (office). (For school district results, the result for nonresidential land uses are a net surplus due to revenues generated but no direct costs.)
- For nonresidential land uses without the Fiscal Disparities program, combined results produce net surpluses, with the exception of institutional uses. The amount of direct revenue captured by these land uses is sufficient to cover the projected expenditures, due to both the direct capture of tax base and the tax rate increase needed to generate the same levy.
- The combined result is that there appears to be an “overburden” under the current system when looking at individual nonresidential land use prototypes for this community, specifically with retail and office to a certain extent. This is true even though this community is a net recipient. Industrial land uses cover their respective costs. When the program is assumed to be eliminated, tax rates are assumed to increase in this community and more revenue is captured by the nonresidential development. Therefore, fiscal results improve and switch from an overall net deficit to net surplus for nonresidential land uses (except institutional). However, results vary by jurisdiction level where service impacts are experienced (i.e., city results for retail remain an overburden).

Rural Area Fiscal Impact Results

Figure 30. RURAL AREA Annual Net Fiscal Results: TOTAL Results with Fiscal Disparities

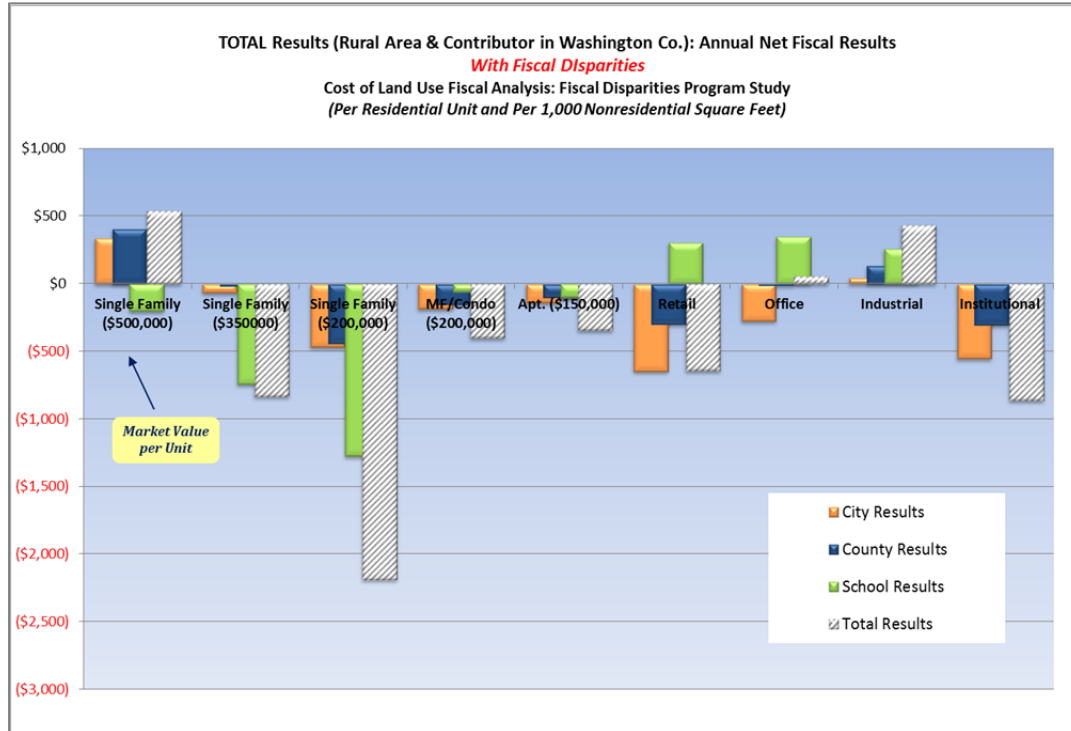
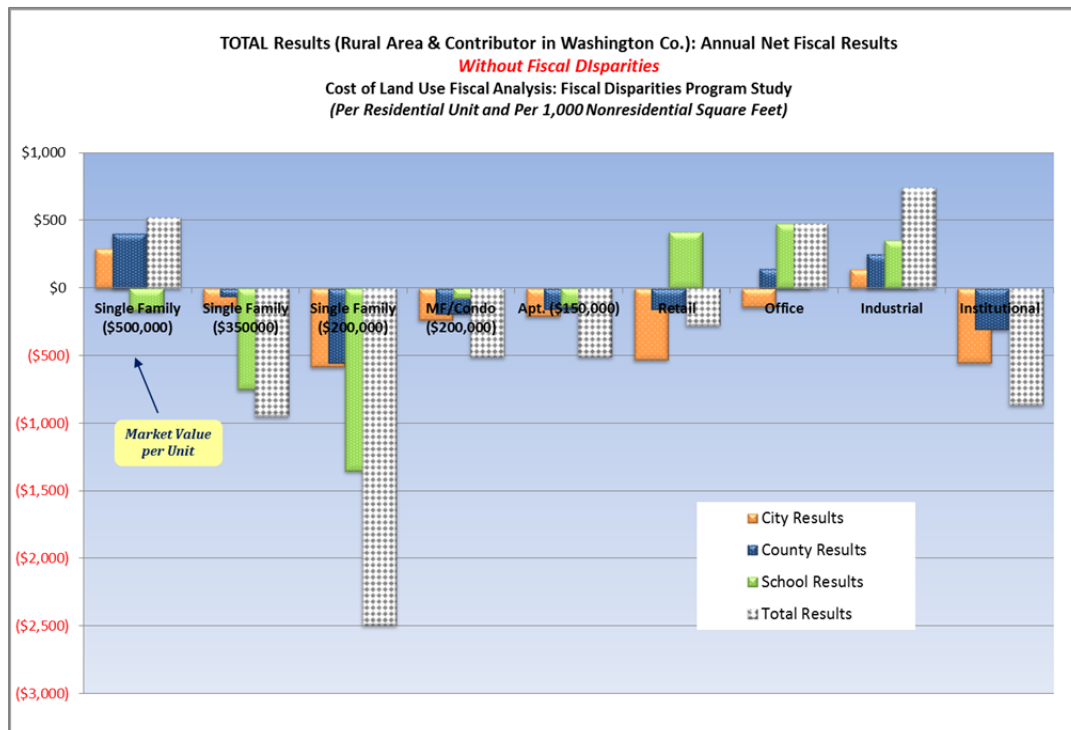


Figure 31. RURAL AREA Annual Net Fiscal Results: TOTAL Results without Fiscal Disparities



- With all jurisdictions combined, most single family residential prototypes produce net deficits with the exception of single family detached units of higher value under both the current taxing system and if Fiscal Disparities were eliminated.
- Under the current system with Fiscal Disparities combined for all jurisdictions, office and industrial generate net surpluses with retail and institutional generating net deficits. Retail generates net deficits at both the city and county level and office generates a net deficit at the city level.
- Overall findings are essentially the same under the current law—with Fiscal Disparities—and if it were eliminated. That is, whether a land use produces a net deficit or net surplus is unaffected by removal of the Fiscal Disparities program. What is affected is the magnitude of the deficit or surplus. Residential net deficits get larger, due to the removal of Fiscal Disparities revenue allocation and a decreased tax rate since this community is a net contributor.
- For nonresidential land use prototypes, the overall result is larger net surpluses for office and industrial, due to more direct revenue captured. The retail land use is still a net deficit—an overburden, even with more direct property tax revenues captured.
- For nonresidential land uses except retail and institutional uses, the overall fiscal impact is a net surplus, indicating that there is not an “overburden” in total to serve these land uses. However, for retail (and institutional) land uses, there appears to be an overburden in total. Results vary by jurisdiction level where service impacts are experienced.

POLICY CONSIDERATIONS

The report concludes with a discussion of policy considerations, including criticisms, issues, and praise for the Fiscal Disparities program.

Key Issues

- *Impact of the current economic downturn on localities.* With the current economic downturn and local government budgetary stress, a prominent issue is that with a portion of a locality's tax capacity going to a shared pool, net contributors are not receiving the full revenue from their property tax base.
- *Expansion of the Program to additional, outlying jurisdictions.* Suggestions have been made to expand the program to outlying Minnesota counties, which are now considered part of the regional labor market.
- *Inclusion of residential tax base in the program.* Some have called for adding "high-end" residential tax base to the Program. Expansion of the program to include residential homestead properties over \$200,000 was proposed and passed in the Minnesota Legislature in 1995 but vetoed by the Governor.
- *Adjusting the 40 percent contribution.* It has been noted in the literature that the 40 percent share is arbitrary and it has not been proven if this is the threshold after which a commercial/industrial property "pays for itself" locally in terms of revenues generated and costs incurred. As discussed in this report, this depends on the level of government and the type of commercial/industrial property.
- *Allowing for exclusions of certain "regional benefit" properties that generate high costs and serve as regional economic engines (e.g., the Mall of America).* This was attempted recently in 2007-08 when the Mall of America requested exemption from the tax-base sharing pool for its expansion. The proposal was defeated, but opened discussion and attention on the issue surrounding properties of regional benefit and how they relate to the Fiscal Disparities Program.
- *Adjusting the assessment level.* Each jurisdiction assesses property under its own assessment system allowing for some variation in assessment levels. Therefore, the contribution from each taxing jurisdiction is based on the locally derived assessment, thus creating "an apparent

inequity and discourages assessors from raising assessment levels in their jurisdictions.”¹⁰ However, a number of administrative challenges to address this issue have been identified.

- *Eliminating the exemptions.* Property at the Minneapolis-St. Paul Airport is exempt from fiscal disparities contributions. While the Airport may seem a likely candidate for inclusion in the program, eliminating the exemption would be problematic since it would contribute to the pool but would not receive any distribution under the current population-based formula.¹¹
- *Eliminating the 1971 base value subtraction.* The argument here is that the 1971 starting point “discriminates against those areas that have experienced most of their development since 1971.”¹² Related to this is the concept that the areawide pool reflects 40 percent of total C/I valuation from 1971 including increases due to growth and inflation. It has been argued that only net new growth should be included based on the logic that development is able to occur because of regional investment (e.g., roads, sewers) and therefore the formula would be more reflective of the program’s goals. The counterargument to this is that the law allows for a regional balance among properties that increase in value and those that decline.
- *Including a spending need component to the formula, rather than purely tax-base driven.* As discussed in this report, this aspect of the Program is widely discussed. The argument being that spending needs of jurisdictions vary and tax base is not necessarily a good predictor of those needs. Hinze and Baker note the inherent challenges to altering the formula to account for this are both political and technical.
- *Stability of the Program.* It has been noted on several occasions that the program is seen as stable and not subject to a political process. This is seen as both an advantage and a disadvantage. An advantage in that it occurs as a matter of course and allows for relative stability in local funding availability. On the other hand, its legacy as a program from the 1970s that has not been modified and is not part of any political process leads to some criticism.
- *Long-term impact.* Another point made by stakeholders consulted for this study is the rapidly developing areas (“younger communities”) may be experiencing an increase in commercial/industrial growth relative to population growth and therefore may be a net contributor. As these communities mature and begin to buildout, they may remain net contributors but at a smaller margin or may see decline in value causing a transition to net recipient status. This changed status allows for additional resources to make up the shortfall and potentially support redevelopment efforts, which over time may transition the community back to net contributor status.

¹⁰ Hinze and Baker, 2005, p., 31.

¹¹ Id., p. 32

¹² Id., p., 32.

Overburden

The overburden question has different answers depending on the unit of government. For some levels of government, as evaluated in this study, certain land uses do not cover their costs when looking at them as discrete land uses. For example, retail development does not generate sufficient direct revenues to cover its direct costs at the city level both with and without the Fiscal Disparities Program for both net contributors and net recipients. For other levels of government, the result for retail development is flipped. The overburden question depends not only on the level of government, but the locality itself. Levels of service, tolerance for tax increases, and the types of services provided are all contributing factors. It is interesting to note, however, that the Local Government Aid (LGA) formula includes a service “needs” component.

Another related point is the changes in school funding over the 40-year history of the program. While school funding is complex and an analysis of its relationship to Fiscal Disparities is beyond the scope of this study, one point made is that at the inception of the Fiscal Disparities program, the majority of funding for schools was from local property taxes. Therefore, those localities with high property tax wealth were able to more easily fund school operating and capital needs, and in particular, those communities with a large nonresidential tax base would be in a much better fiscal position. Critics note that because school funding has shifted from primarily being funded from local sources to state sources that the need for redistribution of the commercial/industrial tax base is less important today than it was prior to that shift.

Business Location Decisions

Business location decisions are driven by a range of factors first driven by the type of industry or business (e.g., manufacturers have different location needs than retail) as well as size of the firm, location decision stage, stage of firm life cycle, and economic environment.

Because there are so many interrelated variables in a site selection process, it is not feasible to isolate any one element for purposes of this study. Even if this were done as an academic exercise, the reality in a region like the Twin Cities is that other qualitative factors unique to each locality are likely to influence the decision and not be quantifiable. A recent report by the Itasca Project identified several strengths and weaknesses of the Minneapolis-St. Paul region related to business location decisions. Among the findings is a discussion of tax structure, and the region’s high relative tax burden when compared nationally and the disadvantage this puts the Metro region when competing nationally and internationally for business locations and relocations. However, the focus of their tax discussion is primarily on state and federal taxes, which according to the report already puts the region at a relative disadvantage even before adding the local tax burden.¹³

¹³ Itasca Project, “Charting a New Course: Restoring Job Growth in the Minneapolis-St. Paul Region,” April 2010.

In discussions with representatives from the regional business community, the Fiscal Disparities program does not appear to be a factor in development or relocation decisions. However, it is not possible to determine whether this is due to the very existence of the program—that is, if there were more disparity in tax rates among jurisdictions in the region, perhaps it would be a pronounced factor in location decisions.

However, one common theme from the business community is opposition to “raiding” the revenue generated by the program for specific purposes. The general concern is that if revenues were diverted from the pool, localities would need to fill the gap left by this reallocation of funds and would potentially raise taxes on local businesses.

Influence on Development Activity

The desire from a local perspective for commercial and industrial development is often driven by other factors in addition to an expansion of the tax base. Other reasons include:

- “Placemaking”—providing a gathering place for community with retail, entertainment, and cultural options (promoting a “Creative Culture”),
- Creating jobs where people live in mixed-use communities, which allows for reduced commuting times and a greater attachment to community,
- Creating jobs for purposes of “bragging” rights, particularly in this era of prolonged economic downturn and joblessness, and
- Enhancing the overall quality of life through all of the above.

Related to this phenomenon is a statement from Myron Orfield that the Fiscal Disparities program “reduces the incentives for communities to compete for tax base, because they do not keep all of the resulting revenues. On the other hand, because localities retain enough of the tax base to cover the costs of growth, the incentive is not so strong that local areas will be unwilling to allow new development.”¹⁴ There does not appear to be a clear-cut answer to this assumption, particularly in a seven-county region with almost 200 municipalities. NAIOP in its “Fiscal Disparities Task Force Report” notes the following:

*Among the unforeseen consequences of fiscal disparities is its influence on land use and development decisions by local government officials. Fiscal disparities may lead communities to focus their efforts on new and higher valued residential development (which is not required to contribute to the fiscal disparities pool), while viewing fiscal disparities as a disincentive to expanding their own local C-I tax base.*¹⁵

¹⁴ Orfield, 2009, p. 38.

¹⁵ NAIOP, 2007.

That said, tax increment financing (TIF) is used throughout the region to encourage development projects—both nonresidential and residential development with many of the projects appearing to be driven by the “quality of life” factors identified above. While it has been mentioned that most significant development projects in the Twin Cities Metro region include a TIF district, the share of TIF net tax capacity over the past 15 years has remained at 4 to 7 percent of total tax capacity in the region. What is more, a State Auditor’s report on TIF districts (evaluating 2009 data) found that from 2005-2009, the number of districts certified decreased by 43 percent. The Auditor’s study also found that in 2009, 34 percent of the number of TIF districts were in the Metro Area and 66 percent were located in Greater Minnesota, but the amount of tax increment revenue was predominantly generated in the Metro Area at 83 percent.¹⁶

Regional Services

From our discussions with communities, another theme that emerged is the notion of “regional services” that may or may not be universally thought of as services. Examples include provision of housing (i.e., serving as a bedroom community for nearby employment centers); protection of wetlands; and provision of institutional (tax-exempt) properties such as schools and hospitals. The relation to Fiscal Disparities is that the existence of the program allows these communities to provide these “services” without placing an undue burden on its residents or its limited nonresidential tax base. By extension, an argument is that the existence of these services—and the variety of types of communities in the region—makes the region in whole more competitive.

Related to the idea of provision of regional services is the notion of “generational equity.” Growth has occurred in the Metro region since the inception of the Fiscal Disparities program under the assumption that the program would be in place in the future. That is, perhaps localities did not aggressively pursue commercial/industrial development for a variety of reasons not the least of which was the “protection” of the Fiscal Disparities program.

Program Execution

Finally, a criticism of the program is the manner in which the areawide tax is conveyed to a commercial/industrial property owner on his/her tax statement. A commercial/industrial tax bill lists “Fiscal Disparity” under the Special Taxing Districts heading, and typically comprises a large portion of the overall tax burden. The argument is that by virtue of the way the tax is listed implies that if the program were eliminated, property owners would not pay that tax amount. In reality, if the program did not exist, taxes would be paid to the other taxing jurisdictions and depending on status as a recipient or contributor, the overall amount of taxes paid by the individual property owner would likely be only marginally lower or higher.

¹⁶ Office of the State Auditor, “Tax Increment Financing Legislative Report,” January 26, 2011.

II. OVERVIEW OF THE STUDY

TischlerBise has been retained by the Minnesota Department of Revenue to analyze the Fiscal Disparities Program. The Minnesota Fiscal Disparities Act of 1971 was an innovative attempt to address growing fiscal concerns within the seven-county Minneapolis-St. Paul region, which is home to over 180 cities and townships; over 60 school districts; and dozens of other taxing authorities. The law, which took effect 35 years ago after surviving two court challenges, requires all communities in the seven-county area to contribute 40 percent of the growth in their commercial/industrial tax base (from 1971) to a regional pool.

The overarching philosophy behind the Act was that while commercial and industrial development provides needed tax revenue for certain municipalities, these developments are often largely supported through regional and state funding. Tax-base sharing allows other parts of the region that contributed to the financing to benefit from the investment, not just the municipality with the new development. The objectives of the Program as stated in the original Act were as follows:

- To provide a way for local governments to share in the resources generated by the growth of the area, without removing any resources that local governments already have.
- To increase the likelihood of orderly urban development by reducing the impact of fiscal considerations on the location of business and residential growth and of highways, transit facilities, and airports.
- To establish incentives for all parts of the area to work for the growth of the area as a whole.
- To provide a way whereby the area's resources can be made available within and through the existing system of local governments and local decision making.
- To help communities in different stages of development by making resources increasingly available to communities at those early stages of development and redevelopment when financial pressures on them are the greatest.
- To encourage protection of the environment by reducing the impact of fiscal considerations so that flood plains can be protected and land for parks and open space can be preserved.

These objectives have been commonly reduced to two main goals:¹⁷

- *Promoting more orderly regional development.*
- *Improving equity in the distribution of fiscal resources.*

¹⁷ Hinze and Baker, 2005.

Each taxing jurisdiction contributes 40 percent of the growth in its commercial/industrial (C/I) property tax base since the 1971 assessment to a regional pool. (Residential homestead properties are not included.) C/I property includes all businesses, offices, stores, warehouses, factories, gas stations, parking ramps, etc. It also includes public utility property and vacant land which is zoned commercial or industrial. The growth in value considered is the total net change in net tax capacity since 1971, including the effects of new construction, inflation, demolition, revaluation, appreciation, and depreciation.

The distribution of the pool is based on fiscal capacity, defined as equalized market value per capita. This means that:

- If the municipality's fiscal capacity is the same as the metropolitan average, its percentage share of the pool will be the same as its share of the area's population;
- If its fiscal capacity is above the metro average, its share will be smaller;
- If its fiscal capacity is below the metro average, its share will be larger.

All jurisdictions contribute to and receive distributions from the areawide pool. However, some jurisdictions contribute more than they receive ("Contributors") and others receive more than they contribute ("Recipients").

The Fiscal Disparities Program (1971) came about during an era of other significant regional initiatives including the creation of the Metropolitan Council (1967), the metro sewer system (1969), the regional parks system (1974), and the metropolitan land planning act (1976). It has been noted that the timing was right for these substantial regional efforts.

Changes have occurred in the region both in terms of demographics, economic activity, and fiscal conditions. Because of this, policy and programmatic considerations and issues have emerged that call for updated and expanded research and analysis of the Metropolitan Area Fiscal Disparities Program. The Study has been commissioned to address the following items (reflective of the legislation authorizing the study):

- a. The extent to which the benefits of economic growth of the region are shared throughout the region, especially for growth that results from state or regional decisions;
- b. The program's impact on the variability of tax rates across jurisdictions of the region;
- c. The program's impact on the distribution of homestead property tax burdens across jurisdictions of the region; and
- d. The relationship between the impacts of the program and overburden on jurisdictions containing properties that provide regional benefits, specifically the costs those properties impose on their host jurisdictions in excess of their tax payments.

III. THE REGION

BRIEF DESCRIPTION OF THE SEVEN-COUNTY REGION

The Fiscal Disparities Program in the Minneapolis-St. Paul region includes seven counties and is home to over 180 cities and townships; over 60 school districts; and dozens of other taxing authorities. While the region has expanded in recent years in terms of economic reach and commuting patterns to include outlying jurisdictions, the Fiscal Disparities Program by law includes only the jurisdictions within the seven-county region.

As shown in Figure 32, the Minneapolis-St. Paul metropolitan area as defined by the U.S. Census has expanded from five counties in 1971 to thirteen counties in 2009, including two counties in Wisconsin.

Figure 32. U.S. Census Bureau Definitions: Minneapolis-St. Paul Metropolitan Statistical Area*

1971 Minneapolis-St. Paul, MN SMSA**	2009 Minneapolis-St. Paul-Bloomington, MN-WI MSA***
Anoka County, MN	Anoka County, MN†
Dakota County, MN	Dakota County, MN†
Hennepin County, MN	Hennepin County, MN†
Ramsey County, MN	Ramsey County, MN†
Washington County, MN	Washington County, MN†
	Carver County, MN†
	Chisago County, MN
	Isanti County, MN
	Scott County, MN†
	Sherburne County, MN
	Wright County, MN
	Pierce County, WI
	St. Croix County, WI

* The general concept of a metropolitan or micropolitan statistical area is that of a core area containing a substantial population nucleus, together with adjacent communities having a high degree of economic and social integration with that core. (U.S. Census.)

** SMSA=Standard Metropolitan Statistical Area. Definitions used for presenting metropolitan area statistics in 1970 decennial census publications.

*** MSA= Metropolitan Statistical Area; SMSA replaced by MSA in 1983.

† Included in Fiscal Disparities Program

Source: U.S. Census

Descriptive Categories

This study primarily uses three groupings to describe and discuss the jurisdictions included in the Fiscal Disparities Program. First, we group by County for the seven-county region: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

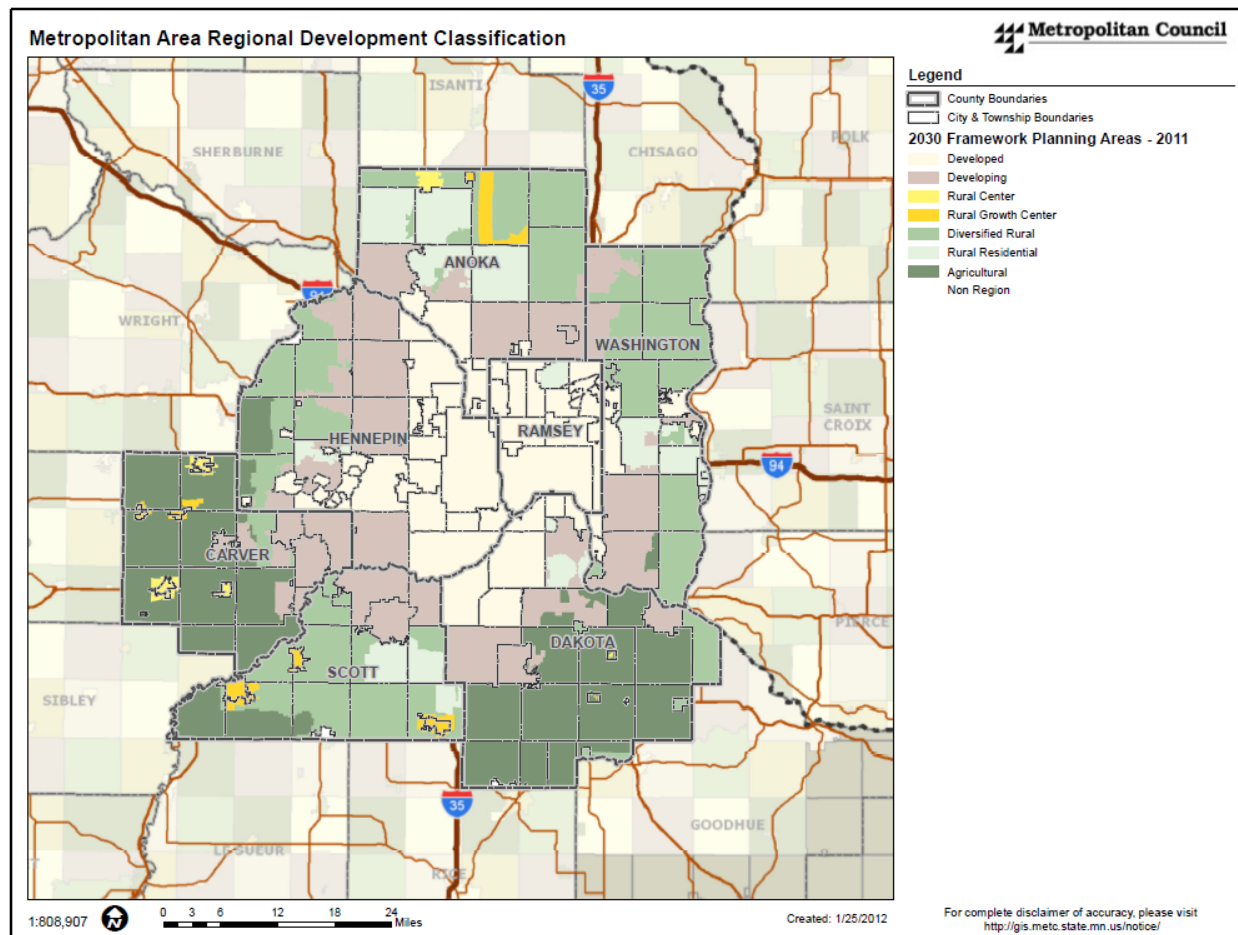
The second grouping is the Metropolitan Council's regional development classifications or planning areas¹⁸ as follows:

- Central City
- Developed Area
- Developing Area
- Rural Area
- Rural Growth Center

The regional development classifications provide a way to group localities by development characteristics in a way that geographic classifications do not. For instance, within one county, there may be a mix of types of jurisdictions with different land use patterns and development types. This allows for an analysis of the Fiscal Disparities Program on a macro level that attempts to group similar jurisdictions together. These groupings are used in a variety of ways throughout the study such as to describe demographics; compare tax capacities; analyze taxes and tax rate changes with the Fiscal Disparities Program and without it; and residential homestead burden. A complete list of the jurisdictions in the Fiscal Disparities Program and their regional development classification is included in the Appendix. A map is provided below.

¹⁸ Regional development framework classifications or planning areas used in this study are the Metropolitan Council designations as of 2011. The designations were originally established in 2004.

Figure 33. Metropolitan Council Regional Development Classification



The third grouping is by Fiscal Disparities status—that is, whether the locality is a net recipient or net contributor. When this grouping is used, the Fiscal Disparities status is aligned with the appropriate year—when discussing current Fiscal Disparities status, 2010 population and employment figures are used. When discussing earlier trends, for example Fiscal Disparities status in 1976, population and employment figures are from 1980.

GROWTH TRENDS IN THE SEVEN-COUNTY REGION

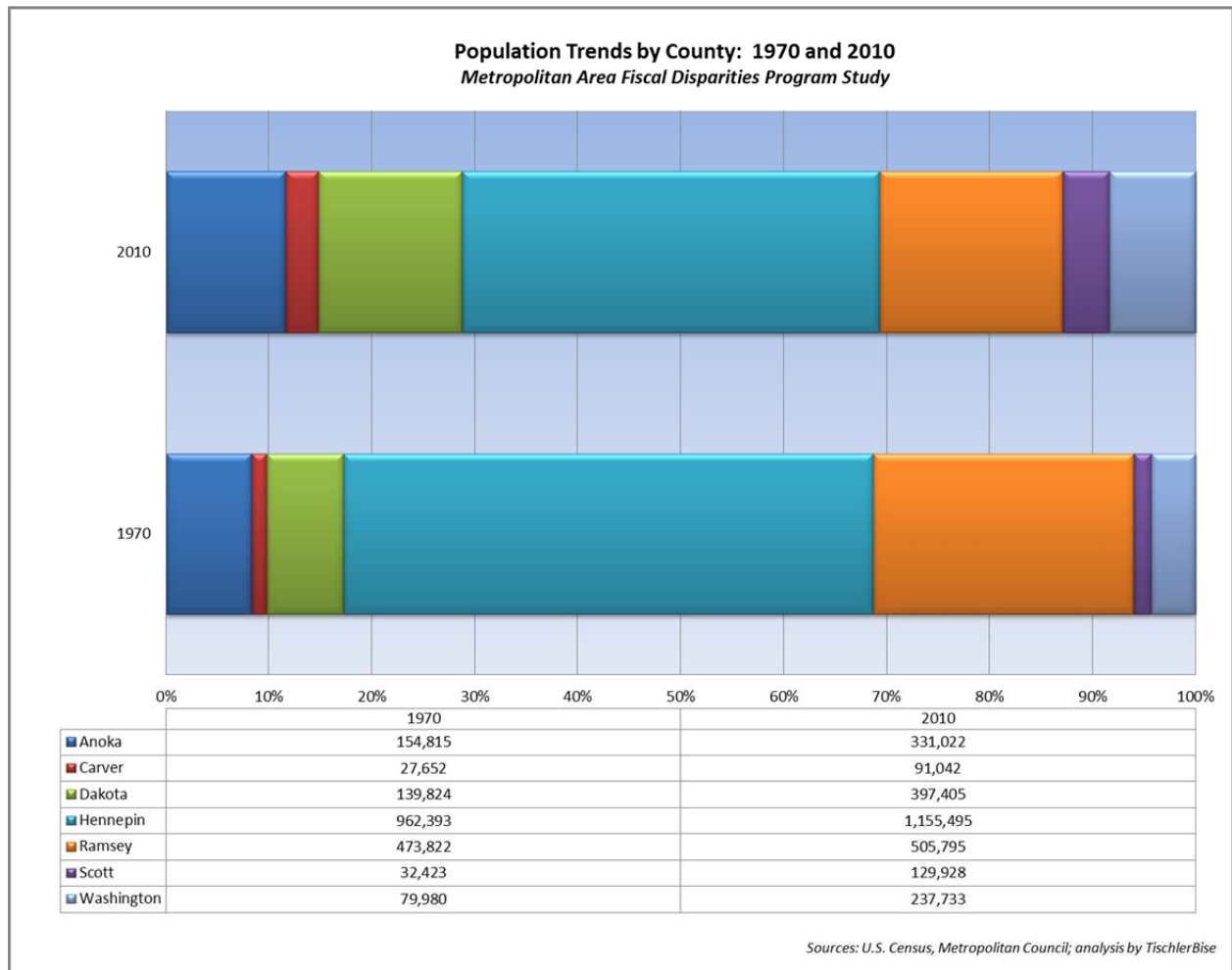
To provide context and to address the question of the effect of the Fiscal Disparities Program on development patterns in the region, we provide a description of changes in population and employment in the region. In particular, trends in residential and nonresidential growth. The intent is to show changes from prior to the enactment of the Fiscal Disparities Program (1970) to today. While this should not be seen as a “cause and effect” relationship, trends in the region provide some insight into changes in development patterns in the region over time.

Population Trends

The region has grown significantly from 1970 to today. The current estimate of total population in the seven-county study region is approximately 2.85 million. This reflects an increase of almost 1 million people since 1970.

Population in each county as well as share of the total seven-county region is shown in Figure 34. As shown, Hennepin and Ramsey counties—while still the most populous counties in the region—comprise a smaller share of the regional population in 2010 when compared to 1970.

Figure 34. Population by County: 1970 and 2010



Further detail is provided below in Figure 35, depicting the absolute growth and percentage increase from 1970 to 2010. As shown, the highest percentage growth occurred in Scott County followed by Carver and Washington counties. The lowest percentage growth occurred in Ramsey and Hennepin counties.

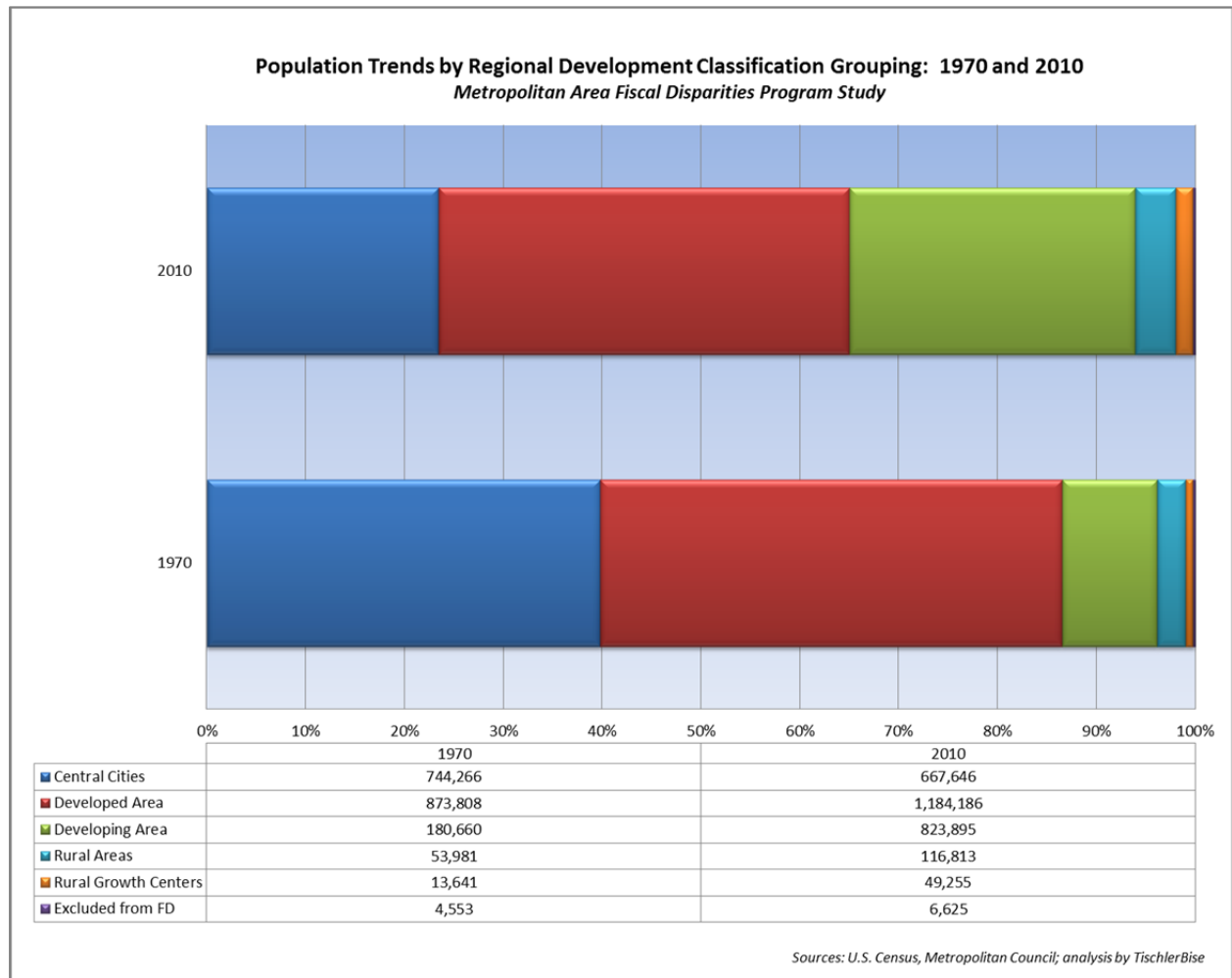
Figure 35. Population Growth by County: 1970 to 2010

	Population		Population Growth or Decline From 1970 to 2010		
	1970	2010	Increase/Decrease	% Total Growth	% Avg Ann Growth
Anoka	154,815	331,022	176,207	113.8%	2.8%
Carver	27,652	91,042	63,390	229.2%	5.7%
Dakota	139,824	397,405	257,581	184.2%	4.6%
Hennepin	962,393	1,155,495	193,102	20.1%	0.5%
Ramsey	473,822	505,795	31,973	6.7%	0.2%
Scott	32,423	129,928	97,505	300.7%	7.5%
Washington	79,980	237,733	157,753	197.2%	4.9%
Grand Total	1,870,909	2,848,420	977,511	52.2%	1.3%

Source: Census data via Metropolitan Council; analysis by TischlerBise

Grouping metropolitan area communities into regional development classifications shows an increasing share of the region's population in Developed and Developing areas from 1970 to 2010, as one might expect. A graphic depiction is shown below in Figure 36.

Figure 36. Population by Regional Development Classification: 1970 and 2010



Population in the Central Cities has decreased from 1970 to 2010 by a little over 10 percent, which is a decrease of approximately .3 percent per year when averaged over the 40-year time period. At the other end of the continuum are Developing Areas, which more than quadrupled in population from 1970 to 2010. This reflects a 9 percent average annual growth rate over the 40-year time period.

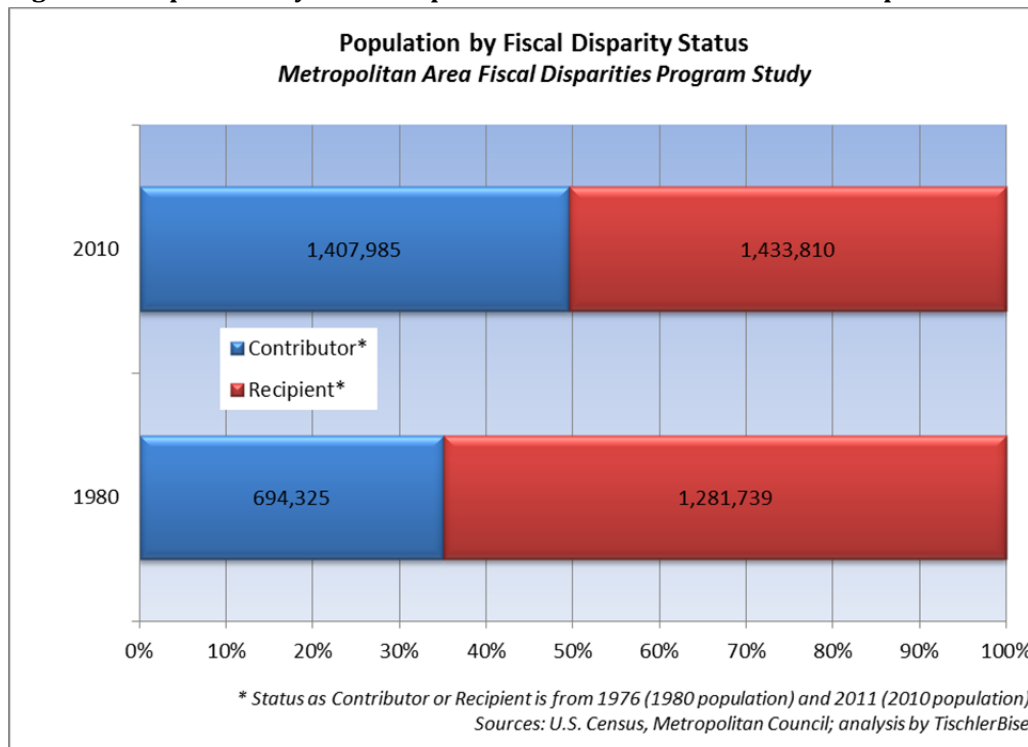
Figure 37. Population Growth by Regional Development Classification: 1970 to 2010

	Population		Population Growth or Decline From 1970 to 2010		
	1970	2010	<u>Increase/Decrease</u>	<u>% Total Growth</u>	<u>% Avg Ann Growth</u>
Central Cities	744,266	667,646	-76,620	-10.3%	-0.3%
Developed Area	873,808	1,184,186	310,378	35.5%	0.9%
Developing Area	180,660	823,895	643,235	356.0%	8.9%
Rural Areas	53,981	116,813	62,832	116.4%	2.9%
Rural Growth Centers	13,641	49,255	35,614	261.1%	6.5%
Excluded from FD	4,553	6,625	2,072	45.5%	1.1%
Grand Total	1,870,909	2,848,420	977,511	52.2%	1.3%

Source: Census data via Metropolitan Council; analysis by TischlerBise

Finally, the region's population growth is examined by grouping localities into their Fiscal Disparities status as a recipient or contributor. We include status from 2011 and 1976, the earliest available. For 2011 status, 2010 population is used and for 1976 status, 1980 population is used. Results are shown below in the following figure.

Figure 38. Population by Fiscal Disparities Status as Contributor or Recipient: 1980 and 2010



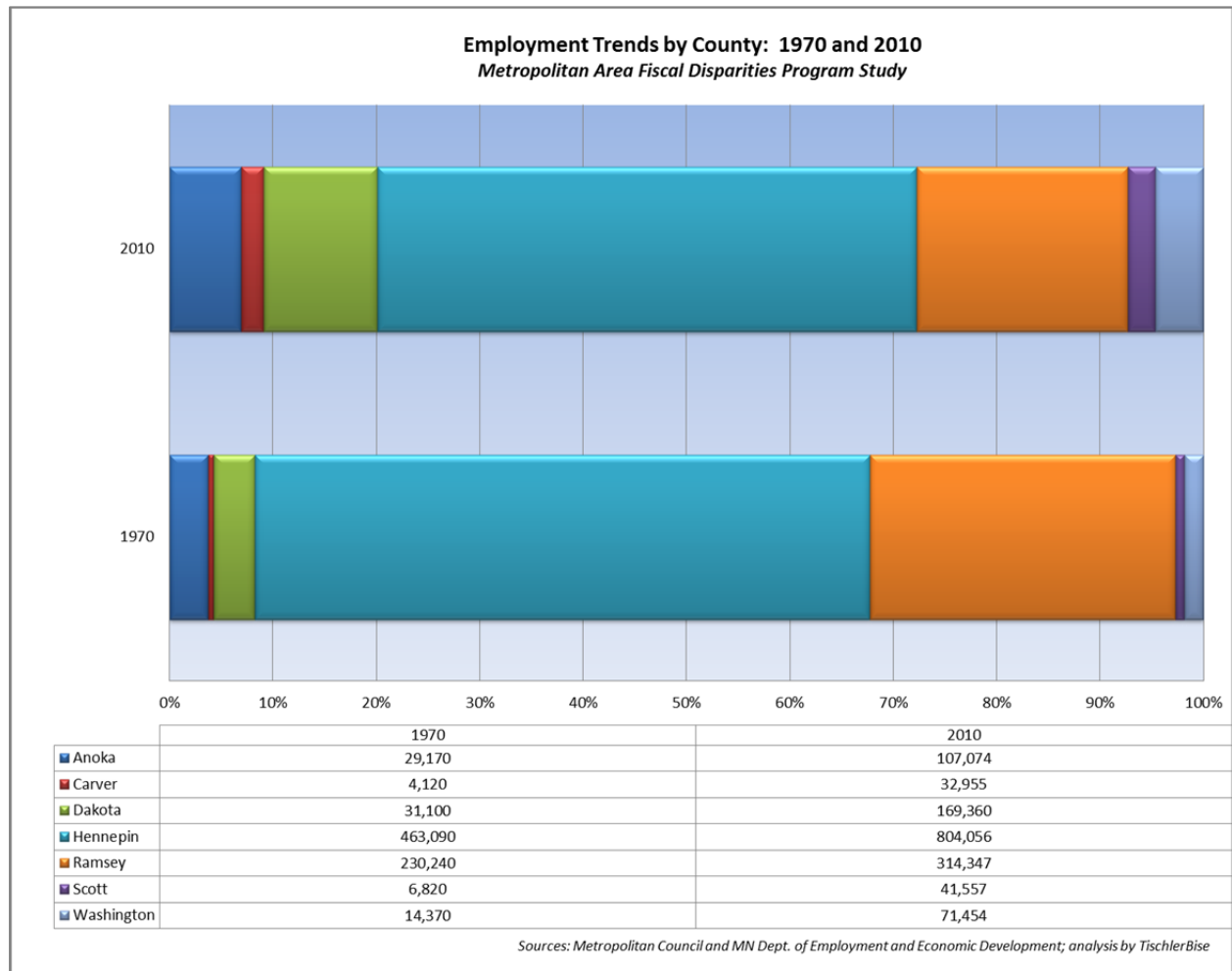
In 2010, population is evenly distributed between contributors and recipients, which is a shift from 1980 where population in recipient communities outnumbered contributor communities almost by a factor of two. However, it should be noted that the city of Minneapolis has switched from recipient to contributor over the years. In 2011, Minneapolis is a contributor and in 1976, the city was a recipient, therefore its population is included in the appropriate group. If the city's 1980 population of 370,951 were to be included in the contributor group, the allocation between recipient and contributor would be similar to the 2010 distribution.

Employment Trends

Employment in the region has also grown significantly, essentially doubling from 1970 to today. The current estimate of total number of jobs in the seven-county study region is approximately 1.5 million.

The following figures depict trends where jobs are located, rather than where workers live. Figure 39 shows the number of jobs in each county as well as share of the total seven-county region. Hennepin and Ramsey counties contain the largest number of jobs in the region, but have declined in regional share relative to the other counties (combined comprising 73 percent of jobs in the region down from 89 percent in 1970). All other counties gained in share with the largest gain in Dakota County, increasing from 4 percent of regional employment in 1970 to 11 percent in 2010.

Figure 39. Employment by County: 1970 and 2010



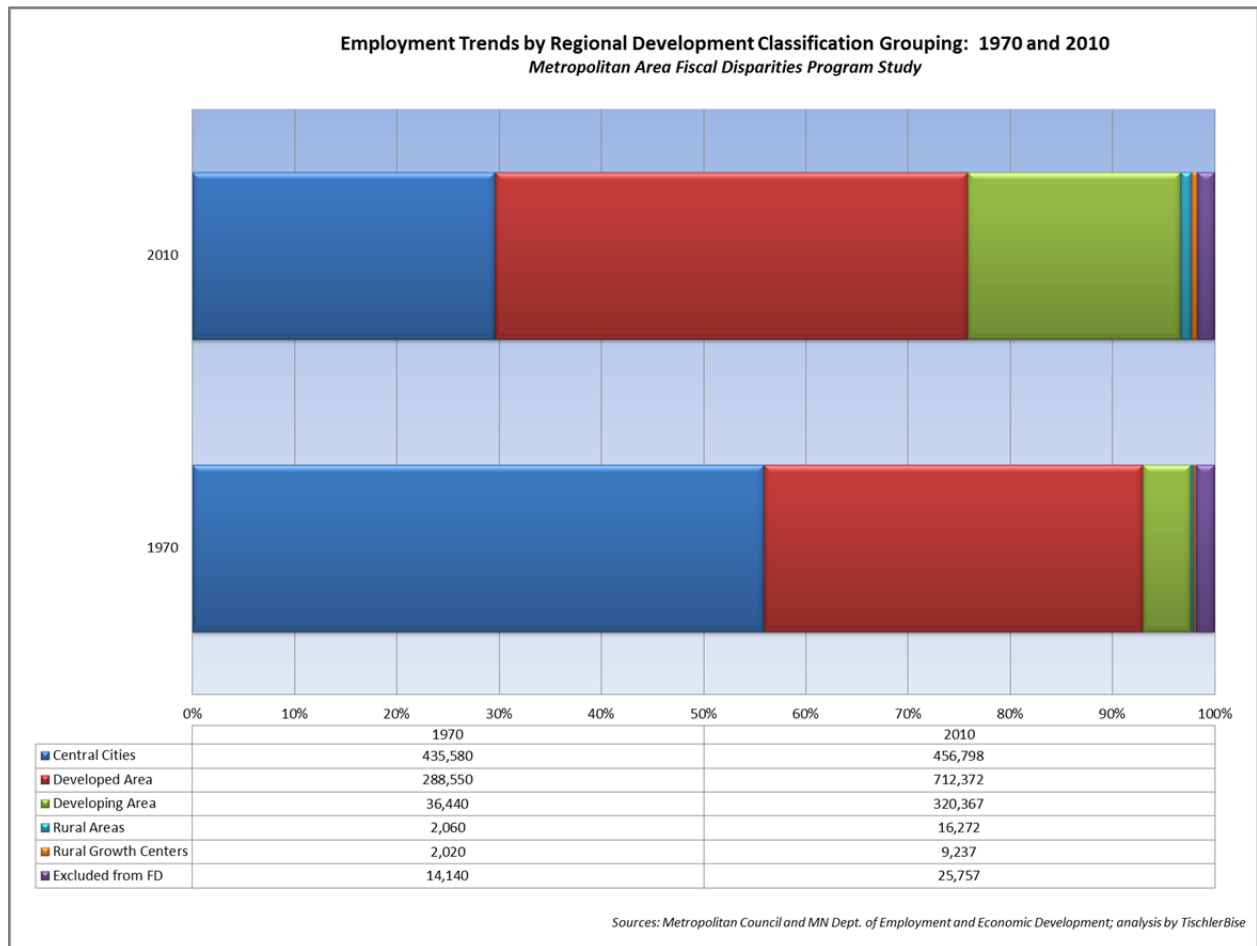
Further detail is provided below in Figure 40, depicting the absolute growth and percentage increase from 1970 to 2010. As shown, the highest percent of growth occurred in Carver County followed by Scott, Dakota, and Washington counties. The largest absolute gain in employment occurred in Hennepin County following by Dakota County. The lowest percentage increase occurred in Ramsey County.

Figure 40. Employment Growth by County: 1970 to 2010

	<i>Jobs</i>		<i>Job Growth From 1970 to 2010</i>		
	<i>1970</i>	<i>2010</i>	<i>Increase/Decrease</i>	<i>% Total Growth</i>	<i>% Avg Ann Growth</i>
Anoka	29,170	107,074	77,904	267.1%	6.7%
Carver	4,120	32,955	28,835	699.9%	17.5%
Dakota	31,100	169,360	138,260	444.6%	11.1%
Hennepin	463,090	804,056	340,966	73.6%	1.8%
Ramsey	230,240	314,347	84,107	36.5%	0.9%
Scott	6,820	41,557	34,737	509.3%	12.7%
Washington	14,370	71,454	57,084	397.2%	9.9%
Grand Total	778,910	1,540,803	761,893	97.8%	2.4%

Grouping employment data into regional development classifications shows an increasing share of the region's population in Developed and Developing areas from 1970 to 2010 and a decreasing share in the Central Cities. A graphic depiction is shown below in Figure 41.

Figure 41. Employment by Regional Development Classification: 1970 and 2010



All areas added jobs since 1970 with Developing Areas adding the second largest number of jobs (behind Developed Areas) at the highest growth rate. Rural Areas also added jobs at a high growth rate, mainly because the initial number of jobs is so low. Central Cities added jobs, but at a much lower growth rate than all other areas.

Figure 42. Employment Growth by Regional Development Classification: 1970 to 2010

	Jobs		Job Growth		
	1970	2010	From 1970 to 2010		
			<i>Increase/Decrease</i>	<i>% Total Growth</i>	<i>% Avg Ann Growth</i>
Central Cities	435,580	456,798	21,218	4.9%	0.1%
Developed Area	288,550	712,372	423,822	146.9%	3.7%
Developing Area	36,440	320,367	283,927	779.2%	19.5%
Rural Areas	2,060	16,272	14,212	689.9%	17.2%
Rural Growth Centers	2,020	9,237	7,217	357.3%	8.9%
Excluded from FD	14,140	25,757	11,617	82.2%	2.1%
Grand Total	778,790	1,540,803	762,013	97.8%	2.4%

Source: Data from Metropolitan Council and MN Dept. of Employment and Economic Development; analysis by TischlerBise

More recent job growth data is shown below from 2000 to 2009. During the recent recession with overall job losses experienced in the region as a whole, it is interesting to note that both the Developing Areas and Rural Areas have added jobs while Central Cities and Developed Areas have lost jobs. See below.

Figure 43. Employment Growth by Regional Development Classification: 2000 to 2009

	2000 (2nd Qtr)	2009 (2nd Qtr)	Gain (Loss)	% Gain/Loss
Central Cities	496,251	458,026	(38,225)	-7.7%
Developed Areas	709,258	652,577	(56,681)	-8.0%
Developing Areas	374,295	410,827	36,532	9.8%
Rural Areas	23,628	25,726	2,098	8.9%
Rural Centers	9,451	9,762	311	3.3%
Other Rural	14,177	15,964	1,787	12.6%
Metro Council Regional Total	1,603,432	1,547,156	(56,276)	-3.5%

Note: All Metro localities are included in one of the categories (unlike above tables with an "Excluded from FD" group).

Source: Metro Council Data; analysis by TischlerBise.

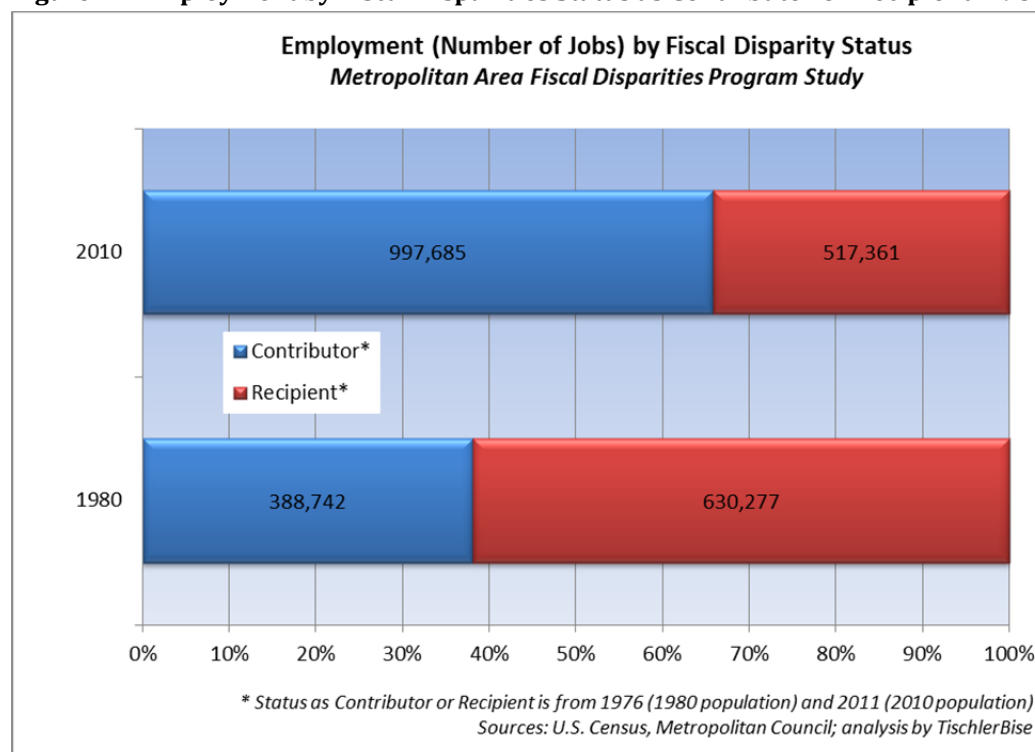
This trend is no different from other metropolitan areas nationally. A study by The Brookings Institution in 2009 found that of "95 of the 98 metro areas (studied) saw a decrease in the share of jobs located within three miles of the downtown" from 1998 to 2006.¹⁹ Further, 53 metro areas (including Minneapolis-St. Paul) experienced "rapid decentralization" in employment location, which they defined

¹⁹ Elizabeth Kneebone, "Job Sprawl Revisited: The Changing Geography of Metropolitan Employment," Metropolitan Policy Program at Brookings, 2009, p.10.

as a “higher-than-average gain in the share of jobs beyond 10 miles (of the downtown), and losses in job share in both the urban core and 3- to 10-mile ring.”²⁰

Finally, the region’s employment is examined by grouping localities into their Fiscal Disparities status as a recipient or contributor. We include status from 2011 and 1976, the earliest available. For 2011 status, 2010 employment data is used and for 1976 status, 1980 employment data is used. Results are shown below in the following figure.

Figure 44. Employment by Fiscal Disparities Status as Contributor or Recipient: 1980 and 2010



In 2010, the proportion of jobs located in contributor communities is approximately 65 percent reflecting a jump from 1980 where employment in contributor communities was almost 40 percent. However, it should be noted similarly to population distribution that the city of Minneapolis has switched from recipient to contributor over the years. In 2011, Minneapolis is a contributor and in 1976, the city was a recipient, therefore its employment data is included in the appropriate group accordingly. If the city’s 1980 number of jobs of 268,600 were to be included in the contributor group, the allocation between recipient and contributor would be similar to the 2010 distribution.

²⁰ Id., 11

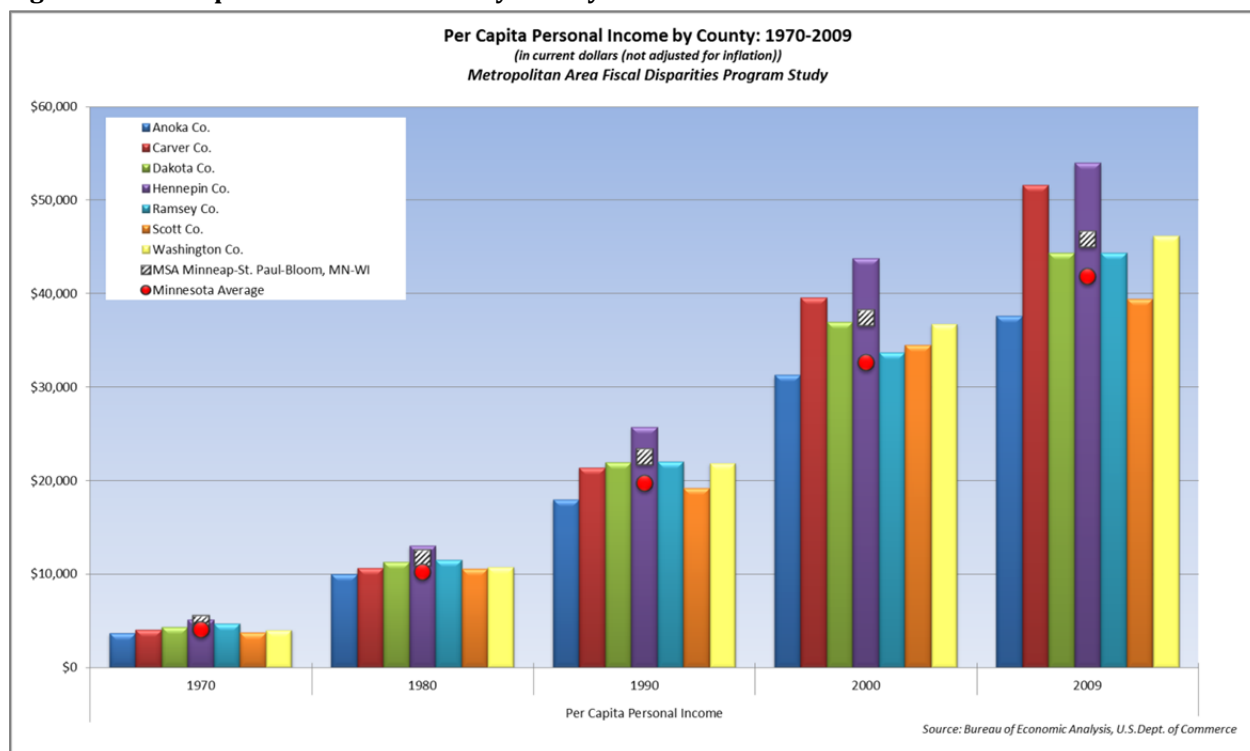
ECONOMIC AND TAX BASE TRENDS IN THE SEVEN-COUNTY REGION

To provide further brief context of economic and fiscal trends in the region, we examine economic and fiscal factors such as personal income, wages, gross domestic product (GDP) by MSA, and tax base composition.

Economic Trends

Personal income by *place of residence* is shown below in Figure 45. (Data shown are in current dollars; that is, not adjusted for inflation.) Over the past 40 years, personal income levels have varied when comparing counties in the region. Hennepin County has consistently had the highest per capita income in the region with Anoka County having the lowest. Over the years, the ranking has shifted somewhat with Ramsey County, for example, having the second highest per capita amount in 1970 and falling to fourth highest in 2009. The percentage difference between the lowest and the highest increased from 39 percent in 1970 to 43 percent in 2009. Most of the counties are higher than the Minnesota average with Anoka and Scott counties hovering at or below the state average.

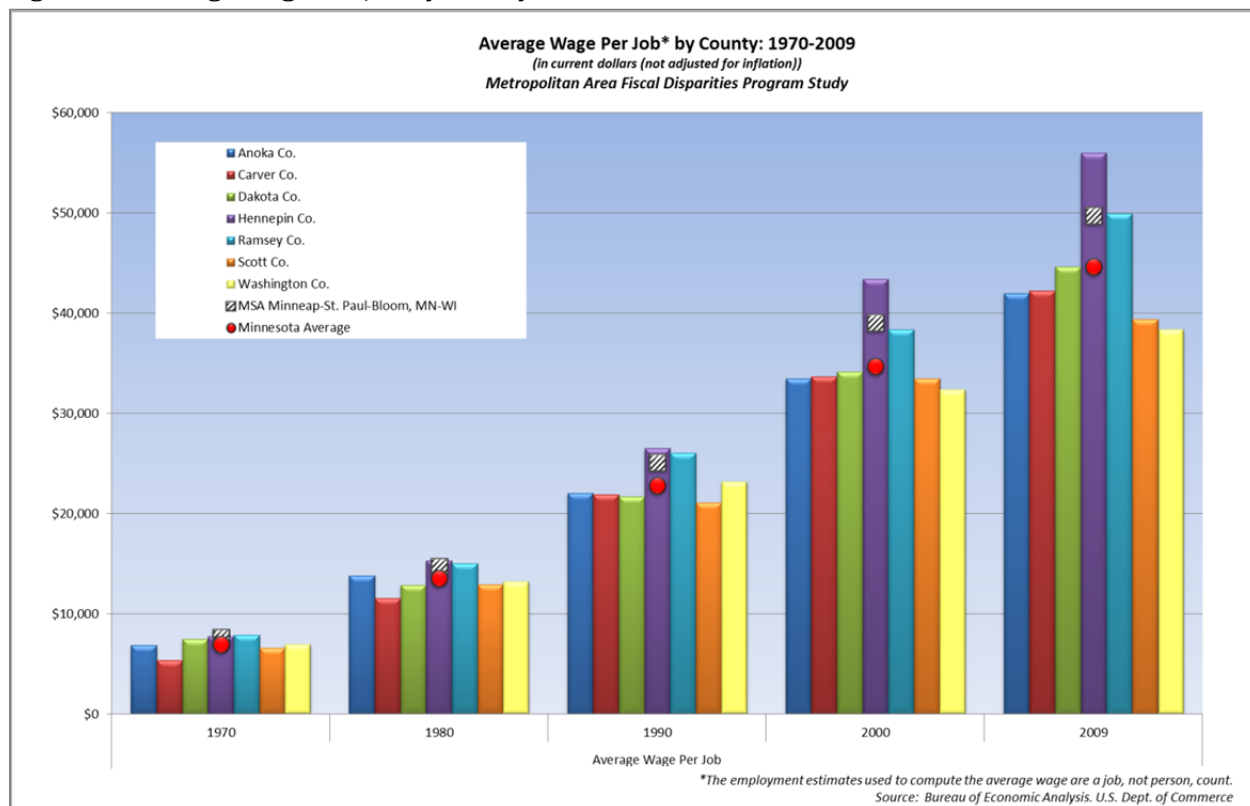
Figure 45. Per Capita Personal Income by County: 1970 to 2009



Another factor to examine is wage and salary data by *place of employment*. Figure 46 shows average wages per job by County location, reflecting where the job is located as opposed to where workers live. (Data shown are in current dollars; that is, not adjusted for inflation.)

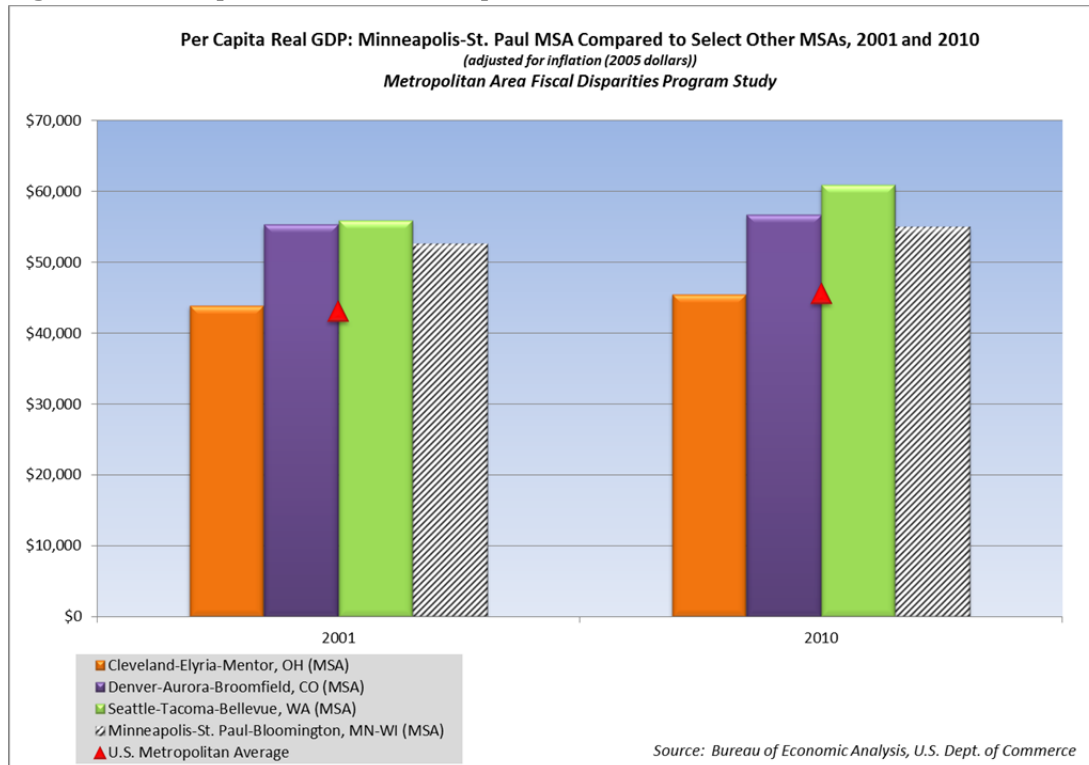
Aside from 1970, Hennepin County has had the highest average wages per job in the region. Ramsey County has ranked second in all years except 1970 when it was ranked first. The county with the lowest average wages per job has changed over time with Carver County ranking at the bottom in 1970 and Washington County in 2009. The percentage difference between the lowest and the highest—the gap—actually decreased from 47 percent in 1970 to 46 percent in 2009. The counties in the region are split between being higher and lower than the state average. In 1970, four counties had average wages per job above the state average (Ramsey, Hennepin, Dakota, and Washington). But by 2009, only three of those four counties remained above the state average—Hennepin, Ramsey, and Dakota.

Figure 46. Average Wage Per Job by County: 1970 to 2009



Finally, for discussion of economic conditions, we provide data on gross domestic product (GDP), a good measure of economy activity, for 2001 (earliest available) and 2010 for the Minneapolis-St. Paul-Bloomington MSA along with other select comparable regions. As shown the Minneapolis-St. Paul MSA has a per capita real GDP higher than the U.S. metropolitan average and the Cleveland MSA but lower than the Denver and Seattle MSAs.

Figure 47. Per Capita Real GDP Minneapolis and Select MSAs: 2001 and 2010



Tax Base Composition

Tax base composition was also evaluated to understand fiscal conditions in the region and changes over time. Results are presented by County for 1996²¹ and 2011 showing both the tax capacity²² dollar amounts and residential, commercial/industrial, and other share. In 1996, tax base in the region was generally more evenly split between residential homestead and commercial/industrial properties. Hennepin and Ramsey counties were the only counties with a higher percentage of the tax base in commercial/industrial property, however no county had more than 60 percent of its tax capacity from residential homestead property.

Figure 48. Tax Base Composition by County: 1996

County	TAX BASE				% Resid	% C/I	% Other	% Total
	Residential Homestead (1996)	Commercial & Industrial (1996)*	Other (1996)	TOTAL (1996)				
Anoka	\$86,934,795	\$60,326,717	\$20,607,763	\$167,869,275	52%	36%	12%	100%
Carver	\$26,037,601	\$16,578,782	\$7,656,756	\$50,273,139	52%	33%	15%	100%
Dakota	\$130,506,252	\$109,559,423	\$36,483,702	\$276,549,377	47%	40%	13%	100%
Hennepin	\$451,867,868	\$526,992,801	\$148,196,925	\$1,127,057,594	40%	47%	13%	100%
Ramsey	\$146,421,662	\$159,499,586	\$50,617,311	\$356,538,559	41%	45%	14%	100%
Scott	\$25,967,528	\$16,404,172	\$8,169,493	\$50,541,193	51%	32%	16%	100%
Washington	\$80,084,425	\$38,027,447	\$16,037,634	\$134,149,506	60%	28%	12%	100%
Grand Total	\$947,820,131	\$927,388,928	\$287,769,584	\$2,162,978,643	44%	43%	13%	100%

* Prior to Fiscal Disparities redistribution.

Source: MN Dept. of Revenue data; analysis by TischlerBise.

The characteristics of the tax base has shifted by 2011, partly due to state policy changes, especially from 1997 to 2002, that significantly changed class rates to reduce C/I tax base relative to residential homestead tax base. As shown in Figure 49, all counties have a majority of its tax capacity from residential homestead properties with a regional split of 55 percent from residential homestead, 31 percent from commercial/industrial, and 14 percent from other properties. With property tax reform, most counties now have close to anywhere from 50 to 64 percent of their tax capacity from residential homestead properties.

²¹ The starting point of 1996 is used to reflect a 15-year time period from 2011 and reflects the earliest date for which comprehensive data is available in an electronic format.

²² Tax capacity is based on a property's market value and the state-mandated classification system by land use type (e.g., residential homestead property under \$500,000 has a class rate of 1.0 percent compared to a commercial/industrial property with a class rate of 1.5 percent for the first \$150,000 in value and 2 percent over \$150,000.).

Figure 49. Tax Base Composition by County: 2011

County	TAX BASE				% Resid	% C/I	% Other	% Total
	Residential Homestead (2011)	Commercial & Industrial (2011)*	Other (2011)	TOTAL (2011)				
Anoka	\$190,675,024	\$87,819,906	\$37,314,836	\$315,809,766	60%	28%	12%	100%
Carver	\$73,557,372	\$23,490,752	\$18,714,819	\$115,762,943	64%	20%	16%	100%
Dakota	\$261,634,744	\$131,376,349	\$54,710,104	\$447,721,197	58%	29%	12%	100%
Hennepin	\$840,984,614	\$541,395,740	\$246,590,899	\$1,628,971,253	52%	33%	15%	100%
Ramsey	\$266,936,365	\$186,521,296	\$80,690,770	\$534,148,431	50%	35%	15%	100%
Scott	\$95,299,481	\$33,978,218	\$23,864,835	\$153,142,534	62%	22%	16%	100%
Washington	\$186,285,956	\$66,213,716	\$40,317,314	\$292,816,986	64%	23%	14%	100%
Grand Total	\$1,915,373,556	\$1,070,795,977	\$502,203,577	\$3,488,373,110	55%	31%	14%	100%

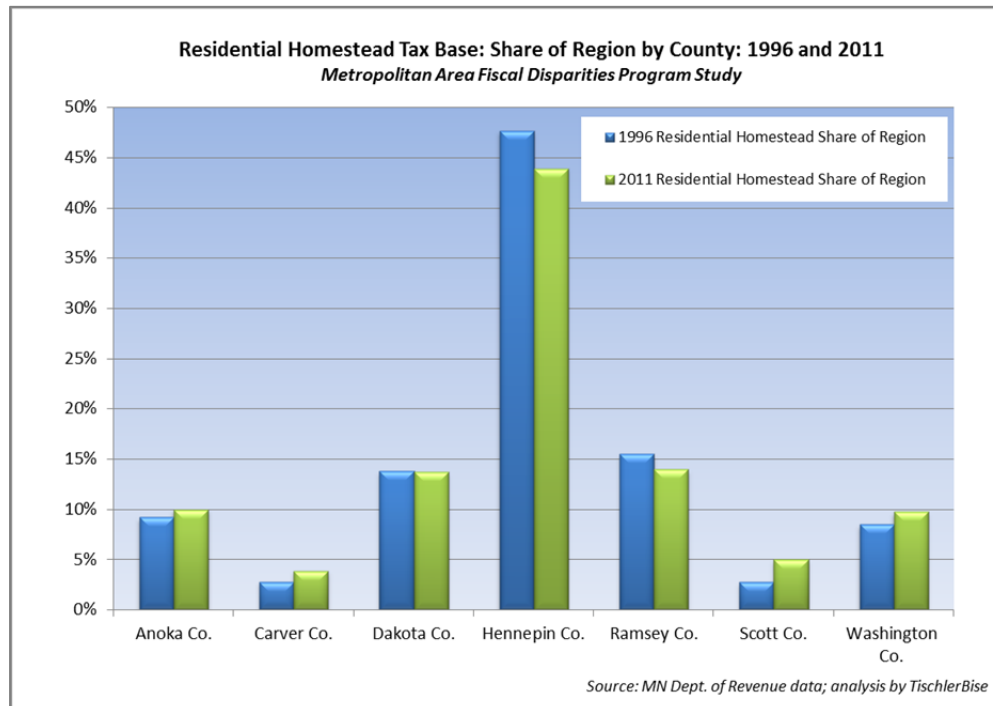
* Prior to Fiscal Disparities redistribution.

Source: MN Dept. of Revenue data; analysis by TischlerBise.

To further examine how the composition of the region's tax base has changed, county data was analyzed for 1996 and 2011 looking at each county's *share of the regional total* and how that may have changed over time.

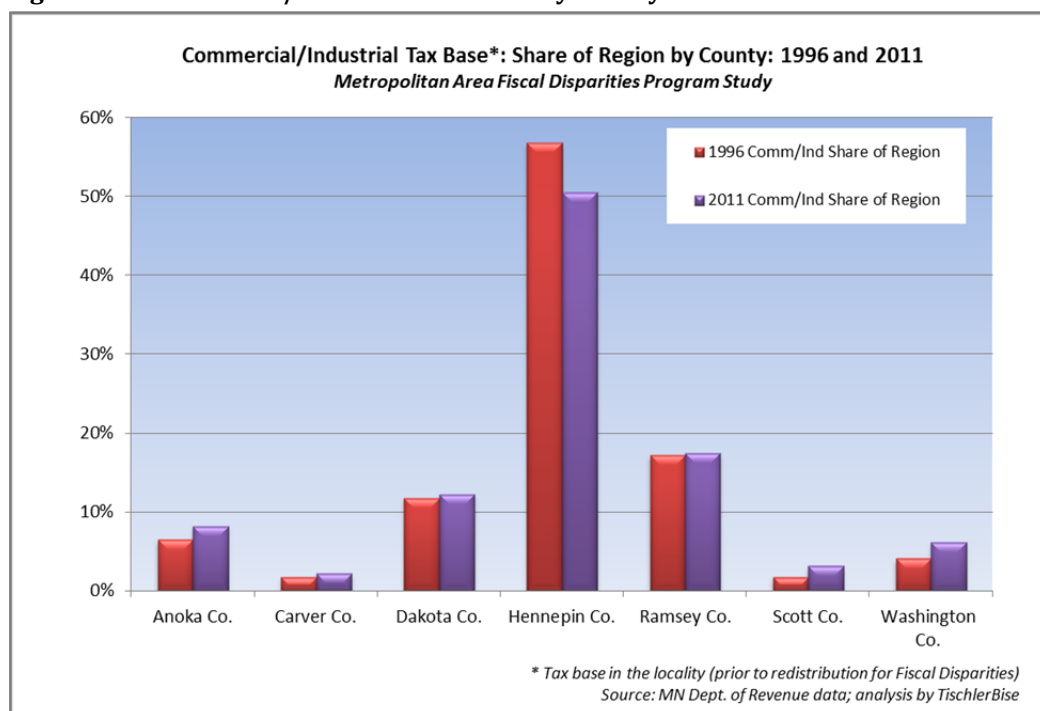
For residential homestead tax capacity, most counties have maintained the same approximate share of the regional total from 1996 to 2011 with the exception of Hennepin County (with a 3.8 percent *decrease* in regional share) and Scott County (with a 2.2 percent *increase* in regional share). See Figure 50.

Figure 50. Residential Homestead Tax Base by County: 1996 and 2011



For commercial/industrial tax capacity (before Fiscal Disparities distributions), Hennepin County has lost 6.3 percent of its regional share from 1996. All other counties have either retained their share or increased their share since 1996. Counties that have increased their share of commercial/industrial tax capacity by over 1 percent are Anoka, Scott, and Washington counties. See Figure 51.

Figure 51. Commercial/Industrial Tax Base by County: 1996 and 2011



The above analysis was replicated using the regional development classifications. Data are presented for 1996 and 2011 showing both the dollar amounts and residential versus commercial/industrial share. In 1996, Central Cities and Developed Areas had the majority of their tax capacity from commercial/industrial property. As one moves down the development classification continuum from more developed (Central Cities) to less (Rural Areas), the share in commercial/industrial properties decreases, as one would expect.

Figure 52. Tax Base Composition by Regional Development Classification: 1996

	TAX BASE				% Resid	% C/I	% Other	% Total
	Residential Homestead (1996)	Commercial & Industrial (1996)*	Other (1996)	TOTAL (1996)				
Central Cities	\$143,019,082	\$251,898,539	\$84,753,628	\$479,671,249	30%	53%	18%	100%
Developed Area	\$484,558,368	\$487,570,825	\$130,625,739	\$1,102,754,932	44%	44%	12%	100%
Developing Area	\$267,362,955	\$174,680,920	\$52,459,155	\$494,503,030	54%	35%	11%	100%
Rural Growth Center	\$7,480,934	\$3,555,218	\$1,971,989	\$13,008,141	58%	27%	15%	100%
Rural Area	\$45,398,792	\$9,683,426	\$17,959,073	\$73,041,291	62%	13%	25%	100%
Grand Total	\$947,820,131	\$927,388,928	\$287,769,584	\$2,162,978,643	44%	43%	13%	100%

* Prior to Fiscal Disparities redistribution.

Source: MN Dept. of Revenue data; analysis by TischlerBise.

Characteristics of the tax base have shifted by 2011, partly due to state policy changes, especially from 1997 to 2002, that significantly changed class rates to reduce C/I tax base relative to residential homestead tax base. All groups had the majority of their tax capacity in residential homestead property, including Central Cities and Developed Areas, although Central Cities tax base is more evenly distributed among the three categories with over 20 percent of its base in the other category. The general relationship holds that as one moves down the development classification continuum from more developed (Central Cities) to less (Rural Areas), the share in commercial/industrial properties decreases, as one would expect. See Figure 53.

Figure 53. Tax Base Composition by Regional Development Classification: 2011

	TAX BASE				% Resid	% C/I	% Other	% Total
	Residential Homestead (2011)	Commercial & Industrial (2011)*	Other (2011)	TOTAL (2011)				
Central Cities	\$302,529,847	\$243,473,355	\$144,000,521	\$690,003,723	44%	35%	21%	100%
Developed Area	\$815,641,892	\$515,878,204	\$183,863,794	\$1,515,383,890	54%	34%	12%	100%
Developing Area	\$656,655,970	\$288,017,596	\$125,103,809	\$1,069,777,375	61%	27%	12%	100%
Rural Growth Center	\$27,303,922	\$6,277,165	\$5,866,986	\$39,448,073	69%	16%	15%	100%
Rural Area	\$113,241,925	\$17,149,657	\$41,888,123	\$172,279,705	66%	10%	24%	100%
Grand Total	\$1,915,373,556	\$1,070,795,977	\$500,723,233	\$3,486,892,766	55%	31%	14%	100%

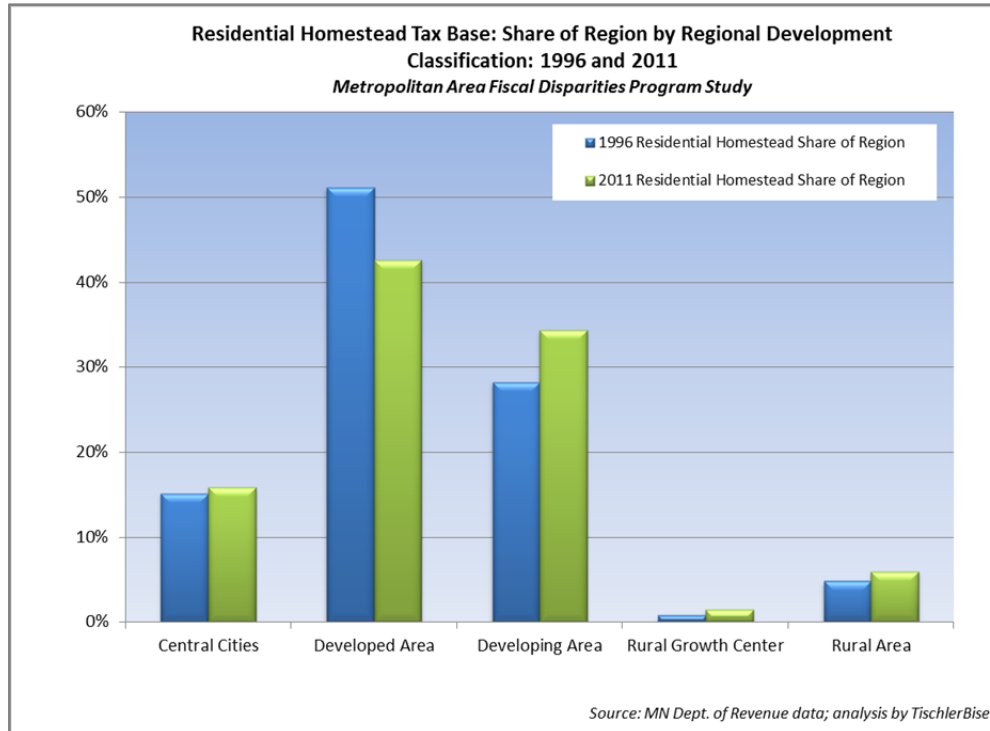
* Prior to Fiscal Disparities redistribution.

Source: MN Dept. of Revenue data; analysis by TischlerBise.

As was done by County, regional development classification groupings were analyzed for 1996 and 2011 to evaluate the share of tax capacity out of the regional total and how that may have changed over time.

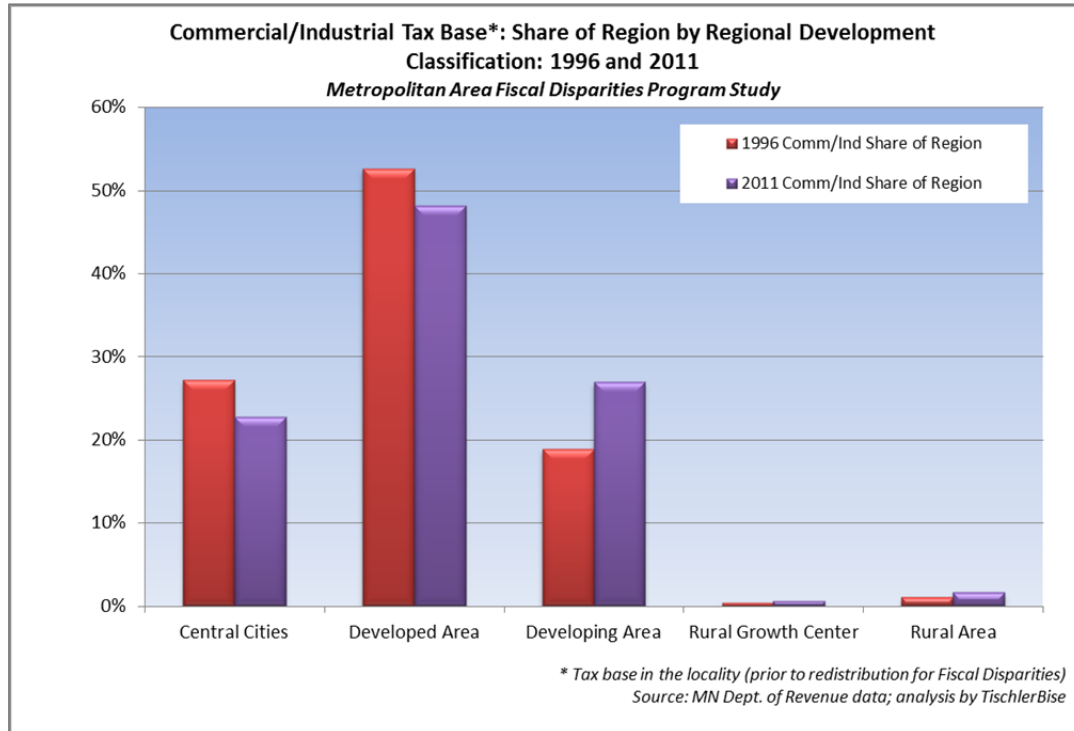
For residential homestead tax capacity, most areas have maintained the same approximate share of the regional total from 1996 to 2011 with the exception of Developed Areas (with a 9 percent decrease in regional share) and Developing Areas (with a 6 percent increase in regional share). See below.

Figure 54. Residential Homestead Tax Base by Regional Development Classification: 1996 and 2011



For commercial/industrial tax base (before Fiscal Disparities distributions), Central Cities and Developed Areas have each lost 4 percent of their regional share with Developing Areas gaining 8 percent. This reinforces the development trends discussed above in the previous section regarding the outward growth of employment. See Figure 55.

Figure 55. Commercial/Industrial Tax Base by Regional Development Classification: 1996 and 2011



IV. PROPERTY TAX, AID, AND LOCAL DEVELOPMENT PROGRAMS THAT INTERACT WITH FISCAL DISPARITIES²³

Many features of Minnesota's property tax system interact with the metropolitan Fiscal Disparities program. The programs are divided into four broad categories:

- I. Classification and other tax base features
- II. Aids, credits and refunds
- III. TIF and economic development
- IV. Open space preservation and conservation

CATEGORY I: CLASSIFICATION AND OTHER TAX BASE FEATURES

Several features of the property tax system affect the makeup of the local tax base, and therefore the incidence of which properties pay property taxes. One of the goals of the fiscal disparities program identified in this report is "improving equity in the distribution of fiscal resources."²⁴ Exclusions and exemptions that reduce the property tax base can affect both the contribution to the pool (if the excluded value is commercial/industrial) and distributions from the pool (as they will reduce the fiscal capacity per capita of the jurisdiction). Classification changes that reduce the net tax capacity of commercial/industrial property will reduce contributions to the pool, thereby reducing the overall size of the pool. An example of these interactions is the tax reform of 2001, which reduced commercial/industrial classification rates, shrinking the fiscal disparities pool by a third for taxes payable in 2002.

Classification

Classification is the most significant feature of Minnesota's property tax system. Classification provides for different classes of property to be taxed at different rates. Many states assign weights to values as a

²³ This chapter was provided by Minnesota Department of Revenue.

²⁴ Hinze and Baker, 2005.

means for classification. Minnesota's classification system is more complex than that of most states. Minnesota has 55 classifications and tiers that apply eight different class rates. The use and ownership of property determines its classification. Classifications have rates that determine a property's net tax capacity, which is the basis for most property taxes. By spreading most property taxes on the basis of net tax capacity instead of taxable market value, the incidence of taxes is shifted significantly from preferred classes (residential and farm) to other property (business and personal property).

Homestead Market Value Exclusion

The homestead market value exclusion provides a tax reduction to all homesteads valued below \$413,800 by shifting a portion of the tax burden that would otherwise fall on the homestead to other types of property. The repealed market value homestead credit gave homesteads tax relief through a state-paid credit rather than through shifting. Through the exclusion, the cost of providing relief to homeowners is shouldered proportionately among all types of property within each jurisdiction.

The exclusion provides for a portion of each home's market value to be excluded from its value for property tax calculations. The amount of value excluded is directly proportional to the credit the home received under the old law.²⁵ In this way, each home contributes a smaller amount to each taxing jurisdiction's tax base. The tax rate tends to be a little higher because of the reduced tax base, which is why taxes increase for the other types of property. The tax burden on any given homestead could be lesser or greater depending upon the mix of properties in the jurisdiction (more nonhomestead properties increases the likelihood that homestead taxes will be reduced and vice versa) and the level of the tax rate (higher tax rates make it more likely that homestead taxes will be reduced and vice versa).

Other features that impact the tax base include: exemptions for certain properties, other exclusions such as one for homesteads of disabled veterans, and a separate property tax base for voter-approved levies. Green acres, which reduces the tax base for communities, is described in the open space preservation section below.

CATEGORY II: AIDS AND REFUNDS

The property tax system features state-paid aids to local governments, as well as credits and refunds to taxpayers. General purpose aids like Local Government Aid to cities and County Program Aid reduce property tax reliance for the recipient jurisdictions. Like fiscal disparities, both of these programs include tax base equalization components, distributing dollars based partly on the strength of the local tax base.

²⁵ It should be noted that the fiscal impact analysis conducted for this study (see chapter 7) uses FY 2011 budget data and therefore uses the old law.

Unlike fiscal disparities, however, both programs also attempt to measure the revenue need of the jurisdiction as well, and therefore have uneven distributions among jurisdictions that are the result of conditions other than differences in tax base.

Property tax refunds target relief to individual homesteaders and renters based on their income, rather than sharing tax base among communities based on relative property wealth.

Local Government Aid

Minnesota has a long history of supplementing local government revenues with state general fund aid payments. Local government aid (LGA) provides general purpose financial support to some cities. In 2011, 760 of the 854 cities were certified to receive LGA. The purposes described for LGA are to help communities with limited property tax wealth provide basic local services; to offset the cost of state mandates; and to limit the overall property tax burden.

LGA is set as a fixed dollar amount in statute that is distributed among the cities on a formula basis using several factors to determine the size of the payment to an individual city. Cities with greater property tax wealth do not receive LGA. In general, the formula attempts to target aid to those cities with the lowest tax capacity and highest need. The formula has changed many times since it was enacted in 1971.

For cities with population of 2,500 or more, need is determined by factors such as population decline, age of housing stock, household size and number of vehicular accidents. For cities with population less than 2,500, need is determined by population decline, age of housing stock, percent of commercial/industrial property and a population adjustment factor. There are 21 additional aid amounts for individual cities based on unique local circumstances. Beyond the basic formulas, there are three special adjustments that impact more than one city:

- Greater MN regional center base aid of \$60 times the population greater than 5,000 population up to \$2,500,000 (27 cities);
- Jobs base aid of \$25.20 per job for cities over 5,000 in population up to \$4,750,000 (82 cities); and
- \$8.50 per capita for cities under 5,000 population in recognition of the fact that these cities do not qualify for state Municipal Street Aid (672 cities).
- LGA is paid in to the cities in two payments, one in July and one in December.

County Program Aid

County program aid (CPA) is paid from the state general fund as general purpose aid for the counties and to provide property tax relief. In 2003, several county aids were restructured into a single program

called county program aid (CPA). The programs eliminated in the restructuring were attached machinery aid, homestead and agricultural credit aid, manufactured home and agricultural credit aid, county criminal justice aid and family preservation aid.

CPA payments are determined using a formula that consists of three components: (1) a county need aid component that recognizes revenue need based on a measure of population over 65, a measure of crimes, and number of households receiving food stamps; (2) a county tax-base equalization aid component that factors measures of population and net tax capacity; and (3) a county transition aid component that provides transitional adjustments for seven counties: Cook, Aitkin, Chippewa, Traverse, Kanabec, Kittson, and Wilkin. Other individualized aid amounts are occasionally targeted to specific counties. CPA payments are made twice a year, one in July and one in December.

Property Tax Refund

There are 3 types of general property tax relief programs provided by the State directly to homeowners and renters through the issuance of refund payments.

1. Homeowner's Property Tax Refund Program (PTR) is a state-paid refund providing property tax relief directly to homeowners whose property taxes are high relative to their incomes. The refund varies depending on the income and the property tax of the homeowner. The maximum refund is \$2,460 and homeowners whose income exceeds \$100,779 are not eligible (for 2011 refund claims). The program uses household income which is a broad measure that includes most types of income.
2. Targeting Property Tax Refund Program is a state-paid refund providing property tax relief to homeowners who have large property tax increases from one year to the next. A homeowner qualifies if the property tax increase on their home has increased more than 12% over the previous year's tax and the increase is over \$100. There is no maximum income limit for eligibility for this refund. The refund equals 60% of the increase over 12% of the previous year's tax, up to \$1,000.
3. Renter's Property Tax Refund Program is a state-paid refund providing tax relief directly to renters whose rent and "implicit" property taxes are high relative to their incomes. For ease of administration the portion of the rent assumed to be attributed to property taxes paid on the apartment is assumed to equal 17% of rent paid. Renters whose income exceeds \$54,619 are not eligible for refunds (for 2011 refund claims). The program uses a broad measure of household income that includes most type of income. The maximum refund is \$1,550. The refund will vary depending on the amount of rent and the amount of income.

Disparity Reduction Aid

Disparity Reduction Aid (DRA) was created by the 1988 Legislature to provide relief for high tax rate areas as part of the conversion from mill rates and assessed values to net tax capacities. It was first payable to taxing jurisdictions in 1989. While initially paid to all qualifying local jurisdictions, the city amounts were cancelled (and shifted to LGA) beginning with aids paid in 1994. In addition, the amounts originally computed for special taxing districts were rolled into county DRA beginning with aids paid in 1995. DRA applies only to local net tax capacity rates; it has no effect on the state tax rate or any referendum market value rates.

After the initial tax rate is determined, DRA is applied to further reduce the rate to the properties within the unique taxing area. DRA amounts can be adjusted for classification rate changes, but generally remain unchanged from year to year. DRA cannot reduce the total tax rate in a unique taxing area below 90 percent. In 2010 the state paid \$18 million in DRA to local governments. About 15 percent of the state's unique taxing areas receive DRA.

CATEGORY III: TIF AND ECONOMIC DEVELOPMENT

Two of the original objectives of the fiscal disparities program were “to increase the likelihood of orderly urban development by reducing the impact of fiscal considerations on the location of business and residential growth...” and “to establish incentives for all parts of the area to work for the growth of the area as a whole.” Implicit in these objectives is the goal of reducing competition among jurisdictions for business development. Tax increment financing and economic development abatements are tools used frequently by municipalities for attracting new business development.

Tax Increment Financing

Tax increment financing (TIF) is a method of financing real estate development costs to promote development, redevelopment, and housing in areas where it would not otherwise occur. TIF Authorities such as cities and various development authorities use TIF revenues to encourage developers to invest in new projects. These projects exclude from the general net tax capacity tax base the increases in market value of properties within the district. The taxes from applying the local tax rates to the TIF tax base are used to construct buildings or other private improvements, clean polluted areas, redevelop areas that contain blight, or pay for public improvements such as streets, sidewalks, sewer and water, parking and similar improvements.

Economic Development Abatements

Political subdivisions may ‘abate’ all or a portion of taxes to one or more parcels for economic development purposes. The abatement can work as a rebate or credit of property taxes to the taxpayer, be used to pay bondholders for an improvement, or can be used to pay for public infrastructure costs.

Metro Vacant Land Plat Law

The Metro Vacant Land Plat Law provides a property tax exclusion for vacant land platted on or after August 1, 2001, in a metropolitan county. The market value of bare land generally increases significantly when it is platted for development. This increase is phased in over three years under the law as long as the land is not transferred and not yet improved with a permanent structure.

CATEGORY IV: OPEN SPACE PRESERVATION AND CONSERVATION

One of the original objectives of the fiscal disparities program was “to encourage the protection of the environment by reducing the impact of fiscal considerations so that flood plains can be protected and land for parks and open space can be preserved.” Several other features of the property tax system serve to preserve agricultural or open space land by reducing the tax incentive for development.

Green Acres Program

The Green Acres Program was established in 1975 and provides for deferment of assessment and taxes payable on farmlands whose valuations reflect prices in excess of farmland values due to non-agricultural factors such as potential residential or commercial development or use for hunting land. The law is intended to protect agricultural land from development pressures. The law states that certain property owners, who are engaged in agricultural pursuits, can apply for deferment of higher valuations and associated taxes, including special assessments, and continue to have the property valued based upon its valuation for agricultural purposes. Properties that leave the Green Acres program are subject to payback of a portion of the deferred taxes.

Rural Preserve Program

The Rural Preserve Program (effective assessment year 2011) provides for deferment of assessment and taxes payable on predominantly class 2b rural vacant lands whose valuations reflect prices in excess of other rural vacant land values due to non-agricultural factors such as potential residential or commercial

development or hunting land. Rural Preserve is designed to work in conjunction with the changes that were made to the Green Acres program in 2008 and 2009. Qualifying class 2b land that was previously enrolled in Green Acres may be enrolled in Rural Preserve by May 1st, 2013, without being subject to the payback of Green Acres deferred taxes.

Ag Preserves Credit

The Metropolitan Agricultural Preserve Act was designed to encourage agricultural use retention on land specifically located in close proximity to the Minneapolis-St. Paul Metropolitan Area. The program was established in 1980 and the structure of the law is very similar to that of Green Acres in that the valuation is based solely on the land's agricultural use. However, lands entered into the Ag Preserve program are protected from substantial tax levy increases by limiting annual tax capacity rate increases to 105% of the previous year's statewide average tax rate for townships. Agricultural lands are also protected from special assessments and eminent domain rights of local governments. Unlike Green Acres, Ag Preserve land is protected from repayment of any taxes or special assessments when terminating status under this law.

The eligibility requirements for Ag Preserve land are more restrictive than those of Green Acre agricultural lands. Unlike Green Acres, which allows eligibility statewide, Ag Preserve status is granted only to:

- Land located within the 7-county metropolitan area;
- Land that is at least 40 acres in size; and
- Land that is specifically zoned for long-term agricultural use by the planning board.

Although no penalty is imposed upon withdrawal of the land from this law, land owners are required to commit the property to provisions of the law for a minimum of 8 years. In addition, an 8-year termination notice is required before the land can be removed from Ag Preserve.

Open Space Property

The Minnesota Open Space Property Tax Law recognizes that development pressures for residential, commercial, or other uses can jeopardize the supply of private outdoor, recreational, open space, and park lands whose valuations have increased in excess of their open space uses. This law allows owners of open space property to apply for the deferment of the market value that exceed the open space use value, and its associated taxes. Properties leaving the program are required to pay back the last seven years of deferment.

Agricultural Homestead Market Value Credit

As part of the 2001 property tax reform measures, a new homestead credit was enacted for agricultural and residential homesteads. This was done to lessen the fiscal impact of the classification rate changes for homesteads. The agricultural credit is designed to reduce the tax on agricultural homestead land beyond the house, garage and immediately surrounding one acre of land (non-HGA).

The agricultural homestead market value credit is a state funded credit that is shown on the property tax statement as a subtraction from their property taxes. Property in the 2a agricultural homestead classification is eligible for the credit. For agricultural homestead property with a taxable market value on the non-HGA property of \$115,000 or less, the credit is equal to 0.3 percent of the taxable market value of the property. The maximum credit is limited to \$345 and this amount is reached at \$115,000. This credit decreases as the market value increases to \$345,000. At \$345,000 of agricultural land value or more, the credit is equal to \$230.

Local governments receive a state reimbursement for the reduction in property taxes due to the agricultural homestead market value credit. The reimbursement is paid out twice a year to local governments, once in October and once in December. During some budget shortfall periods, the state has not fully compensated local governments for the credit. However, the taxpayer still received the credit which showed as a reduction on their property tax statement.

Payments in Lieu of Taxes (PILT)

Payments in lieu of taxes (PILT) were created in 1979 to compensate local governments for state acquired natural resource lands. State-owned land is exempt from property taxes. The reasons given for PILT are to compensate local governments for loss of property taxes and to help pay for the cost of basic services provided for the state owned land. The amount of the payment has changed over the years. The current payment is based on a per-acre rate, the appraised value of the land, or a share of receipts generated from the land. The payment method depends on the land's category of PILT eligibility.

The various types of land that are natural resource land for the purpose of calculating PILT are: (1) non-hunting lands that were privately owned prior to DNR's acquisition; (2) hunting grounds that were privately owned prior to DNR's acquisition; (3) consolidated conservation lands that are designated as a state park, state recreation area, scientific and natural area, or wildlife management area; (4) some tax-forfeited land administered by the county, and (5) other natural resource land administered by the DNR. The 2011 payment rate for most acquired land was either \$5.133 per acre or three-quarters of 1% of the appraised value of the land, whichever was greater. The 2011 payment rate for county-administered tax-forfeited land was \$1.283 per acre. The 2011 payment rate for other natural resource land administered by the DNR was \$0.642 per acre.

The PILT payments are given to eligible counties, townships, and school districts. The statute sets out the distribution of the payment to the counties with a portion to be deposited in county general revenue fund to provide tax levy reduction and a portion for resource development. The appropriation is made initially to the Department of Natural Resources and then transferred to the Commissioner of Revenue. PILT payments are made once a year in the first local government aid payment which is made in July.

Sustainable Forest Incentive Act

The Sustainable Forest Incentive Act (SFIA) was created in 2001 and allows annual payments to be made to enrolled owners of forested land as an incentive to practice long-term sustainable forest management. The participants must be enrolled for a minimum of 8 years and a covenant is recorded. The payment is \$7.00 per acre, up to a maximum of \$100,000 per taxpayer. To be enrolled in the program, a participant must meet all of the following requirements:

- Participants must own 20 or more contiguous acres of land in Minnesota, of which at least 50% is forested. Participants may be private individuals, corporations, or partnerships, and can be either residents or nonresidents of Minnesota.
- There can be no delinquent property taxes owed on the land prior to enrolling, and participants must stay current with their taxes while enrolled in the program.
- The land must have an active forest management plan in place that was prepared by an approved plan writer that is approved by the Department of Natural Resources. All management activities prescribed in the plan must meet the recommended timber harvesting and forest management guidelines created by the Minnesota Forest Resources Council. The land cannot be used for residential or agricultural purposes.
- Participants with more than 1,920 acres enrolled must allow year-round non-motorized access to fish and wildlife resources.

V. FISCAL DISPARITIES PROGRAM OVERVIEW

INTRODUCTION

The Minnesota Fiscal Disparities Act of 1971 was an innovative attempt to address growing fiscal concerns within the seven-county Minneapolis-St. Paul region, which is home to over 180 cities and townships; over 60 school districts; and dozens of other taxing authorities. The law, which took effect 35 years ago after surviving two court challenges, required all communities in the seven-county area to contribute 40 percent of the growth after 1971 in their commercial-industrial tax base to a regional pool. In 2011, the Fiscal Disparities program included \$420.7 million of shared tax base resulting in \$544.1 million in tax revenue generated across all taxing jurisdictions.²⁶

The overarching philosophy behind the Act was that while commercial and industrial development provides needed tax revenue for certain municipalities, these developments are often largely supported through regional and state funding. Tax-base sharing allows other parts of the region that contributed to the financing to benefit from the investment, not just the municipality with the new development. The objectives of the Program as stated in the original Act were as follows:

- To provide a way for local governments to share in the resources generated by the growth of the area, without removing any resources that local governments already have.
- To increase the likelihood of orderly urban development by reducing the impact of fiscal considerations on the location of business and residential growth and of highways, transit facilities, and airports.
- To establish incentives for all parts of the area to work for the growth of the area as a whole.
- To provide a way whereby the area's resources can be made available within and through the existing system of local governments and local decision making.
- To help communities in different stages of development by making resources increasingly available to communities at those early stages of development and redevelopment when financial pressures on them are the greatest.
- To encourage protection of the environment by reducing the impact of fiscal considerations so that flood plains can be protected and land for parks and open space can be preserved.

These objectives have been commonly reduced to two main goals.²⁷

²⁶ Metropolitan Council.

²⁷ Hinze and Baker, 2005.

- *Promoting more orderly regional development.*
- *Improving equity in the distribution of fiscal resources.*

Each taxing jurisdiction contributes 40 percent of the growth in its Commercial-Industrial (C/I) property tax base since the 1971 assessment to a regional pool. (Residential homestead properties are not included.) C/I property includes all businesses, offices, stores, warehouses, factories, gas stations, parking ramps, etc. It also includes public utility property and vacant land which is zoned commercial or industrial. The growth in value considered is the total net change in net tax capacity since 1971, including the effects of new construction, inflation, demolition, revaluation, appreciation, and depreciation.

The distribution of the pool is based on fiscal capacity, defined as equalized market value per capita. This means that:

- If the municipality's fiscal capacity is the same as the metropolitan average, its percentage share of the pool will be the same as its share of the area's population;
- If its fiscal capacity is above the metro average, its share will be smaller;
- If its fiscal capacity is below the metro average, its share will be larger.²⁸

All units of local government in the Fiscal Disparities program are participants, including cities, counties, school districts, and special districts. Each jurisdiction determines its levy needs (i.e., the amount of property taxes needed to provide its desired level of services) and then determines the property tax rate based on the levy and net tax capacity in the taxing unit. Without the Fiscal Disparities program, the rate would be determined based on the tax base of the jurisdiction, with no contribution or distribution of tax base. With the Fiscal Disparities program, the tax rate—and burden—is determined based on an adjusted net tax capacity. Taxpayers in jurisdictions contributing more than they receive (net contributors), pay more than their jurisdiction's levy and those receiving more than they contribute (net recipients) pay less.²⁹

The Fiscal Disparities Program (1971) came about during an era of other significant regional initiatives including the creation of the Metropolitan Council (1967), the metro sewer system (1969), the regional parks system (1974), and the metropolitan land planning act (1976). It has been noted that the timing was right for these substantial regional efforts.

²⁸ Hinze and Baker, 2005.

²⁹ From Hinze and Baker, 2005; this report also provides a detailed description of the Fiscal Disparities formula.

SUMMARY OF THE LITERATURE

Several key documents on the Fiscal Disparities Program were consulted as part of this assignment. Because the workings of the Program are well documented elsewhere³⁰, this section focuses on key issues, criticisms, and specific positive or negative attributes of the Program identified in the literature.

In a study from 1997, Thomas Luce³¹ identifies characteristics of the Program that have been reiterated in other publications in recent years such as reducing competition between localities and reducing tax rate differentials. Overall he found that the “net distributions correlate fairly well with fiscal stress overall but that there is also an element of arbitrariness to the net distributions when they are viewed case-by-case in the context of more general equity measures.”³² He notes that localities with more needs do not necessarily receive a distribution commensurate with needs. He points to St. Paul and Minneapolis where at the time of his study had similar need-capacity gaps but St. Paul was a net recipient, helping to close the gap, while Minneapolis was a net contributor, worsening its gap. Luce discusses other aspects of the program as summarized below:

- The Program is intended to reduce inter-local competition. Luce notes that “. . . tax-base sharing could reduce the efficiency costs of zero- or negative-sum inter-local competition in two ways: (1) by reducing incentives for inter-local competition for commercial-industrial activities and (2) by affecting location decisions of firms indirectly through its effects on tax rate differentials.”³³ However, Luce notes: “. . . [I]n spite of Fiscal Disparities, many localities in the metropolitan area still compete very hard for business tax base. A good indicator of this is the extensive use of tax increment financing (TIF) across the region.”³⁴
- Luce states that the Program “cleverly balances regional goals with local autonomy. It is designed so that it both narrows property tax rate disparities by taxing part of the local tax base at a uniform rate and maintains local control over local property tax rates.”³⁵ And further that “[t]he 40 percent share preserves some incentive for localities to accept cost generating business activities. However, 40 percent . . . is an essentially arbitrary cut-off and it is not clear what percentage would provide the “correct” reduction in the incentive for localities to compete for tax base.”³⁶

³⁰ In particular, see Orfield, 2007; Hinze and Baker, 2005; League of Minnesota Cities, 2009.

³¹ Currently the Director of Research at the Institute on Race and Poverty at the University of Minnesota.

³² Luce, 1997, p. 15.

³³ Id., p. 2

³⁴ Id., p. 9

³⁵ Id., p. 6

³⁶ Id., p. 7

- Luce found that “needs are not accounted for by Fiscal Disparities.” He analyzed the gap between revenue capacities and needs and found a strong correlation between localities that were net recipients of the program and their level of fiscal stress. However, some net contributors also exhibit fiscal distress due to needs, but because distributions are based on fiscal capacity and not needs, some of those jurisdictions have a worsened gap (e.g., Minneapolis).³⁷ This means that the program does not explicitly redistribute resources to places with characteristics . . . usually associated with fiscal stress or need.”³⁸

Luce summarizes other studies that tested a similar tax-base sharing program in Maryland and Milwaukee as well as an additional analysis for Chicago. All studies generated similar results as found in the Twin Cities Program. He states, “[i]n all three places, the Fiscal Disparities model would redistribute tax-base from high-capacity places to low-capacity places on average.”³⁹ However, his overall finding and critique is as follows:

*The primary weaknesses of the Twin Cities model for tax-base sharing is that the basic structure of the program does not **guarantee** outcomes that correspond to commonly accepted notions of equity. Contributions are based solely on growth in business tax-base and distributions are based entirely on total market value of property. The system makes no explicit allowance for public service needs or the possibility that business tax-base growth might occur disproportionately in places with low tax capacities in other dimensions.*⁴⁰

While Luce focused on the equity issue—that the Program does not account for different levels of need primarily in the realm of social needs, Martin and Schmidt explored the effect of tax-base sharing on local government expenditures. Namely, the authors assert that tax-base sharing will affect *decisions on expenditures*. The authors state that the Program “appears to have altered the determinants of public spending. It is possible, therefore, to reject the hypothesis put forth by the plan’s proponents. While the contribution feature of the plan has no significant effect, the base gained from the distribution phase provides a positive and significant influence on expenditures.”⁴¹ The authors attribute this to the phenomenon of public-sector managers pursuing “their own self-interest” analogous to private-sector executives, with the difference being public sector managers “must expand public budget levels to gain increases in salaries.”⁴² Further, they note that because localities set their own tax rates, “competition for taxable base still occurs” and therefore the “equalization objective sought by the plan was not

³⁷ Id., p. 14. At the time of the study, Minneapolis was a net contributor. Minneapolis has switched between being a net recipient and contributor over the history of the program.

³⁸ Id., p. 7

³⁹ Id., p. 18.

⁴⁰ Id., p. 18 (original emphasis)

⁴¹ Martin and Schmidt, 1983, p.183.

⁴² Id., p. 184.

achieved.”⁴³ Finally, the authors note that this type of program “decreases the degree of local government control over local tax-expenditure matters” because a portion of the local rate is beyond the locality’s control.⁴⁴

In 2005, the Minnesota House Research Department published a study on the Fiscal Disparities Program that provides a thorough and accessible description of the program, historical and current review of the redistribution effects, as well as a simulation of the effects if the program were eliminated. The authors further expand on the overarching goals of the Program as follows⁴⁵ many of which are addressed in our study:

- Tax-base sharing spreads the fiscal benefit of business development attracted by regional facilities, such as large shopping centers, airports, and freeway interchanges, or recreational facilities, such as sports stadiums and arenas.
- Communities with low tax bases must impose higher tax rates to deliver the same services as communities with higher tax bases. These high tax rates make poor communities less attractive places for businesses to locate or expand in, exacerbating the problem. Sharing of C/I tax base can reduce this effect.
- Communities generally believe that commercial and industrial properties pay more in taxes than it costs to provide services to them. This encourages communities to compete for these properties by providing tax concessions or special services. Tax-base sharing may reduce this competition, thereby discouraging urban sprawl and reducing the cost of providing regional services, such as sewage and transportation.
- Tax-base sharing equalizes the imbalance between some local governments’ public service needs and financial resources. The uneven distribution of property tax base, particularly commercial and industrial property, is a major cause of this imbalance.
- Communities may be more willing to accept low tax-yield regional facilities, such as parks, to preserve environmental amenities because they know they will share the benefits of other communities’ commercial development.
- Tax-base sharing can provide additional resources to older areas to finance urban redevelopment.

⁴³ Id.

⁴⁴ Id.

⁴⁵ Hinze and Baker, 2005, pp., 5-6.

- With Fiscal Disparities, the tax rate on commercial/industrial properties varies less from jurisdiction to jurisdiction because a portion of the property is taxed at the same areawide rate.

The authors cogently state the challenge in evaluating the Program as follows:

*The question of greatest interest is: how would tax burdens be different if the fiscal disparities program had never been enacted? That question is impossible to answer because even though the fiscal disparities calculations can be “undone,” there is no way to measure, or undo, the effect the fiscal disparities program has had on property values, local government spending and levy decisions, and business location decisions.*⁴⁶

Instead the authors conducted a simulation of the Program assuming the Program were eliminated. They found that in absence of the Program, property taxes would increase throughout the State but decrease minimally in the Twin Cities Metro area. Within the Metro area, taxes on commercial and industrial property would decrease while taxes on residential development and other property types would increase. Because of other effects such as capturing of tax increment revenues, elimination of the Metropolitan Council’s livable communities program, and shift in Local Government Aid, the net impacts of eliminating the Program is somewhat mitigated. However, Local Government Aid is not provided to most cities that are net contributors to Fiscal Disparities and therefore would not offset the gains by those jurisdictions.

Myron Orfield (2007) provides a useful summary of the Program and the process by which it was implemented in the article, “The Minnesota Fiscal Disparities Act of 1971: The Twin Cities’ Struggle and Blueprint for Regional Cooperation.” In this article, Orfield identifies several benefits of the Program including:

- Flexibility: “Tax-base sharing allow for the offsetting of intraregional variations in public service needs and costs, as well as distinct variations in revenue raising capacity between communities.”⁴⁷
- “It balances local autonomy with regional interests . . . by taxing part of commercial industry at a consistent regional rate, it is focused on narrowing business tax-rate disparities among municipalities. And it also provides local discretion by permitting each locality to establish the rate at which it taxes its distribution from the pool.”⁴⁸

⁴⁶ Hinze and Baker, 2005, p. 22.

⁴⁷ Orfield, 2007 (citing Orfield, *American Metropolitcs*, 2002), p. 601.

⁴⁸ Id., p. 602.

- “Tax sharing sometimes stimulates the need to raise taxes. But tax-base sharing both improves services and lowers taxes in most jurisdictions.”⁴⁹

One of the Program’s goals is to promote more orderly development. The hope is that the tax-base sharing program will reduce competition for nonresidential development and moderate tax differentials among more expensive locales when compared to cheaper sites in developing areas. However, trends in the Twin Cities metropolitan area follow a typical outward growth pattern. But, according to Orfield, “this pattern has not been as pronounced as in many large metropolitan areas due at least, in part, to the existence of relatively strong (compared to other metropolitan areas) regional institutions like the Metropolitan Council and the Twin Cities Fiscal Disparities Program.”⁵⁰

To support this statement, Orfield points to a lower than expected ratio of the number of municipal governments to the level of sprawl (as measured by the ratio of population growth to urban land growth) in the Twin Cities region as evidence of the positive influence of the Fiscal Disparities Program. His research also shows that tax base inequality is lower than predicted in the Twin Cities, which he also attributes to the Fiscal Disparities Program.

That said, development patterns in the Twin Cities Metropolitan Area have followed trends of outward growth with the majority of population and job growth occurring outside the core. According to data from the 2010 Census and analyzed by the Metropolitan Council, approximately 90 percent of the region’s growth from 2000 to 2010 occurred in the second- and third-ring suburbs. The fastest growing localities are Shakopee, Farmington, Rosemount, Prior Lake, Chaska, and Woodbury. The central cities lost population as did the older suburbs of Anoka, Spring Lake Park, and Vadnais Heights.⁵¹

In terms of employment growth, the development pattern is similar. Between 2000 and 2009, although the Twin Cities region lost 3.5 percent of its total jobs (approximately 56,000 jobs), Developing Suburbs and Rural Areas added almost 39,000 jobs, or almost 10 percent.⁵²

Furthermore, a review of economic development subsidies in the Metropolitan Twin Cities area challenges the notion that the Fiscal Disparities program reduces competition. The 2006 study by Good Jobs First, “The Thin Cities: How Subsidized Job Piracy Deepens Inequality in the Twin Cities Metro Area,” describes the situation as follows:

Despite the enactment in 1971 of the Fiscal Disparities Act, . . . our interviews with local development officials suggest that tax-base competition is alive and well in the Twin Cities

⁴⁹ Id., p. 606.

⁵⁰ Orfield, 2010, p. 10.

⁵¹ Metropolitan Council, MetroStats, March 2011.

⁵² Metropolitan Council, December 2010. (Metro Council City Classifications)

*region. . . . Both inside and outside the seven-county area, some localities are making aggressive use of economic development incentives to lure jobs from other places in the metro area. The long-term march of sprawl is apparently eroding the Fiscal Disparities Act's effectiveness.*⁵³

This study reviewed mandated State disclosure forms and interviewed economic development personnel in communities that lost or gained three or more companies. The researchers found that in communities that gained companies, which were typically bedroom communities, the economic development strategy was to develop municipal industrial parks and attract established small- and medium-size companies from other jurisdictions by offering inexpensive land and providing infrastructure improvements primarily using tax increment financing (TIF). Officials from jurisdictions that lost companies were “less likely to recall the relocations of small and medium-sized companies than were officials in the gaining cities. But when they did recall the episode, rarely had they engaged in any kind of bidding war with the gaining community.”⁵⁴

Somewhat in contrast to the finding of the Good Jobs First study, NAIOP (Commercial Real Estate Development Association) cites *disadvantages* of regional tax-base sharing (from the perspective of commercial developers) as follows:

- First, “individual communities have a reduced incentive to try to capture new development projects within their own borders. . . . The local incentive to capture new projects is not totally eliminated, but it is weakened.”
- Second, “tax-base sharing reduces the bargaining power of developers. . . . It is harder for a developer to ‘play off’ one community against another in order to gain concessions from them if the new project could possibly be located in two or more such communities.”⁵⁵

NAIOP also cites an advantage to these programs of improving the quality of the work force namely through increased resources for education. And it should be noted, that the Minnesota chapter of NAIOP played a key role in maintaining the the Metropolitan Area Fiscal Disparities Program during an attempt touse the fiscal disparities pool to finance an expansion of the Mall of America.⁵⁶

An interesting recent statement from “Redevelopment in the Twin Cities: A Developer’s View,” pinpoints the Fiscal Disparities Program as a potential barrier to redevelopment.

⁵³ Good Jobs First, 2006.

⁵⁴ Good Jobs First, 2006.

⁵⁵ NAIOP, nd.

⁵⁶ See “Sharing the Wealth,” NAIOP Minnesota Chapter and NAIOP “Report of the Fiscal Disparities Task Force,” 2007.

The [redevelopment] tools should be designed with an open mind, not based on functions of the past, but on the needs of the future with an appreciation of the past. For example, fiscal disparities considerations have made projects financially more difficult in some communities. Fiscal disparities tax-base sharing was born in a time of concern about the movement of commercial/industrial development across the metro. But it's time to ask whether the same objective is paramount today. If the answer is no, it would be possible to honor the past by drawing a "new line" of tax base that grandfathers the fiscal disparities distribution as it exists today, while moving forward with new rules designed for a new and different time.⁵⁷

Finally, another aspect of the Program that is frequently mentioned is that the Program redistributes the *tax base* as opposed to *tax revenues*. This attribute is summarized in the literature as follows:

- "It helps to equalize the resources available to local governments without removing local control over tax rates."⁵⁸
- The program does not "simply return funds to the collection location (as with piggy-back arrangements), finance a specific service (as with multi-jurisdictional special districts), or finance a range of public services at a wider geographic scale (as with county or state taxes)."⁵⁹
- This type of design "reduces the incentives for communities to compete for tax base, because they do not keep all of the resulting revenues. On the other hand, because localities retain enough of the tax base to cover the costs of growth, the incentive is not so strong that local areas will be unwilling to allow new development."⁶⁰
- Furthermore, from TischlerBise's analysis, localities tend to not delineate a source of revenue from "Fiscal Disparities" in local budgets, which can be compared to other revenue sources or tracked over time as can be done with Local Government Aid revenues, for example. Some localities do not include a discussion of the Program in budget documents and often there is little mention of the "loss or gain" in tax base and what the revenue picture might be in absence of the Program. This may be partly attributable to the sharing of *tax base* as opposed to a transfer of revenues from one jurisdiction to another.

⁵⁷ Becker, 2011, p. 14

⁵⁸ Orfield, 2007

⁵⁹ Luce, p. 2

⁶⁰ Orfield, 2009, p. 38.

VI. FISCAL DISPARITIES PROGRAM TRENDS

HISTORICAL DATA ON RECIPIENTS AND CONTRIBUTORS

Jurisdictions that contribute more in tax base than they receive are known as “net contributors” and those that contribute less tax base than they receive are known as “net recipients.” Over time the number of contributor and recipient municipalities has varied with the ratio of recipients to contributors peaking in 1995. The year 2011 represents a low ratio of recipients to contributors compared to the other years shown. (It is unclear from the data available if this portends a trend or an anomaly.)

Figure 56. Ratio of Recipient to Contributor Municipalities: 1975 to 2011

	<i>Taxes Payable Year</i>				
	<i>1975</i>	<i>1985</i>	<i>1995</i>	<i>2005</i>	<i>2011</i>
Fiscal Disparities Net Recipients	137	140	141	132	120
Fiscal Disparities Net Contributors	51	48	47	50	60
	188	188	188	182	180
Recipients to Contributors	2.69	2.92	3.00	2.64	2.00

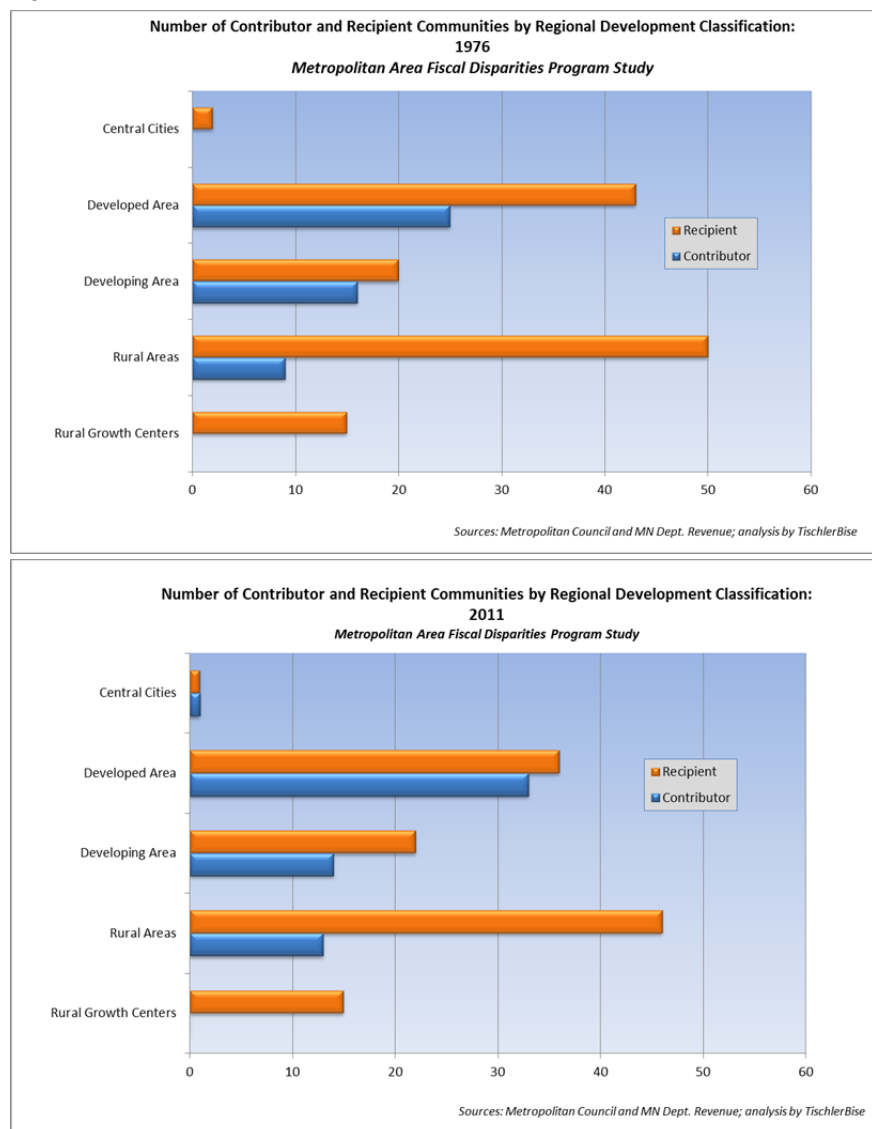
Source: Metro Council

Figure 57 provides further detail on the types of communities that are net contributors or net recipients comparing 1976 to 2011.⁶¹ The comparison reveals the following:

- Central Cities (for which there are two) have typically been either all recipients or split with Minneapolis as a net contributor and St. Paul as a net recipient.
- Developed Areas in 2011 are almost evenly split between recipients and contributors with recipients outnumbering contributors only slightly, which is a change from 1976 where recipients outnumbered contributors by a factor of 1.7.
- The number of Developing Area communities in either category has remained relatively constant comparing 1976 to 2011 with net recipients outnumbering contributors in both years.
- For Rural Areas, the relationship of recipients to contributors has changed from 1976, where the ratio of recipients to contributors was 5.5. In 2011, the ratio has decreased to 3.5.
- All Rural Growth Centers are net recipients in 2011, as they were in 1976 as well.

⁶¹ The regional development classifications were designated in 2004 and therefore were not in existence in 1976. However, as is done elsewhere in this study, we group the municipalities in these classifications for comparison purposes.

Figure 57. Number of Recipients and Contributors by Regional Development Classification: 1976 and 2011



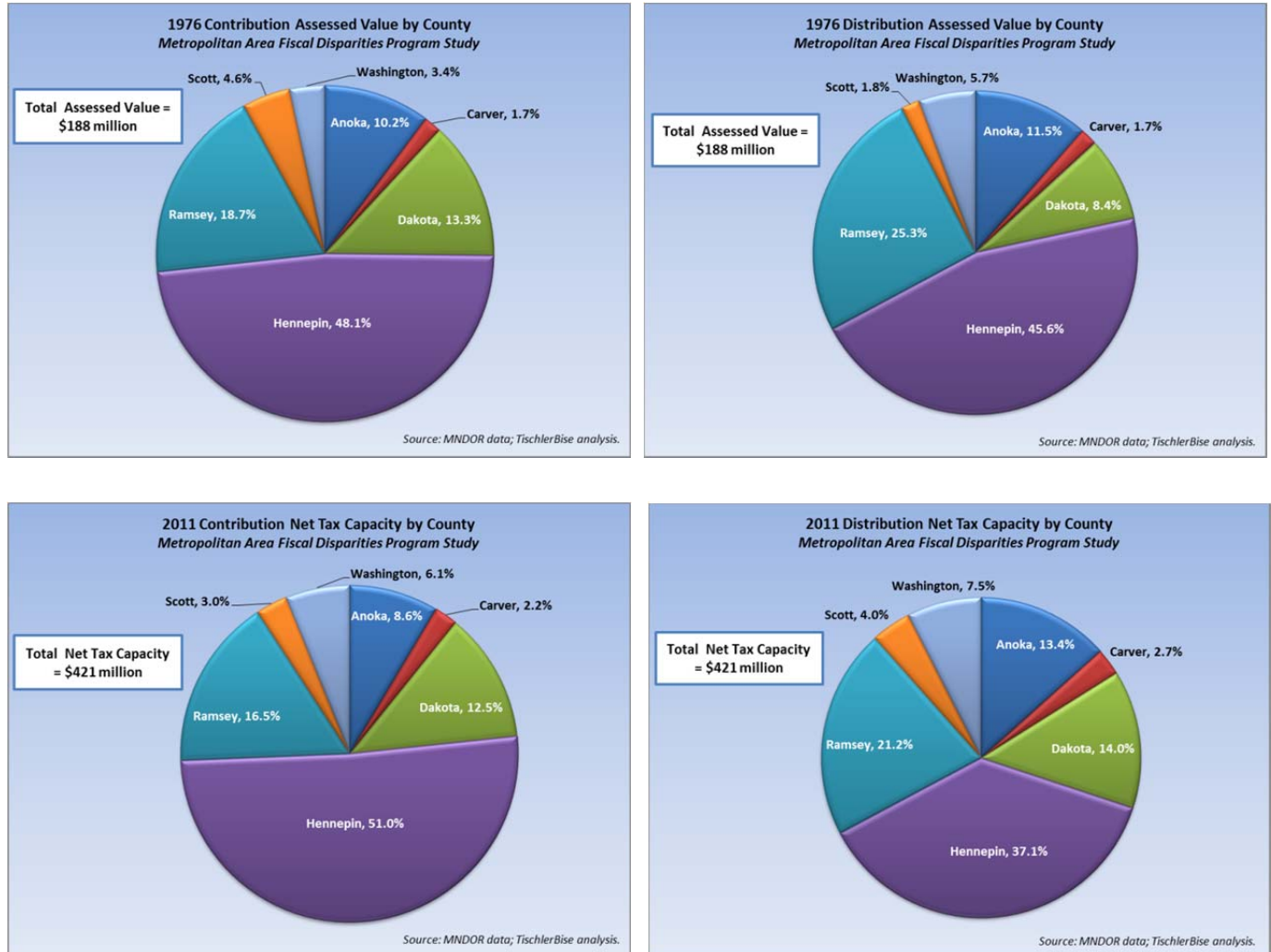
CONTRIBUTION / DISTRIBUTION VALUES BY COUNTY

The Minnesota House Research Study (2005) provided charts that provided a breakdown of the share of each county's tax base that is contributed and distributed to the areawide pool.⁶² As noted elsewhere in this document, all communities contribute and receive tax base from the areawide pool. The difference between net recipients and net contributors is whether the community contributes more than it

⁶² Hinze and Baker, 2005; see page 17-18.

receives (if this is the case, the community would be a net contributor). For this study, we update those pie charts to current payable tax year at the time of the study (2011) and include data from 1976.⁶³ While using 1976 values reflects early stages of the program and some may argue that there was not enough value and could be seen as an anomaly, the comparison provides context related to changes in the region over the program's history.⁶⁴ The pie charts are provided below.

Figure 58. Payable 1976 and 2011 Contribution and Distribution Amounts by County



In 1976, three counties contributed more than they received—Dakota, Hennepin, and Scott. This changed in 2011 where only Hennepin County is a net contributor.⁶⁵ In 2011, the percentage Hennepin

⁶³ Assessed values were used in 1976 (as opposed to tax capacity derived from applying property class rates).

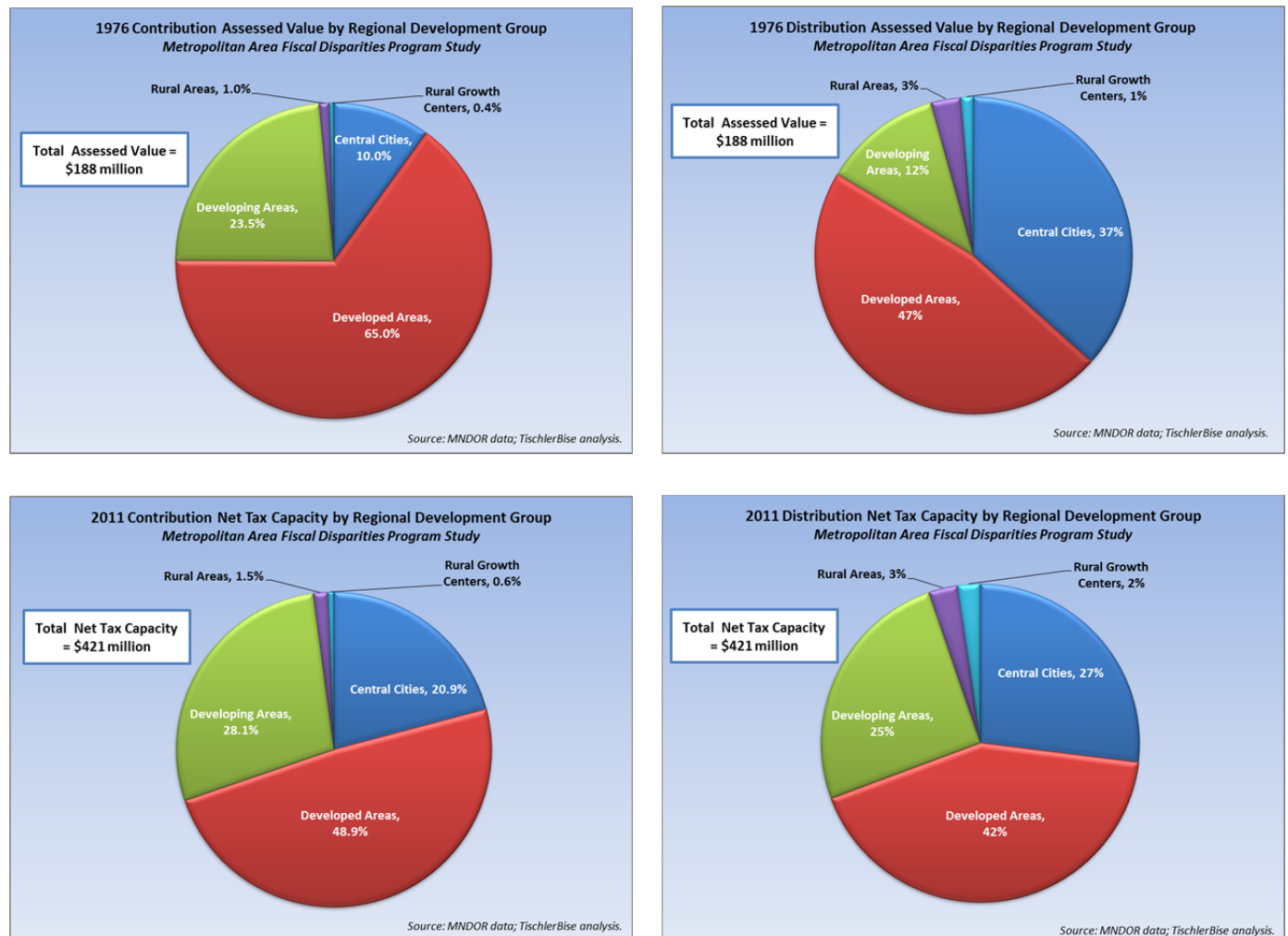
⁶⁴ For similar charts for 1985 and 2004, see Hinze and Baker, 2005.

⁶⁵ Of course, within each county there are net contributors and net recipients with the county totals reflecting the overall result in tax base redistribution.

contributes to the pool is 51 percent of the regional net tax capacity and receives 37 percent back, for a net loss of almost 14 percent. This reflects a larger loss than in 1976 where the County's net loss was 2.5 percent. Ramsey County is a net recipient with its net gain decreasing from 6.6 percent in 1976 to 5 percent in 2011. The remaining counties have increased their share of the net distribution from 1976 to 2011 with the exception of Washington County.

As is done elsewhere, the share of contribution and distribution values are grouped into the regional development classifications we use throughout this report. The findings are presented below in Figure 59.

Figure 59. Payable 1976 and 2011 Contribution and Distribution Amounts by Regional Development Classification



Grouping the Fiscal Disparities data into these groups reveals a different picture than grouped by County. Looking at 1976 data, the contribution value from communities classified as Developed Areas contributed approximately 65 percent of the regional value while receiving 47 percent back, a net loss of 18 percent. Developing Areas also had a loss of 11 percent, with approximately 24 percent of the contribution and 12 percent of the distribution. The Central Cities were essentially the recipient of this distribution.

Conditions have changed in 2011 with less disparity between the contribution and distribution values among the Regional Development Groups. In 2011, Developed Areas contribute 49 percent of the tax capacity and receive 42 percent back in distribution tax capacity, for a net loss of 7 percent (much less than the 18 percent in 1976). Developing Areas contribute 28 percent of the tax capacity and receive 25 percent back, reflecting a net loss of 3 percent, again much less than the 12 percent loss in 1976. These differences between 1976 and 2011 can largely be attributed to the timing of the data evaluated (i.e., not as much value in 1976).

IMPACTS IF THE FISCAL DISPARITIES PROGRAM WERE ELIMINATED

The following section discusses the impact to tax capacities if the program had not been in existence in 1996 as well as today (2011) as well as the impact to taxes paid and tax rates in 2011.

Impact to Tax Capacity if Fiscal Disparities Program Were Eliminated

The Fiscal Disparities Program affects commercial/industrial tax capacity. To examine the fiscal implications of the program, we first look at the overall increase or decrease of commercial/industrial tax capacity with the program and without it for 1996 and 2011.

Figure 60. Commercial/Industrial Tax Capacity with and without Fiscal Disparities by County: 1996

	Commercial/Industrial Tax Capacity (1996)		<u>Gain/Loss</u>	<u>% Gain/Loss</u>
	<i>With Fiscal Disparities</i>	<i>Without Fiscal Disparities</i>	<u>With FD</u>	<u>with FD</u>
Anoka	\$74,197,601	\$60,172,356	14,025,245	23.3%
Carver	\$17,208,913	\$16,538,570	670,343	4.1%
Dakota	\$103,966,885	\$109,366,085	-5,399,200	-4.9%
Hennepin	\$488,168,238	\$526,791,755	-38,623,517	-7.3%
Ramsey	\$181,694,595	\$159,193,460	22,501,135	14.1%
Scott	\$17,478,687	\$16,360,180	1,118,507	6.8%
Washington	\$44,110,945	\$38,493,332	5,617,613	14.6%
Grand Total*	926,825,863	926,915,737		

* Totals do not zero out due to rounding (C/I tax base is calculated using MNDOR data)

Source: MN Dept. of Revenue; analysis by TischlerBise

Figure 61. Commercial/Industrial Tax Capacity with and without Fiscal Disparities by County: 2011

	Commercial/Industrial Tax Capacity (2011)		<u>Gain/Loss</u>	<u>% Gain/Loss</u>
	<i>With Fiscal Disparities</i>	<i>Without Fiscal Disparities</i>	<u>With FD</u>	<u>with FD</u>
Anoka	\$107,606,727	\$87,241,124	20,365,603	23.3%
Carver	\$25,405,686	\$23,525,380	1,880,306	8.0%
Dakota	\$137,505,835	\$131,425,104	6,080,731	4.6%
Hennepin	\$479,510,484	\$537,969,379	-58,458,895	-10.9%
Ramsey	\$206,727,838	\$186,664,669	20,063,169	10.7%
Scott	\$38,161,005	\$34,037,552	4,123,453	12.1%
Washington	\$72,328,778	\$66,490,279	5,838,499	8.8%
Grand Total*	1,067,246,355	1,067,353,489		

* Totals do not zero out due to rounding (C/I tax base is calculated using MNDOR data)

Source: MN Dept. of Revenue; analysis by TischlerBise

We then examine commercial/industrial tax capacities with and without the Fiscal Disparities Program on a per capita and per job basis to enable a comparison among counties. The first set of figures is C/I tax capacity per person by County compared to the regional average.

Figure 62. Commercial/Industrial Tax Capacity Per Capita with and without the Fiscal Disparities Program by County: 1996

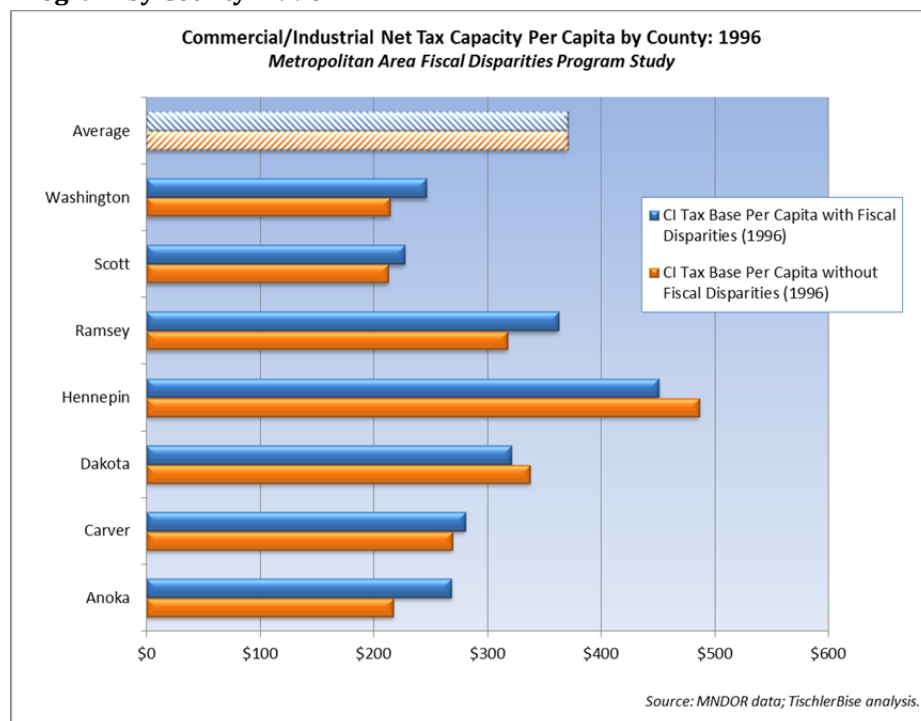
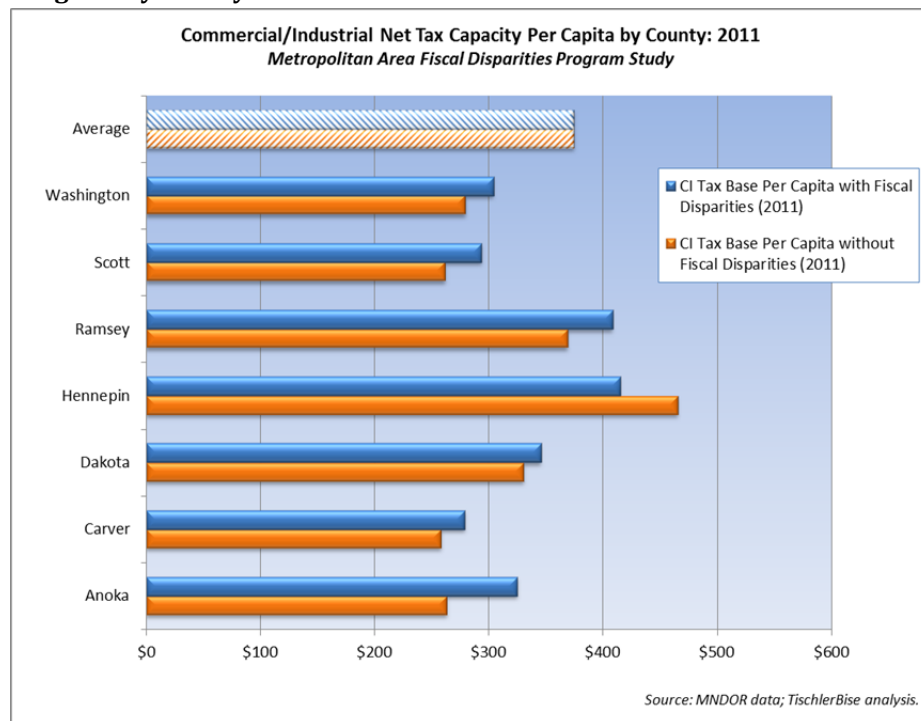


Figure 63. Commercial/Industrial Tax Capacity Per Capita with and without the Fiscal Disparities Program by County: 2011



The average C/I tax capacity per person has remained constant from 1996 to 2011 at around \$370 per person.⁶⁶ In 1996, Hennepin County was the only county with **above average** per capita figures both with and without the Fiscal Disparities Program. In 1996, Hennepin and Dakota counties were net contributors, therefore with the Fiscal Disparities Program both have a lower per capita amount with the program in effect than each would if the program were eliminated.

In 2011, Hennepin County still has a higher than average per capita amount, under both scenarios—with and without the program. Ramsey County also has a higher than average per capita amount with the Fiscal Disparities Program and a lower than average amount if the program were eliminated. If the program were eliminated, Hennepin County's per capita value would increase by 12 percent, and all other counties would decrease in total by approximately 11 percent.

Another way to compare commercial/industrial tax capacities is using number of jobs in each county as the demographic factor. This provides another way to evaluate the relationship between development in the communities and the tax capacity and revenue being generated. The figures below show C/I tax capacity per job by County compared to the regional average.

⁶⁶ The property tax reform of 2001 contributed to lowered Commercial/Industrial tax capacities, therefore even with population increasing, the average value per person remained at the 1996 level.

Figure 64. Commercial/Industrial Tax Capacity Per Job with and without the Fiscal Disparities Program by County: 1996

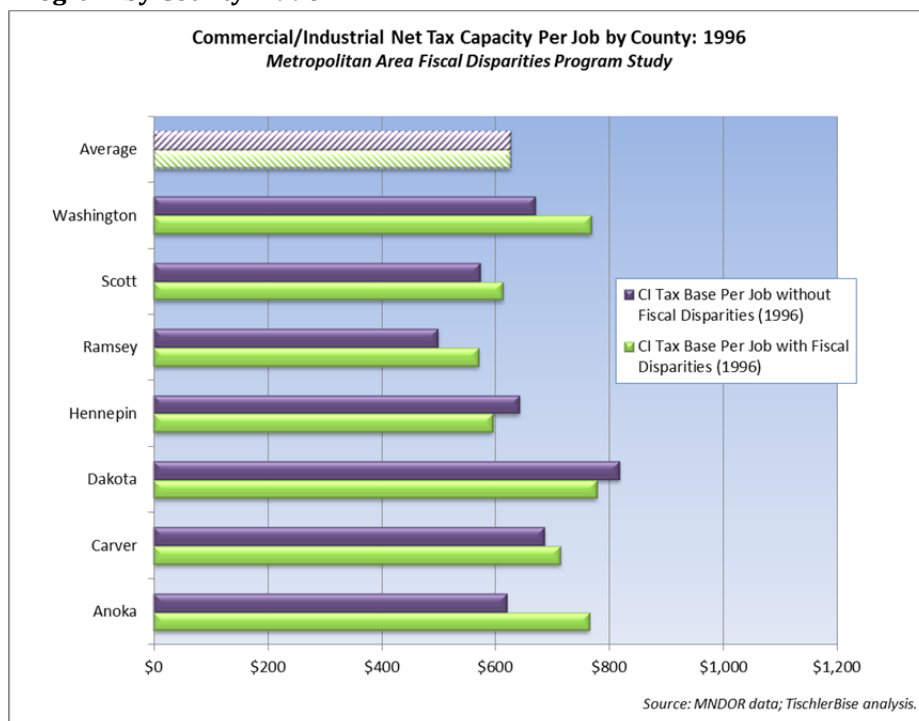
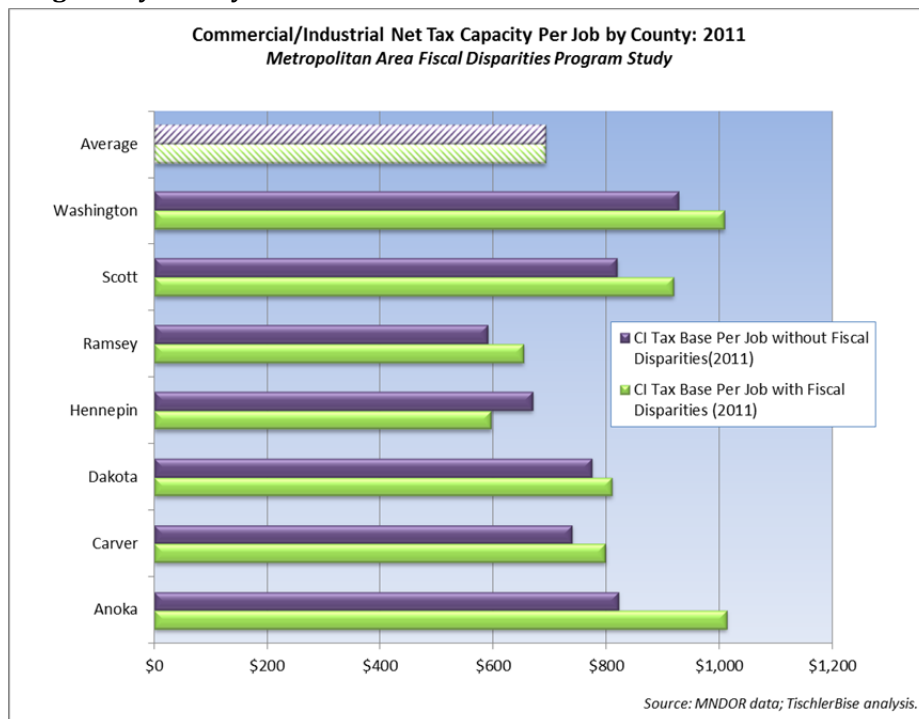


Figure 65. Commercial/Industrial Tax Capacity Per Job with and without the Fiscal Disparities Program by County: 2011



The average C/I tax capacity per job has increased from 1996 to 2011, despite the property tax reform of 2001, indicating an increase in valuation without a commensurate increase in employment. In 1996, Hennepin and Ramsey counties were the only counties with **below average** per job figures with the Fiscal Disparities Program. If the program had been eliminated in 1996, Ramsey County would have still been below the regional average along with Anoka and Scott counties. All other counties, including Hennepin, would have been above the average.

In 2011, the same relationship holds from 1996 with Hennepin and Ramsey counties having **below average** per job figures. Unlike in 1996, if the program were eliminated, while Hennepin County's per job figure increases it still remains below the regional average. Ramsey County's value also remains below the regional average without the Fiscal Disparities Program. All other counties have per job values higher than the regional average—both with the program and without it.

Finally, putting all of the above pieces together reveals the relationships between the share of the commercial/industrial tax base as compared to the share of population and jobs in the region. Again, we provide data from 1996 and 2011.

Figure 66. Share of Regional C/I Tax Base, Jobs, and Population by County: 1996

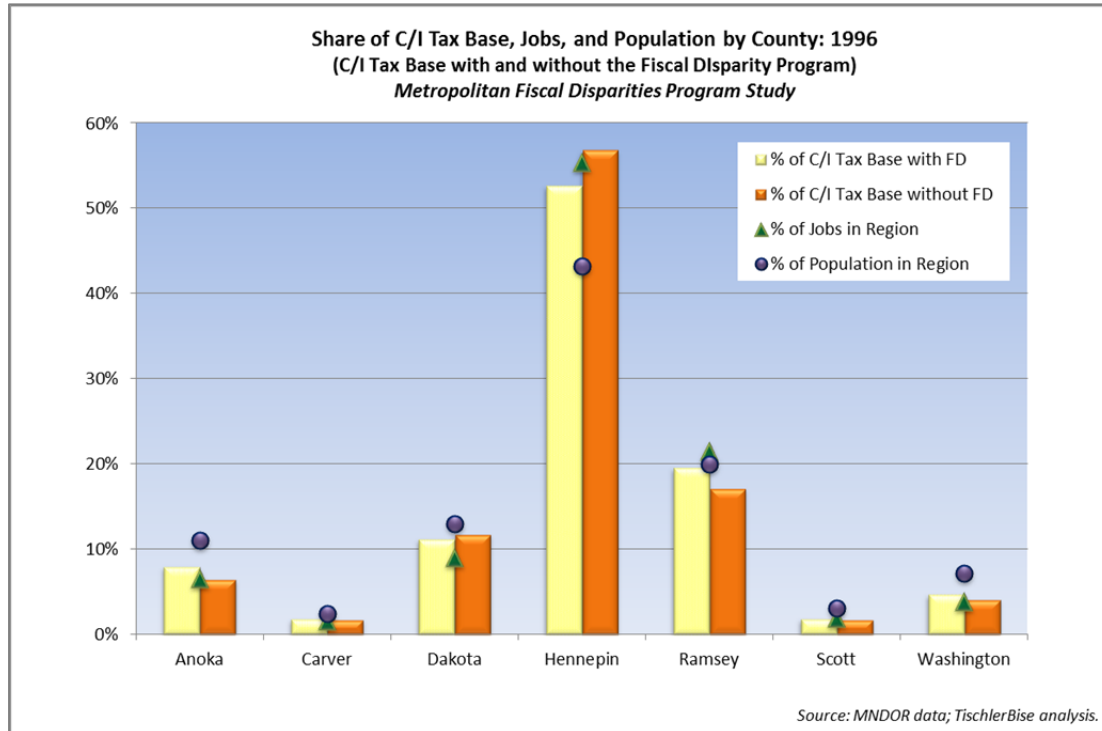
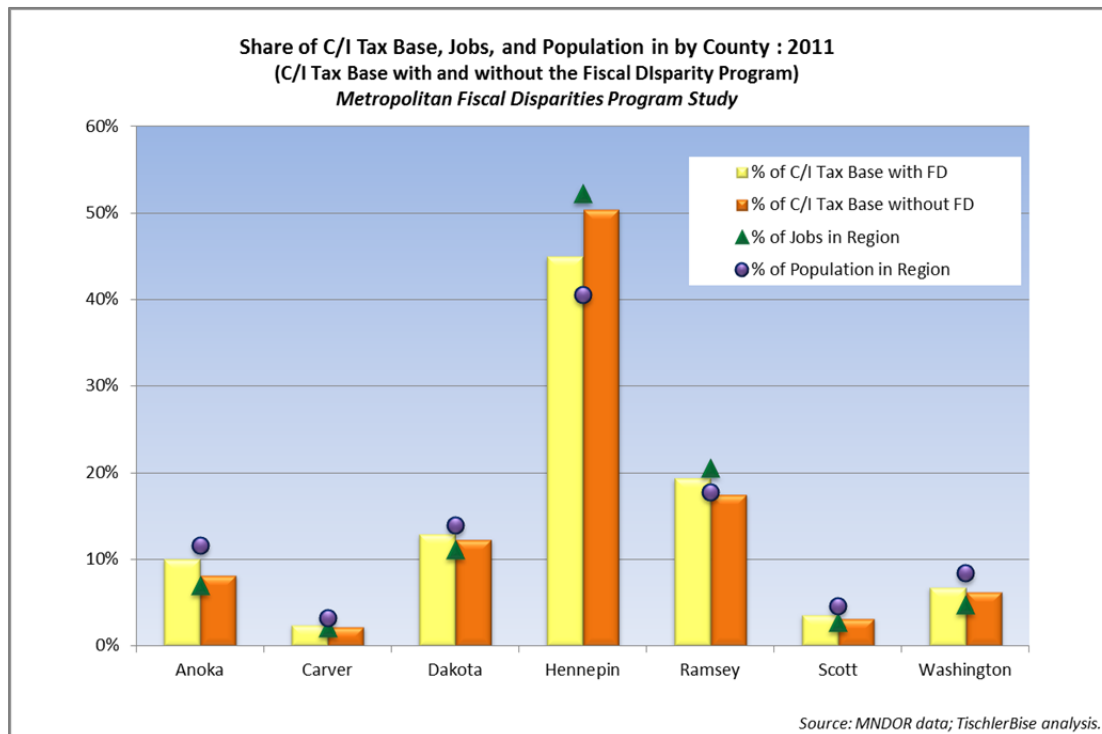


Figure 67. Share of Regional C/I Tax Base, Jobs, and Population by County: 2011



All counties except Hennepin County have had a larger share of the region's population than they do of the region's C/I tax base, both with and without the Fiscal Disparities Program. The only other exception is Ramsey County in 2011 without the program. Hennepin County's share of tax base, jobs, and population has decreased since 1996. Ramsey County's share of all factors has remained relatively stable and all other counties have increased their shares or have remained stable.

Impact on Taxes Paid and Tax Rates if Fiscal Disparities Program Were Eliminated

One of the questions to be addressed in this study is the impact on taxes paid and tax rates if the program were to be eliminated. Using data provided by Minnesota Department of Revenue, municipalities were grouped by county and regional development classification to determine the tax implications of the program.

The impact on taxes paid is shown below in the following figures. The data reflects the amount of taxes paid within each group to **all taxing jurisdictions**, including city, county, schools, state, and any applicable special districts. The assumption regarding the taxes paid with "FD Eliminated" is that there is **no change in the levy amount**. In reality, a jurisdiction is likely to adjust the levy, particularly in localities that would see a significant increase in tax rates as a result of elimination of the program.

Results by County

Taxes Paid

Results are first presented grouped by county for taxes paid and then implications to tax rates if the Fiscal Disparities Program were eliminated. All dollars are shown in thousands for Taxes Payable 2011.

Figure 68. Total Taxes Paid with and without the Fiscal Disparities Program by County: 2011

RESIDENTIAL			Residential
	Taxes Payable 2011 (in \$1,000s)		Increase/Decrease
<u>County Name</u>	<u>Current Taxes</u>	<u>Taxes with FD Eliminated</u>	<u>Without FD</u>
Anoka	\$235,757	\$257,017	9.0%
Carver	\$93,650	\$95,616	2.1%
Dakota	\$309,000	\$321,909	4.2%
Hennepin	\$1,152,168	\$1,128,160	-2.1%
Ramsey	\$350,162	\$369,103	5.4%
Scott	\$116,043	\$121,016	4.3%
Washington	\$203,426	\$210,657	3.6%
Grand Total	\$2,460,206	\$2,503,478	1.8%

COMMERCIAL & INDUSTRIAL			Comm & Indus
	Taxes Payable 2011 (in \$1,000s)		Increase/Decrease
<u>County Name</u>	<u>Current Taxes</u>	<u>Taxes with FD Eliminated</u>	<u>Without FD</u>
Anoka	\$148,392	\$147,502	-0.6%
Carver	\$41,885	\$40,308	-3.8%
Dakota	\$203,257	\$189,679	-6.7%
Hennepin	\$973,090	\$937,842	-3.6%
Ramsey	\$313,724	\$317,882	1.3%
Scott	\$55,913	\$53,931	-3.5%
Washington	\$98,596	\$92,518	-6.2%
Grand Total	\$1,834,857	\$1,779,662	-3.0%

TOTAL			TOTAL
	Taxes Payable 2011 (in \$1,000s)		Increase/Decrease
<u>County Name</u>	<u>Current Taxes</u>	<u>Taxes with FD Eliminated</u>	<u>Without FD</u>
Anoka	\$444,483	\$468,862	5.5%
Carver	\$159,947	\$160,897	0.6%
Dakota	\$598,079	\$598,832	0.1%
Hennepin	\$2,541,133	\$2,473,551	-2.7%
Ramsey	\$803,385	\$834,342	3.9%
Scott	\$204,559	\$208,626	2.0%
Washington	\$357,545	\$359,143	0.4%
Grand Total	\$5,109,131	\$5,104,253	-0.1%

Source: MN Dept. of Revenue data; analysis by TischlerBise.

For residential homestead properties, all counties would see an increase in taxes paid with the exception of Hennepin County. What is interesting is the magnitude of the increases when compared to the decrease—the largest increase would be experienced in Anoka County at 9 percent with the estimated percentage decrease in Hennepin County at 2 percent.

For commercial/industrial properties, all counties except Ramsey County would see a decrease in the amount of taxes paid. Ramsey County's C/I taxpayers would experience a 1.3 percent increase (assuming no change in the levy). The largest percentage decreases would be in Dakota and Washington counties at over 6 percent. Hennepin County would also see a decrease at the largest absolute amount of approximately \$35 million, representing a 3.6 percent decrease.

In total, Hennepin County would see the largest percentage decrease (at 2.7 percent) and Anoka County would see the largest increase (at 5.5 percent).

Tax Rates

Implications to tax rates if the Fiscal Disparities Program were eliminated are presented in this section grouped by County. All rates are averages of jurisdiction rates within each County for Taxes Payable 2011. The rates shown under the "No FD" scenario assumes the same amount of local levy as under the "Current Law" scenario. Also shown for comparison purposes is the 2011 Fiscal Disparities areawide rate, the tax rate applied to the pooled commercial/industrial property tax capacity.

Figure 69. Tax Rates with and without the Fiscal Disparities Program by County: 2011

County	Average of Current Law County Rate	Average of Current Law Muni Rate	Average of Current Law School Rate	Average of Current Law Specials Rate	Average of Current Law Total Rate	
Anoka	39.89%	45.64%	24.83%	5.96%	116.32%	
Carver	40.44%	33.97%	28.50%	5.32%	108.23%	
Dakota	28.31%	29.62%	23.83%	5.13%	86.89%	
Hennepin	44.93%	36.00%	23.59%	10.06%	114.58%	
Ramsey	53.71%	24.70%	18.87%	8.99%	106.27%	
Scott	35.17%	27.61%	28.52%	5.19%	96.49%	
Washington	30.52%	29.03%	24.43%	5.99%	89.97%	

County	Average of No FD County Rate	Average of No FD Muni Rate	Average of No FD School Rate	Average of No FD Specials Rate	Average of No FD Total Rate	Inc/Dec in Rate without FD
Anoka	41.95%	53.95%	30.15%	6.23%	132.27%	15.95%
Carver	41.53%	38.16%	31.46%	5.52%	116.68%	8.44%
Dakota	29.04%	31.41%	27.52%	5.23%	93.20%	6.31%
Hennepin	43.48%	35.37%	24.54%	9.69%	113.08%	-1.50%
Ramsey	55.16%	25.00%	21.12%	9.27%	110.55%	4.28%
Scott	36.26%	29.43%	31.72%	5.40%	102.81%	6.32%
Washington	30.22%	39.48%	25.72%	5.95%	101.37%	11.41%

2011 Fiscal Disparities Areawide Rate	129.327%
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Source: MN Dept. of Revenue data; analysis by TischlerBise.

As shown above, all counties would see an increase in tax rates with elimination of the program except Hennepin County.

Results by Regional Development Classification

Taxes Paid

Results are next presented grouped by regional development classification for taxes paid and then implications to tax rates if the Fiscal Disparities Program were eliminated. All dollars are shown in thousands for Taxes Payable 2011.

Figure 70. Total Taxes Paid with and without the Fiscal Disparities Program by Regional Development Classification: 2011

RESIDENTIAL			Residential
<i>Taxes Payable 2011 (in \$1,000s)</i>			Increase/Decrease
<u>Regional Classification</u>	<u>Current Taxes</u>	<u>Taxes with FD Eliminated</u>	<u>Without FD</u>
Central Cities	\$461,524	\$471,527	2%
Developed Area	\$1,032,069	\$1,039,631	1%
Developing Area	\$809,482	\$824,303	2%
Rural Areas	\$113,216	\$119,723	6%
Rural Growth Centers	\$34,093	\$38,210	12%
Excluded from FD	\$9,822	\$10,084	3%
Grand Total	\$2,460,206	\$2,503,478	2%

COMMERCIAL & INDUSTRIAL			Comm & Indus
<i>Taxes Payable 2011 (in \$1,000s)</i>			Increase/Decrease
<u>Regional Classification</u>	<u>Current Taxes</u>	<u>Taxes with FD Eliminated</u>	<u>Without FD</u>
Central Cities	\$433,965	\$448,296	3.3%
Developed Area	\$892,445	\$849,999	-4.8%
Developing Area	\$477,147	\$450,651	-5.6%
Rural Areas	\$19,617	\$18,273	-6.9%
Rural Growth Centers	\$9,999	\$10,728	7.3%
Excluded from FD	\$1,684	\$1,715	1.8%
Grand Total	\$1,834,857	\$1,779,662	-3.0%

TOTAL			TOTAL
<i>Taxes Payable 2011 (in \$1,000s)</i>			Increase/Decrease
<u>Regional Classification</u>	<u>Current Taxes</u>	<u>Taxes with FD Eliminated</u>	<u>Without FD</u>
Central Cities	\$1,168,801	\$1,198,490	2.5%
Developed Area	\$2,212,327	\$2,176,355	-1.6%
Developing Area	\$1,478,091	\$1,466,343	-0.8%
Rural Areas	\$178,429	\$185,320	3.9%
Rural Growth Centers	\$53,274	\$59,095	10.9%
Excluded from FD	\$18,209	\$18,650	2.4%
Grand Total	\$5,109,131	\$5,104,253	-0.1%

Source: MN Dept. of Revenue data; analysis by TischlerBise.

For residential homestead properties, all groups would see an increase in taxes paid with Rural Growth Centers having the largest percentage increase of 12 percent and Rural Areas increasing by 6 percent. Developed and Developing areas would see a 1 and 2 percent increase respectively.

For commercial/industrial properties, three categories would see a decrease in the amount of taxes paid—Developed, Developing, and Rural areas. The other groups would see an increase in taxes paid with Rural Growth Centers experiencing the largest percentage increase at 7.3 percent followed by Central Cities at 3.3 percent increase.

In total, Developed Areas would see the largest percentage decrease (at 1.6 percent) and Rural Growth Centers would see the largest percentage increase (at 10.9 percent). Again, what is noticeable here is the magnitudes of the increases and decreases—with decreases in taxes at a much lower percent than the increases. This can be somewhat explained by the size of the property tax pool in the respective categories. In this case, a \$36 million decrease in taxes out of a larger base results in smaller percentage (decrease) than a \$5.8 million increase in taxes out of a smaller base.

Tax Rates

Implications to tax rates if the Fiscal Disparities Program were eliminated are presented in this section grouped by regional development classifications. All rates are for Taxes Payable 2011. The rates shown under the “No FD” scenario assumes the same amount of local levy as under the “Current Law” scenario. Also shown for comparison purposes is the 2011 Fiscal Disparities areawide rate, the tax rate applied to the pooled commercial/industrial property tax capacity.

Figure 71. Tax Rates with and without the Fiscal Disparities Program by Regional Development Classification: 2011

	<i>Average of Current Law County Rate</i>	<i>Average of Current Law Muni Rate</i>	<i>Average of Current Law School Rate</i>	<i>Average of Current Law Specials Rate</i>	<i>Average of Current Law Total Rate</i>	
Central Cities	47.79%	57.81%	24.15%	9.98%	139.72%	
Developed Areas	43.30%	37.66%	22.02%	8.61%	111.60%	
Developing Areas	38.56%	34.29%	26.34%	7.34%	106.53%	
Rural Areas	33.26%	22.29%	24.90%	5.73%	86.19%	
Rural Growth Centers	37.21%	51.17%	26.63%	5.49%	120.50%	
Excluded	38.04%	22.87%	14.75%	6.88%	82.54%	

	<i>Average of No FD County Rate</i>	<i>Average of No FD Muni Rate</i>	<i>Average of No FD School Rate</i>	<i>Average of No FD Specials Rate</i>	<i>Average of No FD Total Rate</i>	<i>Inc/Dec in Rate without FD</i>
Central Cities	46.80%	58.32%	27.88%	9.73%	142.73%	3.01%
Developed Areas	42.52%	36.98%	23.80%	8.39%	111.69%	0.09%
Developing Areas	38.33%	33.82%	28.38%	7.26%	107.79%	1.27%
Rural Areas	34.69%	23.63%	28.37%	5.97%	92.67%	6.48%
Rural Growth Centers	38.90%	60.03%	31.12%	5.75%	135.80%	15.30%
Excluded	39.04%	22.87%	15.67%	7.05%	84.64%	2.10%

2011 Fiscal Disparities Areawide Rate	129.327%
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Source: MN Dept. of Revenue

All groupings would experience an increase in tax rates if the Fiscal Disparities program were eliminated. As shown above, the largest tax rate increase would be experienced in Rural Growth Centers (with an increase of 15.3 percent). The lowest rate increase would be experienced in Developed Areas, with a practically insignificant percentage increase of .09 percent.

Further Analysis of Tax Rate Implications

To further investigate the effect of the Fiscal Disparities Program on tax rates, we used the net contributor/net recipient groupings to determine the magnitude of the rate increase and decrease. Findings are shown in Figure 72.

Figure 72. Tax Rates with and without the Fiscal Disparities Program for Contributors and Recipients: 2011

	<i>Average of Current Law County Rate</i>	<i>Average of Current Law Muni Rate</i>	<i>Average of Current Law School Rate</i>	<i>Average of Current Law Specials Rate</i>	<i>Average of Current Law Total Rate</i>	
Contributor	43.39%	39.99%	22.80%	8.98%	115.15%	
Recipient	39.83%	38.81%	25.72%	7.20%	111.55%	
	<i>Average of No FD County Rate</i>	<i>Average of No FD Muni Rate</i>	<i>Average of No FD School Rate</i>	<i>Average of No FD Specials Rate</i>	<i>Average of No FD Total Rate</i>	<i>Inc/Dec in Rate without FD</i>
Contributor	42.09%	37.82%	23.80%	8.65%	112.35%	-2.80%
Recipient	40.69%	41.98%	30.12%	7.33%	120.11%	8.57%
2011 Fiscal Disparities Areawide Rate					129.327%	

Source: MN Dept. of Revenue

As shown, net contributors would see a net decrease of 2.8 percent in the overall tax rate. Net recipients would see a net increase of 8.57 percent to the overall rate. Further detail is provided in the Appendix showing the top twenty ranked jurisdictions experiencing a decrease or increase in the total rate.

RESIDENTIAL HOMESTEAD BURDEN

The Minnesota Department of Revenue maintains a database of property-tax and income for each homestead in the state ("Voss database"). For each homestead in the state, the Voss database contains data on estimated market value, state-paid property tax refunds, net property tax, and homesteader income. For the Fiscal Disparities analysis, this database is used to provide information on the *property tax burden as a percent of income* both under the current Fiscal Disparities law as well as if the program were eliminated. Results are provided below by county, regional development classification, and for Fiscal Disparities status (contributors or recipients). Data are from taxes payable year 2008.

Figure 73. Residential Homestead Property Tax Burden by County (2008)

County	Residential Homestead Taxes			Homestead Burden Current Law	Homestead Burden No FD
	Median Total Net Tax*	Median Total Net Tax*	Inc/(Dec)		
	Current Law	No FD	No FD		
Anoka	\$2,252	\$2,403	\$151	3.27%	3.49%
Carver	\$3,013	\$3,107	\$94	3.38%	3.48%
Dakota	\$2,530	\$2,604	\$74	3.13%	3.23%
Hennepin	\$2,785	\$2,784	(\$1)	3.67%	3.65%
Ramsey	\$2,320	\$2,426	\$106	3.45%	3.63%
Scott	\$2,886	\$2,990	\$104	3.51%	3.62%
Washington	\$2,469	\$2,559	\$90	2.98%	3.08%
Overall Median	\$2,577	\$2,640	\$63	3.41%	3.49%

* Taxes Payable 2008 (latest data available for Homestead Burden analysis).

Source: MN Dept. of Revenue

Assuming elimination of Fiscal Disparities with no adjustment in levy amounts, median taxes paid would increase in all counties, except Hennepin where the decrease would be negligible. As a percent of income, the homestead burden would increase for all property from 3.41 percent to 3.49 percent. The largest increase would be in Anoka County increasing from 3.27 percent to 3.49 percent (*a .22 percent increase*). Hennepin County's burden would decrease from 3.67 percent to 3.65 percent, *a .02 percent decrease*.

Looking at the data grouped by regional development classification yields the following results shown in Figure 74.

Figure 74. Residential Homestead Property Tax Burden by Regional Development Classification (2008)

	<i>Number of Homesteads (2008)</i>	<i>Homestead Burden* Current Law</i>	<i>Homestead Burden* No FD</i>
Central Cities	130,110	3.95%	4.11%
Developed Area	329,039	3.34%	3.40%
Developing Area	218,933	3.27%	3.33%
Rural Areas	40,726	3.28%	3.44%
Rural Growth Centers	13,395	3.43%	3.72%
Excluded from FD	1,904	3.53%	3.57%

** Taxes Payable 2008 (latest data available for Homestead Burden analysis).*

Source: MN Dept. of Revenue

Median taxes paid by residential homestead properties grouped by regional development classifications as a percent of income would increase for all groups if the Fiscal Disparities program were eliminated. Rural Growth Centers, Rural Areas, and Central Cities would see the largest increases in homestead burden. Burden in Rural Growth Centers would increase by .29 percent and by .16 percent in Rural Areas and Central Cities.

Finally, the data is grouped by Fiscal Disparities status (net contributor or net recipient in 2011). Results are shown in Figure 75.

Figure 75. Residential Homestead Property Tax Burden by Fiscal Disparities Status (2008)

	<i>Number of Homesteads (2008)</i>	<i>Homestead Burden* Current Law</i>	<i>Homestead Burden* No FD</i>
Contributor**	364,194	3.37%	3.37%
Recipient**	368,009	3.44%	3.62%
n/a	1,904	3.53%	3.57%

** Taxes Payable 2008 (latest data available for Homestead Burden analysis).*

*** Status for taxes payable 2011*

Source: MN Dept. of Revenue

Homestead burden would stay the same in contributor communities at 3.37 percent of income. Residential homestead property taxes in recipient communities would increase the percentage of income spent on taxes from 3.44 percent to 3.62 percent, a .18 percent increase. What is also interesting to note is the number of homestead properties in each category, which is almost evenly split between contributors and recipients (in 2011).

VII. EVALUATION OF OVERBURDEN: FISCAL IMPACTS OF LAND USES

OVERVIEW

The legislation authorizing this study identified a need to analyze a locality's "overburden," particularly related to Commercial/Industrial property under the Fiscal Disparities program. That is, is the revenue generated to a locality from C/I property sufficient to cover the direct expenditures incurred.

To attempt to address the issues identified in the legislation authorizing the study as well as in stakeholder discussions, we conducted a *Cost of Land Use* fiscal impact analysis of a select group of jurisdictions in the region. The selected jurisdictions reflect one from the regional development classification groupings used in this analysis:

- Central Cities
- Developed Cities
- Developing Cities
- Rural (Rural Area and Rural Growth Center)

Counties were not duplicated and an equal number of Fiscal Disparities "recipients" and "contributors" were included. For one each of the recipients and contributors, the community is in their respective top twenty list of the resulting percentage increase (recipients) or decrease (contributors) in the tax rate if the Fiscal Disparities Program were eliminated. While actual data (e.g., budgets, demographic factors) are used for each jurisdiction in the study, we do not include the name of the jurisdiction analyzed with the intent to focus more on the findings and results as opposed to the jurisdiction itself.

Each fiscal analysis includes a set of development "prototypes" (residential and nonresidential land uses; further detail provided below) within a municipality. These prototypes are then used to analyze fiscal impacts to the (a) municipality, (b) the county, and (c) primary school district. The analysis includes two revenue scenarios: (1) With Fiscal Disparities and (2) Without Fiscal Disparities. Discussion of applicable assumptions are provided within the text in this chapter and Appendices D and F (issue separately) where indicated.

DESCRIPTION OF FISCAL IMPACT ANALYSIS

Fiscal impact analysis is one tool to understand the direct fiscal implications of tax structures, cost burdens, and development patterns on local governments. Most states require local governments to prepare a balanced budget on an annual basis. However, most states do not require that jurisdictions conduct fiscal impact evaluations to help ensure that local officials understand the short- and long-term fiscal effects of land-use and development policies and of potential new development. A fiscal impact analysis clarifies the financial effects of such policies and practices by projecting net cash flow to the public sector due to residential and nonresidential development. Such an analysis can enable local governments to address a number of short- and long-term planning, budget, and finance issues as well as inform the community about land use decisions and policy, such as the benefits or disadvantages of certain types of development patterns and provision of incentives.

A fiscal impact evaluation analyzes revenue generation and operating and capital costs to a jurisdiction associated with the provision of public services and facilities to serve new development—residential, commercial, industrial, or other. A fiscal impact analysis is different than an economic impact analysis. While a fiscal impact analysis projects the cash flow to the public sector, an economic impact analysis projects the cash flow to the private sector, measured in income, jobs, output, indirect impacts, etc.

Just as a household benefits by forecasting its long-term cash flow needs (incorporating anticipated future expenses for higher education and other large cost items) and setting money aside to pay for future outlays, local governments are better prepared to manage during changing financial circumstances if they anticipate and plan for future costs and revenues.

For the study of the Fiscal Disparities Program, the fiscal impact analyses are used to investigate whether there is an “overburden” in providing public services to commercial and industrial land uses that are not sufficiently being covered by revenues generated by that land use—particularly due to the Fiscal Disparities program. Toward that end, we include in this analysis two scenarios for each jurisdiction group studies:

1. With Fiscal Disparities (Current System)
2. Without Fiscal Disparities (Hypothetical Scenario)

For the scenario without Fiscal Disparities, the assumption is that the amount of the applicable levy (tax revenue generated) stays the same but the tax rates are adjusted accordingly. For net contributors, tax rates generally decrease and for net recipients, tax rates generally increase. Therefore, the “generators” of the revenue differ between the scenarios, namely, additional direct revenue to the locality is generated from commercial and industrial properties due to the elimination of the areawide rate.

Other Fiscal Impact Analysis Efforts in the Region

Fiscal impact analyses have been conducted in Minnesota. TischlerBise conducted a fiscal impact analysis for the Metropolitan Council in 2000-2001. The regional study, *The Fiscal Impact of Growth on Cities*, was an examination of local revenues and costs associated with two different development patterns for cities in different stages of development. The report was commissioned to determine if recommendations for more compact development were more fiscally beneficial for localities in terms of ongoing operations as well as initial capital improvements. The study used a marginal cost approach to determine the new additional costs needed beyond existing capacities to serve new development and redevelopment. This type of approach is a more detailed depiction of costs than say an average cost approach that can mask timing, geographic considerations, and available capacities. The findings of the study confirmed the “fiscal benefits of pursuing compact development to accommodate future growth” in the Minneapolis-St. Paul region. Specifically, for these communities:

- Compact development produces more net revenue on a per-acre basis than spread-out development; and
- Compact development is less costly to provide with municipal infrastructure, such as streets, sewer and water lines, than spread-out development.⁶⁷

In 1999, a Cost of Services Study was conducted by the Minnesota Department of Agriculture (MDA), which analyzed the fiscal impact of residential development on several rural counties. The study was limited to *residential development* to determine the fiscal benefit of preserving agricultural land as compared to suburban subdivision type development. It was an average cost analysis that included a large number of jurisdictions. The main finding of the study is that residential development that occurs within or near established urbanized areas is fiscally better than residential development that occurs in outlying undeveloped areas. For purposes of the Fiscal Disparities study, the MDA study’s usefulness is limited in that it only included residential development and in rural counties, however it is good to be aware of its approach, methodology, and findings.

More recently, two fiscal analysis efforts are underway. The City of St. Paul is using a fiscal impact analysis model that was developed by Hennepin County and further refined recently by City staff. It is primarily an average cost model used to examine the fiscal impact of large-scale development and redevelopment projects.

Another ongoing effort is being conducted for the City of Anoka by GIS Research and Development Consultants (GISRDC), led by Dr. Linda Tomaselli. She conducted a comprehensive, GIS-driven fiscal

⁶⁷ Metropolitan Council, *The Fiscal Impact of Growth on Cities: Twin Cities Metropolitan Area*, 2001. (From a study conducted by TischlerBise.)

impact analysis on a parcel-by-parcel basis for the City. This analysis identified current revenues and expenditures attributed to each parcel in the City with a summary grouped by land use categories.⁶⁸ In contrast to the fiscal analysis being conducted for the Fiscal Disparities Program study, the GISRDC analysis documents the current interplay of already developed properties. The analysis herein evaluates “prototype” land uses, reflecting average characteristics by type of development.

Limitations of a Cost of Land Use Fiscal Analysis

This study does not intend to be comprehensive or exhaustive identifying overburdens in Metro area municipalities or fiscal impacts if the Fiscal Disparities program were eliminated. This would be impossible even with unlimited time and funding.⁶⁹ Rather, it is intended to identify the fiscal relationship between land uses and service demands/costs at the main levels of government providing services and infrastructure under the current Fiscal Disparities program and potential impacts if the program were eliminated.

Further, the analysis is based on a set of assumptions. Changing these assumptions (such as market values) would change the results accordingly—with the results herein providing a baseline for which to compare different assumptions. Additionally, the type of fiscal analysis conducted here, a *Cost of Land Use Study*, is by its nature an **average cost analysis**. The majority of costs are spread evenly over the appropriate demand base. Wherever possible, we allocated costs proportionally to residential and nonresidential development.

Unique Challenges for a Fiscal Impact Analysis Due to Fiscal Disparities Program

Part of the difficulty in conducting a fiscal impact analysis in the Minneapolis-St. Paul region is the Fiscal Disparities formula itself. It is not an actual distribution of **revenue** coming back to the jurisdiction based on a formula. Instead tax capacity is adjusted based on contribution and distribution net tax capacities, and local tax rates are applied to a portion of the net tax capacity with the remaining portion being taxed at the areawide rate (derived by determining the percent of fiscal disparities contribution net tax capacity out of the locality’s total C/I net tax capacity).

When looking at discrete land uses, particularly C/I property, the taxes paid by each property are based on the local rates—at each level of government—and the areawide rate. The actual revenue gets collected by the applicable County and settled among jurisdictions. When analyzing the fiscal impact of

⁶⁸ “Anoka Fiscal Impact Analysis,” 2009; GISRDC.

⁶⁹ However, on a location-specific level, this could be done as is being done in the City of Anoka (see the GISRDC study) as well as was conducted by TischlerBise in 2000-01.

discrete land uses, the question emerges on how to allocate the portion of the levy that comes back to the locality. There are several possible ways to address this. One way is to just identify the *direct* revenues related to the individual land uses—deriving property taxes from each based on the rationale that the revenues received from the areawide levy are not necessarily applicable to specific land uses. Another methodology to allocate those revenues using the same approach as is done by the Fiscal Disparities program itself, that is allocate the revenues based on per capita market values in the jurisdiction.⁷⁰ A third way is to take an average approach and allocate on a per capita or per job basis.

For this analysis, we allocate using a modified version of the methodology outlined by GISRDC in its analysis of the City of Anoka. This approach allocates the Fiscal Disparities distribution levy in the jurisdiction using the factors in the Fiscal Disparities distribution formula, namely market values and population. Therefore, the residential prototypes in this analysis get “revenue credit” for distribution levies in the “With Fiscal Disparities” scenario.

One may argue that all land uses in a recipient locality are benefiting from the redistribution of tax capacity—namely that land uses that do not generate sufficient direct revenues by themselves are then subsidized through the Fiscal Disparities program. However, this study allocates the Fiscal Disparities revenue according to the formula described above and directly allocates to residential development. This reflects reality in that all else being equal, if a locality were to consistently develop low-cost residential development that generated population, the fiscal disparities formula (based on per capita market values) would benefit that community.

Another element that adds to the complexity is the interrelatedness of revenue programs in the state. The previous section of this report addresses the range of revenue programs that interact with the property tax system. However, for purposes of the fiscal impact analysis, we do not make adjustments to other sources of revenue (e.g., Local Government Aid, County Program Aid) that may be affected by changes to the Fiscal Disparities program. The intent is to allow a relatively straightforward comparison of the direct impact of eliminating the Fiscal Disparities program without clouding the analysis with increases or decreases of other state aid.

Finally, we do not assume tax increment financing (TIF) in any scenario for any jurisdiction. Tax increment financing would allow use of property tax revenues generated in a designated area to pay for infrastructure and other improvements generally to encourage revitalization. A fiscal impact analysis could be done assuming tax increment financing as was done in TischlerBise’s 2000-01 fiscal analysis, however, to maintain consistency among the case examples, TIF was not assumed.

⁷⁰ See GISRDC (Dr. Linda Tomaselli), “Anoka Fiscal Impact Analysis,” 2009 (GISRDC.com)

General Methodology and Approach for the Fiscal Impact Analysis

A Cost of Land Use fiscal impact study examines the fiscal impact of prototypical land uses that are currently developed in the jurisdiction. In this type of analysis, a “snapshot” approach is used that determines the costs and revenues for various land use prototypes in order to understand the fiscal effect each land use has independently on the jurisdiction. In other words, it seeks to answer the question, ***“What type of development pays for itself?”***

For each jurisdiction, TischlerBise evaluated nine land use categories—five residential and four nonresidential land uses. The land use categories are listed below. Demographic factors vary by jurisdiction and are discussed in each jurisdiction’s section of this report.

Residential Land Use

- Single family detached unit: Higher value
- Single family detached unit: Median value
- Single family detached unit: Lower value
- Multifamily/Condo (Homestead) unit
- Apartment unit

Nonresidential Land Use

- Commercial/Retail
- Office
- Industrial
- Institutional (tax exempt)

To determine the fiscal impact of each type of land use, cost and revenue factors were determined based on each jurisdiction’s Fiscal Year 2011 Budget and additional research. The analysis is based on **current levels of service**. Current levels of service represent each jurisdiction’s current level of spending for services and facilities. That is, assumptions made in the analysis are based on revenue sources, programs, services, requirements, and policies that are in place today. Detail is provided in Appendix D and Appendix F (issued under separate cover).

Each jurisdiction’s analysis is for the General Fund and any tax-support funds, including operating and capital costs (including debt service). Enterprise funds (such as water and wastewater) are not included in the analysis as they are assumed to be self-sustaining.

Only those revenues and costs **directly attributed** to the land use are assumed. Indirect, or spin-off, impacts are not included, with the exception of the Fiscal Disparities revenue discussed above. Tax increment financing is not assumed for any prototype. Since this analysis focuses on the fiscal impact of

selected residential and nonresidential prototypes in each jurisdiction without regard to geographic location within the jurisdiction, it relies on average costing.

Factors to Consider in a Fiscal Impact Analysis

There are numerous factors that influence the fiscal results for different land uses. These factors include, but are not limited to, the local revenue structure, local levels of service, capacity of existing infrastructure, as well as the demographic and market characteristics of new growth. Each is briefly discussed below:

- **Local Revenue Structure:** A key determinant in calculating net fiscal results from new development is the local revenue structure, which affects fiscal findings through both its composition and revenue distribution/collection formulas.
- **Levels of Service:** Another important factor in the fiscal equation is the levels of service currently being provided in a community. The existing level of service is defined as the facility or service standard currently being funded through the budget. Examples of level of service standards are pupil teacher ratios (i.e., 1 teacher per 24 students), parkland per capita, etc. This is an important factor since levels of service generally vary from community to community.
- **Capacity of Existing Infrastructure:** The capacity of existing infrastructure in a community also has a bearing on the fiscal sustainability of development. For example, a community may have the capacity to absorb a large number of additional vehicle trips on its existing road network or may be significantly under capacity with regards to high school enrollment. In either of these situations, using a case study-marginal cost approach that accounts for existing facilities and levels of usage to assess fiscal impacts can capture this. This can be an important factor in the fiscal equation, since the largest cost associated with capital facilities are the annual operating costs, which typically account for approximately 80 percent of a community's budget. For this type of cost of land use analysis, an average cost approach is the preferred methodology to capture the incremental costs associated with each type of land use.
- **Demographic and Market Characteristics of New Growth:** Next to a community's revenue structure, no other factor has as great an impact on the net fiscal results as the demographic and market characteristics of different land uses. Examples of demographic and market variables for residential development include average household sizes, pupil generation rates, market value of housing units, and trip generation rates. Important demographic and market characteristics for nonresidential development include square feet per employee, trip generation rates, and market values per square foot.

Prototype Demographic Factors

For each jurisdiction, TischlerBise determined key demographic factors by prototype. Our approach was to be as consistent as possible among the study jurisdictions, therefore the same data sources were used wherever possible.

- ***Household Size by Type of Residential Unit:*** Household size, or persons per household, was derived using U.S. Census data from the American Community Survey (2009, Five-Year Estimates). Household size varies by type of housing unit (single family detached, multifamily).
- ***Public School Student Generation Rates:*** Public School Student Generation Rates reflect the average number of public school students per housing unit by type of unit and were derived for each County using U.S. Census data from Year 2005-2009 American Community Survey Public User Microdata Sample (PUMS) files. It should be highlighted that the rate reflects an *average* rate by type of unit regardless of the year a house was built. This reflects the impact from public school students over the life of a housing unit.
- ***Proportionate Share Factors:*** For some services that are provided to both residential and nonresidential land uses (e.g., public safety), an analysis of the relative demand from residential and nonresidential development is necessary to allocate costs. We obtained and evaluated data on resident workers (those who live and work in the study jurisdiction), non-resident workers (those who work in the study jurisdiction but live elsewhere), and jobs in the study jurisdiction. This information was then used to estimate the relative demand from residential and nonresidential development, which is then used to allocate costs where appropriate. It should be noted, that this type of allocation for a more in-depth case-study marginal cost analysis, would be obtained through other means (if data were available). For example, police calls for service data by type of land use would be used to allocate police costs.
- ***Market Values:*** TischlerBise conducted research on market values for residential and nonresidential properties using local and Met Council data, online sources, and our experience in the state and nationally. Market values vary by jurisdiction to reflect local conditions and because tax rates are affected by tax capacities (in part derived from property values).

Detail on Revenue and Cost Factors and Outputs

Detailed information on revenue and expenditure projection methodologies and factors as well as outputs by prototype land uses is provided under separate cover in Appendix F.

CASE EXAMPLE 1: CENTRAL CITY & RECIPIENT

The first case example examined is a **Central City** and a **net recipient** of the Fiscal Disparities Program.

Prototype Land Uses

Residential prototypes included in the study are shown in Figure 76. The different prototypes are meant to represent the type and characteristics of residential development that exists today. Figure 76 outlines the residential prototypes and their associated characteristics. Estimated household sizes (persons per unit) along with average market values are shown in the table for each prototype. All single family detached prototypes will have the same household size. Also shown is the student generation rate by type of housing unit, which reflects the average number of public school students who reside in a unit. This is derived from U.S. Census American Community Survey PUMS data by county (reflecting the county in which the case example city is located). The data in Figure 76 are used to calculate the associated revenue and cost factors in the fiscal impact study.

Figure 76. CENTRAL CITY Residential Prototypes

RESIDENTIAL PROTOTYPES					
	Land Use Prototype	Market Value Per Unit [1]	Persons Per Unit [2]	Students Per Unit [3]	Vehicle Trips Per Unit [4]
1	Single Family (SF) (Homestead)	\$350,000	2.84	0.414	4.10
2	Single Family (SF) (Homestead)	\$200,000	2.84	0.414	4.10
3	Single Family (SF) (Homestead)	\$150,000	2.84	0.414	4.10
4	Multifamily/Condo (Homestead)	\$150,000	1.86	0.183	2.40
5	Apartment (4+ Units)	\$75,000	1.86	0.183	2.40

[1] Met Council Database; TischlerBise analysis

[2] U.S. Census, American Community Survey, 2005-09 Five-Yr Estimates

[3] U.S. Census, American Community Survey, 2005-2009 Five-Yr PUMS Estimates for Ramsey County; TischlerBise analysis

[4] Trip Generation, Institute of Transportation Engineers, 2008. Trip rate is adjusted to account for portion attributable to residential unit.

Nonresidential prototypes included in the study are shown in Figure 77. The nonresidential land uses reflect existing types of nonresidential development in the City. The table below outlines the nonresidential prototypes and their associated characteristics.

Figure 77. CENTRAL CITY Nonresidential Prototypes

	<i>Land Use Prototype</i>	<i>Market Value Per Sq. Ft. [1]</i>	<i>Prototype Size (SF)</i>	<i>Market Value Per Property</i>	<i>Employees Per 1,000 SF [2]</i>	<i>Vehicle Trips Per 1,000 SF [3]</i>
1	Commercial/Retail	\$115	25,000	\$2,875,000	3.03	30.89
2	Offices	\$120	50,000	\$6,000,000	3.91	7.83
3	Industrial	\$70	25,000	\$1,750,000	1.79	1.91
4	Institutional (Tax-Exempt)	\$130	50,000	\$6,500,000	3.91	7.83

[1] Met Council Database; TischlerBise analysis;

[2] Institute of Transportation Engineers; Urban Land Institute

[3] Trip Generation, Institute of Transportation Engineers, 2008. Trip rate is adjusted to account for portion attributable to nonresidential.

Cost of Land Use Fiscal Analysis: General Approach and Outputs

Cost and revenue factors have been determined based on the FY 2011 budget for the case study city and additional fiscal research. The analysis is based on **current levels of service**. Current levels of service represent the respective level of government's (City, County, or School District) current level of spending for services and facilities. That is, assumptions made in the analysis are based on revenue sources, programs, services, requirements, and policies that are in place today (with the exception of the "without Fiscal Disparities Program" scenario where tax rates are adjusted to reflect hypothetical elimination of the program). Revenue and cost detail is provided in Appendices D and F.

The analysis includes the General Fund and major Special Funds, both operating and capital. Enterprise funds are not included in the analysis as they are assumed to be self-sustaining. Only those revenues and costs **directly attributed** to the land use are assumed with the exception of Fiscal Disparities Program revenue. (The approach is to allocate the Fiscal Disparities distribution levy in the jurisdiction using the factors in the Fiscal Disparities distribution formula, namely market values and population. Therefore, the residential prototypes in this analysis get "revenue credit" for distribution levies in the "With Fiscal Disparities" scenario.) Indirect, or spin-off, impacts are not included. An average cost approach is taken and where appropriate, revenues and costs are allocated to residential development, nonresidential development, or both.

There are two scenarios analyzed: (1) Current with Fiscal Disparities (Current System); and (2) Without Fiscal Disparities (Hypothetical Scenario). In the latter scenario, the tax rates are adjusted to assume the same amount of levy in the respective locality; therefore, for net contributors, the tax rates are assumed to decrease and for net recipients, the tax rates are assumed to increase. However, other revenue sources (such as state funding that may be affected by changes to the Fiscal Disparities program) are **not** adjusted. The concept is to test what would happen to revenue generation by type of land use if the Fiscal Disparities program were to be dismantled without clouding the results with changes to other funding programs.

The Cost of Land Use fiscal impact results for all levels of government are discussed in terms of annual net results for each land use prototype. The figures in this section show net fiscal results by type of land use for residential development and nonresidential development. For residential development, results are shown **per residential unit** and for nonresidential development results are shown **per 1,000 square feet of floor area** in all figures.

Data points above the \$0 line represent net surpluses; data points below the \$0 line represent net deficits. *Where net surpluses are shown, one can assume that the prototype land use generates sufficient revenue to cover the direct costs to serve that land use at the respective level of government (i.e., no “overburden”). Where net deficits are shown, one can assume an “overburden” for that particular prototype land use for the respective level of government.*

City Fiscal Impact Results

This section provides results of the Cost of Land Use Fiscal Impact Analysis at the **City** level. Cost and revenue factors have been determined based on the FY 2011 budget for the case study city and additional fiscal research. The analysis is based on **current levels of service**. Current levels of service represent the City’s current level of spending for services and facilities. Results under the current structure (with Fiscal Disparities) are presented first followed by results under the hypothetical scenario of no Fiscal Disparities.

Fiscal Impact Results with Fiscal Disparities Program

Fiscal impact results for the Central City (Fiscal Disparities recipient), assuming the Fiscal Disparities program, are shown below.

Figure 78. CENTRAL CITY Annual Net Fiscal Results: CITY Results with Fiscal Disparities

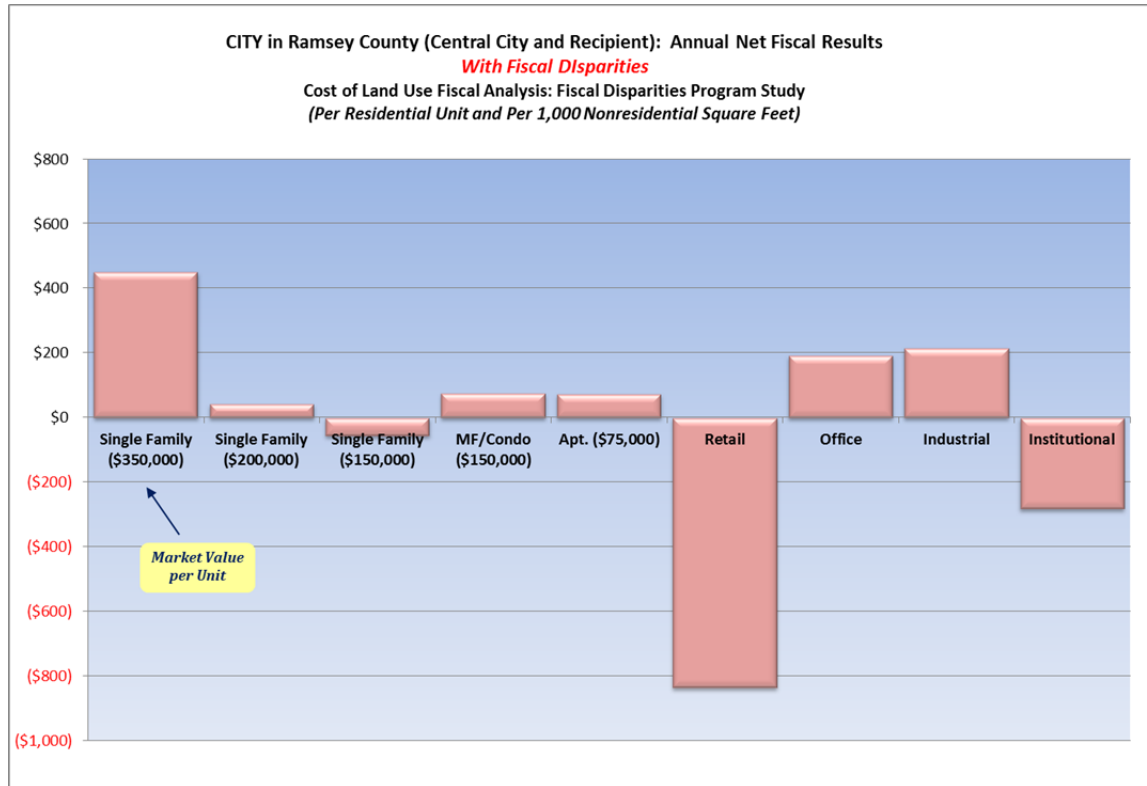


Figure 79. CENTRAL CITY Annual Net Fiscal Results: CITY Revenues and Expenditures with Fiscal Disparities

CITY RESULTS	Residential (Per Unit)					Nonresidential (Per 1,000 Sq. Ft.)			
	Single Family Higher Value Market Values \$350,000	Single Family Median Value \$200,000	Single Family Lower Value \$150,000	Multifamily/Condo (Hmestd) Unit \$150,000	Apt. Unit \$75,000	Commercial/ Retail	Office	Industrial	Institutional
<i>General Fund</i>									
Revenues	\$2,489	\$2,080	\$1,982	\$1,370	\$1,369	\$756	\$769	\$402	\$294
Expenditures	\$2,038	\$2,038	\$2,038	\$1,295	\$1,295	\$1,591	\$576	\$187	\$576
Net Fiscal Result	\$451	\$42	(\$56)	\$75	\$74	(\$835)	\$193	\$216	(\$282)

As shown in Figure 78, all residential prototype land uses generate net surpluses with the exception of a single family detached unit of lower value. This City gets a significant amount of intergovernmental aid (in the form of Local Government Aid) that is allocated on a per capita basis, thus improving the residential results. If this were to be considered “fixed” or only a portion allocated due to decreased funding availability from the State, the residential results would be worse and likely net deficits. Also, Fiscal Disparities revenue is allocated to residential units using the factors in the Fiscal Disparities distribution formula, namely market values and population. Therefore, the residential prototypes in this analysis get credit for the distribution levy revenue in this “With Fiscal Disparities” scenario.

Office and industrial development generate net fiscal surpluses, which is due to relatively high property values and lower costs, thus indicating an overburden does not exist to serve these land uses. For retail land uses, fiscal results are net deficits due to lower direct revenues and higher relative costs. Expenditures are substantially higher for retail land uses than for other nonresidential types (due to public safety costs) and the revenues generated are insufficient thus indicating an overburden. Institutional land uses create an overburden.

Fiscal Impact Results without the Fiscal Disparities Program

Fiscal impact results for the Central City (Fiscal Disparities recipient), without the Fiscal Disparities program, are shown below.

Figure 80. CENTRAL CITY Annual Net Fiscal Results: CITY Results without Fiscal Disparities

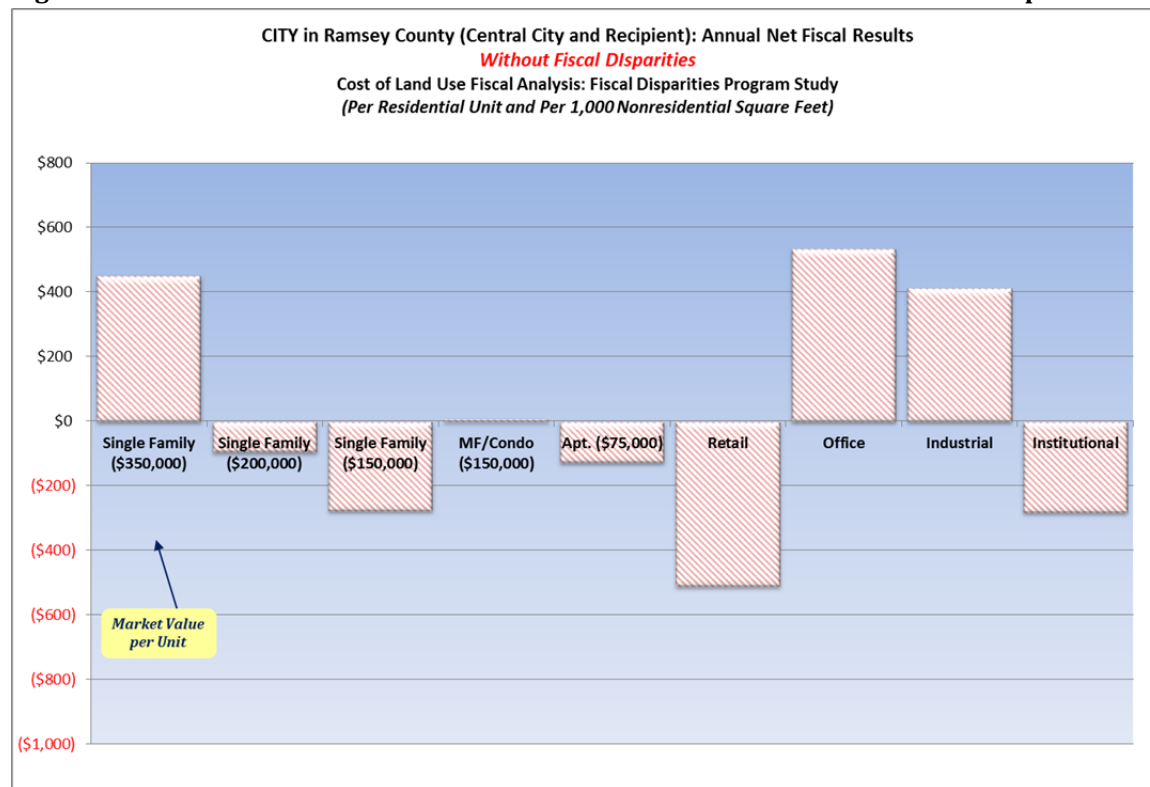


Figure 81. CENTRAL CITY Annual Net Fiscal Results: CITY Revenues and Expenditures without Fiscal Disparities

CITY RESULTS	Residential (Per Unit)					Nonresidential (Per 1,000 Sq. Ft.)			
	Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
<i>Market Values</i>	\$350,000	\$200,000	\$150,000	\$150,000	\$75,000				
<i>General Fund</i>									
Revenues	\$2,488	\$1,942	\$1,760	\$1,302	\$1,167	\$1,081	\$1,110	\$598	\$294
Expenditures	\$2,038	\$2,038	\$2,038	\$1,295	\$1,295	\$1,591	\$576	\$187	\$576
Net Fiscal Result	\$451	(\$95)	(\$277)	\$8	(\$127)	(\$511)	\$534	\$412	(\$282)

Without the Fiscal Disparities program, tax rates in this city would increase. However, for residential prototype land uses the increase in property taxes would not offset the loss in Fiscal Disparities revenue and net deficits would be generated for single family properties of median and lower values. This city receives LGA, which is not adjusted in the above results. However, if Fiscal Disparities were eliminated, LGA revenue is estimated to increase by \$1.25 million (per MNDOR), which would help to offset the losses for the residential land uses albeit only minimally given an average per single family amount of approximately \$13.

Net surpluses from office and industrial development would increase due to significantly more “direct” revenue both due to the higher property tax rate and the capture of the tax capacity that is currently taxed at the areawide tax rate. For retail land uses, fiscal results are still net deficits but better than the current scenario, again due to relatively high police costs. However, under this scenario the direct revenues allocated to retail land uses are still not sufficient to cover the expenditures generated.

County Fiscal Impact Results

This section provides results of the Cost of Land Use Fiscal Impact Analysis at the **County** level. Cost and revenue factors have been determined based on the FY 2011 budget for the home County where the case-study city is located. Results under the current structure (with Fiscal Disparities) are presented first followed by results under the hypothetical scenario of no Fiscal Disparities.

Fiscal Impact Results with Fiscal Disparities Program

Fiscal impact results for the County where the Central City is located (Fiscal Disparities recipient), assuming the Fiscal Disparities program, are shown below.

Figure 82. CENTRAL CITY Annual Net Fiscal Results: COUNTY Results with Fiscal Disparities

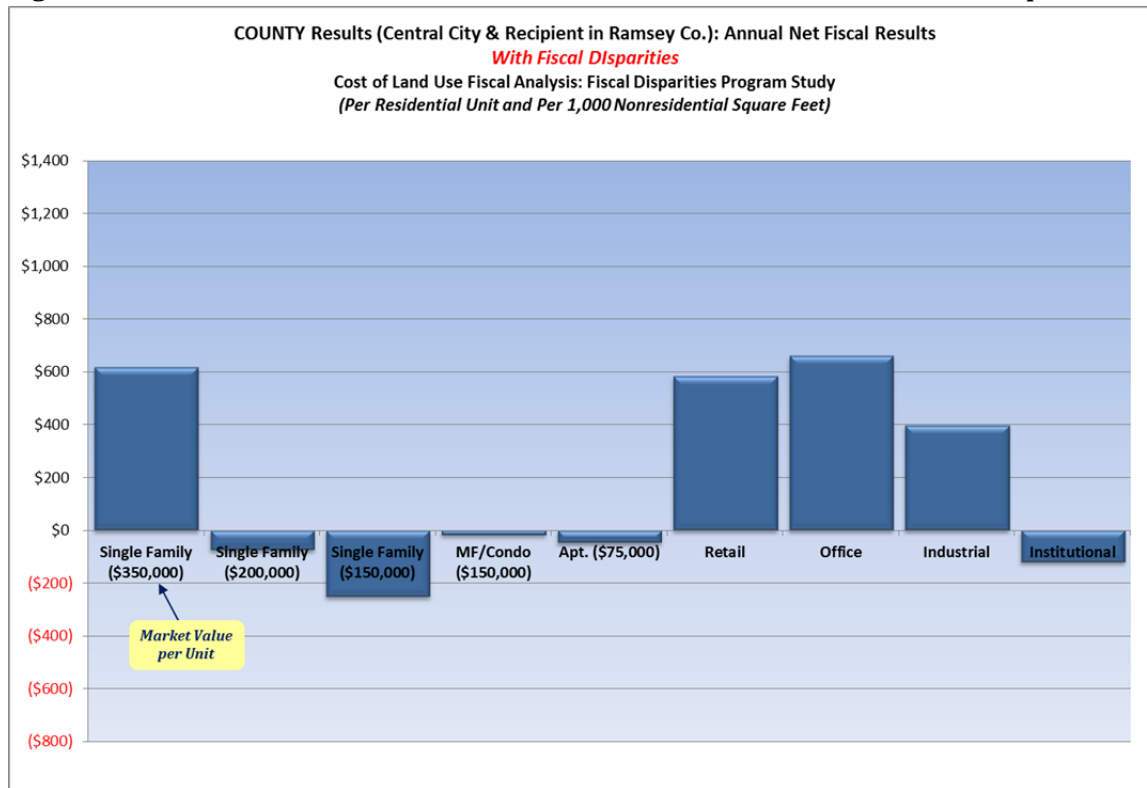


Figure 83. CENTRAL CITY Annual Net Fiscal Results: COUNTY Revenues and Expenditures with Fiscal Disparities

COUNTY RESULTS	Residential (Per Unit)					Nonresidential (Per 1,000 Sq. Ft.)			
	Single Family Higher Value Market Values	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmstd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
	\$350,000	\$200,000	\$150,000	\$150,000	\$75,000				
<i>General Fund</i>									
Revenues	\$3,041	\$2,348	\$2,171	\$1,563	\$1,533	\$924	\$937	\$516	\$157
Expenditures	\$2,423	\$2,423	\$2,423	\$1,580	\$1,580	\$343	\$277	\$118	\$277
Net Fiscal Result	\$618	(\$75)	(\$252)	(\$17)	(\$47)	\$581	\$660	\$397	(\$120)

As shown in Figure 78, the higher value residential prototype land uses generates net surpluses but all other residential land uses do not generate sufficient revenue, even with the fiscal disparities allocation. The services provided by counties in Minnesota, primarily human services, drive up costs allocated to residential development without commensurate revenues.

Retail, office, and industrial development generate net fiscal surpluses due to relatively high property values and lower County costs due to the types of services provided by counties. In this case, the city

provides its own police services and a portion of the County's public safety costs are not attributed to development in the city. Transportation-related costs are highest for nonresidential use, but property tax revenue is sufficient to cover the costs, even with the fiscal disparities program thus indicating that these land use prototypes do not generate an overburden. Institutional land uses generate net deficits.

Fiscal Impact Results without the Fiscal Disparities Program

Fiscal impact results for the County where the Central City is located (Fiscal Disparities recipient), without the Fiscal Disparities program, are shown below.

Figure 84. CENTRAL CITY Annual Net Fiscal Results: COUNTY Results without Fiscal Disparities

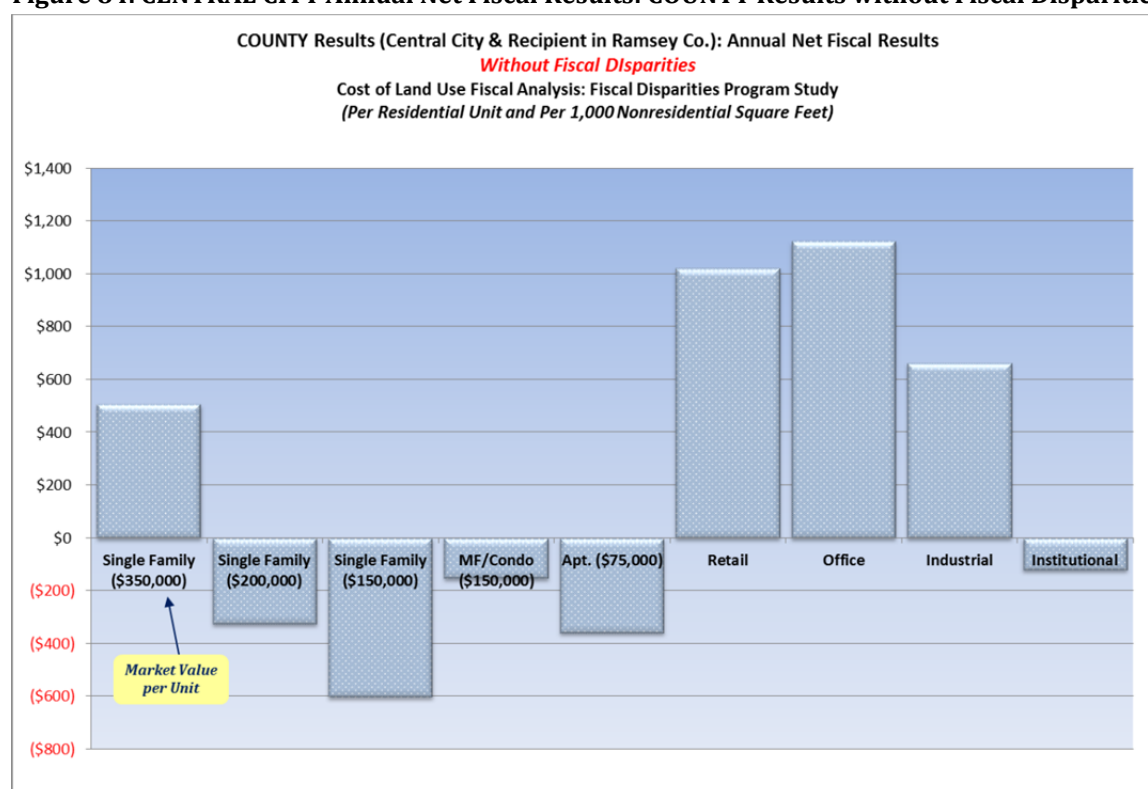


Figure 85. CENTRAL CITY Annual Net Fiscal Results: COUNTY Revenues and Expenditures without Fiscal Disparities

COUNTY RESULTS	Residential (Per Unit)					Nonresidential (Per 1,000 Sq. Ft.)			
	Single Family Higher Value Market Values \$350,000	Single Family Median Value \$200,000	Single Family Lower Value \$150,000	Multifamily/Condo (Hmestd) Unit \$150,000	Apt. Unit \$75,000	Commercial/ Retail	Office	Industrial	Institutional
<i>General Fund</i>									
Revenues	\$2,929	\$2,098	\$1,821	\$1,428	\$1,223	\$1,365	\$1,400	\$782	\$157
Expenditures	\$2,423	\$2,423	\$2,423	\$1,580	\$1,580	\$343	\$277	\$118	\$277
Net Fiscal Result	\$507	(\$325)	(\$602)	(\$152)	(\$358)	\$1,022	\$1,123	\$664	(\$120)

Without the Fiscal Disparities program, tax rates in this county would increase. However, like the City situation, for residential prototype land uses the increase in property taxes would not offset the loss in Fiscal Disparities revenue and net deficits would be greater for all residential land uses except single family properties of higher value.

Net surpluses for retail, office, and industrial development would increase due to significantly more “direct” revenue both due to the higher property tax rate and the capture of the tax capacity that is currently taxed at the areawide tax rate. Institutional land uses generate net deficits.

School District Fiscal Impact Results

This section provides results of the Cost of Land Use Fiscal Impact Analysis at the **School District** level. Cost and revenue factors have been determined based on the FY 2011 budget for the school district serving the case-study city. Results under the current structure (with Fiscal Disparities) are presented first followed by results under the hypothetical scenario of no Fiscal Disparities.

Fiscal Impact Results with Fiscal Disparities Program

Fiscal impact results for the School District where the Central City is located (Fiscal Disparities recipient), assuming the Fiscal Disparities program, are shown below.

Figure 86. CENTRAL CITY Annual Net Fiscal Results: SCHOOL DISTRICT Results with Fiscal Disparities

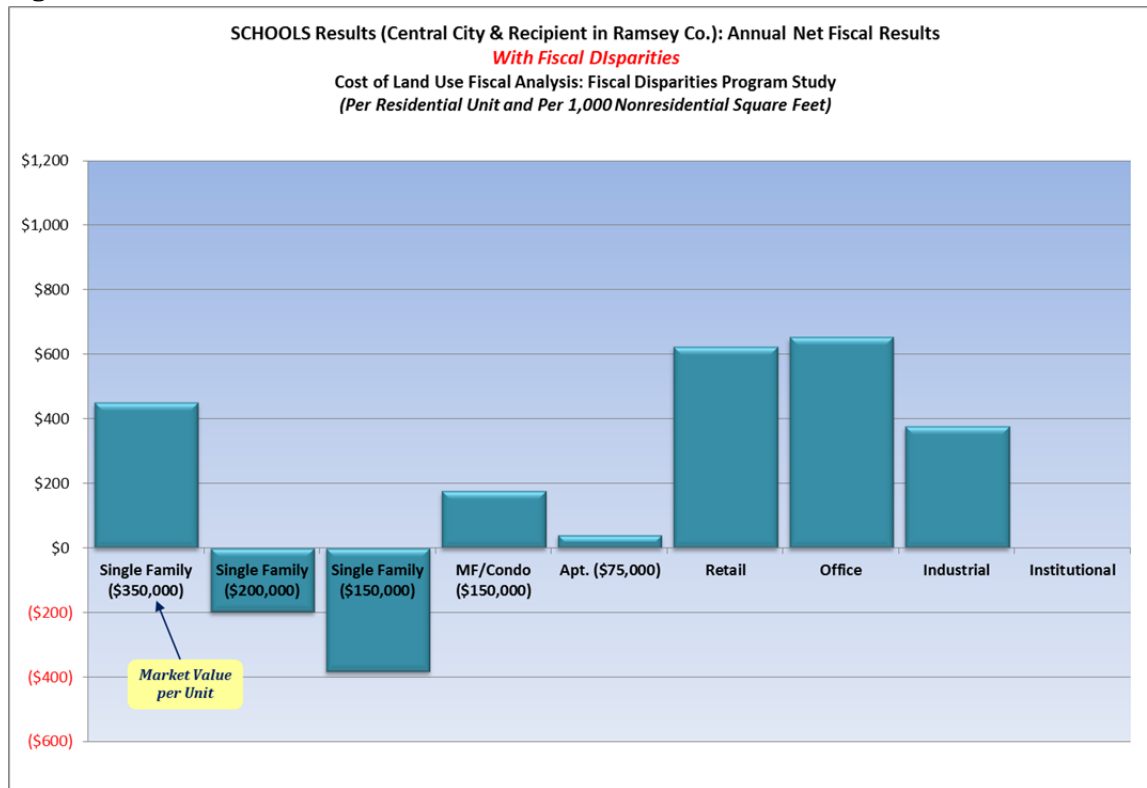


Figure 87. CENTRAL CITY Annual Net Fiscal Results: SCHOOL DISTRICT Revenues and Expenditures with Fiscal Disparities

SCHOOL DISTRICT RESULTS	Residential (Per Unit)					Nonresidential (Per 1,000 Sq. Ft.)			
	Single Family Higher Value Market Values \$350,000	Single Family Median Value \$200,000	Single Family Lower Value \$150,000	Multifamily/Condo (Hmestd) Unit \$150,000	Apt. Unit \$75,000	Commercial/ Retail	Office	Industrial	Institutional
General Fund									
Revenues	\$6,090	\$5,441	\$5,255	\$2,675	\$2,539	\$622	\$652	\$376	\$0
Expenditures	\$5,640	\$5,640	\$5,640	\$2,499	\$2,499	\$0	\$0	\$0	\$0
Net Fiscal Result	\$450	(\$199)	(\$385)	\$176	\$40	\$622	\$652	\$376	\$0

As shown above, the higher value single family detached residential prototype generates net surpluses as does a multifamily/condo and apartment unit, but median and lower valued single family units do not generate sufficient revenue, even with the fiscal disparities allocation. The level of expenditure for schools is not adequately covered by property taxes and other intergovernmental revenues for these lower priced single family units. Multifamily units, including condos and apartments, in this county have a lower student generation rate (average number of students per unit) than single family units that generates lower school costs per unit.

Retail, office, and industrial development generate net fiscal surpluses given that no school costs are allocated to these land uses.

Fiscal Impact Results without the Fiscal Disparities Program

Fiscal impact results for the School District where the Central City is located (Fiscal Disparities recipient), without the Fiscal Disparities program, are shown below.

Figure 88. CENTRAL CITY Annual Net Fiscal Results: SCHOOL DISTRICT Results without Fiscal Disparities

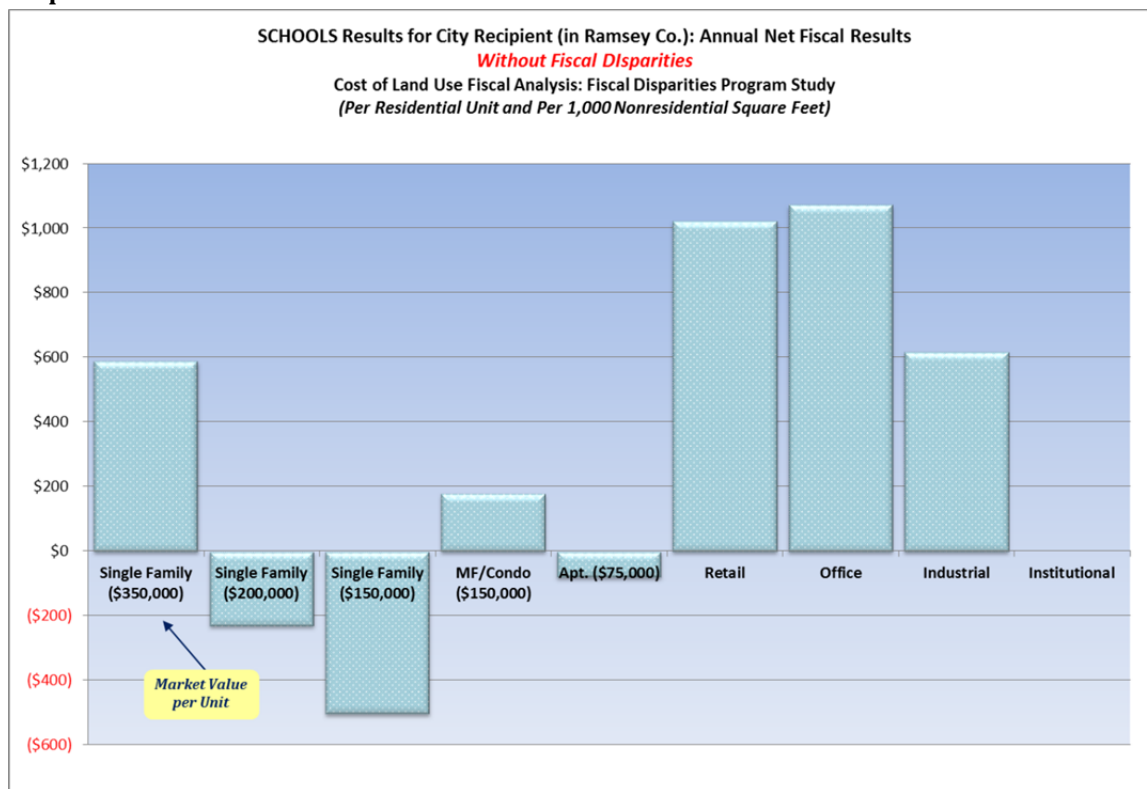


Figure 89. CENTRAL CITY Annual Net Fiscal Results: SCHOOL DISTRICT Revenues and Expenditures without Fiscal Disparities

SCHOOL DISTRICT RESULTS	Residential (Per Unit)						Nonresidential (Per 1,000 Sq. Ft.)			
	Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Market Values	Commercial/ Retail	Office	Industrial	Institutional
General Fund										
Revenues	\$6,229	\$5,410	\$5,137	\$2,677	\$2,419		\$1,022	\$1,073	\$618	\$0
Expenditures	\$5,640	\$5,640	\$5,640	\$2,499	\$2,499		\$0	\$0	\$0	\$0
Net Fiscal Result	\$589	(\$230)	(\$503)	\$178	(\$80)		\$1,022	\$1,073	\$618	\$0

Without the Fiscal Disparities program, tax rates for this school district would increase. However, like the City situation, for residential prototype land uses the increase in property taxes would not offset the loss in Fiscal Disparities revenue and net deficits would be greater (and net surpluses reduced or eliminated) for all residential land use except single family properties of higher value, which would still be a net surplus. An apartment unit is estimated to switch from a net surplus to a net deficit without the fiscal disparities program.

Retail, office, and industrial development net fiscal surpluses would increase substantially due to higher property tax rate and the capture of the tax capacity that is currently taxed at the areawide tax rate.

Summary of Fiscal Results

Results for the **Central City** (recipient) are presented in total layering each jurisdiction's results in one chart. Fiscal impact results with the Fiscal Disparities program are shown first followed by summary results without it. While results are presented in total (combined results from the city, county, and school district), it should be acknowledged that local governments provide services and infrastructure separately. Therefore, a "net surplus" per land use at one level of government (e.g., city, county, schools) does not offset a "net deficit" at another level.

Figure 90. CENTRAL CITY Annual Net Fiscal Results: TOTAL Results with Fiscal Disparities

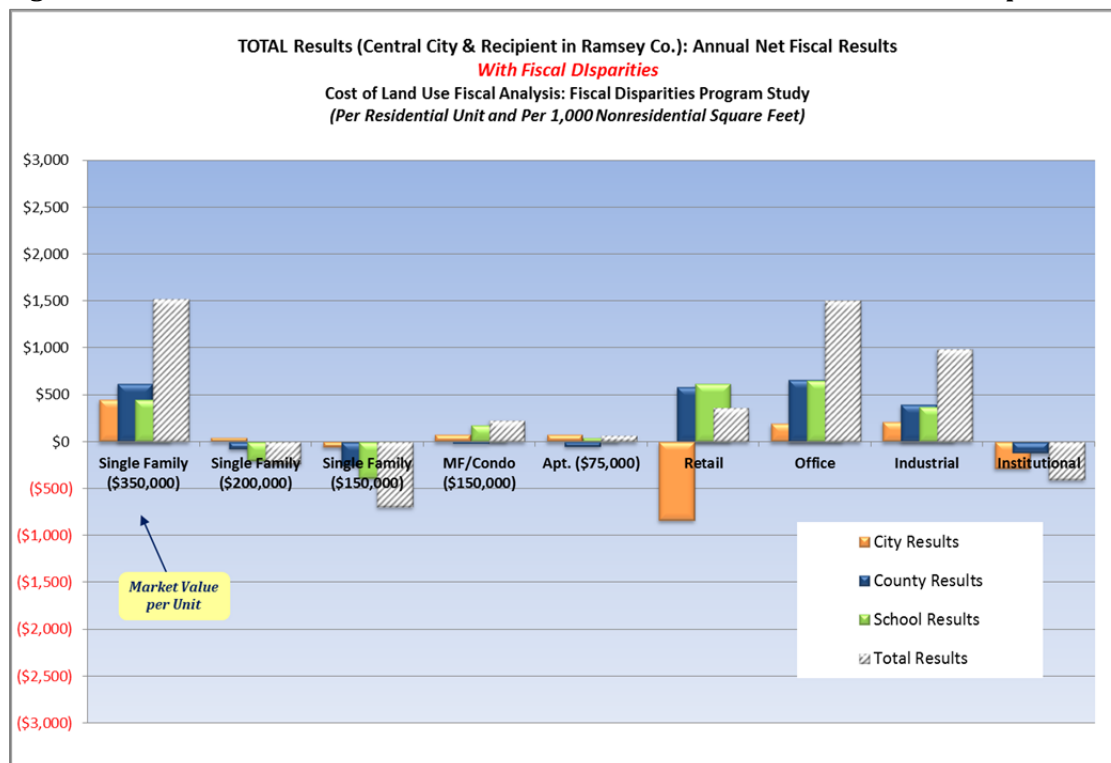
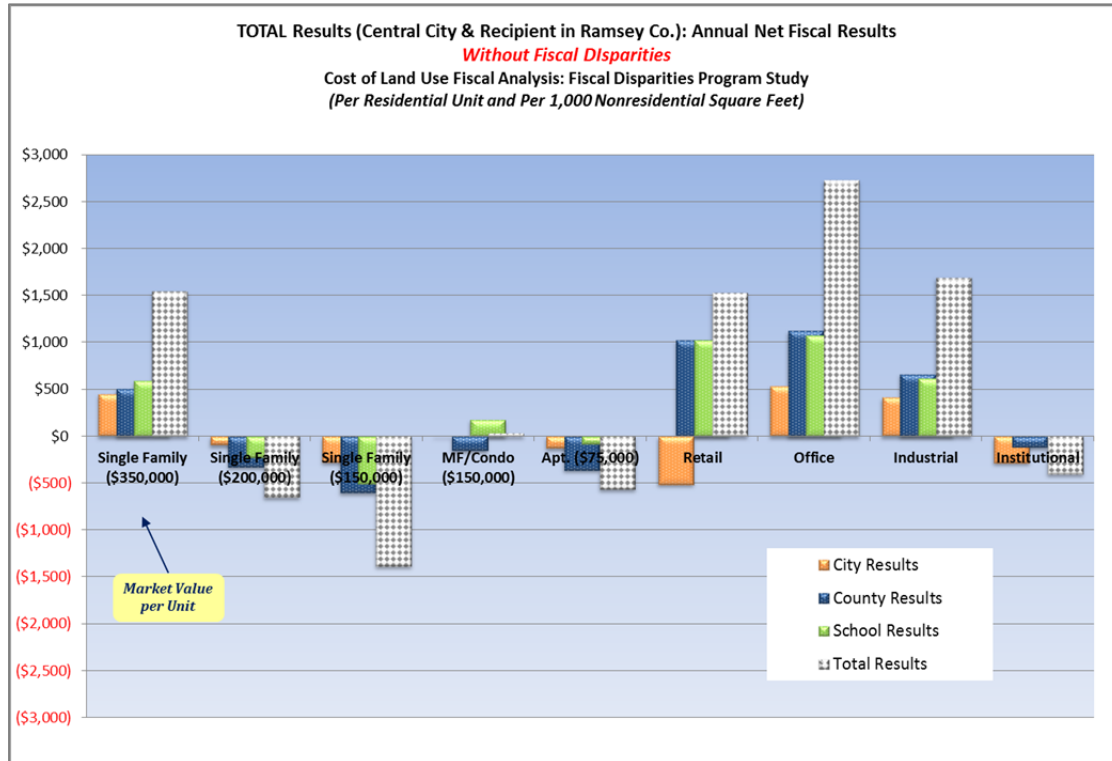


Figure 91. CENTRAL CITY Annual Net Fiscal Results: TOTAL Results without Fiscal Disparities



With all jurisdictions combined, single family residential prototypes tend to produce net deficits unless the property values are high enough to offset the expenditures. This is true both under the current law—with Fiscal Disparities—and if it were eliminated. However, the deficits are larger with elimination of the program. And what is not tested is what the impacts would be with a tax rate that is lower than the maximum needed to generate the same levy level (“levyback scenario”). This situation would produce even greater deficits.

For multifamily units, the results are worse with Fiscal Disparities eliminated—costs remain the same but less revenue is allocated to these units due to loss of Fiscal Disparities revenue allocated to these units.

For all nonresidential land uses except institutional uses, the overall fiscal impact is positive. The combined result is that there is no “overburden” in total to serve these land uses. The results are better per nonresidential prototype without the program because more direct revenue is allocated to these land uses. And as discussed above, results vary by type of jurisdiction where service impacts are experienced, specifically for retail land uses. At the city level, direct revenues are insufficient to serve retail (under the prototype assumptions used in the analysis) both with and without the Fiscal Disparities program. Office and industrial land uses generate sufficient revenue to cover their share of expenditures at each level of government and under both scenarios.

Comparison of Taxes Paid by Retail and Single Family Unit Prototypes with and without the Fiscal Disparities Program in a Central City (Fiscal Disparities Recipient)

For further detail, we provide property tax impacts for the retail prototype land use and single family detached unit of \$200,000 both with and without the Fiscal Disparities program. Results show that tax on retail would increase by 6.6 percent without Fiscal Disparities and by 9.3 percent for a single family detached unit.

RETAIL PROTOTYPE SHARE OF TAXES PAID BY TAXING JURISDICTIONS

Taxing Jurisdiction	With Fiscal Disparities		Without Fiscal Disparities			
	Prototype Retail		Prototype Retail			
	Taxes Paid per 1,000 SF	% of Total Taxes Paid	Taxes Paid per 1,000 SF	% of Total Taxes Paid		
City	\$558	13%	\$959	21%		
County	\$744	18%	\$1,186	26%		
Schools	\$622	15%	\$1,022	23%		
State	\$1,113	26%	\$1,113	25%		
Fiscal Disparities	\$1,044	25%	\$0	0%		
Special Districts	\$133	3%	\$213	5%		
TOTAL	\$4,214	100%	\$4,493	100%		
					Impact Without Fiscal Disparities	
					\$ Increase(Decrease)	% Inc (Dec)
					Per Unit	
					\$279	6.6%

RESIDENTIAL (HOMESTEAD) PROTOTYPE SHARE OF TAXES PAID BY TAXING JURISDICTIONS (\$200,000 Market Value)

Taxing Jurisdiction	With Fiscal Disparities		Without Fiscal Disparities		Impact Without Fiscal Disparities	
	Prototype SF Unit		Prototype SF Unit			
	Taxes Paid per Unit	% of Total Taxes Paid	Taxes Paid per Unit	% of Total Taxes Paid	\$ Increase(Decrease) Per Unit	% Inc (Dec)
City	\$706	27%	\$787	27%	\$81	11.5%
County	\$941	36%	\$974	34%	\$33	3.5%
Schools	\$866	33%	\$993	34%	\$127	14.7%
Special Districts	\$125	5%	\$130	5%	\$5	4.0%
TOTAL	\$2,639	100%	\$2,885	100%	\$246	9.3%

CASE EXAMPLE 2: DEVELOPED CITY & CONTRIBUTOR

The second case example examined is a **Developed City** and a **net contributor** of the Fiscal Disparities Program.

Prototype Land Uses

Residential prototypes included in the study are shown in Figure 92. The different prototypes are meant to represent the type and characteristics of residential development that exists today. The figure outlines the residential prototypes and their associated characteristics. Estimated household sizes (persons per unit) along with average market values are shown in the table for each prototype. All single family detached prototypes will have the same household size. Also shown is the student generation rate by type of housing unit, which reflects the average number of public school students who reside in a unit. This is derived from U.S. Census American Community Survey PUMS data by county (reflecting the county in which the case example city is located). The data are used to calculate the associated revenue and cost factors in the fiscal impact study.

Figure 92. DEVELOPED CITY Residential Prototypes

RESIDENTIAL PROTOTYPES					
	Land Use Prototype	Market Value Per Unit [1]	Persons Per Unit [2]	Students Per Unit [3]	Vehicle Trips Per Unit [4]
1	Single Family (SF) (Homestead)	\$350,000	2.56	0.422	4.79
2	Single Family (SF) (Homestead)	\$200,000	2.56	0.422	4.79
3	Single Family (SF) (Homestead)	\$150,000	2.56	0.422	4.79
4	Multifamily/Condo (Homestead)	\$150,000	1.62	0.133	3.33
5	Apartment (4+ Units)	\$75,000	1.62	0.133	3.33

[1] Met Council Database; TischlerBise analysis

[2] U.S. Census, American Community Survey, 2005-09 Five-Yr Estimates

[3] U.S. Census, American Community Survey, 2005-2009 Five-Yr PUMS Estimates for Hennepin County; TischlerBise analysis

[4] Trip Generation, Institute of Transportation Engineers, 2008. Trip rate is adjusted to account for portion attributable to residential unit.

Nonresidential prototypes included in the study are shown in Figure 93. The nonresidential land uses reflect existing types of nonresidential development in the City. The table below outlines the nonresidential prototypes and their associated characteristics.

Figure 93. DEVELOPED CITY Nonresidential Prototypes

	<i>Land Use Prototype</i>	<i>Market Value Per Sq. Ft. [1]</i>	<i>Prototype Size (SF)</i>	<i>Market Value Per Property</i>	<i>Employees Per 1,000 SF [2]</i>	<i>Vehicle Trips Per 1,000 SF [3]</i>
1	Commercial/Retail	\$90	75,000	\$6,750,000	2.50	22.41
2	Offices	\$80	100,000	\$8,000,000	3.70	6.67
3	Industrial	\$55	60,000	\$3,300,000	1.79	1.91
4	Institutional (Tax-Exempt)	\$60	30,000	\$1,800,000	3.70	6.67

[1] Met Council Database; TischlerBise analysis

[2] Institute of Transportation Engineers; Urban Land Institute

[3] Trip Generation, Institute of Transportation Engineers, 2008. Trip rate is adjusted to account for portion attributable to nonresidential.

Cost of Land Use Fiscal Analysis: General Approach and Outputs

Cost and revenue factors have been determined based on the FY 2011 budget for the case study city and additional fiscal research. The analysis is based on **current levels of service**. Current levels of service represent the respective level of government's (City, County, or School District) current level of spending for services and facilities. That is, assumptions made in the analysis are based on revenue sources, programs, services, requirements, and policies that are in place today (with the exception of the "without Fiscal Disparities Program" scenario where tax rates are adjusted to reflect hypothetical elimination of the program). Revenue and cost detail is provided in Appendices D and F.

The analysis includes the General Fund and major Special Funds, both operating and capital. Enterprise funds are not included in the analysis as they are assumed to be self-sustaining. Only those revenues and costs **directly attributed** to the land use are assumed with the exception of Fiscal Disparities Program revenue. (The approach is to allocate the Fiscal Disparities distribution levy in the jurisdiction using the factors in the Fiscal Disparities distribution formula, namely market values and population. Therefore, the residential prototypes in this analysis get "revenue credit" for distribution levies in the "With Fiscal Disparities" scenario.) Indirect, or spin-off, impacts are not included. An average cost approach is taken and where appropriate, revenues and costs are allocated to residential development, nonresidential development, or both.

There are two scenarios analyzed: (1) Current with Fiscal Disparities (Current System); and (2) Without Fiscal Disparities (Hypothetical Scenario). In the latter scenario, the tax rates are adjusted to assume the same amount of levy in the respective locality; therefore, for net contributors, the tax rates are assumed to decrease and for net recipients, the tax rates are assumed to increase. However, other revenue sources (such as state funding that may be affected by changes to the Fiscal Disparities program) are **not** adjusted. The concept is to test what would happen to revenue generation by type of land use if the Fiscal Disparities program were to be dismantled without clouding the results with changes to other funding programs.

The Cost of Land Use fiscal impact results for all levels of government are discussed in terms of annual net results for each land use prototype. The figures in this section show net fiscal results by type of land use for residential development and nonresidential development. For residential development, results are shown **per residential unit** and for nonresidential development results are shown **per 1,000 square feet of floor area** in all figures.

Data points above the \$0 line represent net surpluses; data points below the \$0 line represent net deficits. *Where net surpluses are shown, one can assume that the prototype land use generates sufficient revenue to cover the direct costs to serve that land use at the respective level of government (i.e., no “overburden”). Where net deficits are shown, one can assume an “overburden” for that particular prototype land use for the respective level of government.*

City Fiscal Impact Results

This section provides results of the Cost of Land Use Fiscal Impact Analysis at the **City** level. Cost and revenue factors have been determined based on the FY 2011 budget for the case study city and additional fiscal research. The analysis is based on **current levels of service**. Current levels of service represent the City’s current level of spending for services and facilities. Results under the current structure (with Fiscal Disparities) are presented first followed by results under the hypothetical scenario of no Fiscal Disparities.

Fiscal Impact Results with Fiscal Disparities Program

Fiscal impact results for a Developed City (Fiscal Disparities contributor), assuming the Fiscal Disparities program, are shown below.

Figure 94. DEVELOPED CITY Annual Net Fiscal Results: CITY Results with Fiscal Disparities

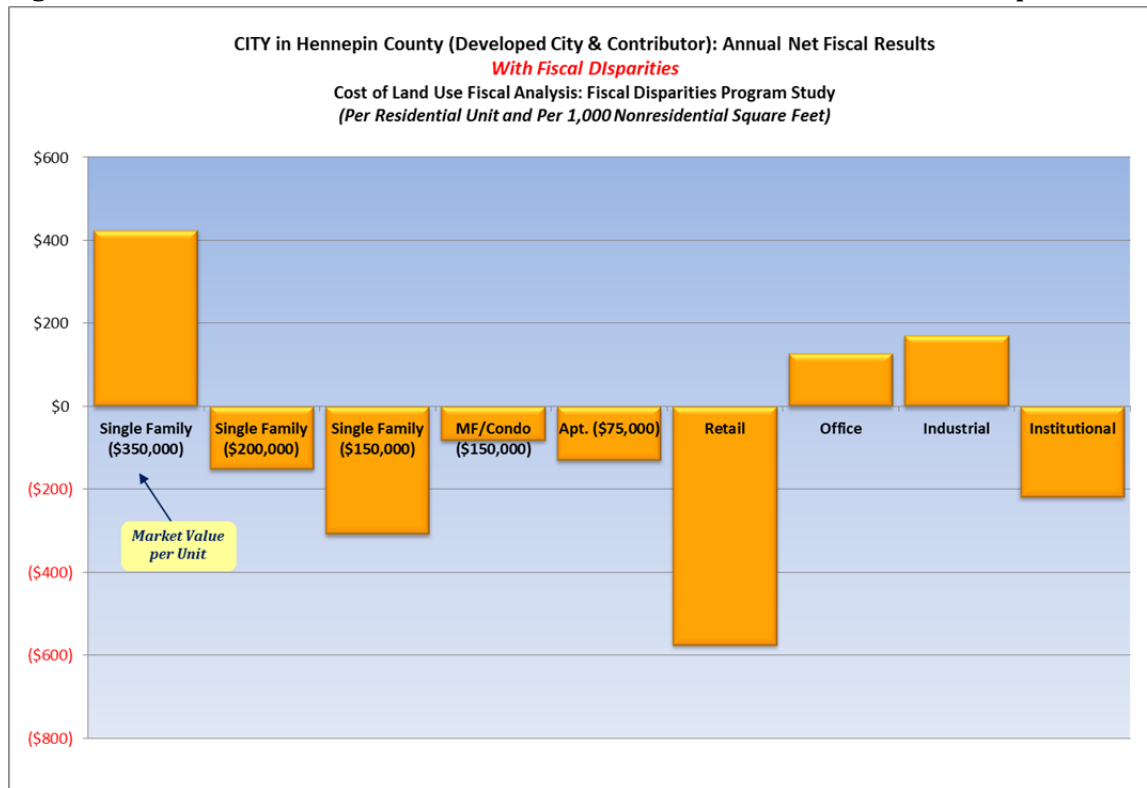


Figure 95. DEVELOPED CITY Annual Net Fiscal Results: CITY Revenues and Expenditures with Fiscal Disparities

CITY RESULTS	Residential (Per Unit)					Nonresidential (Per 1,000 Sq. Ft.)			
	Single Family High Value	Single Family Median Value	Single Family Low Value	Multifamily/Condo (Hmstd) Unit	Apt. Unit	Commercial/Retail	Office	Industrial	Institutional
Market Values	\$350,000	\$200,000	\$150,000	\$150,000	\$75,000				
General Fund Revenues	\$1,915	\$1,338	\$1,182	\$886	\$838	\$498	\$492	\$307	\$145
Expenditures	\$1,494	\$1,494	\$1,494	\$970	\$970	\$1,076	\$369	\$138	\$369
Net Fiscal Result	\$421	(\$155)	(\$312)	(\$84)	(\$132)	(\$578)	\$123	\$168	(\$224)

As shown in Figure 94, most residential prototype land uses generate net deficits to the City with the exception of a high value single family unit. This City does not get Local Government Aid, or other significant intergovernmental aid, unlike the Central City discussed in the previous section, therefore residential does not generally pay for itself at median and lower values. Multifamily units (including condos and apartments) also generate net deficits albeit at a lower level. Because all jurisdictions in the Fiscal Disparities program contribute tax capacity and receive a distribution levy (albeit contributors receive less than the contribute), this jurisdiction also receives Fiscal Disparities revenue, which is allocated to residential units using the factors in the Fiscal Disparities distribution formula, namely

market values and population. Therefore, the residential prototypes in this analysis get credit for the distribution levy revenue in this “With Fiscal Disparities” scenario.

Office and industrial development generate net fiscal surpluses even with the Fiscal Disparities program. This is due to property values at a high enough level to cover the costs for services and infrastructure. For retail land uses, fiscal results are net deficits due to lower direct revenues and higher relative costs. Expenditures are substantially higher for retail land uses than for other nonresidential types (due to public safety costs which are allocated based on the proportion of police calls for service to retail land uses) and the revenues generated are insufficient in part due to the Fiscal Disparities program thus revealing an overburden for this type of land use.

Fiscal Impact Results without the Fiscal Disparities Program

Fiscal impact results for a Developed City (Fiscal Disparities contributor), without the Fiscal Disparities program, are shown below.

Figure 96. DEVELOPED CITY Annual Net Fiscal Results: CITY Results without Fiscal Disparities

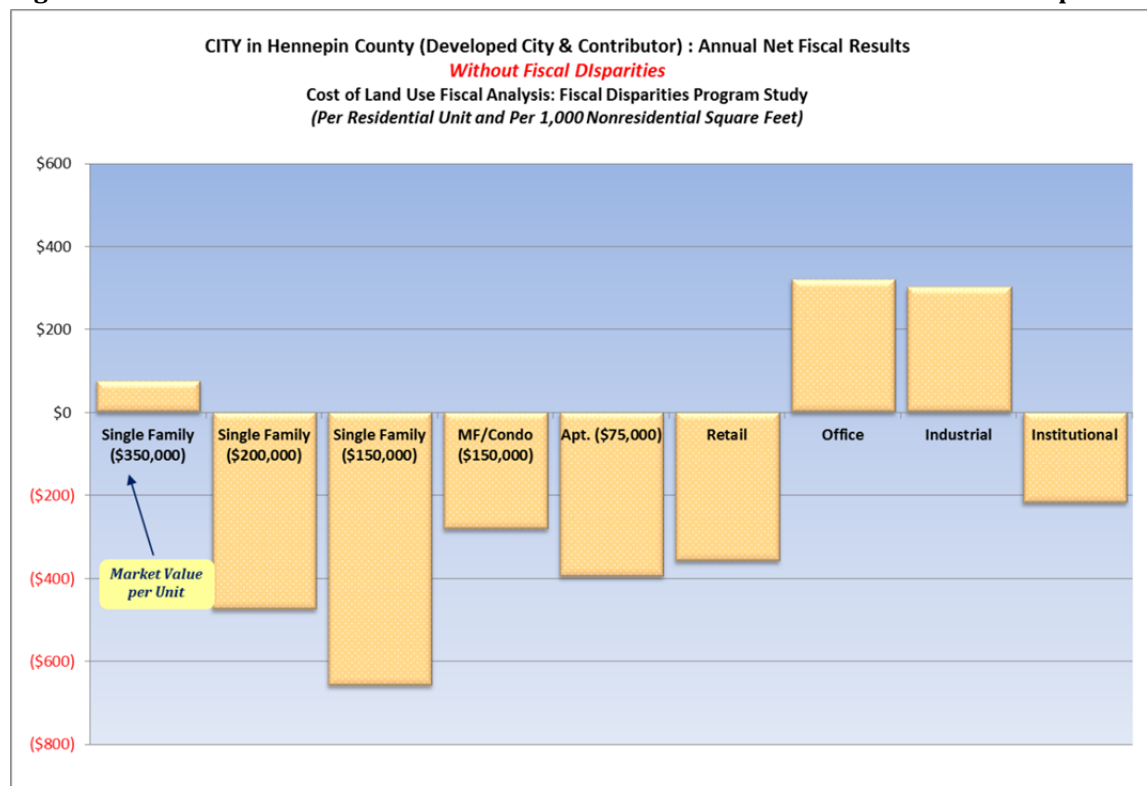


Figure 97. DEVELOPED CITY Annual Net Fiscal Results: CITY Revenues and Expenditures without Fiscal Disparities

CITY RESULTS	Residential (Per Unit)					Nonresidential (Per 1,000 Sq. Ft.)			
	Single Family High Value \$350,000	Single Family Median Value \$200,000	Single Family Low Value \$150,000	Multifamily/Condo (Hmestd) Unit \$150,000	Apt. Unit \$75,000	Commercial/ Retail	Office	Industrial	Institutional
<i>General Fund</i>									
Revenues	\$1,565	\$1,015	\$831	\$686	\$572	\$713	\$684	\$438	\$145
Expenditures	\$1,494	\$1,494	\$1,494	\$970	\$970	\$1,076	\$369	\$138	\$369
Net Fiscal Result	\$71	(\$479)	(\$662)	(\$284)	(\$398)	(\$363)	\$315	\$299	(\$224)

Without the Fiscal Disparities program, tax rates in this city would decrease. For residential prototype land uses, the decrease in property taxes—and elimination of the allocated Fiscal Disparities revenue—would result in larger net deficits for single family properties of median and lower value and a smaller net surplus for a single family unit of higher value.

Net surpluses from office and industrial development would increase due to significantly more “direct” revenue both due to the higher property tax rate and the capture of the tax capacity that is currently taxed at the areawide tax rate. For retail land uses, fiscal results are still net deficits but better than the scenario with Fiscal Disparities. The direct revenues allocated to retail land uses would still not be sufficient to cover the level of expenditures generated, again primarily due to police costs indicating that even without Fiscal Disparities this type of land use would still be an overburden. Institutional land uses do not cover their costs due to no direct revenues allocated to this land use.

County Fiscal Impact Results

This section provides results of the Cost of Land Use Fiscal Impact Analysis at the **County** level. Cost and revenue factors have been determined based on the FY 2011 budget for the home County where the case-study city is located. Results under the current structure (with Fiscal Disparities) are presented first followed by results under the hypothetical scenario without Fiscal Disparities.

Fiscal Impact Results with Fiscal Disparities Program

Fiscal impact results for the County where the Developed City is located (Fiscal Disparities contributor), assuming the Fiscal Disparities program, are shown below.

Figure 98. DEVELOPED CITY Annual Net Fiscal Results: COUNTY Results with Fiscal Disparities

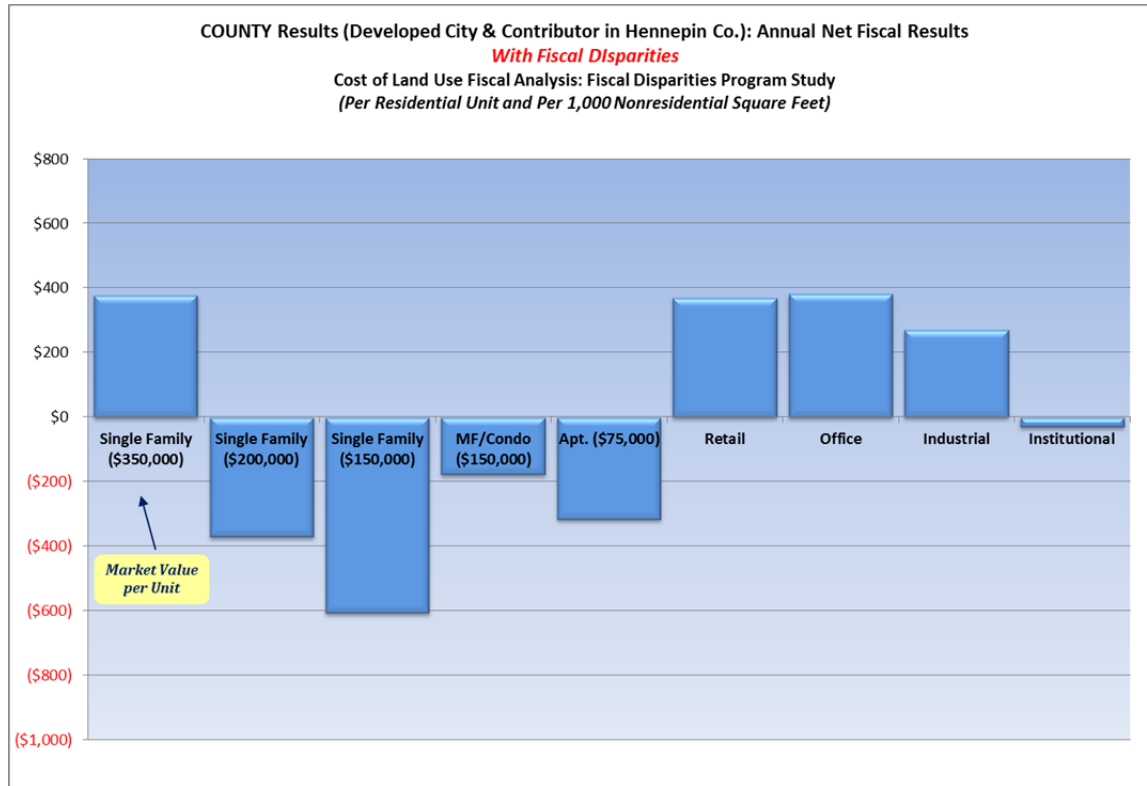


Figure 99. DEVELOPED CITY Annual Net Fiscal Results: COUNTY Revenues and Expenditures with Fiscal Disparities

COUNTY RESULTS	Residential (Per Unit)					Nonresidential (Per 1,000 Sq. Ft.)			
	Single Family High Value	Single Family Median Value	Single Family Low Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/Retail	Office	Industrial	Institutional
Market Values	\$350,000	\$200,000	\$150,000	\$150,000	\$75,000				
General Fund									
Revenues	\$2,758	\$2,010	\$1,774	\$1,337	\$1,198	\$588	\$519	\$329	\$108
Expenditures	\$2,381	\$2,381	\$2,381	\$1,515	\$1,515	\$219	\$138	\$58	\$138
Net Fiscal Result	\$377	(\$371)	(\$607)	(\$178)	(\$316)	\$369	\$381	\$271	(\$30)

As shown in Figure 98, the higher value residential prototype land use generates net surpluses but all other residential land uses do not generate sufficient revenue. The services provided by counties in Minnesota, primarily human services, drive up costs allocated to residential development without commensurate revenues.

Retail, office, and industrial development generate net fiscal surpluses due to relatively high property values and lower costs due to the services provided by counties, particularly in a place that provides its own police services. Transportation-related costs are highest for nonresidential land uses, but property tax revenue is sufficient to cover the costs, even with the Fiscal Disparities program reducing the direct

revenues attributed to nonresidential land uses. Therefore these nonresidential prototype land uses do not create an overburden for the County. Institutional land uses generate net deficits indicating an overburden.

Fiscal Impact Results without the Fiscal Disparities Program

Fiscal impact results for the County where the Developed City is located (Fiscal Disparities contributor), without the Fiscal Disparities program, are shown below.

Figure 100. DEVELOPED CITY Annual Net Fiscal Results: COUNTY Results without Fiscal Disparities

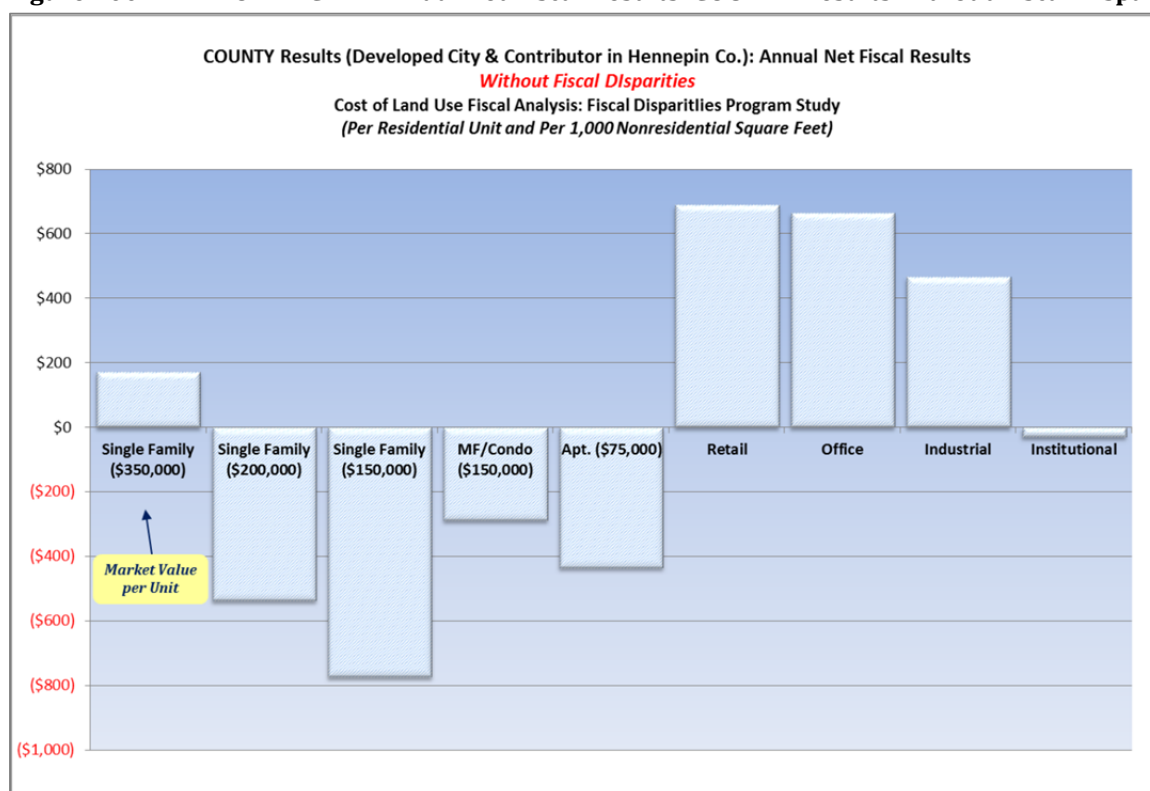


Figure 101. DEVELOPED CITY Annual Net Fiscal Results: COUNTY Revenues and Expenditures without Fiscal Disparities

COUNTY RESULTS	Residential (Per Unit)					Nonresidential (Per 1,000 Sq. Ft.)			
	Single Family High Value \$350,000	Single Family Median Value \$200,000	Single Family Low Value \$150,000	Multifamily/Condo (Hmestd) Unit \$150,000	Apt. Unit \$75,000	Commercial/Retail	Office	Industrial	Institutional
<i>General Fund</i>									
Revenues	\$2,554	\$1,844	\$1,607	\$1,227	\$1,079	\$907	\$802	\$523	\$108
Expenditures	\$2,381	\$2,381	\$2,381	\$1,515	\$1,515	\$219	\$138	\$58	\$138
Net Fiscal Result	\$172	(\$538)	(\$774)	(\$288)	(\$436)	\$688	\$664	\$465	(\$30)

Without the Fiscal Disparities program, county tax rates would decrease in this community, which would increase the net deficits for the residential land uses that also generate net deficits with the program. A single family unit of higher value would still generate a net surplus, but at a lower amount.

Net surpluses for retail, office, and industrial development would increase due to significantly more “direct” revenue both due to the capture of the tax capacity that is currently taxed at the areawide tax rate. Institutional land uses continue to generate net deficits as the revenue allocated to this land use is unaffected by a change in the Fiscal Disparities program.

School District Fiscal Impact Results

This section provides results of the Cost of Land Use Fiscal Impact Analysis at the **School District** level. Cost and revenue factors have been determined based on the FY 2011 budget for the school district serving the case-study city. Results under the current structure (with Fiscal Disparities) are presented first followed by results under the hypothetical scenario without Fiscal Disparities.

Fiscal Impact Results with Fiscal Disparities Program

Fiscal impact results for the School District where the Developed City is located (Fiscal Disparities contributor), assuming the Fiscal Disparities program, are shown below.

Figure 102. DEVELOPED CITY Annual Net Fiscal Results: SCHOOL DISTRICT Results with Fiscal Disparities

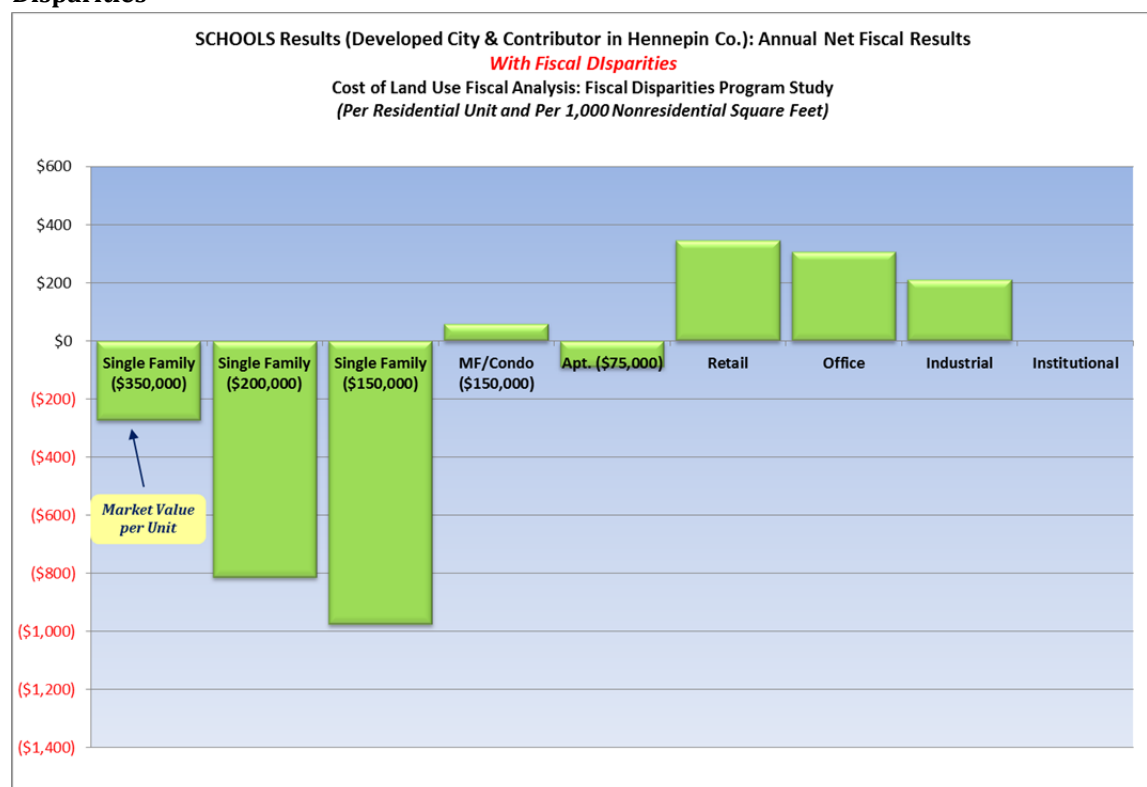


Figure 103. DEVELOPED CITY Annual Net Fiscal Results: SCHOOL DISTRICT Revenues and Expenditures with Fiscal Disparities

SCHOOL DISTRICT RESULTS	Residential (Per Unit)					Nonresidential (Per 1,000 Sq. Ft.)			
	Single Family High Value	Single Family Median Value	Single Family Low Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/Retail	Office	Industrial	Institutional
Market Values	\$350,000	\$200,000	\$150,000	\$150,000	\$75,000				
<i>General Fund</i>									
Revenues	\$5,537	\$4,996	\$4,834	\$1,886	\$1,735	\$347	\$308	\$211	\$0
Expenditures	\$5,809	\$5,809	\$5,809	\$1,826	\$1,826	\$0	\$0	\$0	\$0
Net Fiscal Result	(\$272)	(\$813)	(\$975)	\$60	(\$90)	\$347	\$308	\$211	\$0

As shown above, none of the single family prototype units generate sufficient revenue to cover the direct school expenditures incurred. Multifamily condo units generate a slight net surplus and apartment units generate a slight net deficit. With multifamily units having fewer students per housing unit, the revenues generated by each of these prototypes (which includes Fiscal Disparities program revenue) is close to adequate to cover the expenses.

Retail, office, and industrial development generate net fiscal surpluses given that no school costs are allocated to these land uses.

Fiscal Impact Results without the Fiscal Disparities Program

Fiscal impact results for the School District where the Developed City is located (Fiscal Disparities contributor), without the Fiscal Disparities program, are shown below.

Figure 104. DEVELOPED CITY Annual Net Fiscal Results: SCHOOL DISTRICT Results without Fiscal Disparities

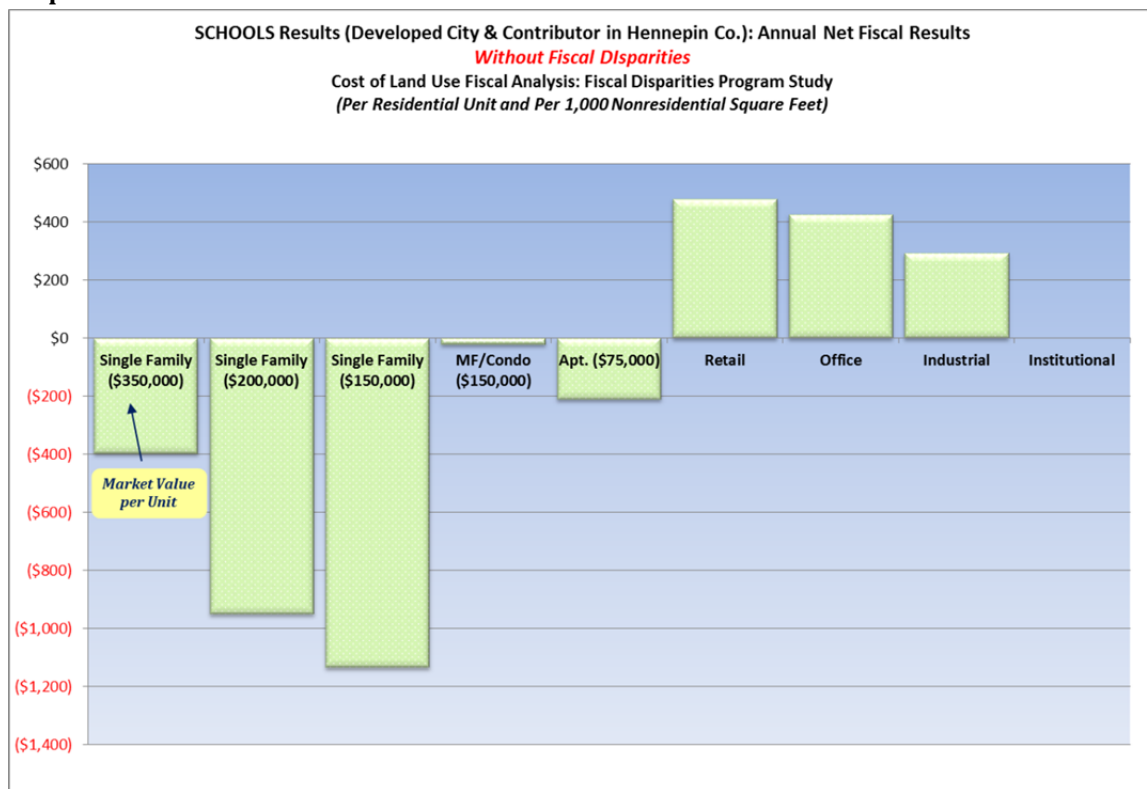


Figure 105. DEVELOPED CITY Annual Net Fiscal Results: SCHOOL DISTRICT Revenues and Expenditures without Fiscal Disparities

SCHOOL DISTRICT RESULTS	Residential (Per Unit)					Nonresidential (Per 1,000 Sq. Ft.)			
	Single Family High Value	Single Family Median Value	Single Family Low Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/Retail	Office	Industrial	Institutional
Market Values	\$350,000	\$200,000	\$150,000	\$150,000	\$75,000				
General Fund									
Revenues	\$5,413	\$4,861	\$4,676	\$1,805	\$1,615	\$480	\$427	\$292	\$0
Expenditures	\$5,809	\$5,809	\$5,809	\$1,826	\$1,826	\$0	\$0	\$0	\$0
Net Fiscal Result	(\$396)	(\$949)	(\$1,133)	(\$21)	(\$211)	\$480	\$427	\$292	\$0

Without the Fiscal Disparities program, the tax rate for this school district would decrease. Given this, the lower revenues generated by the lower property tax rate (and elimination of the limited amount of Fiscal Disparities revenue that is allocated to residential land uses) would further deepen the net deficits for the residential land uses. The multifamily/condo unit would switch from a net surplus to a net deficit without the Fiscal Disparities program.

Retail, office, and industrial development net fiscal surpluses would increase due to the capture of the tax capacity that is currently taxed at the areawide tax rate.

Summary of Fiscal Impact Results

Results for the **Developed City** (contributor) are presented in total layering each jurisdiction's results in one chart. Fiscal impact results with the Fiscal Disparities program are shown first followed by summary results without it. As noted elsewhere, while results are presented in total (combined results from the city, county, and school district), it should be acknowledged that local governments provide services and infrastructure separately. Therefore, a "net surplus" per land use at one level of government (e.g., city, county, schools) does not offset a "net deficit" at another level.

Figure 106. DEVELOPED CITY Annual Net Fiscal Results: TOTAL Results with Fiscal Disparities

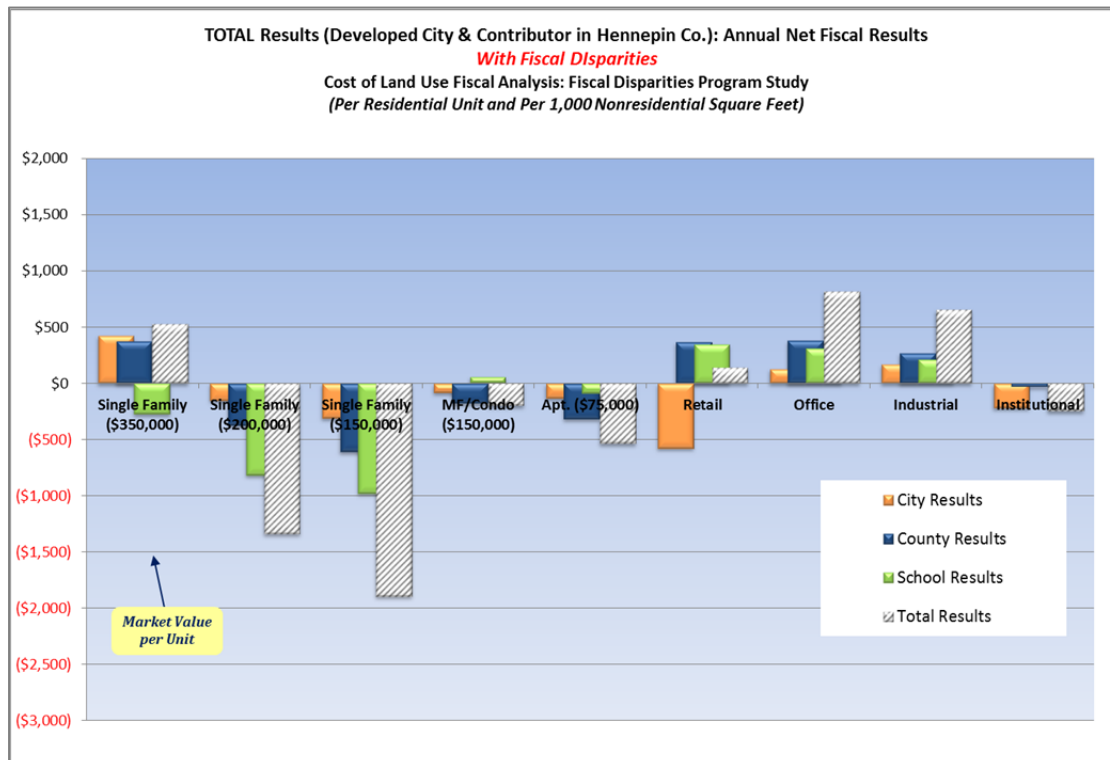
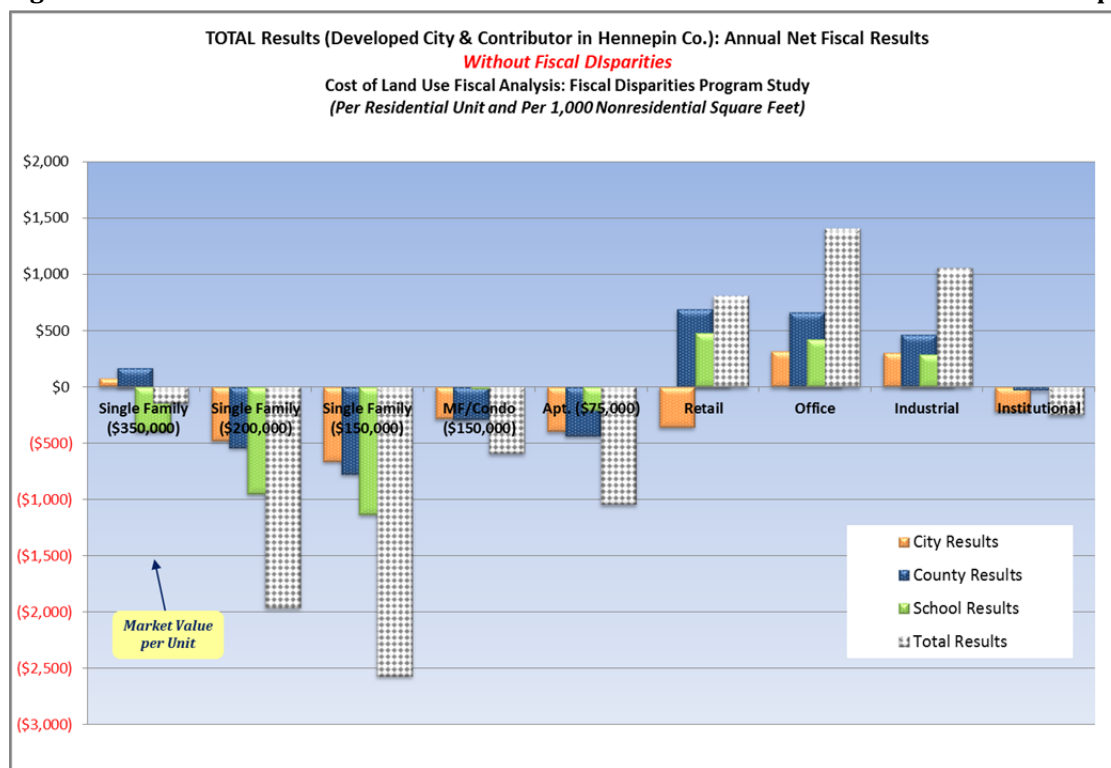


Figure 107. DEVELOPED CITY Annual Net Fiscal Results: TOTAL Results without Fiscal Disparities



With all jurisdictions combined, all single family residential prototypes produce net deficits (except for single family detached units of higher value under the current taxing system) and all nonresidential land use prototypes produce net surpluses, with the exception of institutional uses. Overall fiscal results are the same under the current law—with Fiscal Disparities—and without it, with the exception of a single family unit of higher value, which yields lower property taxes with the lowered rate under the scenario without Fiscal Disparities and switches from a net surplus to a net deficit.

For all nonresidential land uses except institutional uses, the overall fiscal impact is a net surplus under both scenarios. The combined result is that there is not an “overburden” in total to serve these land uses, again with the exception of institutional uses. The results are better per nonresidential prototype without the Fiscal Disparities program because more direct revenue is allocated to these land uses. And as discussed above, results vary by jurisdiction level where service impacts are experienced, specifically for retail land uses. At the *city* level, direct revenues are insufficient to serve retail (under the prototype assumptions used in the analysis) both with and without the Fiscal Disparities program—indicating an overburden to serve retail development. On the other hand, office and industrial land uses generate sufficient revenue to cover their share of expenditures at each level of government and under both scenarios indicating there is no overburden.

Comparison of Taxes Paid by Retail and Single Family Unit Prototypes with and without the Fiscal Disparities Program in Developed City (Fiscal Disparities Contributor)

For further detail, we provide property tax impacts for the retail prototype land use and single family detached unit of \$200,000 both with and without the Fiscal Disparities program. Results show that tax on retail would decrease by 10.4 percent without Fiscal Disparities and by 11.6 percent for a single family detached unit (at \$200,000 market value).

RETAIL PROTOTYPE SHARE OF TAXES PAID BY TAXING JURISDICTIONS

<i>Taxing Jurisdiction</i>	<i>With Fiscal Disparities</i>		<i>Without Fiscal Disparities</i>		<i>Impact Without Fiscal Disparities</i>	
	<i>Prototype Retail Taxes Paid per 1,000 SF</i>	<i>% of Total Taxes Paid</i>	<i>Prototype Retail Taxes Paid per 1,000 SF</i>	<i>% of Total Taxes Paid</i>		
City	\$392	12%	\$609	21%		
County	\$462	14%	\$781	26%		
Schools	\$347	11%	\$480	23%		
State	\$878	27%	\$878	25%		
Fiscal Disparities	\$1,078	33%	\$0	0%		
Special Districts	\$104	3%	\$174	5%		
TOTAL	\$3,260	100%	\$2,921	100%	(\$339)	-10.4%

RESIDENTIAL (HOMESTEAD) PROTOTYPE SHARE OF TAXES PAID BY TAXING JURISDICTIONS (\$200,000 Market Value)

<i>Taxing Jurisdiction</i>	<i>With Fiscal Disparities</i>		<i>Without Fiscal Disparities</i>		<i>Impact Without Fiscal Disparities</i>	
	<i>Prototype SF Unit Taxes Paid per Unit</i>	<i>% of Total Taxes Paid</i>	<i>Prototype SF Unit Taxes Paid per Unit</i>	<i>% of Total Taxes Paid</i>		
City	\$754	30%	\$618	28%	(\$136)	-18.1%
County	\$888	35%	\$793	36%	(\$96)	-10.8%
Schools	\$713	28%	\$673	30%	(\$40)	-5.6%
Special Districts	\$151	6%	\$133	6%	(\$18)	-12.1%
	\$2,507	100%	\$2,217	100%	(\$290)	-11.6%

CASE EXAMPLE 3: DEVELOPING CITY & RECIPIENT

The third case example examined is a **Developing City** and a **net recipient** of the Fiscal Disparities Program.

Prototype Land Uses

Residential prototypes included in the study are shown in Figure 108. The different prototypes are meant to represent the type and characteristics of residential development that exists today. The figure outlines the residential prototypes and their associated characteristics. Estimated household sizes (persons per unit) along with average market values are shown in the table for each prototype. All single family detached prototypes will have the same household size. Also shown is the student generation rate by type of housing unit, which reflects the average number of public school students who reside in a unit. This is derived from U.S. Census American Community Survey PUMS data by county (reflecting the county in which the case example city is located). The number of students per multifamily unit is relatively high when compared to the previous case study community. The data below are used to calculate the associated revenue and cost factors in the fiscal impact study.

Figure 108. DEVELOPING CITY Residential Prototypes

	<i>Land Use Prototype</i>	<i>Market Value Per Unit [1]</i>	<i>Persons Per Unit [2]</i>	<i>Students Per Unit [3]</i>	<i>Vehicle Trips Per Unit [4]</i>
1	Single Family (SF) (Homestead)	\$350,000	3.21	0.480	4.79
2	Single Family (SF) (Homestead)	\$250,000	3.21	0.480	4.79
3	Single Family (SF) (Homestead)	\$150,000	3.21	0.480	4.79
4	Multifamily/Condo (Homestead)	\$150,000	1.84	0.305	3.33
5	Apartment (4+ Units)	\$75,000	1.84	0.305	3.33

[1] Met Council Database; TischlerBise analysis

[2] U.S. Census, American Community Survey, 2005-09 Five-Yr Estimates

[3] U.S. Census, American Community Survey, 2005-2009 Five-Yr PUMS Estimates for Anoka County; TischlerBise analysis

[4] Trip Generation, Institute of Transportation Engineers, 2008. Trip rate is adjusted to account for portion attributable to residential unit.

Nonresidential prototypes included in the study are shown in Figure 109. The nonresidential land uses reflect existing types of nonresidential development in the City. The table below outlines the nonresidential prototypes and their associated characteristics.

Figure 109. DEVELOPING CITY Nonresidential Prototypes

	Land Use Prototype [1]	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Employees Per 1,000 SF [3]	Vehicle Trips Per 1,000 SF [4]
1	Commercial/Retail	\$90	15,000	\$1,350,000	3.03	30.89
2	Offices	\$55	20,000	\$1,100,000	4.14	9.18
3	Industrial	\$45	30,000	\$1,350,000	1.79	1.91
4	Institutional (Tax-Exempt)	\$55	20,000	\$1,100,000	4.14	9.18

[1] Met Council Database; TischlerBise analysis;

[2] Tax capacity based on state formulas by land use classification

[3] Institute of Transportation Engineers; Urban Land Institute

[4] Trip Generation, Institute of Transportation Engineers, 2008. Trip rate is adjusted to account for portion attributable to nonresidential.

Cost of Land Use Fiscal Analysis: General Approach and Outputs

Cost and revenue factors have been determined based on the FY 2011 budget for the case study city and additional fiscal research. The analysis is based on **current levels of service**. Current levels of service represent the respective level of government's (City, County, or School District) current level of spending for services and facilities. That is, assumptions made in the analysis are based on revenue sources, programs, services, requirements, and policies that are in place today (with the exception of the "without Fiscal Disparities Program" scenario where tax rates are adjusted to reflect hypothetical elimination of the program). Revenue and cost detail is provided in the Appendices.

The analysis includes the General Fund and major Special Funds, both operating and capital. Enterprise funds are not included in the analysis as they are assumed to be self-sustaining. Only those revenues and costs **directly attributed** to the land use are assumed with the exception of Fiscal Disparities Program revenue. (The approach is to allocate the Fiscal Disparities distribution levy in the jurisdiction using the factors in the Fiscal Disparities distribution formula, namely market values and population. Therefore, the residential prototypes in this analysis get "revenue credit" for distribution levies in the "With Fiscal Disparities" scenario.) Indirect, or spin-off, impacts are not included. An average cost approach is taken and where appropriate, revenues and costs are allocated to residential development, nonresidential development, or both.

There are two scenarios analyzed: (1) Current with Fiscal Disparities (Current System); and (2) Without Fiscal Disparities (Hypothetical Scenario). In the latter scenario, the tax rates are adjusted to assume the same amount of levy in the respective locality; therefore, for net contributors, the tax rates are assumed to decrease and for net recipients, the tax rates are assumed to increase. However, other revenue sources (such as state funding that may be affected by changes to the Fiscal Disparities program) are **not** adjusted. The concept is to test what would happen to revenue generation by type of land use if the Fiscal Disparities program were to be dismantled without clouding the results with changes to other funding programs.

The Cost of Land Use fiscal impact results for all levels of government are discussed in terms of annual net results for each land use prototype. The figures in this section show net fiscal results by type of land use for residential development and nonresidential development. For residential development, results are shown **per residential unit** and for nonresidential development results are shown **per 1,000 square feet of floor area** in all figures.

Data points above the \$0 line represent net surpluses; data points below the \$0 line represent net deficits. *Where net surpluses are shown, one can assume that the prototype land use generates sufficient revenue to cover the direct costs to serve that land use at the respective level of government (i.e., no “overburden”). Where net deficits are shown, one can assume an “overburden” for that particular prototype land use for the respective level of government.*

City Fiscal Impact Results

This section provides results of the Cost of Land Use Fiscal Impact Analysis at the **City** level. Cost and revenue factors have been determined based on the FY 2011 budget for the case study city and additional fiscal research. The analysis is based on **current levels of service**. Current levels of service represent the City’s current level of spending for services and facilities. Results under the current structure (with Fiscal Disparities) are presented first followed by results under the hypothetical scenario of no Fiscal Disparities.

Fiscal Impact Results with Fiscal Disparities Program

Fiscal impact results for a Developing City (Fiscal Disparities recipient), assuming the Fiscal Disparities program, are shown below.

Figure 110. DEVELOPING CITY Annual Net Fiscal Results: CITY Results with Fiscal Disparities

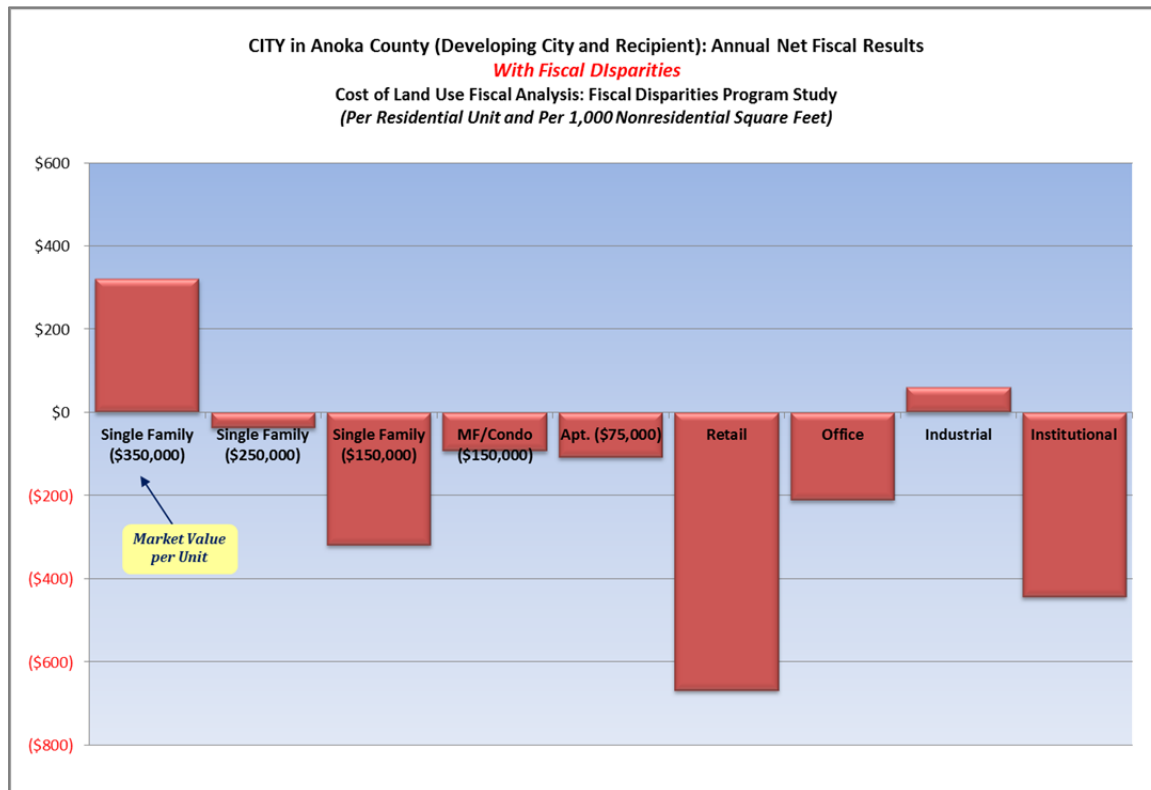


Figure 111. DEVELOPING CITY Annual Net Fiscal Results: CITY Revenues and Expenditures with Fiscal Disparities

CITY RESULTS	Residential (Per Unit)					Nonresidential (Per 1,000 Sq. Ft.)			
	Single Family Higher Value Market Values \$350,000	Single Family Median Value \$250,000	Single Family Lower Value \$150,000	Multifamily/Condo (Hmestd) Unit \$150,000	Apt. Unit \$75,000	Commercial/ Retail	Office	Industrial	Institutional
<i>General Fund</i>									
Revenues	\$1,620	\$1,261	\$980	\$686	\$672	\$415	\$277	\$211	\$44
Expenditures	\$1,299	\$1,299	\$1,299	\$779	\$779	\$1,083	\$487	\$149	\$487
Net Fiscal Result	\$322	(\$37)	(\$318)	(\$93)	(\$107)	(\$667)	(\$210)	\$62	(\$443)

As shown in Figure 110, most residential prototype land uses generate net deficits to the City. A single family unit of higher value generates net surpluses while all of the other prototype units generate net deficits. As indicated in the other case example sections, all jurisdictions in the Fiscal Disparities program contribute tax capacity and receive a distribution levy, which is allocated to residential units using the factors in the Fiscal Disparities distribution formula, namely market values and population. Therefore, the residential prototypes in this analysis get credit for the distribution levy revenue in this “With Fiscal Disparities” scenario thus improving the residential results.

On the nonresidential side, only industrial development generates net fiscal surpluses to the City indicating there is not an overburden. This is due to property values at a high enough level to cover the minimal costs for services and infrastructure for this type of land use.

For retail and office land uses, fiscal results are net deficits due to lower direct revenues and higher relative costs, namely police and fire comprising approximately 40 percent of this city's operating budget. Also of relevance is a sizable capital expense for roads and general government purposes, which drives up the costs allocated to nonresidential land uses. Under the current tax system, these land uses are estimated to generate an overburden to the city. In particular, expenditures are substantially higher for retail land uses than for other nonresidential types (again due to police, fire, and capital costs) and the revenues generated are insufficient. Given that this is a "Developing" city, the relatively high level of expenditures for capital improvements and debt service (at 45 percent of total city expenditures) reveals the needs for this type of community with regard to provision of infrastructure to support new development.

Fiscal Impact Results without the Fiscal Disparities Program

Fiscal impact results for a Developing City (Fiscal Disparities recipient), without the Fiscal Disparities program, are shown below.

Figure 112. DEVELOPING CITY Annual Net Fiscal Results: CITY Results without Fiscal Disparities

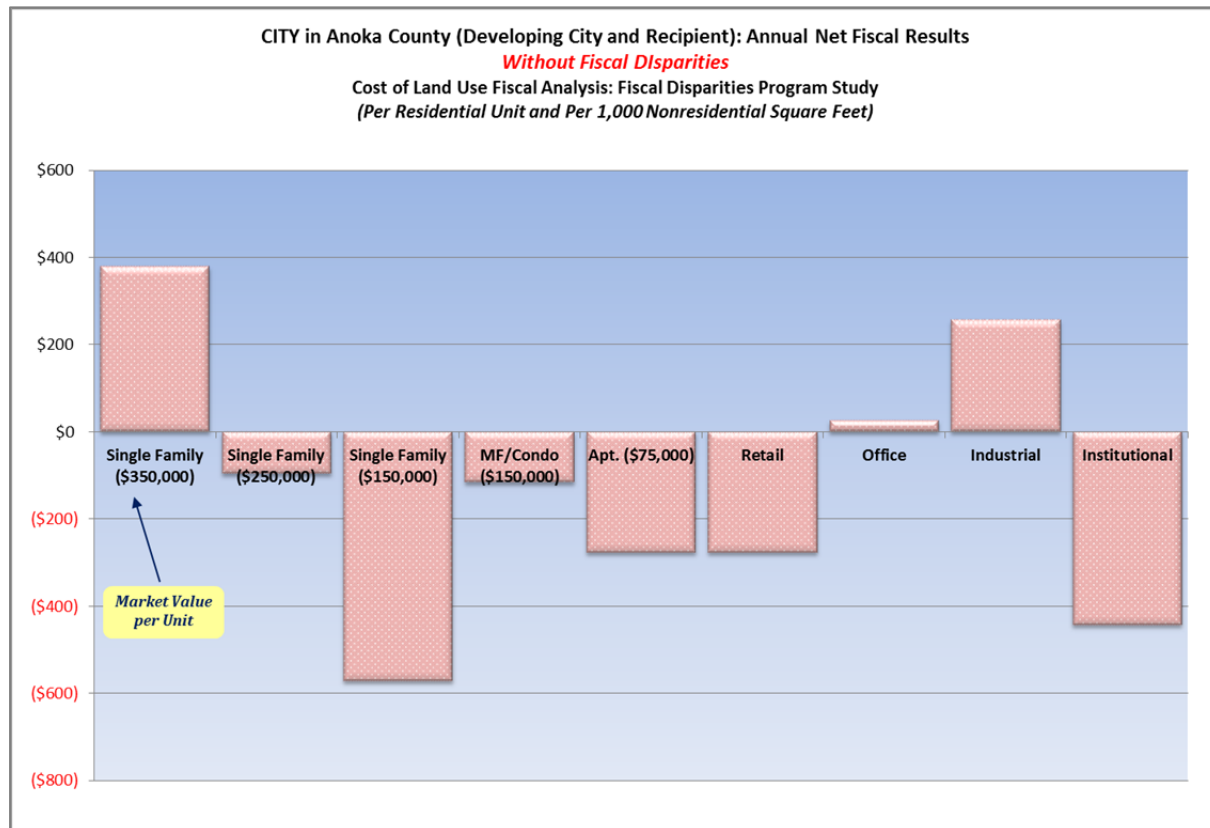


Figure 113. DEVELOPING CITY Annual Net Fiscal Results: CITY Revenues and Expenditures without Fiscal Disparities

CITY RESULTS	Residential (Per Unit)					Nonresidential (Per 1,000 Sq. Ft.)			
	Single Family Higher Value Market Values	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
<i>General Fund</i>									
Revenues	\$1,678	\$1,203	\$728	\$663	\$502	\$806	\$514	\$406	\$44
Expenditures	\$1,299	\$1,299	\$1,299	\$779	\$779	\$1,083	\$487	\$149	\$487
Net Fiscal Result	\$380	(\$96)	(\$571)	(\$116)	(\$277)	(\$277)	\$27	\$257	(\$443)

Without the Fiscal Disparities program, tax rates in this city are assumed to increase. However, for residential prototype land uses that generate net deficits under the current system, the increase in property taxes would not offset the loss in Fiscal Disparities revenue and net deficits would still be generated for single family properties of median and lower values. Multifamily units also would also continue to generate net deficits.

Net surpluses from industrial development would increase due to significantly more “direct” revenue both due to the higher property tax rate and the capture of the tax capacity that is currently taxed at the

areawide tax rate. Office land uses would essentially break even without the program—switching from a net deficit to a net surplus. Retail land uses would still generate net deficits but fiscal results would be better without Fiscal Disparities. The direct revenues allocated to retail land uses would not be sufficient to cover the direct expenditures generated again due to relatively high police, fire, and road capital costs allocated to this land use.

County Fiscal Impact Results

This section provides results of the Cost of Land Use Fiscal Impact Analysis at the **County** level. Cost and revenue factors have been determined based on the FY 2011 budget for the home County where the case-study city is located. Results under the current structure (with Fiscal Disparities) are presented first followed by results under the hypothetical scenario of no Fiscal Disparities.

Fiscal Impact Results with Fiscal Disparities Program

Fiscal impact results for the County where the Developing City is located (Fiscal Disparities recipient), assuming the Fiscal Disparities program, are shown below.

Figure 114. DEVELOPING CITY Annual Net Fiscal Results: COUNTY Results with Fiscal Disparities

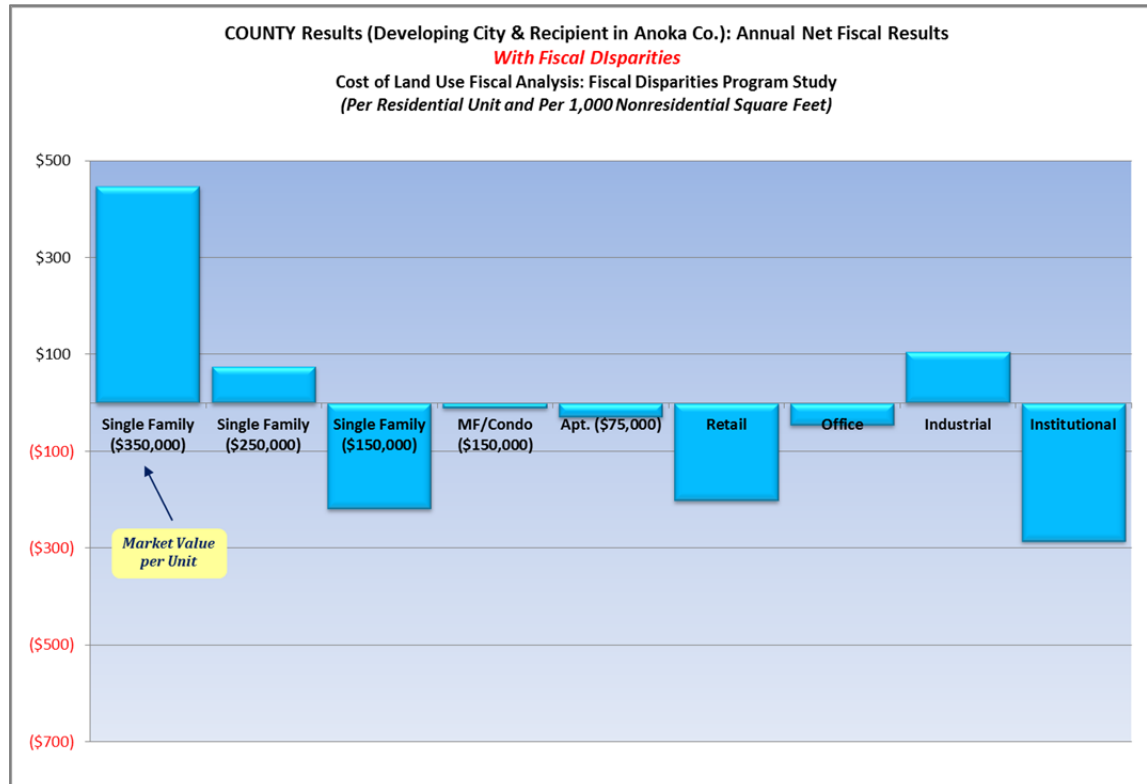


Figure 115. DEVELOPING CITY Annual Net Fiscal Results: COUNTY Revenues and Expenditures with Fiscal Disparities

COUNTY RESULTS	Residential (Per Unit)					Nonresidential (Per 1,000 Sq. Ft.)			
	Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
Market Values	\$350,000	\$250,000	\$150,000	\$150,000	\$75,000				
<i>General Fund</i>									
Revenues	\$2,690	\$2,318	\$2,024	\$1,331	\$1,313	\$1,151	\$561	\$292	\$322
Expenditures	\$2,242	\$2,242	\$2,242	\$1,342	\$1,342	\$1,353	\$606	\$185	\$606
Net Fiscal Result	\$448	\$76	(\$218)	(\$10)	(\$29)	(\$201)	(\$45)	\$107	(\$285)

As shown in Figure 114, the higher and median value residential prototype land uses generate net surpluses to the County. Other residential land uses generate net deficits, with the multifamily and apartment units essentially generating fiscally neutral results. The services provided by counties in Minnesota, primarily human services, drive up costs allocated to residential development, however in this case, the additional revenues allocated from the Fiscal Disparities program help to adequately cover the expenditures.

For nonresidential development, only industrial development generates net fiscal surpluses to the County indicating no overburden for industrial. Retail and office land uses on the other hand do not generate sufficient revenues to cover costs due to lower market values and some amount of shifting of tax capacity due to the Fiscal Disparities program. Road costs are relatively high for this County, which tends to drive up the costs for retail land uses in particular. The revenues generated from retail in this case are not sufficient to cover the allocated costs. Institutional land uses generate net deficits. Therefore, retail, office, and institutional prototype land uses are estimated to produce an overburden for this County.

Fiscal Impact Results without the Fiscal Disparities Program

Fiscal impact results for the County where the Developing City is located (Fiscal Disparities recipient), without the Fiscal Disparities program, are shown below.

Figure 116. DEVELOPING CITY Annual Net Fiscal Results: COUNTY Results without Fiscal Disparities

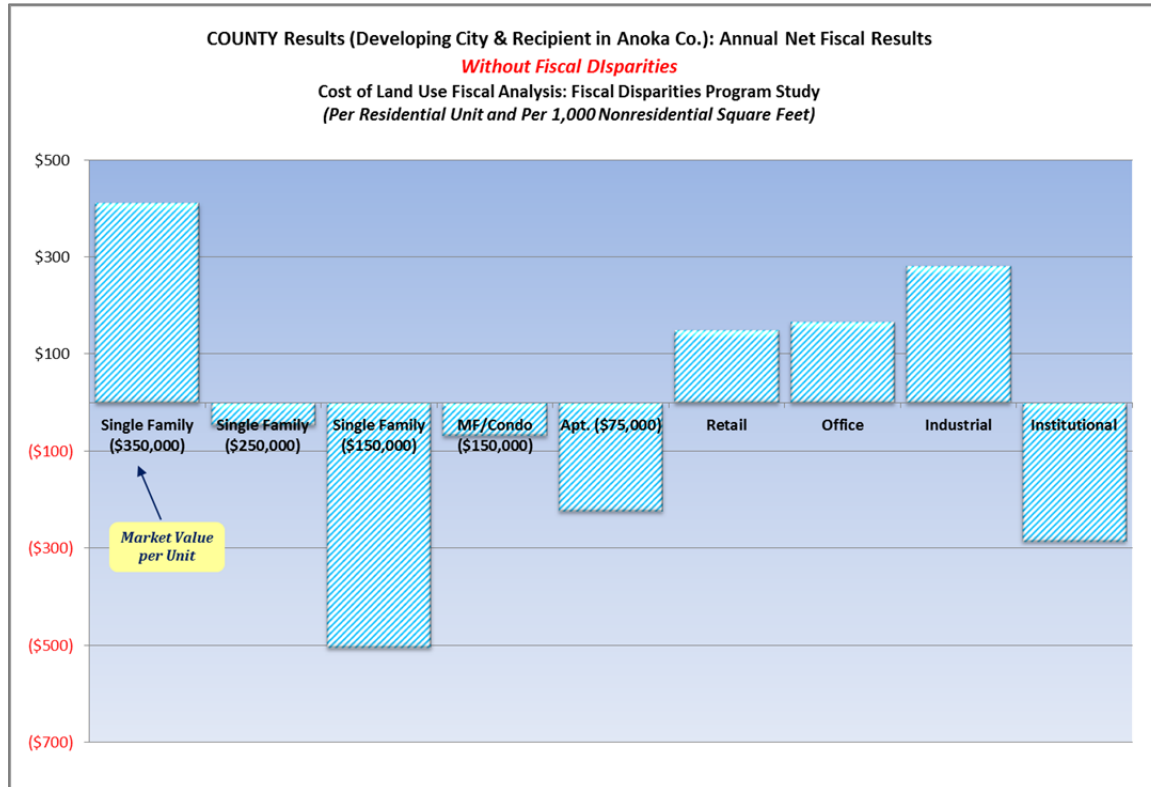


Figure 117. DEVELOPING CITY Annual Net Fiscal Results: COUNTY Revenues and Expenditures without Fiscal Disparities

COUNTY RESULTS	Residential (Per Unit)					Nonresidential (Per 1,000 Sq. Ft.)			
	Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
Market Values	\$350,000	\$250,000	\$150,000	\$150,000	\$75,000				
<i>General Fund</i>									
Revenues	\$2,654	\$2,196	\$1,738	\$1,273	\$1,118	\$1,503	\$774	\$467	\$322
Expenditures	\$2,242	\$2,242	\$2,242	\$1,342	\$1,342	\$1,353	\$606	\$185	\$606
Net Fiscal Result	\$412	(\$46)	(\$504)	(\$68)	(\$223)	\$150	\$168	\$282	(\$285)

Without the Fiscal Disparities program, tax rates in this county would increase, but the allocation of Fiscal Disparities revenues would be eliminated therefore worsening the fiscal results. All residential land uses would generate net deficits to the County, with the exception of single family property of higher value. The increase in property taxes would not offset the loss in Fiscal Disparities revenue and net deficits would be greater for all residential land uses except single family properties of higher value, which would still generate a net surplus but at a lower amount.

Net surpluses for industrial development would increase and retail and office would switch from a net deficit to a net surplus without the Fiscal Disparities program. The main reasons are significantly more “direct” revenue both due to the higher property tax rate and the capture of the tax capacity that is currently taxed at the areawide tax rate. Institutional land uses generate net deficits.

School District Fiscal Impact Results

This section provides results of the Cost of Land Use Fiscal Impact Analysis at the **School District** level. Cost and revenue factors have been determined based on the FY 2011 budget for the school district serving the case-study city. Results under the current structure (with Fiscal Disparities) are presented first followed by results under the hypothetical scenario of no Fiscal Disparities.

Fiscal Impact Results with Fiscal Disparities Program

Fiscal impact results for the School District where the Developing City is located (Fiscal Disparities recipient), assuming the Fiscal Disparities program, are shown below.

Figure 118. DEVELOPING CITY Annual Net Fiscal Results: SCHOOL DISTRICT Results with Fiscal Disparities

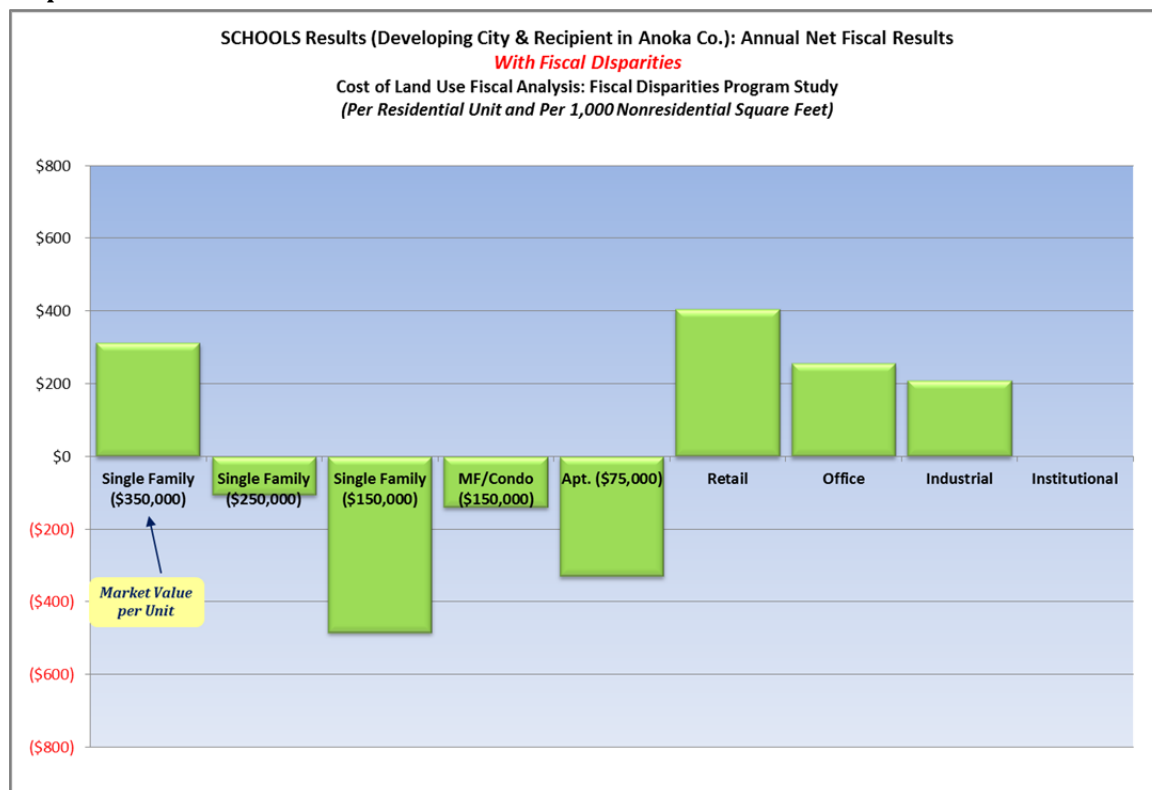


Figure 119. DEVELOPING CITY Annual Net Fiscal Results: SCHOOL DISTRICT Revenues and Expenditures with Fiscal Disparities

SCHOOL RESULTS	Residential (Per Unit)					Nonresidential (Per 1,000 Sq. Ft.)			
	Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
Market Values	\$350,000	\$250,000	\$150,000	\$150,000	\$75,000				
<i>General Fund</i>									
Revenues	\$5,811	\$5,393	\$5,016	\$3,350	\$3,160	\$407	\$256	\$210	\$0
Expenditures	\$5,499	\$5,499	\$5,499	\$3,489	\$3,489	\$0	\$0	\$0	\$0
Net Fiscal Result	\$312	(\$106)	(\$483)	(\$139)	(\$329)	\$407	\$256	\$210	\$0

As shown above, with the exception of a higher value single family detached unit, none of the single family prototype units generate sufficient revenue to cover the direct school expenditures incurred. In this county, multifamily units have a relative high student generation, resulting in expenditures close to single family detached units and the revenues are insufficient to cover the expenses.

Retail, office, and industrial development generate net fiscal surpluses given that no school costs are allocated to these land uses.

Fiscal Impact Results without the Fiscal Disparities Program

Fiscal impact results for the School District where the Developing City is located (Fiscal Disparities recipient), without the Fiscal Disparities program, are shown below.

Figure 120. DEVELOPING CITY Annual Net Fiscal Results: SCHOOL DISTRICT Results without Fiscal Disparities

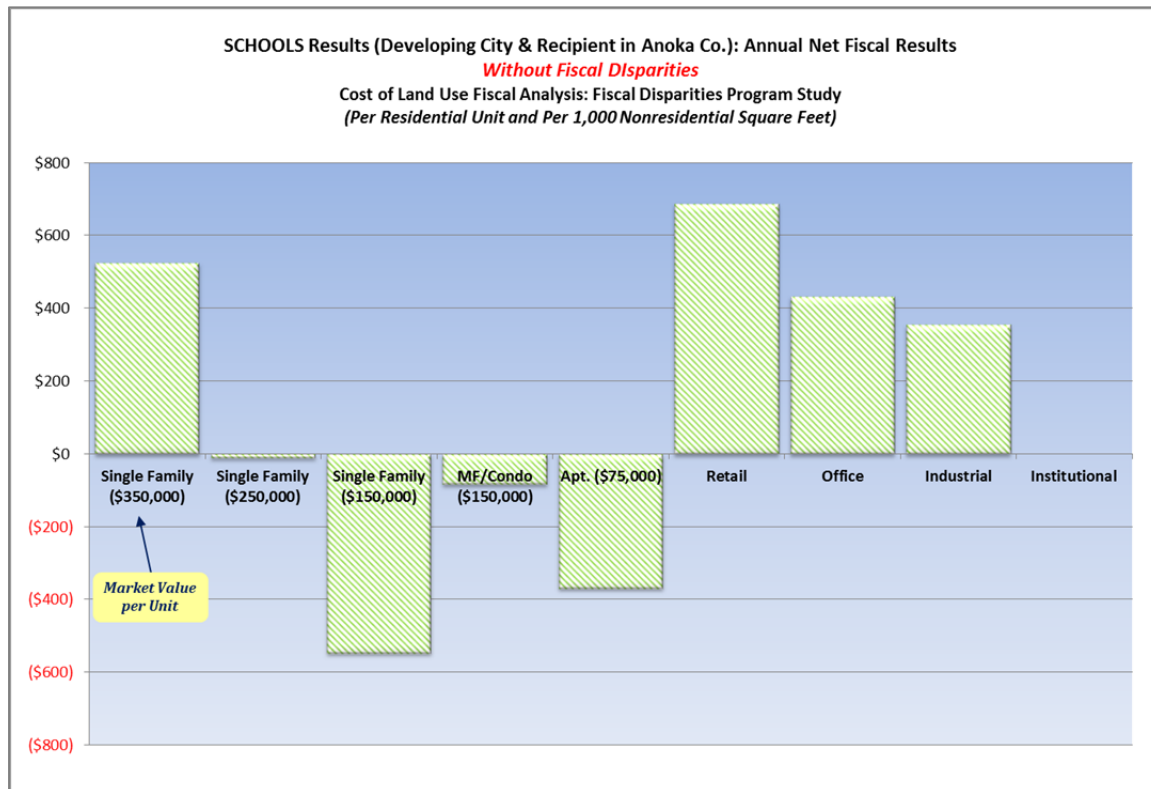


Figure 121. DEVELOPING CITY Annual Net Fiscal Results: SCHOOL DISTRICT Revenues and Expenditures without Fiscal Disparities

SCHOOL RESULTS	Residential (Per Unit)						Nonresidential (Per 1,000 Sq. Ft.)			
	Single Family Higher Value Market Values \$350,000	Single Family Median Value \$250,000	Single Family Lower Value \$150,000	Multifamily/Condo (Hmestd) Unit \$150,000	Apt. Unit \$75,000		Commercial/ Retail	Office	Industrial	Institutional
<i>General Fund</i>										
Revenues	\$6,024	\$5,489	\$4,953	\$3,406	\$3,121		\$688	\$433	\$355	\$0
Expenditures	\$5,499	\$5,499	\$5,499	\$3,489	\$3,489		\$0	\$0	\$0	\$0
Net Fiscal Result	\$526	(\$10)	(\$546)	(\$83)	(\$368)		\$688	\$433	\$355	\$0

Without the Fiscal Disparities program, tax rates for this school district would increase. However, unlike the City situation, for residential prototype land uses the increase in property taxes would come closer to offsetting the loss in Fiscal Disparities revenue for some unit types. The higher value single family unit net surplus would be larger and the median value and condo unit's net deficit would be smaller due to the higher property tax rate. The higher tax rate would not offset the loss of Fiscal Disparities revenue for lower value units or apartment units.

Retail, office, and industrial development net fiscal surpluses would increase due to higher property tax rate and the capture of the tax capacity that is currently taxed at the areawide tax rate.

Summary of Fiscal Impact Results

Results for the **Developing City** (recipient) are presented in total layering each jurisdiction's results in one chart. Fiscal impact results with the Fiscal Disparities program are shown first followed by summary results without it. As noted elsewhere, while results are presented in total (combined results from the city, county, and school district), it should be acknowledged that local governments provide services and infrastructure separately. Therefore, a "net surplus" per land use at one level of government (e.g., city, county, schools) does not offset a "net deficit" at another level.

Figure 122. DEVELOPING CITY Annual Net Fiscal Results: TOTAL Results with Fiscal Disparities

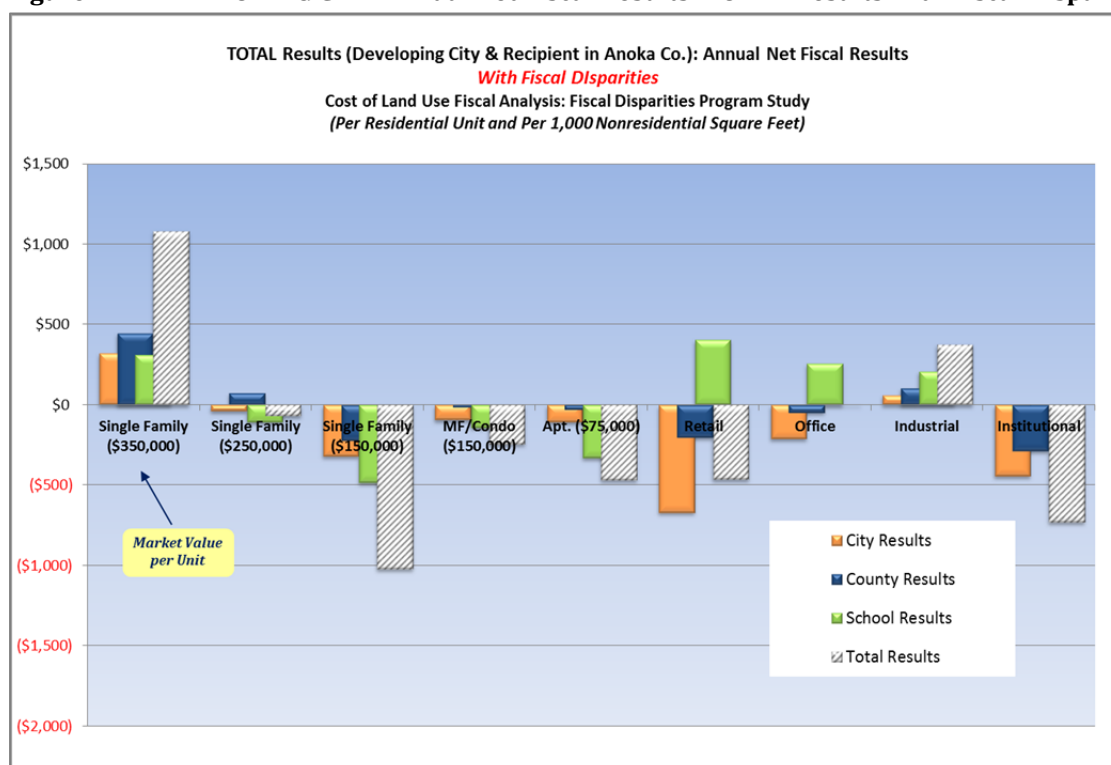


Figure 123. DEVELOPING CITY Annual Net Fiscal Results: TOTAL Results without Fiscal Disparities



With all jurisdictions combined, all single family residential prototypes produce net deficits, except for single family detached units of higher value under both tax system assumptions. For all residential land uses—single family median and lower value units, multifamily/condo, and apartment—revenues at each level of government are insufficient to cover costs. (The only exception is single family median value units at the county level under the current system.) Even with Fiscal Disparities allocation to residential land uses, net deficits are generated.

For residential units without the Fiscal Disparities program, net deficits are deepened—and generated at all levels of government (with the exception of higher value single family units). The increase in tax rates is not sufficient to cover the loss in Fiscal Disparities revenue.

For nonresidential prototype land uses under the current tax system, only industrial land uses generate net surpluses (no overburden). The remaining nonresidential prototypes generate net deficits (office and institutional)—an overburden—or break even (office). (For school district results, the result for nonresidential land uses are a net surplus due to revenues generated but no direct costs.)

For nonresidential land uses without the Fiscal Disparities program, combined results produce net surpluses, with the exception of institutional uses. The amount of direct revenue captured by these land

uses is sufficient to cover the projected expenditures, due to both the direct capture of tax base and the tax rate increase needed to generate the same levy.

The combined result is that there appears to be an “overburden” under the current system when looking at individual nonresidential land use prototypes for this community, specifically with retail and office to a certain extent. This is true even though this community is a net recipient. Again, in this Developing community capital costs are relatively high, indicating a need for upfront infrastructure costs to provide for new growth. Industrial land uses cover their respective costs. When the program is assumed to be eliminated, tax rates are assumed to increase in this community and more revenue is captured by the nonresidential development. Therefore, fiscal results improve and switch from an overall net deficit to net surplus for nonresidential land uses (except institutional). However, results vary by jurisdiction level where service impacts are experienced (i.e., city results for retail remain an overburden).

Comparison of Taxes Paid by Retail and Single Family Unit Prototypes with and without the Fiscal Disparities Program in Developing City (Fiscal Disparities Recipient)

For further detail, we provide property tax impacts for the retail prototype land use and single family detached unit of median value (\$250,000) both with and without the Fiscal Disparities program. Results show that tax on retail would increase by 3.4 percent without Fiscal Disparities and by 14.8 percent for a single family detached unit (at \$250,000 market value).

RETAIL PROTOTYPE SHARE OF TAXES PAID BY TAXING JURISDICTIONS

RETAIL PROTOTYPE SHARE OF TAXES PAID BY TAXING JURISDICTIONS						
Taxing Jurisdiction	With Fiscal Disparities		Without Fiscal Disparities		Impact Without Fiscal Disparities \$ Increase(Decrease) Per Unit % Inc (Dec)	
	Prototype Retail		Prototype Retail			
	Taxes Paid	% of Total	Taxes Paid	% of Total		
	per 1,000 SF	Taxes Paid	per 1,000 SF	Taxes Paid		
City	\$384	12%	\$776	21%		
County	\$395	13%	\$747	26%		
Schools	\$407	13%	\$688	23%		
State	\$858	28%	\$858	25%		
Fiscal Disparities	\$974	32%	\$0	0%		
Special Districts	\$59	2%	\$110	5%		
TOTAL	\$3,076	100%	\$3,180	100%	\$103	3.4%

RESIDENTIAL (HOMESTEAD) PROTOTYPE SHARE OF TAXES PAID BY TAXING JURISDICTIONS (\$250,000 Market Value)

RESIDENTIAL (HOMESTEAD) PROTOTYPE SHARE OF TAXES PAID BY TAXING JURISDICTIONS (\$250,000 Market Value)						
Taxing Jurisdiction	With Fiscal Disparities		Without Fiscal Disparities		Impact Without Fiscal Disparities	
	Prototype SF Unit		Prototype SF Unit		\$ Increase(Decrease) Per Unit	% Inc (Dec)
	Taxes Paid per Unit	% of Total Taxes Paid	Taxes Paid per Unit	% of Total Taxes Paid		
City	\$907	30%	\$1,054	31%	\$147	16.2%
County	\$933	31%	\$1,015	30%	\$81	8.7%
Schools	\$1,056	35%	\$1,258	37%	\$202	19.1%
Special Districts	\$92	3%	\$103	3%	\$11	12.5%
TOTAL	\$2,987	100%	\$3,430	100%	\$442	14.8%

CASE EXAMPLE 4: RURAL AREA & CONTRIBUTOR

The fourth case example examined is a **Rural Area** and a **net contributor** of the Fiscal Disparities Program.

Prototype Land Uses

Residential prototypes included in the study are shown in Figure 124. The different prototypes are meant to represent the type and characteristics of residential development that exists today. The figure outlines the residential prototypes and their associated characteristics. Estimated household sizes (persons per unit) along with average market values are shown in the table for each prototype. All single family detached prototypes will have the same household size. Also shown is the student generation rate by type of housing unit, which reflects the average number of public school students who reside in a unit. This is derived from U.S. Census American Community Survey PUMS data by county (reflecting the county in which the case example city is located). The data are used to calculate the associated revenue and cost factors in the fiscal impact study.

Figure 124. RURAL AREA Residential Prototypes

RESIDENTIAL PROTOTYPES					
	Land Use Prototype	Market Value Per Unit [1]	Persons Per Unit [2]	Students Per Unit [3]	Vehicle Trips Per Unit [4]
1	Single Family (SF) (Homestead)	\$500,000	2.60	0.495	4.79
2	Single Family (SF) (Homestead)	\$350,000	2.60	0.495	4.79
3	Single Family (SF) (Homestead)	\$200,000	2.60	0.495	4.79
4	Multifamily/Condo (Homestead)	\$200,000	1.72	0.189	3.33
5	Apartment (4+ Units)	\$150,000	1.72	0.189	3.33

[1] TischlerBise analysis of Met Council and Census data.

[2] U.S. Census, American Community Survey, 2005-09 Five-Yr Estimates

[3] U.S. Census, American Community Survey, 2005-2009 Five-Yr PUMS Estimates (Washington County); TischlerBise analysis

[4] Trip Generation, Institute of Transportation Engineers, 2008. Trip rate is adjusted to account for portion attributable to residential unit.

Nonresidential prototypes included in the study are shown in Figure 125. The nonresidential land uses reflect existing types of nonresidential development in the City. The table below outlines the nonresidential prototypes and their associated characteristics.

Figure 125. RURAL AREA Nonresidential Prototypes

NONRESIDENTIAL PROTOTYPES						
	Land Use Prototype [1]	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Employees Per 1,000 SF [2]	Vehicle Trips Per 1,000 SF [3]
1	Commercial/Retail	\$75	5,000	\$375,000	3.03	30.89
2	Offices	\$80	10,000	\$800,000	4.48	11.33
3	Industrial	\$60	10,000	\$600,000	1.79	1.91
4	Institutional (Tax-Exempt)	\$100	10,000	\$1,000,000	4.48	11.33

[1] Met Council Database; TischlerBise analysis

[2] Institute of Transportation Engineers; Urban Land Institute

[3] Trip Generation, Institute of Transportation Engineers, 2008. Trip rate is adjusted to account for portion attributable to nonresidential.

Cost of Land Use Fiscal Analysis: General Approach and Outputs

Cost and revenue factors have been determined based on the FY 2011 budget for the case study city and additional fiscal research. The analysis is based on **current levels of service**. Current levels of service represent the respective level of government's (City, County, or School District) current level of spending for services and facilities. That is, assumptions made in the analysis are based on revenue sources, programs, services, requirements, and policies that are in place today (with the exception of the "without Fiscal Disparities Program" scenario where tax rates are adjusted to reflect hypothetical elimination of the program). Revenue and cost detail is provided in Appendices D and F.

The analysis includes the General Fund and major Special Funds, both operating and capital. Enterprise funds are not included in the analysis as they are assumed to be self-sustaining. Only those revenues and costs **directly attributed** to the land use are assumed with the exception of Fiscal Disparities Program revenue. (The approach is to allocate the Fiscal Disparities distribution levy in the jurisdiction using the factors in the Fiscal Disparities distribution formula, namely market values and population. Therefore, the residential prototypes in this analysis get "revenue credit" for distribution levies in the "With Fiscal Disparities" scenario.) Indirect, or spin-off, impacts are not included. An average cost approach is taken and where appropriate, revenues and costs are allocated to residential development, nonresidential development, or both.

There are two scenarios analyzed: (1) Current with Fiscal Disparities (Current System); and (2) Without Fiscal Disparities (Hypothetical Scenario). In the latter scenario, the tax rates are adjusted to assume the same amount of levy in the respective locality; therefore, for net contributors, the tax rates are assumed to decrease and for net recipients, the tax rates are assumed to increase. However, other revenue sources (such as state funding that may be affected by changes to the Fiscal Disparities program) are **not** adjusted. The concept is to test what would happen to revenue generation by type of land use if the Fiscal Disparities program were to be dismantled without clouding the results with changes to other funding programs.

The Cost of Land Use fiscal impact results for all levels of government are discussed in terms of annual net results for each land use prototype. The figures in this section show net fiscal results by type of land use for residential development and nonresidential development. For residential development, results are shown **per residential unit** and for nonresidential development results are shown **per 1,000 square feet of floor area** in all figures.

Data points above the \$0 line represent net surpluses; data points below the \$0 line represent net deficits. *Where net surpluses are shown, one can assume that the prototype land use generates sufficient revenue to cover the direct costs to serve that land use at the respective level of government (i.e., no “overburden”). Where net deficits are shown, one can assume an “overburden” for that particular prototype land use for the respective level of government.*

City Fiscal Impact Results

This section provides results of the Cost of Land Use Fiscal Impact Analysis at the **City** level. Cost and revenue factors have been determined based on the FY 2011 budget for the case study city and additional fiscal research. The analysis is based on **current levels of service**. Current levels of service represent the City’s current level of spending for services and facilities. Results under the current structure (with Fiscal Disparities) are presented first followed by results under the hypothetical scenario of no Fiscal Disparities.

Fiscal Impact Results with Fiscal Disparities Program

Fiscal impact results for a Rural Area city (Fiscal Disparities contributor), assuming the Fiscal Disparities program, are shown below.

Figure 126. RURAL AREA Annual Net Fiscal Results: CITY Results with Fiscal Disparities

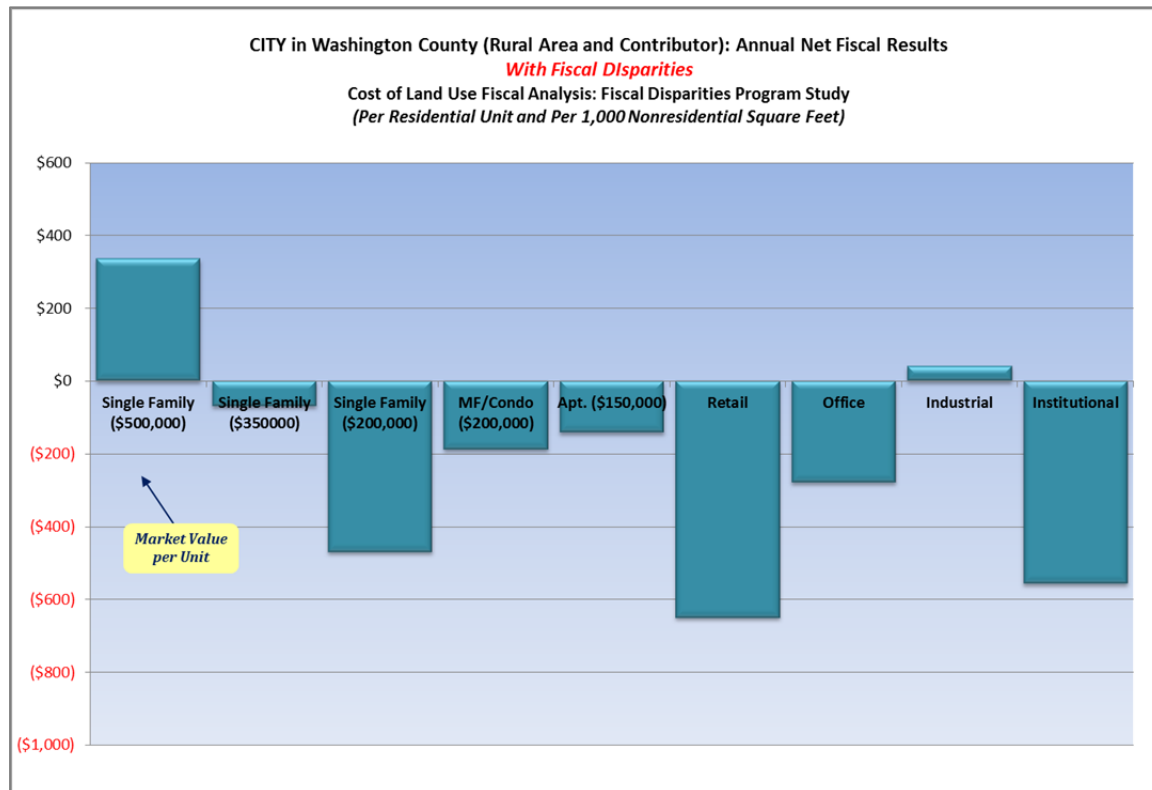


Figure 127. RURAL AREA Annual Net Fiscal Results: CITY Revenues and Expenditures with Fiscal Disparities

CITY RESULTS	Residential (Per Unit)					Nonresidential (Per 1,000 Sq. Ft.)			
	Single Family Higher Value Market Values \$500,000	Single Family Median Value \$350,000	Single Family Lower Value \$200,000	Multifamily/Condo (Hmestd) Unit \$200,000	Apt. Unit \$150,000	Commercial/ Retail	Office	Industrial	Institutional
<i>General Fund</i>									
Revenues	\$1,508	\$1,103	\$702	\$600	\$647	\$0	\$289	\$341	\$230
Expenditures	\$1,171	\$1,171	\$1,171	\$788	\$788	\$0	\$938	\$619	\$189
Net Fiscal Result	\$337	(\$68)	(\$469)	(\$187)	(\$141)	(\$649)	(\$278)	\$41	(\$556)

As shown in Figure 126, most residential prototype land uses generate net deficits to the City. This City does not get Local Government Aid, or other significant intergovernmental aid, therefore residential development does not pay for itself at median and lower values. Because all jurisdictions in the Fiscal Disparities program contribute tax capacity and receive a distribution levy (albeit contributors receive less than the contribute), this jurisdiction also receives Fiscal Disparities revenue, which is allocated to residential units using the factors in the Fiscal Disparities distribution formula, namely market values and population. Therefore, the residential prototypes in this analysis get credit for the distribution levy revenue in this “With Fiscal Disparities” scenario.

Only industrial development generates net fiscal surpluses to the City—albeit at a low level—even with the Fiscal Disparities program. This is primarily due to the lower costs generated by industrial land uses and the average property value assumed for this prototype. For office and retail land uses, fiscal results are net deficits (reflecting an overburden) due to lower direct revenues and higher relative costs, particularly for road costs in this jurisdiction where annual road expenditures represent over 20 percent of the General Fund budget. Expenditures are substantially higher for the retail prototype land use than for other nonresidential types (due to road and public safety costs) and the revenues generated are insufficient from the small-scale type of retail in this community. Road costs in particular, both annual operating and capital, are derived based on average trip rates by type of land use and retail land uses generate a larger number of trips than other land uses. Therefore, road costs are proportionally higher for retail development.

Figure 127 provides a summary of revenues, expenditures, and net results generated for each prototype.

Fiscal Impact Results without the Fiscal Disparities Program

Fiscal impact results for a Rural Area city (Fiscal Disparities contributor), without the Fiscal Disparities program, are shown below.

Figure 128. RURAL AREA Annual Net Fiscal Results: CITY Results without Fiscal Disparities

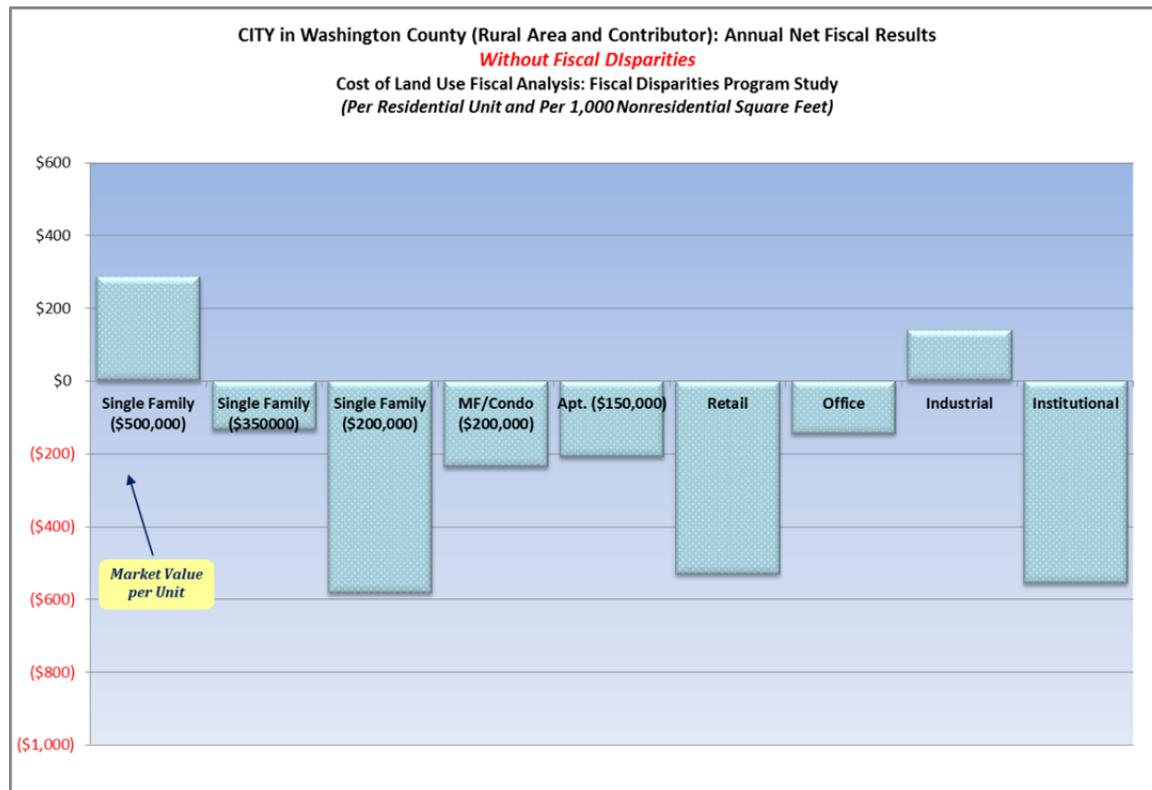


Figure 129. RURAL AREA Annual Net Fiscal Results: CITY Revenues and Expenditures without Fiscal Disparities

CITY RESULTS	Residential (Per Unit)					Nonresidential (Per 1,000 Sq. Ft.)			
	Single Family Higher Value \$500,000	Single Family Median Value \$350,000	Single Family Lower Value \$200,000	Multifamily/Condo (Hmestd) Unit \$200,000	Apt. Unit \$150,000	Commercial/ Retail	Office	Industrial	Institutional
<i>General Fund</i>									
Revenues	\$1,459	\$1,036	\$588	\$551	\$579	\$407	\$475	\$329	\$63
Expenditures	\$1,171	\$1,171	\$1,171	\$788	\$788	\$938	\$619	\$189	\$619
Net Fiscal Result	\$288	(\$135)	(\$583)	(\$237)	(\$209)	(\$531)	(\$145)	\$140	(\$556)

Without the Fiscal Disparities program, tax rates in this contributor city would decrease slightly. For residential prototype land uses, the decrease in property taxes—and elimination of the allocated fiscal Disparities revenue—would result in larger net deficits for single family properties of median and lower value and a smaller net surplus for a higher value single family unit.

Net surpluses from industrial development would increase due to significantly more “direct” revenue both due to the higher property tax rate and the capture of the tax capacity that is currently taxed at the areawide tax rate. For retail and office land uses, fiscal results are still net deficits but better than the

scenario with Fiscal Disparities. The direct revenues allocated to retail land uses would still not be sufficient to cover the expenditures generated, again primarily due to road and public safety costs that are proportionally higher for retail land uses than other types of development. Office development at the property value assumed for this prototype also does not generate sufficient revenues to cover direct costs. Institutional land uses do not cover their costs due to minimal direct revenues allocated to this land use.

County Fiscal Impact Results

This section provides results of the Cost of Land Use Fiscal Impact Analysis at the **County** level. Cost and revenue factors have been determined based on the FY 2011 budget for the home County where the case-study city is located. Results under the current structure (with Fiscal Disparities) are presented first followed by results under the hypothetical scenario of no Fiscal Disparities.

Fiscal Impact Results with Fiscal Disparities Program

Fiscal impact results for the County where the Rural Area city is located (Fiscal Disparities contributor), assuming the Fiscal Disparities program, are shown below.

Figure 130. RURAL AREA Annual Net Fiscal Results: COUNTY Results with Fiscal Disparities

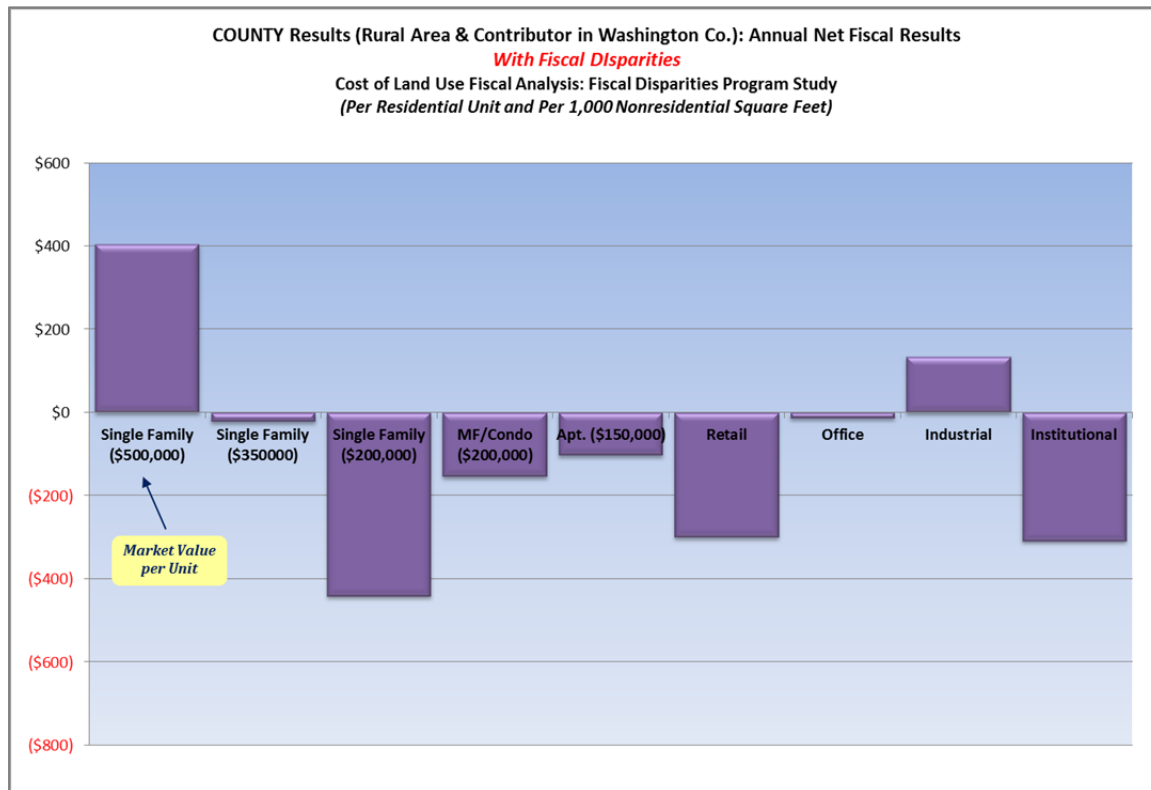


Figure 131. RURAL AREA Annual Net Fiscal Results: COUNTY Revenues and Expenditures with Fiscal Disparities

COUNTY RESULTS	Residential (Per Unit)					Nonresidential (Per 1,000 Sq. Ft.)			
	Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
	Market Values \$500,000	\$350,000	\$200,000	\$200,000	\$150,000				
<i>General Fund</i>									
Revenues	\$2,147	\$1,720	\$1,301	\$1,004	\$1,055	\$495	\$477	\$278	\$183
Expenditures	\$1,741	\$1,741	\$1,741	\$1,158	\$1,158	\$794	\$490	\$144	\$490
Net Fiscal Result	\$406	(\$21)	(\$441)	(\$154)	(\$102)	(\$300)	(\$13)	\$134	(\$308)

As shown in Figure 130, the higher value residential prototype land uses generates net surpluses but all other residential land uses do not generate sufficient revenue to cover expenditures incurred. The majority of services provided by counties in Minnesota, namely human services (comprising approximately a quarter of the operating budget), drive up costs allocated to residential development without commensurate revenues.

Industrial development generates net fiscal surpluses due to relatively high property values and lower direct costs due to the services provided by counties. The largest costs allocated to nonresidential land

uses for County services are for public safety and public works, which results in lower costs to industrial development but higher relative costs to retail and office uses. These higher costs to retail and office land uses for public safety and public works account for the net fiscal deficits generated. Direct County costs to serve retail and office development in this jurisdiction (based on the prototype assumptions) are not covered by the direct revenue generated with the Fiscal Disparities program thus indicating an overburden. Institutional land uses generate net deficits.

Fiscal Impact Results without the Fiscal Disparities Program

Fiscal impact results for the County where the Rural Area city is located (Fiscal Disparities contributor), without the Fiscal Disparities program, are shown below.

Figure 132. RURAL AREA Annual Net Fiscal Results: COUNTY Results without Fiscal Disparities

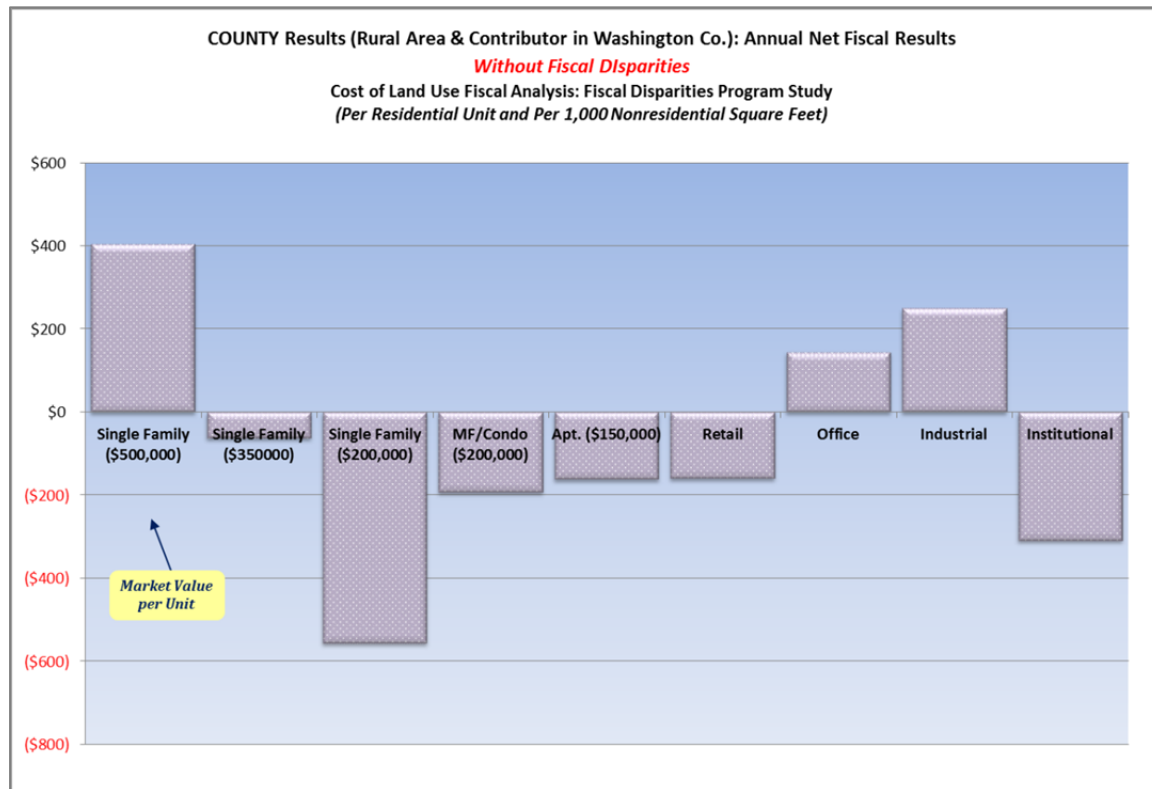


Figure 133. RURAL AREA Annual Net Fiscal Results: COUNTY Revenues and Expenditures without Fiscal Disparities

COUNTY RESULTS	Residential (Per Unit)					Nonresidential (Per 1,000 Sq. Ft.)			
	Single Family Higher Value Market Values \$500,000	Single Family Median Value \$350,000	Single Family Lower Value \$200,000	Multifamily/Condo (Hmstd) Unit \$200,000	Apt. Unit \$150,000	Commercial/ Retail	Office	Industrial	Institutional
<i>General Fund</i>									
Revenues	\$2,146	\$1,680	\$1,186	\$966	\$996	\$635	\$636	\$395	\$183
Expenditures	\$1,741	\$1,741	\$1,741	\$1,158	\$1,158	\$794	\$490	\$144	\$490
Net Fiscal Result	\$404	(\$62)	(\$555)	(\$192)	(\$162)	(\$159)	\$145	\$251	(\$308)

Without the Fiscal Disparities program, the county tax rate in this case example would **increase**—not decrease as is the case with the city rate shown above—because the County itself is a net recipient. This differs from previous case example of a fiscal disparities contributor (Case Example #2) where a decrease in tax rates would occur for all jurisdictional levels. All residential land uses except single family properties of higher value would generate net deficits to the County. The results for a single family unit of higher value (as assumed for this case example) assuming elimination of the Fiscal Disparities program generates essentially the same amount of revenue as projected under the current situation due to the increase in the county tax rate. This increase offsets the loss of Fiscal Disparities revenue. The other residential land uses generate larger net deficits than under the current tax system—the increase in tax rate is not sufficient to cover the loss of fiscal Disparities revenue.

Without the Fiscal Disparities program, office development switches from a net deficit to a net surplus and industrial net surpluses are larger due to significantly more “direct” revenue both due to the capture of the tax capacity that is currently taxed at the areawide tax rate and the increased county tax rate. Retail development is still a net deficit, although the shortfall is reduced by about half. Institutional land uses generate net deficits.

School District Fiscal Impact Results

This section provides results of the Cost of Land Use Fiscal Impact Analysis at the **School District** level. Cost and revenue factors have been determined based on the FY 2011 budget for the school district serving the case-study city. Results under the current structure (with Fiscal Disparities) are presented first followed by results under the hypothetical scenario of no Fiscal Disparities.

Fiscal Impact Results with Fiscal Disparities Program

Fiscal impact results for the School District where the Rural Area city is located (Fiscal Disparities contributor), assuming the Fiscal Disparities program, are shown below.

Figure 134. RURAL AREA Annual Net Fiscal Results: SCHOOL DISTRICT Results with Fiscal Disparities

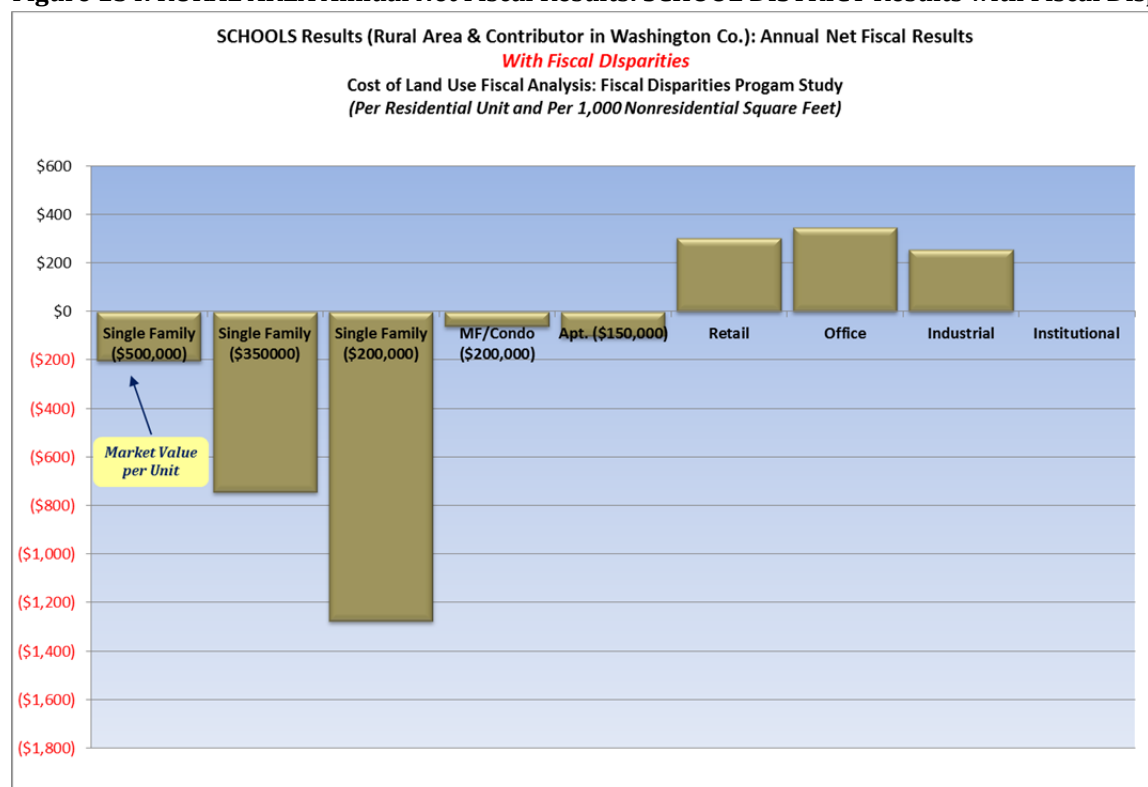


Figure 135. RURAL AREA Annual Net Fiscal Results: SCHOOL DISTRICT Revenues and Expenditures with Fiscal Disparities

SCHOOL RESULTS	Residential (Per Unit)					Nonresidential (Per 1,000 Sq. Ft.)			
	Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
Market Values	\$500,000	\$350,000	\$200,000	\$200,000	\$150,000				
General Fund									
Revenues	\$5,817	\$5,278	\$4,746	\$2,234	\$2,192	\$304	\$346	\$257	\$0
Expenditures	\$6,022	\$6,022	\$6,022	\$2,296	\$2,296	\$0	\$0	\$0	\$0
Net Fiscal Result	(\$205)	(\$744)	(\$1,276)	(\$62)	(\$104)	\$304	\$346	\$257	\$0

As shown above, none of the single family prototype units generate sufficient revenue to cover the direct school expenditures incurred. Multifamily condo and apartment units generate net deficits, with apartment units generating larger net deficits. Multifamily units (including apartments) have a lower student generation rate (average number of students per unit) than single family units resulting in lower projected costs than single family units.

Retail, office, and industrial development generate net fiscal surpluses given that no school costs are allocated to these land uses.

Fiscal Impact Results without the Fiscal Disparities Program

Fiscal impact results for the School District serving the Rural Area city (Fiscal Disparities contributor), without the Fiscal Disparities program, are shown below.

Figure 136. RURAL AREA Annual Net Fiscal Results: SCHOOL DISTRICT Results without Fiscal Disparities

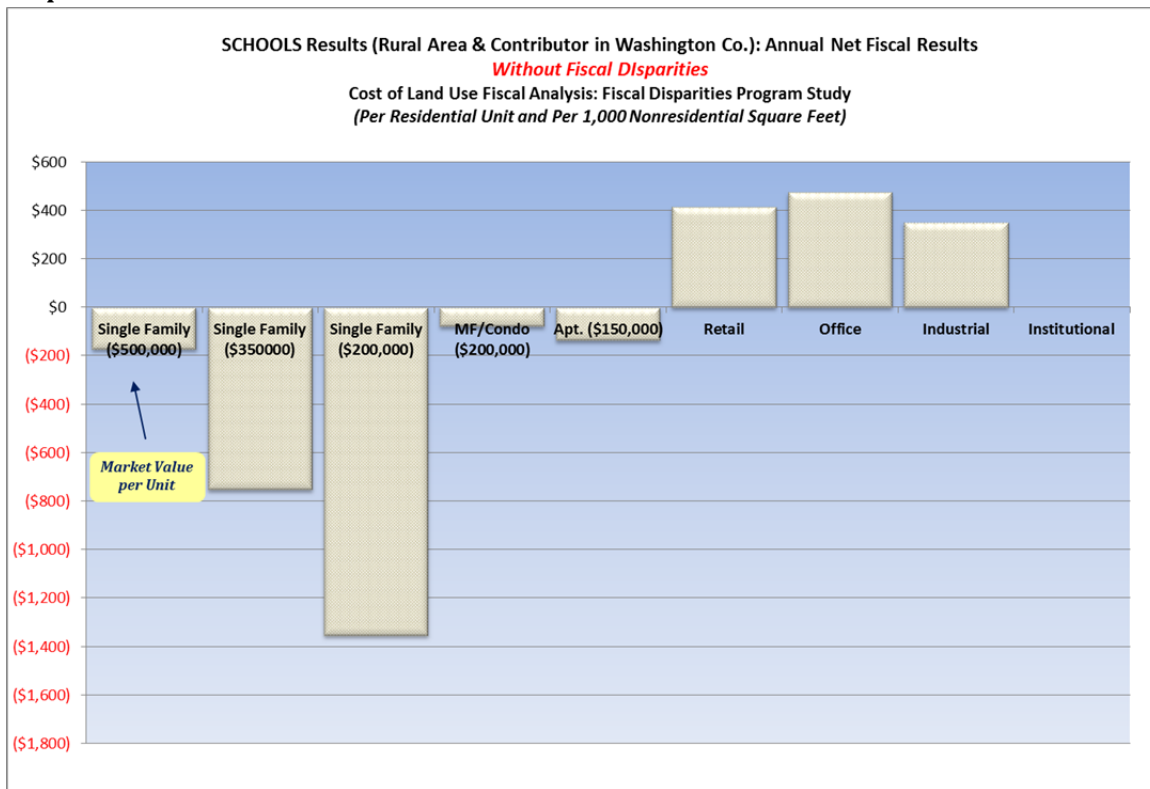


Figure 137. RURAL AREA Annual Net Fiscal Results: SCHOOL DISTRICT Revenues and Expenditures without Fiscal Disparities

SCHOOL RESULTS	Residential (Per Unit)					Nonresidential (Per 1,000 Sq. Ft.)			
	Single Family Higher Value Market Values	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
	\$500,000	\$350,000	\$200,000	\$200,000	\$150,000				
General Fund									
Revenues	\$5,850	\$5,270	\$4,670	\$2,216	\$2,159	\$413	\$474	\$351	\$0
Expenditures	\$6,022	\$6,022	\$6,022	\$2,296	\$2,296	\$0	\$0	\$0	\$0
Net Fiscal Result	(\$172)	(\$752)	(\$1,352)	(\$80)	(\$137)	\$413	\$474	\$351	\$0

Without the Fiscal Disparities program, the tax rate for this school district would increase, which differs from the other net contributor in this analysis where tax rates for all taxing entities would decrease without the Fiscal Disparities program. Given this, the increased revenues generated by the higher property tax rate (even with the elimination of the limited amount of fiscal disparities revenue that is allocated to residential land uses) would decrease the net deficits for all residential land uses in the study. However, all residential prototypes are still net deficits.

The net fiscal surpluses generated by retail, office, and industrial prototype land uses would increase due to the capture of the tax capacity that is currently taxed at the areawide tax rate and the increase in the tax rate.

Summary of Fiscal Impact Results

Results for the **Rural Area** (contributor) are presented in total layering each jurisdiction's results in one chart. Fiscal impact results with the Fiscal Disparities program are shown first followed by summary results without the program. As noted elsewhere, while results are presented in total (combined results from the city, county, and school district), it should be acknowledged that local governments provide services and infrastructure separately. Therefore, a "net surplus" per land use at one level of government (e.g., city, county, schools) does not offset a "net deficit" at another level.

Figure 138. RURAL AREA Annual Net Fiscal Results: TOTAL Results with Fiscal Disparities

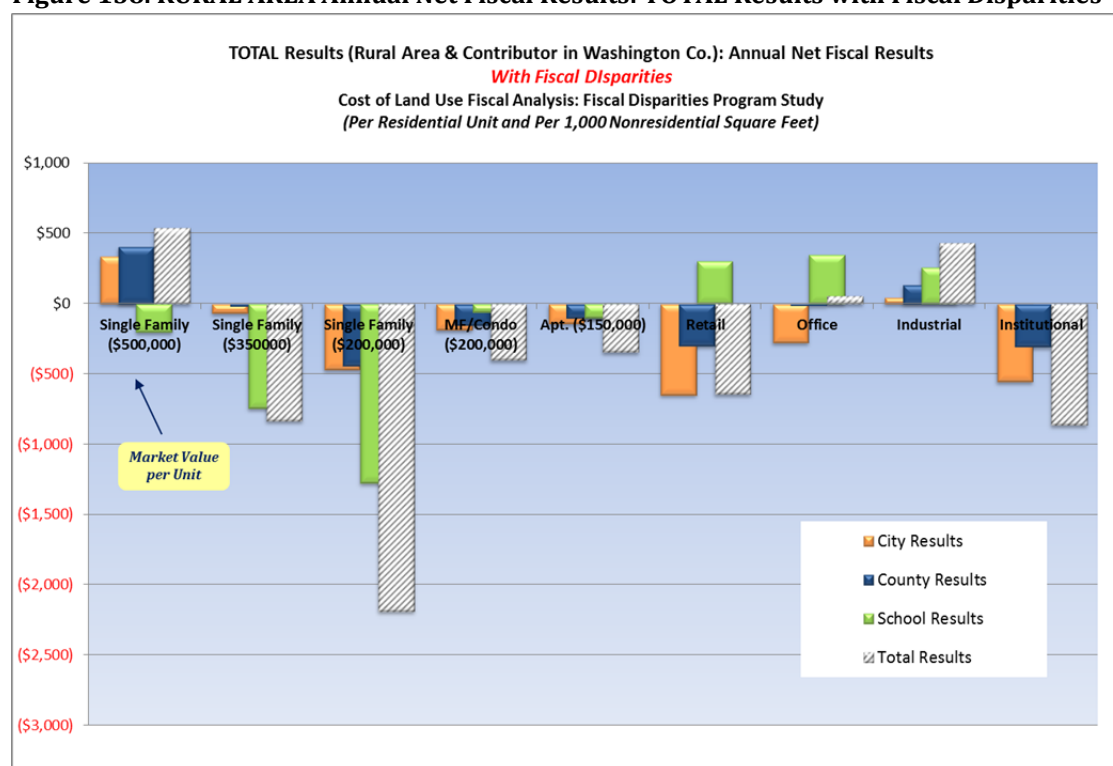
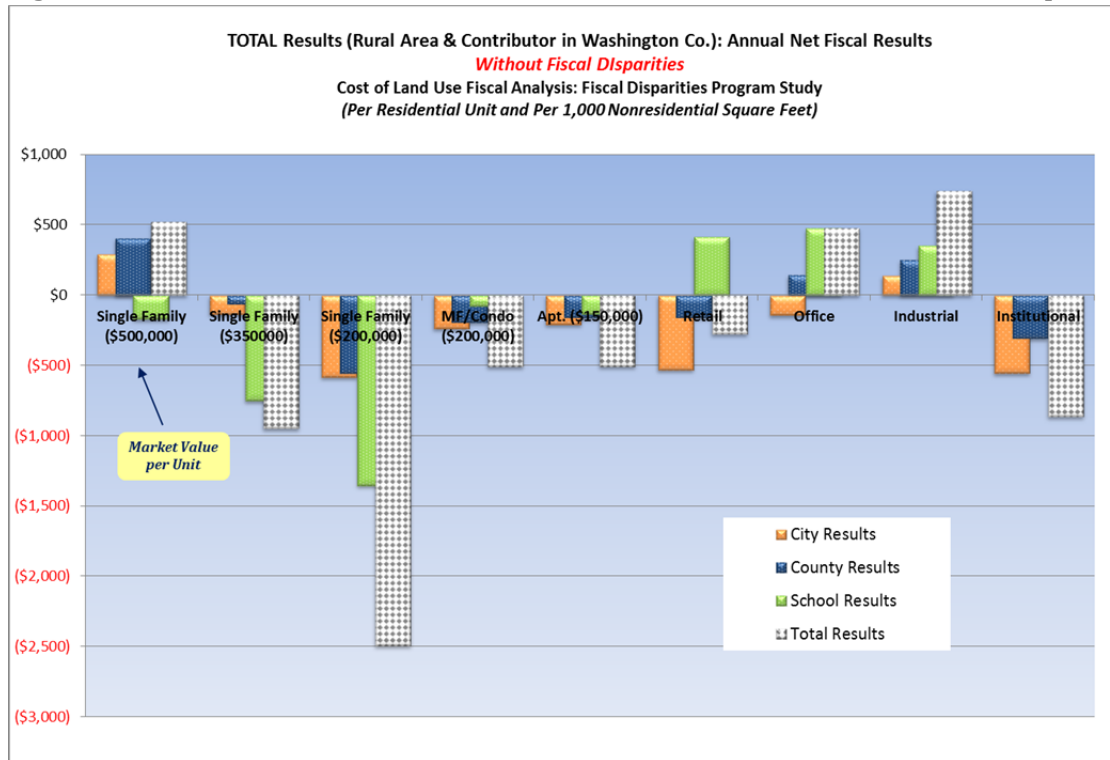


Figure 139. RURAL AREA Annual Net Fiscal Results: TOTAL Results without Fiscal Disparities



With all jurisdictions combined, most single family residential prototypes produce net deficits with the exception of single family detached units of higher value under both the current taxing system and if Fiscal Disparities were eliminated. Office and industrial land use prototypes produce net surpluses and retail and institutional land uses generate net deficits when combining all levels of government. Overall findings are essentially the same under the current law—with Fiscal Disparities—and if it were eliminated. That is, whether a land use produces a net deficit or net surplus is unaffected by removal of the Fiscal Disparities program. What is affected is the magnitude of the deficit or surplus. For residential development, the net deficits are deeper when the Fiscal Disparities program is eliminated due to loss of distribution revenue allocated to residential land uses and a decreased city tax rate. For nonresidential land uses, the net surpluses are larger for office and industrial and the net deficit is smaller for retail development.

For nonresidential land uses except retail and institutional uses, the overall fiscal impact is a net surplus, indicating that there is not an “overburden” in total to serve these land uses. The results are better per nonresidential prototype without the program because more direct revenue is allocated to these land uses. And as discussed above, results vary by jurisdiction level where service impacts are experienced. For retail land uses, the overall effect is a net deficit when combining all taxing levels—both assuming

the current tax system as well as elimination of the Fiscal Disparities program—indicating a potential overburden to serve this type of development in this type of community.

Comparison of Taxes Paid by Retail and Single Family Unit Prototypes with and without the Fiscal Disparities Program in a Rural Area (Fiscal Disparities Contributor)

For further detail, we provide property tax impacts for the retail prototype land use and single family detached unit of \$350,000 both with and without the Fiscal Disparities program. Results show that tax on retail would decrease by 8.2 percent without Fiscal Disparities and would increase by 2.8 percent for a single family detached unit (at \$350,000 market value).

RETAIL PROTOTYPE SHARE OF TAXES PAID BY TAXING JURISDICTIONS

Taxing Jurisdiction	With Fiscal Disparities		Without Fiscal Disparities		Impact Without Fiscal Disparities	
	Prototype Retail Taxes Paid per 1,000 SF	% of Total Taxes Paid	Prototype Retail Taxes Paid per 1,000 SF	% of Total Taxes Paid		
City	\$246	12%	\$364	21%	\$ Increase(Decrease) Per Unit	% Inc (Dec)
County	\$263	13%	\$404	26%		
Schools	\$304	15%	\$413	23%		
State	\$662	32%	\$662	25%		
Fiscal Disparities	\$569	27%	\$0	0%		
Special Districts	\$51	2%	\$79	5%		
TOTAL	\$2,095	100%	\$1,922	100%	(\$173)	-8.2%

RESIDENTIAL (HOMESTEAD) PROTOTYPE SHARE OF TAXES PAID BY TAXING JURISDICTIONS (Median Market Value (\$350,000))

Taxing Jurisdiction	With Fiscal Disparities		Without Fiscal Disparities		Impact Without Fiscal Disparities	
	Prototype SF Unit Taxes Paid per Unit	% of Total Taxes Paid	Prototype SF Unit Taxes Paid per Unit	% of Total Taxes Paid		
City	\$927	28%	\$926	27%	\$ Increase(Decrease) Per Unit	% Inc (Dec)
County	\$989	30%	\$1,026	30%		
Schools	\$1,253	37%	\$1,304	38%		
Special Districts	\$178	5%	\$187	5%		
	\$3,348	100%	\$3,443	100%		
					\$95	2.8%

VIII. POLICY CONSIDERATIONS

Several themes have emerged during the course of this study such as: the question of “overburden”; provision of “regional services” as defined by communities (e.g., housing and protection of wetlands as regional services); the design of the program itself (e.g., use of 1971 base value; 40 percent contribution threshold); and the drivers for commercial and industrial development apart from fiscal impacts. This section provides an overview of those issues and further discussion on some of the key items.

KEY AREAS OF CONSIDERATION

Through our evaluation, we have uncovered a number of key areas of focus—including issues, criticisms, questions, and praise—that have been identified by communities and organizations in the Metro region.

Key Issues

- *Impact of the current economic downturn on localities.* With the current economic downturn and local government budgetary stress, one of the most prominent issues is that with a portion of a locality’s tax capacity going to a shared pool, net contributors are not receiving the full revenue off of their property tax base. Current fiscal distress tends to make this more pronounced as well as turns attention to the Program since the shared tax base in some localities reflects a sizable piece of local tax capacity.
- *Expansion of the Program to additional, outlying jurisdictions.* Suggestions have been made to expand the program to the additional Minnesota counties to reflect the expanded regional labor market. In particular, the Good Jobs First report noted that a third of the relocations from the core in their study were to the four counties of Chisago, Isanti, Sherburne, and Wright. From our interviews, it was noted that the likelihood of this occurring is very small.
- *Inclusion of residential tax base in the program.* In 1997, research by Luce found that adding “high-end” residential tax base to the Program would “be more efficient at filling the need-capacity gap than the existing business tax-base program.” He also found that inclusion of residential tax base would result in more “net winners” than the current program.⁷¹ Expansion

⁷¹ Luce, p. 17.

of the program to include residential homestead properties over \$200,000 was proposed and passed in the Minnesota Legislature in 1995 but vetoed by the Governor.

- *Adjusting the 40 percent contribution.* It has been noted in the literature that the 40 percent share is arbitrary and it has not been proven if this is the threshold after which a commercial/industrial property “pays for itself” locally in terms of revenues generated and costs incurred. As noted in the Fiscal Impact chapter, the issue here is the level of government being discussed and the type of commercial/industrial property. For example, for retail in cities, the answer may be that 40 percent is too high. For office development in cities, however, the answer may vary based on type of city. And for other levels of government, there is another set of impacts. The answer to this question depends on many variables and is unlikely to have a “one size fits all” solution.
- *Allowing for exclusions of certain “regional benefit” properties that generate high costs and serve as regional economic engines (e.g., the Mall of America).* This was attempted recently in 2007-08 when the Mall of America requested exemption from the tax-base sharing pool for its expansion. The proposal was defeated, but opened discussion and attention on the issue surrounding properties of regional benefit and how they relate to the Fiscal Disparities Program.
- *Adjusting the assessment level.* Each jurisdiction assesses property under its own assessment system allowing for some variation in assessment levels. Therefore, the contribution from each taxing jurisdiction is based on the locally derived assessment, thus creating “an apparent inequity and discourages assessors from raising assessment levels in their jurisdictions.”⁷² However, Hinze and Baker identify a number of administrative challenges to addresss this issue including: how to select an appropriate assessment level; how to adjust the 1971 base values; and deciding on which year’s sales ratios to use since there is a lag in timing.
- *Eliminating the exemptions.* Property at the Minneapolis-St. Paul Airport is exempt from fiscal disparities contributions. While the Airport may seem a likely candidate for inclusion in the program, eliminating the exemption would be problematic since it would contribute to the pool but would not receive any distribution under the current population-based formula.⁷³
- *Eliminating the 1971 Base Value Subtraction.* The argument here is that the 1971 starting point “discriminates against those areas that have experienced most of their development since 1971.”⁷⁴ Related to this is the concept that the areawide pool reflects 40 percent of total C/I

⁷² Hinze and Baker, 2005, p., 31.

⁷³ Id., p. 32

⁷⁴ Id., p., 32.

valuation from 1971 including increases due to growth and inflation. It has been argued that only net new growth should be included based on the logic that development is able to occur because of regional investment (e.g., roads, sewers) and therefore the formula would be more reflective of the program's goals. The counterargument to this is that the law allows for a regional balance among properties that increase in value and those that decline.

- *Including a spending need component to the formula, rather than purely tax-base driven.* As discussed elsewhere in this report, this aspect of the Program is widely discussed. The argument being that spending needs of jurisdictions vary and tax base is not necessarily a good predictor of those needs. Hinze and Baker note the inherent challenges to altering the formula to account for this—namely, first convincing legislators that this is worthwhile and second, agreeing on the elements to include. And as revealed in this study, spending needs vary widely by level of government due to services provided.
- *Stability of the Program.* It has been noted on several occasions that the program is seen as stable and not subject to a political process. This is seen as both an advantage and a disadvantage. An advantage in that it occurs as a matter of course and allows for relative stability in local funding availability. On the other hand, its legacy as a program from the 1970s that has not been modified and is not part of any political process leads to some criticism.
- *Long-Term Impact.* Another point made by stakeholders consulted for this study is the rapidly developing areas (“younger communities”) may be experiencing an increase in commercial/industrial growth relative to population growth and therefore may be a net contributor. As these communities mature and begin to buildout, they may remain net contributors but at a smaller margin or may see decline in value causing a transition to net recipient status. This changed status allows for additional resources to make up the shortfall and potentially support redevelopment efforts, which over time may transition the community back to net contributor status. Looking at those communities that have changed status from the outset (1976) to today reveals the following:
 - Of the 15 Developed areas (including one Central City) that have changed status, 12 have changed from recipients to contributors and only 3 from a contributor to a recipient. This does not necessarily support the hypothesis above since one would expect more of these jurisdictions to switch the other way—from contributor to recipient. However, it may be a testament to these communities that their C/I tax base has remained robust.
 - For Developing areas, 5 out of the 12 changes from 1976 to 2011 have transitioned from recipient to contributor with the remaining 7 switching from contributor to recipient. This makes sense given that more Developing areas are net recipients in

2011; however one might expect a higher proportion of changes to contributors if growth is occurring in these areas.

- o Finally, for Rural areas, 12 of the 20 transitions were from recipient to contributor, which given growth rates in employment in rural areas in the Metro area supports this effect.

Overburden

The overburden question has different answers depending on the unit of government. For some levels of government, as evaluated in this study, certain land uses do not cover their costs when looking at them as discrete land uses. For example, retail development does not generate sufficient direct revenues to cover its direct costs at the city level both with and without the Fiscal Disparities Program. For other levels of government in some jurisdictions, the result for retail development is flipped. The overburden question depends not only on the level of government, but the locality itself. Levels of service, tolerance for tax increases, and the types of services provided are all contributing factors. It is interesting to note, however, that the Local Government Aid (LGA) formula includes a service “needs” component. Further discussion is provided below.

Overburden Question as Addressed in the Local Government Aid Formula

Local Government Aid (LGA) is funding from the State to cities that is unrestricted and is based on a city’s needs as compared to its ability to raise revenue. The formula is based on a city’s expenditure need in relation to its ability to pay (revenue raising capacity). Some cities do not receive LGA because their revenue raising capacity is sufficient to meet their needs (as calculated by the LGA formula). For cities with populations over 2,500, there are five factors used in the formula to determine expenditure need, each of which has a coefficient value that was developed through a regression analysis. The factors are⁷⁵:

1. Pre-1940 Housing Percentage: Used as a proxy for the age of infrastructure, where cities with older housing stock having older infrastructure that is more costly to maintain.
2. Population Decline over the Past 10 Years: Used to account for the level of fixed costs that occur regardless of whether population is declining. In some cases those costs need to continue due to mandates and other obligations, and in other cases, it takes some time to decrease services.
3. Vehicle Accidents per Capita: This factor is an average of the number of vehicle accidents per capita over the past three years. According to the League of Minnesota Cities fact sheet:

⁷⁵ League of Minnesota Cities, “Local Government Aid: The Technical Details of Calculating a City’s Need”; Minnesota Revenue, “City Aid Certification for 2011.”

- “This variable is reflective of the level of service *overburden* in a city. A city that has a large employment base, a college or university, a regional shopping mall or other regional facility will generally have higher per capita costs for maintaining streets and other city infrastructure that is burdened by the additional use by non-residents.” The vehicle accident factor is used as a proxy for those additional costs incurred.
4. Average Household Size (Persons per Household): The intent of this factor is to capture the notion of economies of scale with localities that have a lower household size (fewer units serving a certain population level) that are able to provide services for lower costs than those that have more housing units serving the same population level (i.e., a lower household size).
 5. Metro or Non-metro: Cities within the seven-county metro receive less than cities outside the metro region based on the assumption that close proximity to other localities (i.e., within the metro region) allows for potential lower service costs due to shared services and economies of scale.

The factors above and coefficients provided by the State are used to calculate a per capita expenditure factor that is then multiplied by the city’s population. The resulting calculated *need* is then compared against a calculated *capacity*, which is the city’s adjusted net tax capacity multiplied by the statewide average locality tax rate. The difference between the need and the capacity is the locality’s *unmet need*. A portion of the average of last two years’ unmet need amounts plus a “Jobs Base Aid” factor equals the calculated LGA amount (which is then further adjusted for minimums/maximums where necessary).

Unlike the Fiscal Disparities Program, LGA takes into consideration a city’s “overburden” regarding service provision. Through a regression analysis, the formula reflects coefficients derived from the statistical analysis of city data.

Other Overburden Considerations

Also related to the overburden issue is the authorization in the original Fiscal Disparities Act for the creation of a “municipal equity account,” which intended to provide funding to mitigate potential impacts on cities. This provision of the Act was never implemented. To critics of the program—particularly contributors that perhaps perceive an overburden from the C/I development in their jurisdictions—the existence of the provision in the Act was acknowledgment of the expectation of an overburden. However, it has been noted that Local Government Aid (LGA) provides a comparable function (albeit Fiscal Disparities contributors do not generally receive LGA).

Another related point is the changes in school funding over the 40-year history of the program. While school funding is complex and an analysis of its relationship to Fiscal Disparities is beyond the scope of this study, one point made is that at the inception of the Fiscal Disparities program, the majority of funding for schools was from local property taxes. Therefore, those localities with high property tax

wealth were able to more easily fund school operating and capital needs, and in particular, those communities with a large nonresidential tax base would be in a much better fiscal position. Critics note that because school funding has shifted from primarily being funded from local sources to state sources that the need for redistribution of the commercial/industrial tax base is less important today than it was prior to the shift.

Business Location Decisions

Business location decisions are driven by a range of factors first by the type of industry or business (manufacturers have different location needs than retail) as well as size of the firm, location decision stage, stage of firm life cycle, and economic environment. Specific site selection factors include:

- Access to customers, suppliers, transportation systems, business services
- Transportation infrastructure (quality and accessibility)
- Telecommunications infrastructure
- Availability of land and facilities
- Business climate
- Availability and cost of capital and incentives
- Access to labor force (quality, productivity, cost, type)
- Quality of life (education, housing, cost of living, commuting, climate, health facilities, recreational opportunities)
- Regulations (state, local)
- Taxation
- Utility systems (availability, quality, and costs)
- CEO preference

Because there are so many interrelated variables in a site selection process, it is not feasible to isolate any one element for purposes of this study. Even if this were done as an academic exercise, the reality in a region like the Twin Cities is that other qualitative factors unique to each locality are likely to influence the decision and not be quantifiable. A recent report by the Itasca Project identified several strengths and weaknesses of the Minneapolis-St. Paul region related to business location decisions. Among the findings is a discussion of tax structure, and the region's high relative tax burden when compared nationally and the disadvantage this puts the Metro region when competing nationally and internationally for business locations and relocations. However, the focus of the tax discussion is primarily on state and federal taxes, which according to the report already puts the region at a relative disadvantage even before adding the local tax burden.⁷⁶

⁷⁶ Itasca Project, "Charting a New Course: Restoring Job Growth in the Minneapolis-St. Paul Region," April 2010.

In discussions with representatives from the regional business community, the Fiscal Disparities program does not appear to be a factor in development or relocation decisions. However, it is not possible to determine whether this is due to the very existence of the program—that is, if there were more disparity in tax rates among jurisdictions in the region, perhaps the local tax rate would be a pronounced factor in location decisions. Because the program has a long history—and the local, regional, and national economy has changed dramatically over time—comparing a “before and after” situation regarding location decisions is impractical and beyond the scope of this analysis.

However, one common theme from the business community is opposition to “raiding” the revenue generated by the program for specific purposes. The general concern is that if revenues were diverted from the pool, localities would need to fill the gap left by this reallocation of funds and would therefore raise taxes on local businesses.

Influence on Development Activity

The desire from a local perspective for commercial and industrial development is often driven by other factors in addition to an expansion of the tax base. Other reasons include:

- “Placemaking”—providing a gathering place for community with retail, entertainment, and cultural options (promoting a “Creative Culture”),
- Creating jobs where people live, which allows for reduced commuting times and a greater attachment to community,
- Creating jobs for purposes of “bragging” rights, particularly in this era of prolonged economic downturn and joblessness, and
- Enhancing the overall quality of life through all of the above.

There are many examples in the region of these types of development projects, many of which involve public participation either through funding or infrastructure improvements. One example of “placemaking” is from the city of St. Louis Park (a net contributor), which is currently participating and providing incentives in two large-scale mixed-use projects that will increase the tax base, anticipate creating jobs, and revitalize an area of the City.⁷⁷ Due to the city’s redevelopment efforts, the city’s net contribution to the pool has increased significantly. According to the City, these projects came about due to aggressive efforts on the part of the city, including significant financial assistance to address various challenges which prohibited redevelopment from occurring. The concern articulated in this situation is that with the Fiscal Disparities program, questions are being raised locally whether it is worth the City’s investment to continue to aggressively incentivize redevelopment using local resources.

⁷⁷ The projects are “Excelsior and Grand” and the “West End.”

Related to this phenomenon is the statement noted earlier in this report from Myron Orfield that the Fiscal Disparities program “reduces the incentives for communities to compete for tax base, because they do not keep all of the resulting revenues. On the other hand, because localities retain enough of the tax base to cover the costs of growth, the incentive is not so strong that local areas will be unwilling to allow new development.”⁷⁸ There does not appear to be a clear-cut answer to this assumption, particularly in a seven-county region with almost 200 municipalities. NAIOP in its “Fiscal Disparities Task Force Report” notes the following:

*Among the unforeseen consequences of fiscal disparities is its influence on land use and development decisions by local government officials. Fiscal disparities may lead communities to focus their efforts on new and higher valued residential development (which is not required to contribute to the fiscal disparities pool), while viewing fiscal disparities as a disincentive to expanding their own local C-I tax base.*⁷⁹

That said, tax increment financing (TIF) is used throughout the region to encourage development projects—both nonresidential and residential development. Its initial use throughout the country was to encourage revitalization and redevelopment in areas where this would not otherwise occur. It was intended to be one tool in an economic development “toolbox” to incentivize development in blighted areas in a controlled fashion that would ultimately benefit the larger jurisdiction in the long-run. In recent years, TIF has evolved into a tool that still provides an incentive but in areas that may or may not be seen as blighted or in need of revitalization. TIF is typically a project-based financing tool and therefore is influenced by the economy, availability of financing, and the market.

It has been mentioned that most significant development projects in the Twin Cities Metro region include a TIF district. However, in looking at TIF net tax capacity over the past 15 years, the share of TIF net tax capacity has for the most part remained at 4 to 7 percent of total tax capacity in the region. A State Auditor’s report on TIF districts (evaluating 2009 data) found that from 2005-2009, the number of districts certified decreased by 43 percent. The Auditor’s study also found that in 2009, 34 percent of the number of TIF districts were in the Metro Area and 66 percent were located in Greater Minnesota, but the amount of tax increment revenue was predominantly generated in the Metro Area at 83 percent.⁸⁰

Regional Services

From our discussions with communities, another theme that emerged is the notion of “regional services” that may or may not be universally thought of as services. Examples include provision of

⁷⁸ Orfield, 2009, p. 38.

⁷⁹ NAIOP, 2007.

⁸⁰ Office of the State Auditor, “Tax Increment Financing Legislative Report,” January 26, 2011.

housing (i.e., serving as a bedroom community for nearby employment centers); protection of wetlands; and provision of institutional (tax-exempt) properties such as schools and hospitals. The relation to Fiscal Disparities is that the existence of the program allows these communities to provide these “services” without placing an undue burden on its residents or its limited nonresidential tax base. This aspect with regard to “protection of the environment” echoes one of the objectives of the program as stated in the original enabling legislation. By extension, an argument is that the existence of these services—and the variety of types of communities in the region—makes the region in total more competitive.

A related point regarding housing institutional uses is there is a mechanism available to localities to mitigate the impacts through a payment in lieu of taxes (PILT). Nothing prevents a locality from negotiating a PILT with these institutions thus mitigating some of the impact. However, this does not occur very frequently.

Related to the idea of provision of regional services is the notion of “generational equity.” Growth has occurred in the Metro region since the inception of the Fiscal Disparities program under the assumption that the program would be in place in the future. That is, perhaps localities did not aggressively pursue commercial/industrial development for a variety of reasons not the least of which was the “protection” of the Fiscal Disparities program. Land use development is a long-term process; an abrupt change in tax policy could potentially require an equally abrupt change in planning and economic development priorities.

Program Execution

Finally, a criticism of the program is the manner in which the areawide tax is conveyed to a commercial/industrial property owner on his/her tax statement. A commercial/industrial tax bill lists “Fiscal Disparity” under the Special Taxing Districts heading, and typically comprises a large portion of the overall tax burden. The argument is that by virtue of the way the tax is listed implies that if the program were eliminated, property owners would not pay that tax amount. In reality, if the program did not exist, taxes would be paid to the other taxing jurisdictions and depending on status as a recipient or contributor, the overall amount of taxes paid by the individual property owner would likely be only marginally lower or higher.

IX. APPENDIX A: CLASSIFICATION LISTS

County Name	City Name	Regional Dev Classification	2011 Contrib_Recip
Anoka	Andover	Developing Area	Recipient
Anoka	Anoka	Developed Area	Recipient
Anoka	Bethel	Rural Growth Centers	Recipient
Anoka	Blaine (combined)	Developing Area	Contributor
Anoka	Centerville	Developing Area	Recipient
Anoka	Circle Pines	Developed Area	Recipient
Anoka	Columbia Heights	Developed Area	Recipient
Anoka	Columbus	Rural Areas	Contributor
Anoka	Coon Rapids	Developed Area	Recipient
Anoka	East Bethel	Rural Growth Centers	Recipient
Anoka	Fridley	Developed Area	Contributor
Anoka	Ham Lake	Rural Areas	Recipient
Anoka	Hilltop	Developed Area	Recipient
Anoka	Lexington	Developed Area	Recipient
Anoka	Lino Lakes	Developing Area	Recipient
Anoka	Linwood Township	Rural Areas	Recipient
Anoka	Nowthen	Rural Areas	Recipient
Anoka	Oak Grove	Rural Areas	Recipient
Anoka	Ramsey	Developing Area	Recipient
Anoka	Spring Lake Park (combined)	Developed Area	Recipient
Anoka	St. Francis	Rural Growth Centers	Recipient
Carver	Benton Township	Rural Areas	Recipient
Carver	Camden Township	Rural Areas	Recipient
Carver	Carver	Developing Area	Recipient
Carver	Chanhassen (combined)	Developing Area	Contributor
Carver	Chaska	Developing Area	Recipient
Carver	Cologne	Rural Growth Centers	Recipient
Carver	Dahlgren Township	Rural Areas	Recipient
Carver	Hamburg	Rural Growth Centers	Recipient
Carver	Hancock Township	Rural Areas	Recipient
Carver	Hollywood Township	Rural Areas	Recipient
Carver	Laketown Township	Developing Area	Recipient
Carver	Mayer	Rural Growth Centers	Recipient
Carver	New Germany	Rural Growth Centers	Recipient
Carver	Norwood Young America	Rural Growth Centers	Recipient
Carver	San Francisco Township	Rural Areas	Recipient
Carver	Victoria	Developing Area	Recipient
Carver	Waconia	Developing Area	Contributor
Carver	Waconia Township	Rural Areas	Recipient
Carver	Watertown	Rural Growth Centers	Recipient
Carver	Watertown Township	Rural Areas	Contributor
Carver	Young America Township	Rural Areas	Recipient

County Name	City Name	Regional Dev Classification	2011 Contrib_Recip
Dakota	Apple Valley	Developed Area	Recipient
Dakota	Burnsville	Developed Area	Contributor
Dakota	Castle Rock Township	Rural Areas	Recipient
Dakota	Coates	Rural Areas	Contributor
Dakota	Douglas Township	Rural Areas	Recipient
Dakota	Eagan	Developed Area	Contributor
Dakota	Empire Township	Developing Area	Recipient
Dakota	Eureka Township	Rural Areas	Recipient
Dakota	Farmington	Developing Area	Recipient
Dakota	Greenvale Township	Rural Areas	Contributor
Dakota	Hampton	Rural Growth Centers	Recipient
Dakota	Hampton Township	Rural Areas	Recipient
Dakota	Hastings (combined)	Developing Area	Recipient
Dakota	Inver Grove Heights	Developing Area	Recipient
Dakota	Lakeville	Developing Area	Recipient
Dakota	Lilydale	Developed Area	Contributor
Dakota	Marshan Township	Rural Areas	Recipient
Dakota	Mendota	Developed Area	Contributor
Dakota	Mendota Heights	Developed Area	Contributor
Dakota	Miesville	Rural Areas	Recipient
Dakota	New Trier	Rural Areas	Recipient
Dakota	Nininger Township	Rural Areas	Recipient
Dakota	Randolph	Rural Areas	Recipient
Dakota	Randolph Township	Rural Areas	Contributor
Dakota	Ravenna Township	Rural Areas	Recipient
Dakota	Rosemount	Developing Area	Recipient
Dakota	Sciota Township	Rural Areas	Recipient
Dakota	South St. Paul	Developed Area	Recipient
Dakota	Sunfish Lake	Excluded from FD	n/a
Dakota	Vermillion	Rural Growth Centers	Recipient
Dakota	Vermillion Township	Rural Areas	Recipient
Dakota	Waterford Township	Rural Areas	Contributor
Dakota	West St. Paul	Developed Area	Recipient
Hennepin	Bloomington	Developed Area	Contributor
Hennepin	Brooklyn Center	Developed Area	Recipient
Hennepin	Brooklyn Park	Developed Area	Recipient
Hennepin	Champlin	Developed Area	Recipient
Hennepin	Corcoran	Developing Area	Recipient
Hennepin	Crystal	Developed Area	Recipient
Hennepin	Dayton	Developing Area	Recipient
Hennepin	Deephaven	Developed Area	Contributor
Hennepin	Eden Prairie	Developing Area	Contributor

County Name	City Name	Regional Dev Classification	2011 Contrib_Recip
Hennepin	Edina	Developed Area	Contributor
Hennepin	Excelsior	Developed Area	Contributor
Hennepin	Fort Snelling (unorganized)	Excluded from FD	n/a
Hennepin	Golden Valley	Developed Area	Contributor
Hennepin	Greenfield	Rural Areas	Contributor
Hennepin	Greenwood	Developed Area	Contributor
Hennepin	Hanover	Rural Areas	Recipient
Hennepin	Hassan Township	Developing Area	Contributor
Hennepin	Hopkins	Developed Area	Contributor
Hennepin	Independence	Rural Areas	Recipient
Hennepin	Long Lake	Developed Area	Contributor
Hennepin	Loretto	Developed Area	Contributor
Hennepin	Maple Grove	Developing Area	Contributor
Hennepin	Maple Plain	Developed Area	Contributor
Hennepin	Medicine Lake	Developed Area	Recipient
Hennepin	Medina	Developing Area	Contributor
Hennepin	Minneapolis	Central Cities	Contributor
Hennepin	Minnetonka	Developed Area	Contributor
Hennepin	Minnetonka Beach	Developed Area	Contributor
Hennepin	Minnetrissa	Developing Area	Recipient
Hennepin	Mound	Developed Area	Recipient
Hennepin	Mpls.-St. Paul Airport	Excluded from FD	n/a
Hennepin	New Hope	Developed Area	Recipient
Hennepin	Orono	Developing Area	Contributor
Hennepin	Osseo	Developed Area	Contributor
Hennepin	Plymouth	Developing Area	Contributor
Hennepin	Richfield	Developed Area	Recipient
Hennepin	Robbinsdale	Developed Area	Recipient
Hennepin	Rockford	Rural Areas	Recipient
Hennepin	Rogers	Developing Area	Contributor
Hennepin	Shorewood	Developed Area	Recipient
Hennepin	Spring Park	Developed Area	Contributor
Hennepin	St. Anthony (combined)	Developed Area	Recipient
Hennepin	St. Bonifacius	Developed Area	Recipient
Hennepin	St. Louis Park	Developed Area	Contributor
Hennepin	Tonka Bay	Developed Area	Contributor
Hennepin	Wayzata	Developed Area	Contributor
Hennepin	Woodland	Excluded from FD	n/a
Ramsey	Arden Hills	Developed Area	Contributor
Ramsey	Falcon Heights	Developed Area	Recipient
Ramsey	Gem Lake	Developed Area	Contributor
Ramsey	Lauderdale	Developed Area	Recipient

County Name	City Name	Regional Dev Classification	2011 Contrib_Recip
Ramsey	Little Canada	Developed Area	Contributor
Ramsey	Maplewood	Developed Area	Contributor
Ramsey	Mounds View	Developed Area	Recipient
Ramsey	New Brighton	Developed Area	Recipient
Ramsey	North Oaks	Developed Area	Contributor
Ramsey	North St. Paul	Developed Area	Recipient
Ramsey	Roseville	Developed Area	Contributor
Ramsey	Shoreview	Developed Area	Contributor
Ramsey	St. Paul	Central Cities	Recipient
Ramsey	St. Paul Airport	Excluded from FD	n/a
Ramsey	State Fair Grounds	Developed Area	Contributor
Ramsey	Vadnais Heights	Developed Area	Contributor
Ramsey	White Bear Lake (combined)	Developed Area	Recipient
Ramsey	White Bear Township	Developed Area	Recipient
Scott	Belle Plaine	Rural Growth Centers	Recipient
Scott	Belle Plaine Township	Rural Areas	Recipient
Scott	Blakeley Township	Rural Areas	Recipient
Scott	Cedar Lake Township	Rural Areas	Recipient
Scott	Credit River Township	Rural Areas	Recipient
Scott	Elko New Market	Rural Growth Centers	Recipient
Scott	Helena Township	Rural Areas	Recipient
Scott	Jackson Township	Rural Areas	Recipient
Scott	Jordan	Rural Growth Centers	Recipient
Scott	Louisville Township	Rural Areas	Contributor
Scott	New Market Township	Rural Areas	Recipient
Scott	New Prague	Excluded from FD	n/a
Scott	Prior Lake	Developing Area	Recipient
Scott	Sand Creek Township	Rural Areas	Contributor
Scott	Savage	Developing Area	Recipient
Scott	Shakopee	Developing Area	Contributor
Scott	Spring Lake Township	Rural Areas	Contributor
Scott	St. Lawrence Township	Rural Areas	Recipient
Washington	Afton	Rural Areas	Contributor
Washington	Bayport	Developed Area	Recipient
Washington	Baytown Township	Rural Areas	Recipient
Washington	Birchwood Village	Excluded from FD	n/a
Washington	Cottage Grove	Developing Area	Recipient
Washington	Dellwood	Rural Areas	Contributor
Washington	Denmark Township	Rural Areas	Contributor
Washington	Forest Lake	Developing Area	Recipient
Washington	Grant	Rural Areas	Recipient
Washington	Grey Cloud Island Township	Rural Areas	Recipient

County Name	City Name	Regional Dev Classification	2011 Contrib_Recip
Washington	Hugo	Developing Area	Recipient
Washington	Lake Elmo	Developing Area	Contributor
Washington	Lake St. Croix Beach	Rural Areas	Recipient
Washington	Lakeland	Rural Areas	Recipient
Washington	Lakeland Shores	Rural Areas	Recipient
Washington	Landfall	Developed Area	Recipient
Washington	Mahtomedi	Developed Area	Recipient
Washington	Marine on St. Croix	Rural Growth Centers	Recipient
Washington	May Township	Rural Areas	Recipient
Washington	Newport	Developed Area	Contributor
Washington	Oak Park Heights	Developing Area	Contributor
Washington	Oakdale	Developed Area	Recipient
Washington	Pine Springs	Rural Areas	Recipient
Washington	Scandia	Rural Areas	Recipient
Washington	St. Marys Point	Excluded from FD	n/a
Washington	St. Paul Park	Developed Area	Recipient
Washington	Stillwater	Developed Area	Recipient
Washington	Stillwater Township	Rural Areas	Recipient
Washington	West Lakeland Township	Rural Areas	Recipient
Washington	Willernie	Developed Area	Recipient
Washington	Woodbury	Developing Area	Contributor

X. APPENDIX B: TAX RATE IMPLICATIONS

The ranking of the top twenty jurisdictions with a decrease or increase in tax rates if the Fiscal Disparities Program were eliminated are provided below.

Figure 140. Top Twenty Municipalities with a Decrease in Tax Rate without Fiscal Disparities

<i>Municipality</i>	<i>Current Total Tax Rate</i>	<i>Total Tax Rate without Fiscal Disparities</i>	<i>Decrease in Overall Tax Rate</i>	<i>County</i>	<i>Regional Development Classification</i>	<i>2011 Contributor or Recipient</i>
ROGERS CITY OF	164.05%	133.38%	-30.67%	Hennepin	Developing Area	Contributor
BLOOMINGTON CITY OF	120.29%	105.58%	-14.71%	Hennepin	Developed Area	Contributor
HASSAN TOWN OF	126.58%	115.16%	-11.42%	Hennepin	Developing Area	Contributor
MAPLE PLAIN CITY OF	134.44%	123.81%	-10.63%	Hennepin	Developed Area	Contributor
OSSEO CITY OF	147.71%	137.45%	-10.26%	Hennepin	Developed Area	Contributor
LONG LAKE CITY OF	114.31%	104.19%	-10.12%	Hennepin	Developed Area	Contributor
GOLDEN VALLEY CITY OF	139.67%	130.02%	-9.65%	Hennepin	Developed Area	Contributor
OAK PARK HEIGHTS CITY OF	102.43%	93.62%	-8.81%	Washington	Developing Area	Contributor
HOPKINS CITY OF	138.63%	129.91%	-8.71%	Hennepin	Developed Area	Contributor
EDEN PRAIRIE CITY OF	113.34%	105.54%	-7.80%	Hennepin	Developing Area	Contributor
WAYZATA CITY OF	103.43%	95.70%	-7.73%	Hennepin	Developed Area	Contributor
MINNETONKA CITY OF	112.01%	104.90%	-7.11%	Hennepin	Developed Area	Contributor
LORETTO CITY OF	135.22%	129.24%	-5.98%	Hennepin	Developed Area	Contributor
EXCELSIOR CITY OF	111.68%	105.94%	-5.74%	Hennepin	Developed Area	Contributor
ST LOUIS PARK CITY OF	119.70%	115.18%	-4.52%	Hennepin	Developed Area	Contributor
MENDOTA CITY OF	97.69%	93.90%	-3.79%	Dakota	Developed Area	Contributor
PLYMOUTH CITY OF	105.52%	101.81%	-3.71%	Hennepin	Developing Area	Contributor
EDINA CITY OF	100.68%	97.01%	-3.66%	Hennepin	Developed Area	Contributor
MENDOTA HEIGHTS CITY OF	82.05%	78.88%	-3.17%	Dakota	Developed Area	Contributor
MEDINA CITY OF	94.16%	91.71%	-2.44%	Hennepin	Developing Area	Contributor

Source: MN Dept. of Revenue data; analysis by TischlerBise.

Figure 141. Top Twenty Municipalities with an Increase in Tax Rate without Fiscal Disparities

<i>Municipality</i>	<i>Current Total Tax Rate</i>	<i>Total Tax Rate without Fiscal Disparities</i>	<i>Increase in Overall Tax Rate</i>	<i>County</i>	<i>Regional Development Classification</i>	<i>2011 Contributor or Recipient</i>
LANDFALL CITY OF	180.94%	415.77%	234.83%	Washington	Developed Area	Recipient
HILLTOP CITY OF	163.25%	250.44%	87.19%	Anoka	Developed Area	Recipient
HAMBURG CITY OF	159.28%	200.54%	41.27%	Carver	Rural Growth Centers	Recipient
NEW TRIER CITY OF	98.56%	124.90%	26.34%	Dakota	Rural Areas	Recipient
COLUMBIA HEIGHTS CITY OF	117.64%	142.61%	24.97%	Anoka	Developed Area	Recipient
CIRCLE PINES CITY OF	138.73%	160.87%	22.14%	Anoka	Developed Area	Recipient
BELLE PLAINE CITY OF	145.42%	165.95%	20.54%	Scott	Rural Growth Centers	Recipient
SOUTH ST PAUL CITY OF	108.21%	128.28%	20.07%	Dakota	Developed Area	Recipient
MAYER CITY OF	142.00%	161.24%	19.23%	Carver	Rural Growth Centers	Recipient
ST FRANCIS CITY OF	118.59%	137.62%	19.03%	Anoka	Rural Growth Centers	Recipient
BETHEL CITY OF	135.12%	153.59%	18.46%	Anoka	Rural Growth Centers	Recipient
ANDOVER CITY OF	101.97%	119.64%	17.68%	Anoka	Developing Area	Recipient
WATERTOWN CITY OF	129.07%	146.19%	17.12%	Carver	Rural Growth Centers	Recipient
LEXINGTON CITY OF	140.45%	156.74%	16.29%	Anoka	Developed Area	Recipient
HAMPTON CITY OF	85.46%	101.10%	15.64%	Dakota	Rural Growth Centers	Recipient
BROOKLYN CENTER CITY OF	143.89%	159.21%	15.32%	Hennepin	Developed Area	Recipient
EAST BETHEL CITY OF	112.62%	127.90%	15.28%	Anoka	Rural Growth Centers	Recipient
VERMILLION CITY OF	91.42%	106.33%	14.91%	Dakota	Rural Growth Centers	Recipient
CENTERVILLE CITY OF	141.27%	155.96%	14.68%	Anoka	Developing Area	Recipient
FARMINGTON CITY OF	139.15%	153.67%	14.52%	Dakota	Developing Area	Recipient

Source: MN Dept. of Revenue data; analysis by TischlerBise.

XI. APPENDIX C: RESOURCES CONSULTED

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XII. APPENDIX D: FISCAL IMPACT ANALYSIS MAJOR REVENUE ASSUMPTIONS

Appendix D provides further detail on property tax assumptions for each of the prototype land uses within the study jurisdictions both with and without the Fiscal Disparities program. Another Technical Appendix to this document (Appendix F) is issued under separate cover and provides further detail on revenue and expenditure methodologies, cost and revenue factors, as well as revenues and expenditures for each land use prototype for each level of government.

The following section provides property tax projections by land use prototype for each case example for each level of government.

CASE EXAMPLE 1: CENTRAL CITY

Property Tax Assumptions with Fiscal Disparities

Property taxes are based on assessed values and current tax rates by locality. Property tax revenue by prototype under the current property tax system (with the Fiscal Disparities program) is shown first below followed by property tax assumptions without the Fiscal Disparities program.

Figure 142. CENTRAL CITY Property Tax by Residential Prototype for Each Major Taxing Jurisdiction: **With Fiscal Disparities Program**

RESIDENTIAL PROTOTYPES					CITY		
	Land Use Prototype	Market Value Per Unit	Net Tax Capacity Per Unit [1]	Total MVHC All Tax Levels	MVHC (City Portion) Per Unit [2]	2011 Tax Rate [3]	Net Tax Per Unit [4]
1	Single Family (SF) (Homestead) <i>Higher Value</i>	\$350,000	\$3,500	\$57	\$17	38.158%	\$1,319
2	Single Family (SF) (Homestead) <i>Median Value</i>	\$200,000	\$2,000	\$192	\$57	38.158%	\$706
3	Single Family (SF) (Homestead) <i>Lower Value</i>	\$150,000	\$1,500	\$237	\$70	38.158%	\$502
4	Multifamily/Condo (Homestead)	\$150,000	\$1,500	\$237	\$70	38.158%	\$502
5	Apartment (4+ Units)	\$75,000	\$938	\$0	\$0	38.158%	\$358

[1] Tax capacity based on state formulas by land use classification

[2] MVHC = Market Value Homestead Credit; used here to reflect the program in effect in pay 2011 Budgets. This will be replaced with Homestead Market Value Exclusion in 2012.

[3] MN DOR (average where applicable)

[4] Net Tax Per Unit = Net Tax Capacity x 2011 Tax Rate (per \$100) - MVHC (jurisdiction share)

RESIDENTIAL PROTOTYPES					COUNTY		
	Land Use Prototype	Market Value Per Unit	Net Tax Capacity Per Unit [1]	Total MVHC All Tax Levels	MVHC (County Portion) Per Unit [2]	2011 Tax Rate [3]	Net Tax Per Unit [4]
1	Single Family (SF) (Homestead) <i>High Value</i>	\$350,000	\$3,500	\$57	\$23	50.836%	\$1,757
2	Single Family (SF) (Homestead) <i>Medium Value</i>	\$200,000	\$2,000	\$192	\$76	50.836%	\$941
3	Single Family (SF) (Homestead) <i>Low Value</i>	\$150,000	\$1,500	\$237	\$93	50.836%	\$669
4	Multifamily/Condo (Homestead)	\$150,000	\$1,500	\$237	\$93	50.836%	\$669
5	Apartment (4+ Units)	\$75,000	\$938	\$0	\$0	50.836%	\$477

[1] Tax capacity based on state formulas by land use classification

[2] MVHC = Market Value Homestead Credit; used here to reflect the program in effect in pay 2011 Budgets. This will be replaced with Homestead Market Value Exclusion in 2012.

[3] MN DOR (average where applicable)

[4] Net Tax Per Unit = Net Tax Capacity x 2011 Tax Rate (per \$100) - MVHC (jurisdiction share)

RESIDENTIAL PROTOTYPES				SCHOOL DISTRICT						
	Land Use Prototype	Market Value Per Unit	Net Tax Capacity Per Unit [1]	Total MVHC All Tax Levels	MVHC (School Portion) Per Unit [2]	2011 Tax Rate [3]	Net Tax Per Unit [4]	2011 Market Value Tax Rate [3]	Market Val. Tax Per Unit	Total School Taxes
1	Single Family (SF) (Homestead) <i>High Value</i>	\$350,000	\$3,500	\$57	\$14	31.036%	\$1,072	0.1458%	\$510	\$1,583
2	Single Family (SF) (Homestead) <i>Medium Value</i>	\$200,000	\$2,000	\$192	\$46	31.036%	\$574	0.1458%	\$292	\$866
3	Single Family (SF) (Homestead) <i>Low Value</i>	\$150,000	\$1,500	\$237	\$57	31.036%	\$408	0.1458%	\$219	\$627
4	Multifamily/Condo (Homestead)	\$150,000	\$1,500	\$237	\$57	31.036%	\$408	0.1458%	\$219	\$627
5	Apartment (4+ Units)	\$75,000	\$938	\$0	\$0	31.036%	\$291	0.1458%	\$109	\$400

[1] Tax capacity based on state formulas by land use classification

[2] MVHC = Market Value Homestead Credit; used here to reflect the program in effect in pay 2011 Budgets. This will be replaced with Homestead Market Value Exclusion in 2012.

[3] MN DOR (average where applicable)

[4] Net Tax Per Unit = Net Tax Capacity x 2011 Tax Rate - MVHC (jurisdiction share)

Figure 143. CENTRAL CITY Property Tax by Nonresidential Prototype for Each Major Taxing Jurisdiction: **With Fiscal Disparities Program**

NONRESIDENTIAL PROTOTYPES						35.56%	CITY			
	Land Use Prototype	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Net Tax Capacity Per Property [2]	Fiscal Disparity Net Tax Capacity [3]	Total Local Net Tax Capacity [4]	2011 Tax Rate [5]	Net Tax Per Property [6]	Net Tax Per 1,000 SF
1	Commercial/Retail	\$115	25,000	\$2,875,000	\$56,750	\$20,182	\$36,568	38.158%	\$13,953	\$558
2	Offices	\$120	50,000	\$6,000,000	\$119,250	\$42,409	\$76,841	38.158%	\$29,321	\$586
3	Industrial	\$70	25,000	\$1,750,000	\$34,250	\$12,180	\$22,070	38.158%	\$8,421	\$337
4	Institutional (Tax-Exempt)	\$130	50,000	\$6,500,000	\$0	\$0	\$0	38.158%	\$0	\$0

[1] Met Council Database; TischlerBise analysis;

[2] Tax capacity based on state formulas by land use classification

[3] Amount taxed at areawide rate; MN Dept. of Revenue

[4] Net Tax Capacity minus Fiscal Disparity Net Tax Capacity

[5] MN DOR (average where applicable)

[6] Net Tax Per Property = Local Net Tax Capacity x 2011 Tax Rate

NONRESIDENTIAL PROTOTYPES						35.56%	County			
	Land Use Prototype	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Net Tax Capacity Per Property [2]	Fiscal Disparity Net Tax Capacity [3]	Total Local Net Tax Capacity [4]	2011 Tax Rate [5]	Net Tax Per Property [6]	Net Tax Per 1,000 SF
1	Commercial/Retail	\$115	25,000	\$2,875,000	\$56,750	\$20,182	\$36,568	50.836%	\$18,590	\$744
2	Offices	\$120	50,000	\$6,000,000	\$119,250	\$42,409	\$76,841	50.836%	\$39,063	\$781
3	Industrial	\$70	25,000	\$1,750,000	\$34,250	\$12,180	\$22,070	50.836%	\$11,219	\$449
4	Institutional (Tax-Exempt)	\$130	50,000	\$6,500,000	\$0	\$0	\$0	50.836%	\$0	\$0

[1] Met Council Database; TischlerBise analysis;

[2] Tax capacity based on state formulas by land use classification

[3] Amount taxed at areawide rate; MN Dept. of Revenue

[4] Net Tax Capacity minus Fiscal Disparity Net Tax Capacity

[5] MN DOR (average where applicable)

[6] Net Tax Per Property = Local Net Tax Capacity x 2011 Tax Rate

NONRESIDENTIAL PROTOTYPES					35.56%	SCHOOL DISTRICT						
Land Use Prototype	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Net Tax Capacity Per Property [2]	Fiscal Disparity Net Tax Capacity [3]	Total Local Net Tax Capacity [4]	2011 Tax Rate [5]	Net Tax Per Property [6]	2011 Market Value Tax Rate [5]	Market Val. Tax Per Property [7]	Total School Taxes	Net Tax Per 1,000 SF
1 Commercial/Retail	\$115	25,000	\$2,875,000	\$56,750	\$20,182	\$36,568	31.036%	\$11,349	0.1458%	\$4,192	\$15,541	\$622
2 Offices	\$120	50,000	\$6,000,000	\$119,250	\$42,409	\$76,841	31.036%	\$23,848	0.1458%	\$8,748	\$32,596	\$652
3 Industrial	\$70	25,000	\$1,750,000	\$34,250	\$12,180	\$22,070	31.036%	\$6,849	0.1458%	\$2,552	\$9,401	\$376
4 Institutional (Tax-Exempt)	\$130	50,000	\$6,500,000	\$0	\$0	\$0	31.036%	\$0	0.1458%	\$0	\$0	\$0

[1] Met Council Database; TischlerBise analysis;

[2] Tax capacity based on state formulas by land use classification

[3] Amount taxed at areawide rate; MN Dept. of Revenue

[4] Net Tax Capacity minus Fiscal Disparity Net Tax Capacity

[5] MN DOR (average where applicable)

[6] Net Tax Per Property = Local Net Tax Capacity x 2011 Tax Rate

[7] Market Val. Tax Per Property = Market Value per Property x 2011 Market Value Tax Rate

Fiscal Disparities Revenue Distribution Assumptions

Fiscal Disparities distributed revenue is allocated to residential development according to the following approach shown below.

Figure 144. CENTRAL CITY Fiscal Disparities Distribution Allocation by Prototype

Total Market Value				\$20,065,253,800	\$43,220,047,400				\$20,065,442,000				
Population				285,068	505,795				285,068				
[a] Average Jurisdiction Market Value Per Capita				\$70,388	\$85,450				\$70,388				
Distribution Tax Levy				\$20,395,314	\$41,494,488				\$15,948,626				
[b] Distribution Tax Capacity Per Capita				\$72	\$82				\$56				
				City		County				Schools			
Land Use Prototype	Market Value Per Unit [c]	Persons Per Unit [d]	Market Value Per Capita [e]	Average as % of Prototype [f]	Distrib Tax Levy per Unit [g]	Average as % of Prototype [f]	Distrib Tax Levy per Unit [g]	Average as % of Prototype [f]	Distrib Tax Levy per Unit [g]	Average as % of Prototype [f]	Distrib Tax Levy per Unit [g]		
			[e] = [c] / [d]	[f] = [a] / [e]	[g] = [d] x [b] x [f]	[f] = [a] / [e]	[g] = [d] x [b] x [f]	[f] = [a] / [e]	[g] = [d] x [b] x [f]	[f] = [a] / [e]	[g] = [d] x [b] x [f]		
Single Family (SF) (Homestead)	\$350,000	2.84	\$123,239	57%	\$116	69%	\$162	57%	\$91				
Single Family (SF) (Homestead)	\$200,000	2.84	\$70,423	100%	\$203	121%	\$283	100%	\$159				
Single Family (SF) (Homestead)	\$150,000	2.84	\$52,817	133%	\$271	162%	\$377	133%	\$212				
Multifamily/Condo (Homestead)	\$150,000	1.86	\$80,645	87%	\$116	106%	\$162	87%	\$91				
Apartment (4+ Units)	\$75,000	1.86	\$40,323	175%	\$232	212%	\$323	175%	\$182				

Source: TischlerBise analysis using modified version of methodology employed by Dr. Tomaselli for City of Anoka.

Property Tax Assumptions without Fiscal Disparities

Property tax revenue by prototype without the Fiscal Disparities program is provided below.

Figure 145. CENTRAL CITY Property Tax by Residential Prototype for Each Major Taxing Jurisdiction: Without Fiscal Disparities Program

RESIDENTIAL PROTOTYPES					CITY		
	Land Use Prototype	Market Value Per Unit	Net Tax Capacity Per Unit [1]	Total MVHC All Tax Levels	MVHC (City Portion) Per Unit [2]	2011 Tax Rate [3]	Net Tax Per Unit [4]
1	Single Family (SF) (Homestead) <i>High Value</i>	\$350,000	\$3,500	\$57	\$17	42.241%	\$1,461
2	Single Family (SF) (Homestead) <i>Medium Value</i>	\$200,000	\$2,000	\$192	\$57	42.241%	\$787
3	Single Family (SF) (Homestead) <i>Low Value</i>	\$150,000	\$1,500	\$237	\$71	42.241%	\$563
4	Multifamily/Condo (Homestead)	\$150,000	\$1,500	\$237	\$71	42.241%	\$563
5	Apartment (4+ Units)	\$75,000	\$938	\$0	\$0	42.241%	\$396

[1] Tax capacity based on state formulas by land use classification

[2] MVHC = Market Value Homestead Credit; used here to reflect the program in effect in pay 2011 Budgets. This will be replaced with Homestead Market Value Exclusion in 2012.

[3] MN DOR (average where applicable)

[4] Net Tax Per Unit = Net Tax Capacity x 2011 Tax Rate (per \$100) - MVHC (jurisdiction share)

RESIDENTIAL PROTOTYPES					County		
	Land Use Prototype	Market Value Per Unit	Net Tax Capacity Per Unit [1]	Total MVHC All Tax Levels	MVHC (County Portion) Per Unit [2]	2011 Tax Rate [3]	Net Tax Per Unit [4]
1	Single Family (SF) (Homestead) <i>High Value</i>	\$350,000	\$3,500	\$57	\$21	52.236%	\$1,807
2	Single Family (SF) (Homestead) <i>Medium Value</i>	\$200,000	\$2,000	\$192	\$71	52.236%	\$974
3	Single Family (SF) (Homestead) <i>Low Value</i>	\$150,000	\$1,500	\$237	\$88	52.236%	\$696
4	Multifamily/Condo (Homestead)	\$150,000	\$1,500	\$237	\$88	52.236%	\$696
5	Apartment (4+ Units)	\$75,000	\$938	\$0	\$0	52.236%	\$490

[1] Tax capacity based on state formulas by land use classification

[2] MVHC = Market Value Homestead Credit; used here to reflect the program in effect in pay 2011 Budgets. This will be replaced with Homestead Market Value Exclusion in 2012.

[3] MN DOR (average where applicable)

[4] Net Tax Per Unit = Net Tax Capacity x 2011 Tax Rate (per \$100) - MVHC (jurisdiction share)

RESIDENTIAL PROTOTYPES					School District					
	Land Use Prototype	Market Value Per Unit	Net Tax Capacity Per Unit [1]	Total MVHC All Tax Levels	MVHC (School Portion) Per Unit [2]	2011 Tax Rate [3]	Net Tax Per Unit [4]	2011 Market Value Tax Rate [3]	Market Val. Tax Per Unit	Total School Taxes
1	Single Family (SF) (Homestead) <i>High Value</i>	\$350,000	\$3,500	\$57	\$15	37.639%	\$1,302	0.1458%	\$510	\$1,812
2	Single Family (SF) (Homestead) <i>Medium Value</i>	\$200,000	\$2,000	\$192	\$51	37.639%	\$702	0.1458%	\$292	\$993
3	Single Family (SF) (Homestead) <i>Low Value</i>	\$150,000	\$1,500	\$237	\$63	37.639%	\$501	0.1458%	\$219	\$720
4	Multifamily/Condo (Homestead)	\$150,000	\$1,500	\$237	\$63	37.639%	\$501	0.1458%	\$219	\$720
5	Apartment (4+ Units)	\$75,000	\$938	\$0	\$0	37.639%	\$353	0.1458%	\$109	\$462

[1] Tax capacity based on state formulas by land use classification

[2] MVHC = Market Value Homestead Credit; used here to reflect the program in effect in pay 2011 Budgets. This will be replaced with Homestead Market Value Exclusion in 2012.

[3] MN DOR (average where applicable)

[4] Net Tax Per Unit = Net Tax Capacity x 2011 Tax Rate - MVHC (jurisdiction share)

Figure 146. CENTRAL CITY Property Tax by Nonresidential Prototype for Each Major Taxing Jurisdiction: Without Fiscal Disparities Program

NONRESIDENTIAL PROTOTYPES						0.00%	CITY			
	Land Use Prototype	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Net Tax Capacity Per Property [2]	Fiscal Disparity Net Tax Capacity [3]	Total Local Net Tax Capacity [4]	2011 Tax Rate [5]	Net Tax Per Property [6]	Net Tax Per 1,000 SF
1	Commercial/Retail	\$115	25,000	\$2,875,000	\$56,750	\$0	\$56,750	42.241%	\$23,972	\$959
2	Offices	\$120	50,000	\$6,000,000	\$119,250	\$0	\$119,250	42.241%	\$50,372	\$1,007
3	Industrial	\$70	25,000	\$1,750,000	\$34,250	\$0	\$34,250	42.241%	\$14,467	\$579
4	Institutional (Tax-Exempt)	\$130	50,000	\$6,500,000	\$0	\$0	\$0	42.241%	\$0	\$0

[1] Met Council Database; TischlerBise analysis;

[2] Tax capacity based on state formulas by land use classification

[3] Amount taxed at areawide rate; MN Dept. of Revenue

[4] Net Tax Capacity minus Fiscal Disparity Net Tax Capacity

[5] MN DOR (average where applicable)

[6] Net Tax Per Property = Local Net Tax Capacity x 2011 Tax Rate

NONRESIDENTIAL PROTOTYPES						0.00%	County			
	Land Use Prototype	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Net Tax Capacity Per Property [2]	Fiscal Disparity Net Tax Capacity [3]	Total Local Net Tax Capacity [4]	2011 Tax Rate [5]	Net Tax Per Property [6]	Net Tax Per 1,000 SF
1	Commercial/Retail	\$115	25,000	\$2,875,000	\$56,750	\$0	\$56,750	52.236%	\$29,644	\$1,186
2	Offices	\$120	50,000	\$6,000,000	\$119,250	\$0	\$119,250	52.236%	\$62,291	\$1,246
3	Industrial	\$70	25,000	\$1,750,000	\$34,250	\$0	\$34,250	52.236%	\$17,891	\$716
4	Institutional (Tax-Exempt)	\$130	50,000	\$6,500,000	\$0	\$0	\$0	52.236%	\$0	\$0

[1] Met Council Database; TischlerBise analysis;

[2] Tax capacity based on state formulas by land use classification

[3] Amount taxed at areawide rate; MN Dept. of Revenue

[4] Net Tax Capacity minus Fiscal Disparity Net Tax Capacity

[5] MN DOR (average where applicable)

[6] Net Tax Per Property = Local Net Tax Capacity x 2011 Tax Rate

NONRESIDENTIAL PROTOTYPES						0.00%	School District						
	Land Use Prototype	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Net Tax Capacity Per Property [2]	Fiscal Disparity Net Tax Capacity [3]	Total Local Net Tax Capacity [4]	2011 Tax Rate [5]	Net Tax Per Property [6]	2011 Market Value Tax Rate [5]	Market Val. Tax Per Property [7]	Total School Taxes	Net Tax Per 1,000 SF
1	Commercial/Retail	\$115	25,000	\$2,875,000	\$56,750	\$0	\$56,750	37.639%	\$21,360	0.1458%	\$4,192	\$25,552	\$1,022
2	Offices	\$120	50,000	\$6,000,000	\$119,250	\$0	\$119,250	37.639%	\$44,885	0.1458%	\$8,748	\$53,633	\$1,073
3	Industrial	\$70	25,000	\$1,750,000	\$34,250	\$0	\$34,250	37.639%	\$12,891	0.1458%	\$2,552	\$15,443	\$618
4	Institutional (Tax-Exempt)	\$130	50,000	\$6,500,000	\$0	\$0	\$0	37.639%	\$0	0.1458%	\$0	\$0	\$0

[1] Met Council Database; TischlerBise analysis;

[2] Tax capacity based on state formulas by land use classification

[3] Amount taxed at areawide rate; MN Dept. of Revenue

[4] Net Tax Capacity minus Fiscal Disparity Net Tax Capacity

[5] MN DOR (average where applicable)

[6] Net Tax Per Property = Local Net Tax Capacity x 2011 Tax Rate

CASE EXAMPLE 2: DEVELOPED CITY

Property Tax Assumptions with Fiscal Disparities

Property taxes are based on assessed values and current tax rates by locality. Property tax revenue by prototype under the current property tax system (with the Fiscal Disparities program) is shown first below followed by property tax assumptions without the Fiscal Disparities program.

Figure 147. DEVELOPED CITY Property Tax by Residential Prototype for Each Major Taxing Jurisdiction: **With Fiscal Disparities Program**
CITY

RESIDENTIAL PROTOTYPES					CITY		
	Land Use Prototype	Market Value Per Unit	Net Tax Capacity Per Unit [1]	Total MVHC All Tax Levels	MVHC (City Portion) Per Unit [2]	2011 Tax Rate [3]	Net Tax Per Unit [4]
1	Single Family (SF) (Homestead) <i>High Value</i>	\$350,000	\$3,500	\$57	\$20	41.004%	\$1,416
2	Single Family (SF) (Homestead) <i>Median Value</i>	\$200,000	\$2,000	\$192	\$66	41.004%	\$754
3	Single Family (SF) (Homestead) <i>Low Value</i>	\$150,000	\$1,500	\$237	\$81	41.004%	\$534
4	Multifamily/Condo (Homestead)	\$150,000	\$1,500	\$237	\$81	41.004%	\$534
5	Apartment (4+ Units)	\$75,000	\$938	\$0	\$0	41.004%	\$384

[1] Tax capacity based on state formulas by land use classification

[2] MVHC = Market Value Homestead Credit; used here to reflect the program in effect in pay 2011 Budgets. This will be replaced with Homestead Market Value Exclusion in 2012.

[3] MN DOR (average where applicable)

[4] Net Tax Per Unit = Net Tax Capacity x 2011 Tax Rate (per \$100) - MVHC (jurisdiction share)

COUNTY

RESIDENTIAL PROTOTYPES

					COUNTY		
	Land Use Prototype	Market Value Per Unit	Net Tax Capacity Per Unit [1]	Total MVHC All Tax Levels	MVHC (County Portion) Per Unit [2]	2011 Tax Rate [3]	Net Tax Per Unit [4]
1	Single Family (SF) (Homestead) <i>High Value</i>	\$350,000	\$3,500	\$57	\$23	48.274%	\$1,667
2	Single Family (SF) (Homestead) <i>Median Value</i>	\$200,000	\$2,000	\$192	\$77	48.274%	\$888
3	Single Family (SF) (Homestead) <i>Low Value</i>	\$150,000	\$1,500	\$237	\$95	48.274%	\$629
4	Multifamily/Condo (Homestead)	\$150,000	\$1,500	\$237	\$95	48.274%	\$629
5	Apartment (4+ Units)	\$75,000	\$938	\$0	\$0	48.274%	\$453

[1] Tax capacity based on state formulas by land use classification

[2] MVHC = Market Value Homestead Credit; used here to reflect the program in effect in pay 2011 Budgets. This will be replaced with Homestead Market Value Exclusion in 2012.

[3] MN DOR (average where applicable)

[4] Net Tax Per Unit = Net Tax Capacity x 2011 Tax Rate (per \$100) - MVHC (jurisdiction share)

SCHOOL DISTRICT

RESIDENTIAL PROTOTYPES

					SCHOOL DISTRICT					
	Land Use Prototype	Market Value Per Unit	Net Tax Capacity Per Unit [1]	Total MVHC All Tax Levels	MVHC (School Portion) Per Unit [2]	2011 Tax Rate [3]	Net Tax Per Unit [4]	2011 Market Value Tax Rate [3]	Market Val. Tax Per Unit	Total School Taxes
1	Single Family (SF) (Homestead) <i>High Value</i>	\$350,000	\$3,500	\$57	\$10	20.178%	\$697	0.1708%	\$598	\$1,294
2	Single Family (SF) (Homestead) <i>Median Value</i>	\$200,000	\$2,000	\$192	\$32	20.178%	\$371	0.1708%	\$342	\$713
3	Single Family (SF) (Homestead) <i>Low Value</i>	\$150,000	\$1,500	\$237	\$40	20.178%	\$263	0.1708%	\$256	\$519
4	Multifamily/Condo (Homestead)	\$150,000	\$1,500	\$237	\$40	20.178%	\$263	0.1708%	\$256	\$519
5	Apartment (4+ Units)	\$75,000	\$938	\$0	\$0	20.178%	\$189	0.1708%	\$128	\$317

[1] Tax capacity based on state formulas by land use classification

[2] MVHC = Market Value Homestead Credit; used here to reflect the program in effect in pay 2011 Budgets. This will be replaced with Homestead Market Value Exclusion in 2012.

[3] MN DOR (average where applicable)

[4] Net Tax Per Unit = Net Tax Capacity x 2011 Tax Rate - MVHC (jurisdiction share)

Figure 148. DEVELOPED CITY Property Tax by Nonresidential Prototype for Each Major Taxing Jurisdiction: With Fiscal Disparities Program

CITY										
NONRESIDENTIAL PROTOTYPES						46.571%	CITY			
	Land Use Prototype	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Net Tax Capacity Per Property [2]	Fiscal Disparity Net Tax Capacity [3]	Total Local Net Tax Capacity [4]	2011 Tax Rate [5]	Net Tax Per Property [6]	Net Tax Per 1,000 SF
1	Commercial/Retail	\$90	75,000	\$6,750,000	\$134,250	\$62,522	\$71,728	41.004%	\$29,412	\$392
2	Offices	\$80	100,000	\$8,000,000	\$159,250	\$74,164	\$85,086	41.004%	\$34,889	\$349
3	Industrial	\$55	60,000	\$3,300,000	\$65,250	\$30,388	\$34,862	41.004%	\$14,295	\$238
4	Institutional (Tax-Exempt)	\$60	30,000	\$1,800,000	\$0	\$0	\$0	41.004%	\$0	\$0

[1] Met Council Database; TischlerBise analysis;

[2] Tax capacity based on state formulas by land use classification

[3] Amount taxed at areawide rate; MN Dept. of Revenue

[4] Net Tax Capacity minus Fiscal Disparity Net Tax Capacity = Net Tax Capacity taxed at the local rate.

[5] MN DOR, Initial Tax Rate by Jurisdiction (average where applicable)

[6] Net Tax Per Property = Local Net Tax Capacity x 2011 Tax Rate

COUNTY										
NONRESIDENTIAL PROTOTYPES						46.571%	COUNTY			
	Land Use Prototype	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Net Tax Capacity Per Property [2]	Fiscal Disparity Net Tax Capacity [3]	Total Local Net Tax Capacity [4]	2011 Tax Rate [5]	Net Tax Per Property [6]	Net Tax Per 1,000 SF
1	Commercial/Retail	\$90	75,000	\$6,750,000	\$134,250	\$62,522	\$71,728	48.274%	\$34,626	\$462
2	Offices	\$80	100,000	\$8,000,000	\$159,250	\$74,164	\$85,086	48.274%	\$41,074	\$411
3	Industrial	\$55	60,000	\$3,300,000	\$65,250	\$30,388	\$34,862	48.274%	\$16,829	\$280
4	Institutional (Tax-Exempt)	\$60	30,000	\$1,800,000	\$0	\$0	\$0	48.274%	\$0	\$0

[1] Met Council Database; TischlerBise analysis;

[2] Tax capacity based on state formulas by land use classification

[3] Amount taxed at areawide rate; MN Dept. of Revenue

[4] Net Tax Capacity minus Fiscal Disparity Net Tax Capacity = Net Tax Capacity taxed at the local rate.

[5] MN DOR, Initial Tax Rate by Jurisdiction (average where applicable)

[6] Net Tax Per Property = Local Net Tax Capacity x 2011 Tax Rate

SCHOOL DISTRICT

NONRESIDENTIAL PROTOTYPES						46.571%	SCHOOL DISTRICT						
	Land Use Prototype	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Net Tax Capacity Per Property [2]	Fiscal Disparity Net Tax Capacity [3]	Total Local Net Tax Capacity [4]	2011 Tax Rate [5]	Net Tax Per Property [6]	2011 Market Value Tax Rate [5]	Market Val. Tax Per Property [7]	Total School Taxes	Net Tax Per 1,000 SF
1	Commercial/Retail	\$90	75,000	\$6,750,000	\$134,250	\$62,522	\$71,728	20.178%	\$14,474	0.1708%	\$11,529	\$26,003	\$347
2	Offices	\$80	100,000	\$8,000,000	\$159,250	\$74,164	\$85,086	20.178%	\$17,169	0.1708%	\$13,664	\$30,833	\$308
3	Industrial	\$55	60,000	\$3,300,000	\$65,250	\$30,388	\$34,862	20.178%	\$7,035	0.1708%	\$5,636	\$12,671	\$211
4	Institutional (Tax-Exempt)	\$60	30,000	\$1,800,000	\$0	\$0	\$0	20.178%	\$0	0.1708%	\$0	\$0	\$0

[1] Met Council Database; TischlerBise analysis;

[2] Tax capacity based on state formulas by land use classification

[3] Amount taxed at areawide rate; MN Dept. of Revenue

[4] Net Tax Capacity minus Fiscal Disparity Net Tax Capacity

[5] MN DOR, Initial Tax Rate by Jurisdiction (average where applicable)

[6] Net Tax Per Property = Local Net Tax Capacity x 2011 Tax Rate

Fiscal Disparities Revenue Distribution Assumptions

Fiscal Disparities distributed revenue is allocated to residential development according to the following approach shown below.

Figure 149. DEVELOPED CITY Fiscal Disparities Distribution Allocation by Prototype

Total Market Value				\$10,305,444,900		\$43,220,047,400		\$10,188,840,800	
Population				82,893		1,155,495		82,893	
[a] Average Jurisdiction Market Value Per Capita				\$124,322		\$37,404		\$122,916	
Distribution Tax Levy				\$3,830,470		\$66,513,078		\$1,940,735	
[b] Distribution Tax Levy Per Capita				\$46		\$58		\$23	
				City		County		Schools	
Land Use Prototype	Market Value Per Unit [c]	Persons Per Unit [d]	Market Value Per Capita [e]	Average as % of Prototype [f]	Distrib Tax Levy per Unit [g]	Average as % of Prototype [f]	Distrib Tax Levy per Unit [g]	Average as % of Prototype [f]	Distrib Tax Levy per Unit [g]
			[e] = [c] / [d]	[f] = [a] / [e]	[g] = [d] x [b] x [f]	[f] = [a] / [e]	[g] = [d] x [b] x [f]	[f] = [a] / [e]	[g] = [d] x [b] x [f]
Single Family (SF) (Homestead)	\$350,000	2.56	\$136,719	91%	\$108	27%	\$40	91%	\$55
Single Family (SF) (Homestead)	\$200,000	2.56	\$78,125	159%	\$188	48%	\$71	159%	\$95
Single Family (SF) (Homestead)	\$150,000	2.56	\$58,594	212%	\$251	64%	\$94	212%	\$127
Multifamily/Condo (Homestead)	\$150,000	1.62	\$92,593	134%	\$101	40%	\$38	134%	\$51
Apartment (4+ Units)	\$75,000	1.62	\$46,296	269%	\$201	81%	\$75	269%	\$102

Source: TischlerBise analysis using modified version of methodology employed by Dr. Tomaselli for City of Anoka.

Property Tax Assumptions without Fiscal Disparities

Property tax revenue by prototype without the Fiscal Disparities program is provided below.

Figure 150. DEVELOPED CITY Property Tax by Residential Prototype for Each Major Taxing Jurisdiction: Without Fiscal Disparities Program

CITY					CITY		
RESIDENTIAL PROTOTYPES							
	Land Use Prototype	Market Value Per Unit	Net Tax Capacity Per Unit [1]	Total MVHC All Tax Levels	MVHC (City Portion) Per Unit [2]	2011 Tax Rate [3]	Net Tax Per Unit [4]
1	Single Family (SF) (Homestead) <i>High Value</i>	\$350,000	\$3,500	\$57	\$18	34.014%	\$1,172
2	Single Family (SF) (Homestead) <i>Median Value</i>	\$200,000	\$2,000	\$192	\$62	34.014%	\$618
3	Single Family (SF) (Homestead) <i>Low Value</i>	\$150,000	\$1,500	\$237	\$76	34.014%	\$434
4	Multifamily/Condo (Homestead)	\$150,000	\$1,500	\$237	\$76	34.014%	\$434
5	Apartment (4+ Units)	\$75,000	\$938	\$0	\$0	34.014%	\$319

[1] Tax capacity based on state formulas by land use classification

[2] MVHC = Market Value Homestead Credit; used here to reflect the program in effect in pay 2011 Budgets. This will be replaced with Homestead Market Value Exclusion in 2012.

[3] MN DOR (average where applicable)

[4] Net Tax Per Unit = Net Tax Capacity x 2011 Tax Rate (per \$100) - MVHC (jurisdiction share)

COUNTY

RESIDENTIAL PROTOTYPES

					COUNTY		
	Land Use Prototype	Market Value Per Unit	Net Tax Capacity Per Unit [1]	Total MVHC All Tax Levels	MVHC (County Portion) Per Unit [2]	2011 Tax Rate [3]	Net Tax Per Unit [4]
1	Single Family (SF) (Homestead) <i>High Value</i>	\$350,000	\$3,500	\$57	\$24	43.605%	\$1,502
2	Single Family (SF) (Homestead) <i>Median Value</i>	\$200,000	\$2,000	\$192	\$79	43.605%	\$793
3	Single Family (SF) (Homestead) <i>Low Value</i>	\$150,000	\$1,500	\$237	\$98	43.605%	\$556
4	Multifamily/Condo (Homestead)	\$150,000	\$1,500	\$237	\$98	43.605%	\$556
5	Apartment (4+ Units)	\$75,000	\$938	\$0	\$0	43.605%	\$409

[1] Tax capacity based on state formulas by land use classification

[2] MVHC = Market Value Homestead Credit; used here to reflect the program in effect in pay 2011 Budgets. This will be replaced with Homestead Market Value Exclusion in 2012.

[3] MN DOR (average where applicable)

[4] Net Tax Per Unit = Net Tax Capacity x 2011 Tax Rate (per \$100) - MVHC (jurisdiction share)

SCHOOL DISTRICT

RESIDENTIAL PROTOTYPES

					SCHOOL DISTRICT					
	Land Use Prototype	Market Value Per Unit	Net Tax Capacity Per Unit [1]	Total MVHC All Tax Levels	MVHC (School Portion) Per Unit [2]	2011 Tax Rate [3]	Net Tax Per Unit [4]	2011 Market Value Tax Rate [3]	Market Val. Tax Per Unit	Total School Taxes
1	Single Family (SF) (Homestead) <i>High Value</i>	\$350,000	\$3,500	\$57	\$10	18.216%	\$628	0.1708%	\$598	\$1,225
2	Single Family (SF) (Homestead) <i>Median Value</i>	\$200,000	\$2,000	\$192	\$33	18.216%	\$331	0.1708%	\$342	\$673
3	Single Family (SF) (Homestead) <i>Low Value</i>	\$150,000	\$1,500	\$237	\$41	18.216%	\$232	0.1708%	\$256	\$488
4	Multifamily/Condo (Homestead)	\$150,000	\$1,500	\$237	\$41	18.216%	\$232	0.1708%	\$256	\$488
5	Apartment (4+ Units)	\$75,000	\$938	\$0	\$0	18.216%	\$171	0.1708%	\$128	\$299

[1] Tax capacity based on state formulas by land use classification

[2] MVHC = Market Value Homestead Credit; used here to reflect the program in effect in pay 2011 Budgets. This will be replaced with Homestead Market Value Exclusion in 2012.

[3] MN DOR (average where applicable)

[4] Net Tax Per Unit = Net Tax Capacity x 2011 Tax Rate - MVHC (jurisdiction share)

Figure 151. DEVELOPED CITY Property Tax by Nonresidential Prototype for Each Major Taxing Jurisdiction: Without Fiscal Disparities Program

CITY										
NONRESIDENTIAL PROTOTYPES						0.000%	CITY			
	Land Use Prototype	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Net Tax Capacity Per Property [2]	Fiscal Disparity Net Tax Capacity [3]	Total Local Net Tax Capacity [4]	2011 Tax Rate [5]	Net Tax Per Property [6]	Net Tax Per 1,000 SF
1	Commercial/Retail	\$90	75,000	\$6,750,000	\$134,250	\$0	\$134,250	34.014%	\$45,664	\$609
2	Offices	\$80	100,000	\$8,000,000	\$159,250	\$0	\$159,250	34.014%	\$54,168	\$542
3	Industrial	\$55	60,000	\$3,300,000	\$65,250	\$0	\$65,250	34.014%	\$22,194	\$370
4	Institutional (Tax-Exempt)	\$60	30,000	\$1,800,000	\$0	\$0	\$0	34.014%	\$0	\$0

[1] Met Council Database; TischlerBise analysis;

[2] Tax capacity based on state formulas by land use classification

[3] Amount taxed at areawide rate; MN Dept. of Revenue

[4] Net Tax Capacity minus Fiscal Disparity Net Tax Capacity

[5] MN DOR (average where applicable)

[6] Net Tax Per Property = Local Net Tax Capacity x 2011 Tax Rate

COUNTY										
NONRESIDENTIAL PROTOTYPES						0.000%	COUNTY			
	Land Use Prototype	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Net Tax Capacity Per Property [2]	Fiscal Disparity Net Tax Capacity [3]	Total Local Net Tax Capacity [4]	2011 Tax Rate [5]	Net Tax Per Property [6]	Net Tax Per 1,000 SF
1	Commercial/Retail	\$90	75,000	\$6,750,000	\$134,250	\$0	\$134,250	43.605%	\$58,540	\$781
2	Offices	\$80	100,000	\$8,000,000	\$159,250	\$0	\$159,250	43.605%	\$69,441	\$694
3	Industrial	\$55	60,000	\$3,300,000	\$65,250	\$0	\$65,250	43.605%	\$28,452	\$474
4	Institutional (Tax-Exempt)	\$60	30,000	\$1,800,000	\$0	\$0	\$0	43.605%	\$0	\$0

[1] Met Council Database; TischlerBise analysis;

[2] Tax capacity based on state formulas by land use classification

[3] Amount taxed at areawide rate; MN Dept. of Revenue

[4] Net Tax Capacity minus Fiscal Disparity Net Tax Capacity

[5] MN DOR (average where applicable)

[6] Net Tax Per Property = Local Net Tax Capacity x 2011 Tax Rate

SCHOOL DISTRICT

NONRESIDENTIAL PROTOTYPES						0.000%	SCHOOL DISTRICT						
	Land Use Prototype	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Net Tax Capacity Per Property [2]	Fiscal Disparity Net Tax Capacity [3]	Total Local Net Tax Capacity [4]	2011 Tax Rate [5]	Net Tax Per Property [6]	2011 Market Value Tax Rate [5]	Market Val. Tax Per Property [7]	Total School Taxes	Net Tax Per 1,000 SF
1	Commercial/Retail	\$90	75,000	\$6,750,000	\$134,250	\$0	\$134,250	18.216%	\$24,456	0.1708%	\$11,529	\$35,985	\$480
2	Offices	\$80	100,000	\$8,000,000	\$159,250	\$0	\$159,250	18.216%	\$29,010	0.1708%	\$13,664	\$42,674	\$427
3	Industrial	\$55	60,000	\$3,300,000	\$65,250	\$0	\$65,250	18.216%	\$11,886	0.1708%	\$5,636	\$17,523	\$292
4	Institutional (Tax-Exempt)	\$60	30,000	\$1,800,000	\$0	\$0	\$0	18.216%	\$0	0.1708%	\$0	\$0	\$0

[1] Met Council Database; TischlerBise analysis;

[2] Tax capacity based on state formulas by land use classification

[3] Amount taxed at areawide rate; MN Dept. of Revenue

[4] Net Tax Capacity minus Fiscal Disparity Net Tax Capacity

[5] MN DOR (average where applicable)

[6] Net Tax Per Property = Local Net Tax Capacity x 2011 Tax Rate

CASE EXAMPLE 3: DEVELOPING CITY

Property Tax Assumptions with Fiscal Disparities

Property taxes are based on assessed values and current tax rates by locality. Property tax revenue by prototype under the current property tax system (with the Fiscal Disparities program) is shown first below followed by property tax assumptions without the Fiscal Disparities program.

Figure 152. DEVELOPING CITY Property Tax by Residential Prototype for Each Major Taxing Jurisdiction: **With Fiscal Disparities Program**

CITY RESIDENTIAL PROTOTYPES					CITY		
	Land Use Prototype	Market Value Per Unit	Net Tax Capacity Per Unit [1]	Total MVHC All Tax Levels	MVHC (City Portion) Per Unit [2]	2011 Tax Rate [3]	Net Tax Per Unit [4]
1	Single Family (SF) (Homestead) <i>High Value</i>	\$350,000	\$3,500	\$57	\$22	38.502%	\$1,326
2	Single Family (SF) (Homestead) <i>Median Value</i>	\$250,000	\$2,500	\$147	\$56	38.502%	\$907
3	Single Family (SF) (Homestead) <i>Low Value</i>	\$150,000	\$1,500	\$237	\$90	38.502%	\$488
4	Multifamily/Condo (Homestead)	\$150,000	\$1,500	\$237	\$90	38.502%	\$488
5	Apartment (4+ Units)	\$75,000	\$938	\$0	\$0	38.502%	\$361

[1] Tax capacity based on state formulas by land use classification

[2] MVHC = Market Value Homestead Credit; used here to reflect the program in effect in pay 2011 Budgets. This will be replaced with Homestead Market Value Exclusion in 2012.

[3] MN DOR (average where applicable)

[4] Net Tax Per Unit = Net Tax Capacity x 2011 Tax Rate (per \$100) - MVHC (jurisdiction share)

COUNTY

RESIDENTIAL PROTOTYPES

					COUNTY		
	Land Use Prototype	Market Value Per Unit	Net Tax Capacity Per Unit [1]	Total MVHC All Tax Levels	MVHC (County Portion) Per Unit [2]	2011 Tax Rate [3]	Net Tax Per Unit [4]
1	Single Family (SF) (Homestead) <i>High Value</i>	\$350,000	\$3,500	\$57	\$22	39.618%	\$1,364
2	Single Family (SF) (Homestead) <i>Median Value</i>	\$250,000	\$2,500	\$147	\$57	39.618%	\$933
3	Single Family (SF) (Homestead) <i>Low Value</i>	\$150,000	\$1,500	\$237	\$92	39.618%	\$502
4	Multifamily/Condo (Homestead)	\$150,000	\$1,500	\$237	\$92	39.618%	\$502
5	Apartment (4+ Units)	\$75,000	\$938	\$0	\$0	39.618%	\$371

[1] Tax capacity based on state formulas by land use classification

[2] MVHC = Market Value Homestead Credit; used here to reflect the program in effect in pay 2011 Budgets. This will be replaced with Homestead Market Value Exclusion in 2012.

[3] MN DOR (average where applicable)

[4] Net Tax Per Unit = Net Tax Capacity x 2011 Tax Rate (per \$100) - MVHC (jurisdiction share)

SCHOOL DISTRICT

RESIDENTIAL PROTOTYPES

					SCHOOL DISTRICT					
	Land Use Prototype	Market Value Per Unit	Net Tax Capacity Per Unit [1]	Total MVHC All Tax Levels	MVHC (School Portion) Per Unit [2]	2011 Tax Rate [3]	Net Tax Per Unit [4]	2011 Market Value Tax Rate [3]	Market Val. Tax Per Unit	Total School Taxes
1	Single Family (SF) (Homestead) <i>High Value</i>	\$350,000	\$3,500	\$57	\$10	17.951%	\$618	0.2532%	\$886	\$1,504
2	Single Family (SF) (Homestead) <i>Median Value</i>	\$250,000	\$2,500	\$147	\$26	17.951%	\$423	0.2532%	\$633	\$1,056
3	Single Family (SF) (Homestead) <i>Low Value</i>	\$150,000	\$1,500	\$237	\$42	17.951%	\$227	0.2532%	\$380	\$607
4	Multifamily/Condo (Homestead)	\$150,000	\$1,500	\$237	\$42	17.951%	\$227	0.2532%	\$380	\$607
5	Apartment (4+ Units)	\$75,000	\$938	\$0	\$0	17.951%	\$168	0.2532%	\$190	\$358

[1] Tax capacity based on state formulas by land use classification

[2] MVHC = Market Value Homestead Credit; used here to reflect the program in effect in pay 2011 Budgets. This will be replaced with Homestead Market Value Exclusion in 2012.

[3] MN DOR (average where applicable)

[4] Net Tax Per Unit = Net Tax Capacity x 2011 Tax Rate - MVHC (jurisdiction share)

Figure 153. DEVELOPING CITY Property Tax by Nonresidential Prototype for Each Major Taxing Jurisdiction: **With Fiscal Disparities Program**

CITY

NONRESIDENTIAL PROTOTYPES						43.019%	CITY			
	Land Use Prototype	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Net Tax Capacity Per Property [2]	Fiscal Disparity Net Tax Capacity [3]	Total Local Net Tax Capacity [4]	2011 Tax Rate [5]	Net Tax Per Property [6]	Net Tax Per 1,000 SF
1	Commercial/Retail	\$90	15,000	\$1,350,000	\$26,250	\$11,292	\$14,958	38.502%	\$5,759	\$384
2	Offices	\$55	20,000	\$1,100,000	\$21,250	\$9,142	\$12,108	38.502%	\$4,662	\$233
3	Industrial	\$45	30,000	\$1,350,000	\$26,250	\$11,292	\$14,958	38.502%	\$5,759	\$192
4	Institutional (Tax-Exempt)	\$55	20,000	\$1,100,000	\$0	\$0	\$0	38.502%	\$0	\$0

[1] Met Council Database; TischlerBise analysis;

[2] Tax capacity based on state formulas by land use classification

[3] Amount taxed at areawide rate; MN Dept. of Revenue

[4] Net Tax Capacity minus Fiscal Disparity Net Tax Capacity = Net Tax Capacity taxed at the local rate.

[5] MN DOR (average where applicable)

[6] Net Tax Per Property = Local Net Tax Capacity x 2011 Tax Rate

COUNTY

NONRESIDENTIAL PROTOTYPES						43.019%	COUNTY			
	Land Use Prototype	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Net Tax Capacity Per Property [2]	Fiscal Disparity Net Tax Capacity [3]	Total Local Net Tax Capacity [4]	2011 Tax Rate [5]	Net Tax Per Property [6]	Net Tax Per 1,000 SF
1	Commercial/Retail	\$90	15,000	\$1,350,000	\$26,250	\$11,292	\$14,958	39.618%	\$5,926	\$395
2	Offices	\$55	20,000	\$1,100,000	\$21,250	\$9,142	\$12,108	39.618%	\$4,797	\$240
3	Industrial	\$45	30,000	\$1,350,000	\$26,250	\$11,292	\$14,958	39.618%	\$5,926	\$198
4	Institutional (Tax-Exempt)	\$55	20,000	\$1,100,000	\$0	\$0	\$0	39.618%	\$0	\$0

[1] Met Council Database; TischlerBise analysis;

[2] Tax capacity based on state formulas by land use classification

[3] Amount taxed at areawide rate; MN Dept. of Revenue

[4] Net Tax Capacity minus Fiscal Disparity Net Tax Capacity = Net Tax Capacity taxed at the local rate.

[5] MN DOR (average where applicable)

[6] Net Tax Per Property = Local Net Tax Capacity x 2011 Tax Rate

SCHOOL DISTRICT

NONRESIDENTIAL PROTOTYPES					43.019%	SCHOOL DISTRICT						
Land Use Prototype	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Net Tax Capacity Per Property [2]	Fiscal Disparity Net Tax Capacity [3]	Total Local Net Tax Capacity [4]	2011 Tax Rate [5]	Net Tax Per Property [6]	2011 Market Value Tax Rate [5]	Market Val. Tax Per Property [7]	Total School Taxes	Net Tax Per 1,000 SF
1 Commercial/Retail	\$90	15,000	\$1,350,000	\$26,250	\$11,292	\$14,958	17.951%	\$2,685	0.2532%	\$3,418	\$6,103	\$407
2 Offices	\$55	20,000	\$1,100,000	\$21,250	\$9,142	\$12,108	17.951%	\$2,174	0.2532%	\$2,785	\$4,958	\$248
3 Industrial	\$45	30,000	\$1,350,000	\$26,250	\$11,292	\$14,958	17.951%	\$2,685	0.2532%	\$3,418	\$6,103	\$203
4 Institutional (Tax-Exempt)	\$55	20,000	\$1,100,000	\$0	\$0	\$0	17.951%	\$0	0.2532%	\$0	\$0	\$0

- [1] Met Council Database; TischlerBise analysis;
[2] Tax capacity based on state formulas by land use classification
[3] Amount taxed at areawide rate; MN Dept. of Revenue
[4] Net Tax Capacity minus Fiscal Disparity Net Tax Capacity
[5] MN DOR (average where applicable)
[6] Net Tax Per Property = Local Net Tax Capacity x 2011 Tax Rate

Fiscal Disparities Revenue Distribution Assumptions

Fiscal Disparities distributed revenue is allocated to residential development according to the following approach shown below.

Figure 154. DEVELOPING CITY Fiscal Disparities Distribution Allocation by Prototype

Total Market Value				\$2,469,945,000	\$27,025,523,200				\$17,566,656,200	
Population				30,598	330,844				248,000	
[a] Average Jurisdiction Market Value Per Capita				\$80,722	\$81,687				\$70,833	
Distribution Tax Levy				\$1,886,192	\$19,995,913				\$7,965,298	
[b] Distribution Tax Levy Per Capita				\$62	\$60				\$32	
				City		County		Schools		
Land Use Prototype	Market Value Per Unit [c]	Persons Per Unit [d]	Market Value Per Capita [e]	Average as % of Prototype [f]	Distrib Tax Levy per Unit [g]	Average as % of Prototype [f]	Distrib Tax Levy per Unit [g]	Average as % of Prototype [f]	Distrib Tax Levy per Unit [g]	
			[e] = [c] / [d]	[f] = [a] / [e]	[g] = [d] x [b] x [f]	[f] = [a] / [e]	[g] = [d] x [b] x [f]	[f] = [a] / [e]	[g] = [d] x [b] x [f]	
Single Family (SF) (Homestead)	\$350,000	3.21	\$109,034	74%	\$146	75%	\$145	74%	\$76	
Single Family (SF) (Homestead)	\$250,000	3.21	\$77,882	104%	\$205	105%	\$203	104%	\$107	
Single Family (SF) (Homestead)	\$150,000	3.21	\$46,729	173%	\$342	175%	\$339	173%	\$178	
Multifamily/Condo (Homestead)	\$150,000	1.84	\$81,522	99%	\$112	100%	\$111	99%	\$59	
Apartment (4+ Units)	\$75,000	1.84	\$40,761	198%	\$225	200%	\$223	198%	\$117	

Source: TischlerBise analysis using modified version of methodology employed by Dr. Tomaselli for City of Anoka.

Property Tax Assumptions without Fiscal Disparities

Property tax revenue by prototype without the Fiscal Disparities program is provided below.

Figure 155. DEVELOPING CITY Property Tax by Residential Prototype for Each Major Taxing Jurisdiction: **Without Fiscal Disparities Program**

CITY RESIDENTIAL PROTOTYPES					CITY		
	Land Use Prototype	Market Value Per Unit	Net Tax Capacity Per Unit [1]	Total MVHC All Tax Levels	MVHC (City Portion) Per Unit [2]	2011 Tax Rate [3]	Net Tax Per Unit [4]
1	Single Family (SF) (Homestead) <i>High Value</i>	\$350,000	\$3,500	\$57	\$21	44.348%	\$1,531
2	Single Family (SF) (Homestead) <i>Median Value</i>	\$250,000	\$2,500	\$147	\$55	44.348%	\$1,054
3	Single Family (SF) (Homestead) <i>Low Value</i>	\$150,000	\$1,500	\$237	\$88	44.348%	\$577
4	Multifamily/Condo (Homestead)	\$150,000	\$1,500	\$237	\$88	44.348%	\$577
5	Apartment (4+ Units)	\$75,000	\$938	\$0	\$0	44.348%	\$416

[1] Tax capacity based on state formulas by land use classification

[2] MVHC = Market Value Homestead Credit; used here to reflect the program in effect in pay 2011 Budgets. This will be replaced with Homestead Market Value Exclusion in 2012.

[3] MN DOR (average where applicable)

[4] Net Tax Per Unit = Net Tax Capacity x 2011 Tax Rate (per \$100) - MVHC (jurisdiction share)

COUNTY

RESIDENTIAL PROTOTYPES

					COUNTY		
	Land Use Prototype	Market Value Per Unit	Net Tax Capacity Per Unit [1]	Total MVHC All Tax Levels	MVHC (County Portion) Per Unit [2]	2011 Tax Rate [3]	Net Tax Per Unit [4]
1	Single Family (SF) (Homestead) <i>High Value</i>	\$350,000	\$3,500	\$57	\$20	42.688%	\$1,474
2	Single Family (SF) (Homestead) <i>Median Value</i>	\$250,000	\$2,500	\$147	\$53	42.688%	\$1,015
3	Single Family (SF) (Homestead) <i>Low Value</i>	\$150,000	\$1,500	\$237	\$85	42.688%	\$556
4	Multifamily/Condo (Homestead)	\$150,000	\$1,500	\$237	\$85	42.688%	\$556
5	Apartment (4+ Units)	\$75,000	\$938	\$0	\$0	42.688%	\$400

[1] Tax capacity based on state formulas by land use classification

[2] MVHC = Market Value Homestead Credit; used here to reflect the program in effect in pay 2011 Budgets. This will be replaced with Homestead Market Value Exclusion in 2012.

[3] MN DOR (average where applicable)

[4] Net Tax Per Unit = Net Tax Capacity x 2011 Tax Rate (per \$100) - MVHC (jurisdiction share)

SCHOOL DISTRICT

RESIDENTIAL PROTOTYPES

		Market Value Per Unit	Net Tax Capacity Per Unit [1]	Total MVHC All Tax Levels	MVHC (School Portion) Per Unit [2]	2011 Tax Rate [3]	Net Tax Per Unit [4]	2011 Market Value Tax Rate [3]	Market Val. Tax Per Unit	Total School Taxes
	Land Use Prototype									
1	Single Family (SF) (Homestead) <i>High Value</i>	\$350,000	\$3,500	\$57	\$13	26.293%	\$908	0.2532%	\$886	\$1,794
2	Single Family (SF) (Homestead) <i>Median Value</i>	\$250,000	\$2,500	\$147	\$32	26.293%	\$625	0.2532%	\$633	\$1,258
3	Single Family (SF) (Homestead) <i>Low Value</i>	\$150,000	\$1,500	\$237	\$52	26.293%	\$342	0.2532%	\$380	\$722
4	Multifamily/Condo (Homestead)	\$150,000	\$1,500	\$237	\$52	26.293%	\$342	0.2532%	\$380	\$722
5	Apartment (4+ Units)	\$75,000	\$938	\$0	\$0	26.293%	\$246	0.2532%	\$190	\$436

[1] Tax capacity based on state formulas by land use classification

[2] MVHC = Market Value Homestead Credit; used here to reflect the program in effect in pay 2011 Budgets. This will be replaced with Homestead Market Value Exclusion in 2012.

[3] MN DOR (average where applicable)

[4] Net Tax Per Unit = Net Tax Capacity x 2011 Tax Rate - MVHC (jurisdiction share)

Figure 156. DEVELOPING CITY Property Tax by Nonresidential Prototype for Each Major Taxing Jurisdiction: Without Fiscal Disparities Program

CITY										
NONRESIDENTIAL PROTOTYPES						0.000%	CITY			
	Land Use Prototype	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Net Tax Capacity Per Property [2]	Fiscal Disparity Net Tax Capacity [3]	Total Local Net Tax Capacity [4]	2011 Tax Rate [5]	Net Tax Per Property [6]	Net Tax Per 1,000 SF
1	Commercial/Retail	\$90	15,000	\$1,350,000	\$26,250	\$0	\$26,250	44.348%	\$11,641	\$776
2	Offices	\$55	20,000	\$1,100,000	\$21,250	\$0	\$21,250	44.348%	\$9,424	\$471
3	Industrial	\$45	30,000	\$1,350,000	\$26,250	\$0	\$26,250	44.348%	\$11,641	\$388
4	Institutional (Tax-Exempt)	\$55	20,000	\$1,100,000	\$0	\$0	\$0	44.348%	\$0	\$0

[1] Met Council Database; TischlerBise analysis;

[2] Tax capacity based on state formulas by land use classification

[3] Amount taxed at areawide rate; MN Dept. of Revenue

[4] Net Tax Capacity minus Fiscal Disparity Net Tax Capacity

[5] MN DOR (average where applicable)

[6] Net Tax Per Property = Local Net Tax Capacity x 2011 Tax Rate

COUNTY										
NONRESIDENTIAL PROTOTYPES						0.000%	COUNTY			
	Land Use Prototype	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Net Tax Capacity Per Property [2]	Fiscal Disparity Net Tax Capacity [3]	Total Local Net Tax Capacity [4]	2011 Tax Rate [5]	Net Tax Per Property [6]	Net Tax Per 1,000 SF
1	Commercial/Retail	\$90	15,000	\$1,350,000	\$26,250	\$0	\$26,250	42.688%	\$11,206	\$747
2	Offices	\$55	20,000	\$1,100,000	\$21,250	\$0	\$21,250	42.688%	\$9,071	\$454
3	Industrial	\$45	30,000	\$1,350,000	\$26,250	\$0	\$26,250	42.688%	\$11,206	\$374
4	Institutional (Tax-Exempt)	\$55	20,000	\$1,100,000	\$0	\$0	\$0	42.688%	\$0	\$0

[1] Met Council Database; TischlerBise analysis;

[2] Tax capacity based on state formulas by land use classification

[3] Amount taxed at areawide rate; MN Dept. of Revenue

[4] Net Tax Capacity minus Fiscal Disparity Net Tax Capacity

[5] MN DOR (average where applicable)

[6] Net Tax Per Property = Local Net Tax Capacity x 2011 Tax Rate

SCHOOL DISTRICT

NONRESIDENTIAL PROTOTYPES						0.000%	SCHOOL DISTRICT						
	Land Use Prototype	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Net Tax Capacity Per Property [2]	Fiscal Disparity Net Tax Capacity [3]	Total Local Net Tax Capacity [4]	2011 Tax Rate [5]	Net Tax Per Property [6]	2011 Market Value Tax Rate [5]	Market Val. Tax Per Property [7]	Total School Taxes	Net Tax Per 1,000 SF
1	Commercial/Retail	\$90	15,000	\$1,350,000	\$26,250	\$0	\$26,250	26.293%	\$6,902	0.2532%	\$3,418	\$10,319	\$688
2	Offices	\$55	20,000	\$1,100,000	\$21,250	\$0	\$21,250	26.293%	\$5,587	0.2532%	\$2,785	\$8,372	\$419
3	Industrial	\$45	30,000	\$1,350,000	\$26,250	\$0	\$26,250	26.293%	\$6,902	0.2532%	\$3,418	\$10,319	\$344
4	Institutional (Tax-Exempt)	\$55	20,000	\$1,100,000	\$0	\$0	\$0	26.293%	\$0	0.2532%	\$0	\$0	\$0

[1] Met Council Database; TischlerBise analysis;

[2] Tax capacity based on state formulas by land use classification

[3] Amount taxed at areawide rate; MN Dept. of Revenue

[4] Net Tax Capacity minus Fiscal Disparity Net Tax Capacity

[5] MN DOR (average where applicable)

[6] Net Tax Per Property = Local Net Tax Capacity x 2011 Tax Rate

CASE EXAMPLE 4: RURAL AREA

Property Tax Assumptions with Fiscal Disparities

Property taxes are based on assessed values and current tax rates by locality. Property tax revenue by prototype under the current property tax system (with the Fiscal Disparities program) is shown first below followed by property tax assumptions without the Fiscal Disparities program.

Figure 157. RURAL AREA Property Tax by Residential Prototype for Each Major Taxing Jurisdiction: **With Fiscal Disparities Program**

CITY					CITY		
RESIDENTIAL PROTOTYPES							
	Land Use Prototype	Market Value Per Unit	Net Tax Capacity Per Unit [1]	Total MVHC All Tax Levels	MVHC (City Portion) Per Unit [2]	2011 Tax Rate [3]	Net Tax Per Unit [4]
1	Single Family (SF) (Homestead) <i>High Value</i>	\$500,000	\$5,000	\$0	\$0	27.039%	\$1,352
2	Single Family (SF) (Homestead) <i>Median Value</i>	\$350,000	\$3,500	\$57	\$19	27.039%	\$927
3	Single Family (SF) (Homestead) <i>Low Value</i>	\$200,000	\$2,000	\$192	\$64	27.039%	\$477
4	Multifamily/Condo (Homestead)	\$200,000	\$2,000	\$192	\$64	27.039%	\$477
5	Apartment (4+ Units)	\$150,000	\$1,875	\$0	\$0	27.039%	\$507

[1] Tax capacity based on state formulas by land use classification

[2] MVHC = Market Value Homestead Credit; used here to reflect the program in effect in pay 2011 Budgets. This will be replaced with Homestead Market Value Exclusion in 2012.

[3] MN DOR (average where applicable)

[4] Net Tax Per Unit = Net Tax Capacity x 2011 Tax Rate (per \$100) - MVHC (jurisdiction share)

COUNTY

RESIDENTIAL PROTOTYPES

					COUNTY		
	Land Use Prototype	Market Value Per Unit	Net Tax Capacity Per Unit [1]	Total MVHC All Tax Levels	MVHC (County Portion) Per Unit [2]	2011 Tax Rate [3]	Net Tax Per Unit [4]
1	Single Family (SF) (Homestead) <i>High Value</i>	\$500,000	\$5,000	\$0	\$0	28.847%	\$1,442
2	Single Family (SF) (Homestead) <i>Median Value</i>	\$350,000	\$3,500	\$57	\$20	28.847%	\$989
3	Single Family (SF) (Homestead) <i>Low Value</i>	\$200,000	\$2,000	\$192	\$68	28.847%	\$509
4	Multifamily/Condo (Homestead)	\$200,000	\$2,000	\$192	\$68	28.847%	\$509
5	Apartment (4+ Units)	\$150,000	\$1,875	\$0	\$0	28.847%	\$541

[1] Tax capacity based on state formulas by land use classification

[2] MVHC = Market Value Homestead Credit; used here to reflect the program in effect in pay 2011 Budgets. This will be replaced with Homestead Market Value Exclusion in 2012.

[3] MN DOR (average where applicable)

[4] Net Tax Per Unit = Net Tax Capacity x 2011 Tax Rate (per \$100) - MVHC (jurisdiction share)

SCHOOL DISTRICT

RESIDENTIAL PROTOTYPES

					SCHOOL DISTRICT					
	Land Use Prototype	Market Value Per Unit	Net Tax Capacity Per Unit [1]	Total MVHC All Tax Levels	MVHC (School Portion) Per Unit [2]	2011 Tax Rate [3]	Net Tax Per Unit [4]	2011 Market Value Tax Rate [3]	Market Val. Tax Per Unit	Total School Taxes
1	Single Family (SF) (Homestead) <i>High Value</i>	\$500,000	\$5,000	\$0	\$0	20.300%	\$1,015	0.1589%	\$795	\$1,810
2	Single Family (SF) (Homestead) <i>Median Value</i>	\$350,000	\$3,500	\$57	\$14	20.300%	\$696	0.1589%	\$556	\$1,253
3	Single Family (SF) (Homestead) <i>Low Value</i>	\$200,000	\$2,000	\$192	\$48	20.300%	\$358	0.1589%	\$318	\$676
4	Multifamily/Condo (Homestead)	\$200,000	\$2,000	\$192	\$48	20.300%	\$358	0.1589%	\$318	\$676
5	Apartment (4+ Units)	\$150,000	\$1,875	\$0	\$0	20.300%	\$381	0.1589%	\$238	\$619

[1] Tax capacity based on state formulas by land use classification

[2] MVHC = Market Value Homestead Credit; used here to reflect the program in effect in pay 2011 Budgets. This will be replaced with Homestead Market Value Exclusion in 2012.

[3] MN DOR (average where applicable)

[4] Net Tax Per Unit = Net Tax Capacity x 2011 Tax Rate - MVHC (jurisdiction share)

Figure 158. RURAL AREA Property Tax by Nonresidential Prototype for Each Major Taxing Jurisdiction: With Fiscal Disparities Program**CITY****NONRESIDENTIAL PROTOTYPES**

						32.589%				
							CITY			
	Land Use Prototype	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Net Tax Capacity Per Property [2]	Fiscal Disparity Net Tax Capacity [3]	Total Local Net Tax Capacity [4]	2011 Tax Rate [5]	Net Tax Per Property [6]	Net Tax Per 1,000 SF
1	Commercial/Retail	\$75	5,000	\$375,000	\$6,750	\$2,200	\$4,550	27.039%	\$1,230	\$246
2	Offices	\$80	10,000	\$800,000	\$15,250	\$4,970	\$10,280	27.039%	\$2,780	\$278
3	Industrial	\$60	10,000	\$600,000	\$11,250	\$3,666	\$7,584	27.039%	\$2,051	\$205
4	Institutional (Tax-Exempt)	\$100	10,000	\$1,000,000	\$0	\$0	\$0	27.039%	\$0	\$0

[1] Met Council Database; TischlerBise analysis;

[2] Tax capacity based on state formulas by land use classification

[3] Amount taxed at areawide rate; MN Dept. of Revenue

[4] Net Tax Capacity minus Fiscal Disparity Net Tax Capacity = Net Tax Capacity taxed at the local rate.

[5] MN DOR (average where applicable)

[6] Net Tax Per Property = Local Net Tax Capacity x 2011 Tax Rate

COUNTY**NONRESIDENTIAL PROTOTYPES**

						32.589%				
							COUNTY			
	Land Use Prototype	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Net Tax Capacity Per Property [2]	Fiscal Disparity Net Tax Capacity [3]	Total Local Net Tax Capacity [4]	2011 Tax Rate [5]	Net Tax Per Property [6]	Net Tax Per 1,000 SF
1	Commercial/Retail	\$75	5,000	\$375,000	\$6,750	\$2,200	\$4,550	28.847%	\$1,313	\$263
2	Offices	\$80	10,000	\$800,000	\$15,250	\$4,970	\$10,280	28.847%	\$2,966	\$297
3	Industrial	\$60	10,000	\$600,000	\$11,250	\$3,666	\$7,584	28.847%	\$2,188	\$219
4	Institutional (Tax-Exempt)	\$100	10,000	\$1,000,000	\$0	\$0	\$0	28.847%	\$0	\$0

[1] Met Council Database; TischlerBise analysis;

[2] Tax capacity based on state formulas by land use classification

[3] Amount taxed at areawide rate; MN Dept. of Revenue

[4] Net Tax Capacity minus Fiscal Disparity Net Tax Capacity = Net Tax Capacity taxed at the local rate.

[5] MN DOR (average where applicable)

[6] Net Tax Per Property = Local Net Tax Capacity x 2011 Tax Rate

SCHOOL DISTRICT

NONRESIDENTIAL PROTOTYPES						32.589%	SCHOOL DISTRICT						
	Land Use Prototype	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Net Tax Capacity Per Property [2]	Fiscal Disparity Net Tax Capacity [3]	Total Local Net Tax Capacity [4]	2011 Tax Rate [5]	Net Tax Per Property [6]	2011 Market Value Tax Rate [5]	Market Val. Tax Per Property [7]	Total School Taxes	Net Tax Per 1,000 SF
1	Commercial/Retail	\$75	5,000	\$375,000	\$6,750	\$2,200	\$4,550	20.300%	\$924	0.1589%	\$596	\$1,520	\$304
2	Offices	\$80	10,000	\$800,000	\$15,250	\$4,970	\$10,280	20.300%	\$2,087	0.1589%	\$1,272	\$3,358	\$336
3	Industrial	\$60	10,000	\$600,000	\$11,250	\$3,666	\$7,584	20.300%	\$1,539	0.1589%	\$954	\$2,493	\$249
4	Institutional (Tax-Exempt)	\$100	10,000	\$1,000,000	\$0	\$0	\$0	20.300%	\$0	0.1589%	\$0	\$0	\$0

[1] Met Council Database; TischlerBise analysis;

[2] Tax capacity based on state formulas by land use classification

[3] Amount taxed at areawide rate; MN Dept. of Revenue

[4] Net Tax Capacity minus Fiscal Disparity Net Tax Capacity

[5] MN DOR (average where applicable)

[6] Net Tax Per Property = Local Net Tax Capacity x 2011 Tax Rate

[7] Market Val. Tax Per Property = Market Value per Property x 2011 Market Value Tax Rate

Fiscal Disparities Revenue Distribution Assumptions

Fiscal Disparities distributed revenue is allocated to residential development according to the following approach shown below.

Figure 159. RURAL AREA Fiscal Disparities Distribution Allocation by Prototype

Total Market Value				\$544,094,100					\$25,892,219,800					\$510,877,100				
Population				2,886					238,136					130,000				
[a] Average Jurisdiction Market Value Per Capita				\$188,529					\$108,729					\$3,930				
Distribution Tax Levy				\$51,826					\$8,740,630					\$2,133,322				
[b] Distribution Tax Levy Per Capita				\$18					\$37					\$16				
					City				County				Schools					
	Market Value Per Unit [c]	Persons Per Unit [d]	Market Value Per Capita [e]	Average as % of Prototype [f]	Distrib Tax Levy per Unit [g]				Average as % of Prototype [f]	Distrib Tax Levy per Unit [g]				Average as % of Prototype [f]	Distrib Tax Levy per Unit [g]			
Land Use Prototype			[e] = [c] / [d]	[f] = [a] / [e]	[g] = [d] x [b] x [f]				[f] = [a] / [e]	[g] = [d] x [b] x [f]				[f] = [a] / [e]	[g] = [d] x [b] x [f]			
Single Family (SF) (Homestead)	\$500,000	2.60	\$192,308	98%	\$46				57%	\$54				98%	\$42			
Single Family (SF) (Homestead)	\$350,000	2.60	\$134,615	140%	\$65				81%	\$77				140%	\$60			
Single Family (SF) (Homestead)	\$200,000	2.60	\$76,923	245%	\$114				141%	\$135				245%	\$105			
Multifamily/Condo (Homestead)	\$200,000	1.72	\$116,279	162%	\$50				94%	\$59				162%	\$46			
Apartment (4+ Units)	\$150,000	1.72	\$87,209	216%	\$67				125%	\$79				216%	\$61			

Source: TischlerBise analysis using modified version of methodology employed by Dr. Tomaselli for City of Anoka.

Property Tax Assumptions without Fiscal Disparities

Property tax revenue by prototype without the Fiscal Disparities program is provided below.

Figure 160. RURAL AREA Property Tax by Residential Prototype for Each Major Taxing Jurisdiction: **Without Fiscal Disparities Program**

CITY RESIDENTIAL PROTOTYPES					CITY		
	Land Use Prototype	Market Value Per Unit	Net Tax Capacity Per Unit [1]	Total MVHC All Tax Levels	MVHC (City Portion) Per Unit [2]	2011 Tax Rate [3]	Net Tax Per Unit [4]
1	Single Family (SF) (Homestead) <i>High Value</i>	\$500,000	\$5,000	\$0	\$0	26.972%	\$1,349
2	Single Family (SF) (Homestead) <i>Median Value</i>	\$350,000	\$3,500	\$57	\$18	26.972%	\$926
3	Single Family (SF) (Homestead) <i>Low Value</i>	\$200,000	\$2,000	\$192	\$61	26.972%	\$478
4	Multifamily/Condo (Homestead)	\$200,000	\$2,000	\$192	\$61	26.972%	\$478
5	Apartment (4+ Units)	\$150,000	\$1,875	\$0	\$0	26.972%	\$506

[1] Tax capacity based on state formulas by land use classification

[2] MVHC = Market Value Homestead Credit; used here to reflect the program in effect in pay 2011 Budgets. This will be replaced with Homestead Market Value Exclusion in 2012.

[3] MN DOR (average where applicable)

[4] Net Tax Per Unit = Net Tax Capacity x 2011 Tax Rate (per \$100) - MVHC (jurisdiction share)

COUNTY

RESIDENTIAL PROTOTYPES

					COUNTY		
	Land Use Prototype	Market Value Per Unit	Net Tax Capacity Per Unit [1]	Total MVHC All Tax Levels	MVHC (County Portion) Per Unit [2]	2011 Tax Rate [3]	Net Tax Per Unit [4]
1	Single Family (SF) (Homestead) <i>High Value</i>	\$500,000	\$5,000	\$0	\$0	29.903%	\$1,495
2	Single Family (SF) (Homestead) <i>Median Value</i>	\$350,000	\$3,500	\$57	\$20	29.903%	\$1,026
3	Single Family (SF) (Homestead) <i>Low Value</i>	\$200,000	\$2,000	\$192	\$68	29.903%	\$530
4	Multifamily/Condo (Homestead)	\$200,000	\$2,000	\$192	\$68	29.903%	\$530
5	Apartment (4+ Units)	\$150,000	\$1,875	\$0	\$0	29.903%	\$561

[1] Tax capacity based on state formulas by land use classification

[2] MVHC = Market Value Homestead Credit; used here to reflect the program in effect in pay 2011 Budgets. This will be replaced with Homestead Market Value Exclusion in 2012.

[3] MN DOR (average where applicable)

[4] Net Tax Per Unit = Net Tax Capacity x 2011 Tax Rate (per \$100) - MVHC (jurisdiction share)

SCHOOL DISTRICT

RESIDENTIAL PROTOTYPES

					SCHOOL DISTRICT				
	Land Use Prototype	Market Value Per Unit	Net Tax Capacity Per Unit [1]	Total MVHC All Tax Levels	MVHC (School Portion) Per Unit [2]	2011 Tax Rate [3]	Net Tax Per Unit [4]	2011 Market Value Tax Rate [3]	Market Val. Tax Per Unit
1	Single Family (SF) (Homestead) <i>High Value</i>	\$500,000	\$5,000	\$0	\$0	21.790%	\$1,090	0.1589%	\$795
2	Single Family (SF) (Homestead) <i>Median Value</i>	\$350,000	\$3,500	\$57	\$15	21.790%	\$748	0.1589%	\$556
3	Single Family (SF) (Homestead) <i>Low Value</i>	\$200,000	\$2,000	\$192	\$50	21.790%	\$386	0.1589%	\$318
4	Multifamily/Condo (Homestead)	\$200,000	\$2,000	\$192	\$50	21.790%	\$386	0.1589%	\$318
5	Apartment (4+ Units)	\$150,000	\$1,875	\$0	\$0	21.790%	\$409	0.1589%	\$238

[1] Tax capacity based on state formulas by land use classification

[2] MVHC = Market Value Homestead Credit; used here to reflect the program in effect in pay 2011 Budgets. This will be replaced with Homestead Market Value Exclusion in 2012.

[3] MN DOR (average where applicable)

[4] Net Tax Per Unit = Net Tax Capacity x 2011 Tax Rate - MVHC (jurisdiction share)

Figure 161. RURAL AREA Property Tax by Nonresidential Prototype for Each Major Taxing Jurisdiction: Without Fiscal Disparities Program

CITY

NONRESIDENTIAL PROTOTYPES						0.000%	CITY			
	Land Use Prototype	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Net Tax Capacity Per Property [2]	Fiscal Disparity Net Tax Capacity [3]	Total Local Net Tax Capacity [4]	2011 Tax Rate [5]	Net Tax Per Property [6]	Net Tax Per 1,000 SF
1	Commercial/Retail	\$75	5,000	\$375,000	\$6,750	\$0	\$6,750	26.972%	\$1,821	\$364
2	Offices	\$80	10,000	\$800,000	\$15,250	\$0	\$15,250	26.972%	\$4,113	\$411
3	Industrial	\$60	10,000	\$600,000	\$11,250	\$0	\$11,250	26.972%	\$3,034	\$303
4	Institutional (Tax-Exempt)	\$100	10,000	\$1,000,000	\$0	\$0	\$0	26.972%	\$0	\$0

[1] Met Council Database; TischlerBise analysis;

[2] Tax capacity based on state formulas by land use classification

[3] Amount taxed at areawide rate; MN Dept. of Revenue

[4] Net Tax Capacity minus Fiscal Disparity Net Tax Capacity

[5] MN DOR (average where applicable)

[6] Net Tax Per Property = Local Net Tax Capacity x 2011 Tax Rate

COUNTY

NONRESIDENTIAL PROTOTYPES						0.000%	COUNTY			
	Land Use Prototype	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Net Tax Capacity Per Property [2]	Fiscal Disparity Net Tax Capacity [3]	Total Local Net Tax Capacity [4]	2011 Tax Rate [5]	Net Tax Per Property [6]	Net Tax Per 1,000 SF
1	Commercial/Retail	\$75	5,000	\$375,000	\$6,750	\$0	\$6,750	29.903%	\$2,018	\$404
2	Offices	\$80	10,000	\$800,000	\$15,250	\$0	\$15,250	29.903%	\$4,560	\$456
3	Industrial	\$60	10,000	\$600,000	\$11,250	\$0	\$11,250	29.903%	\$3,364	\$336
4	Institutional (Tax-Exempt)	\$100	10,000	\$1,000,000	\$0	\$0	\$0	29.903%	\$0	\$0

[1] Met Council Database; TischlerBise analysis;

[2] Tax capacity based on state formulas by land use classification

[3] Amount taxed at areawide rate; MN Dept. of Revenue

[4] Net Tax Capacity minus Fiscal Disparity Net Tax Capacity

[5] MN DOR (average where applicable)

[6] Net Tax Per Property = Local Net Tax Capacity x 2011 Tax Rate

SCHOOL DISTRICT

NONRESIDENTIAL PROTOTYPES

	Land Use Prototype	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Net Tax Capacity Per Property [2]	0.000%	Total Local Net Tax Capacity [4]	SCHOOL DISTRICT					
						Fiscal Disparity Net Tax Capacity [3]		2011 Tax Rate [5]	Net Tax Per Property [6]	2011 Market Value Tax Rate [5]	Market Val. Tax Per Property [7]	Total School Taxes	Net Tax Per 1,000 SF
1	Commercial/Retail	\$75	5,000	\$375,000	\$6,750	\$0	\$6,750	21.790%	\$1,471	0.1589%	\$596	\$2,067	\$413
2	Offices	\$80	10,000	\$800,000	\$15,250	\$0	\$15,250	21.790%	\$3,323	0.1589%	\$1,272	\$4,594	\$459
3	Industrial	\$60	10,000	\$600,000	\$11,250	\$0	\$11,250	21.790%	\$2,451	0.1589%	\$954	\$3,405	\$341
4	Institutional (Tax-Exempt)	\$100	10,000	\$1,000,000	\$0	\$0	\$0	21.790%	\$0	0.1589%	\$0	\$0	\$0

[1] Met Council Database; TischlerBise analysis;

[2] Tax capacity based on state formulas by land use classification

[3] Amount taxed at areawide rate; MN Dept. of Revenue

[4] Net Tax Capacity minus Fiscal Disparity Net Tax Capacity

[5] MN DOR (average where applicable)

[6] Net Tax Per Property = Local Net Tax Capacity x 2011 Tax Rate

[7] Market Val. Tax Per Property = Market Value per Property x 2011 Market Value Tax Rate

XIII.APPENDIX E: ACKNOWLEDGMENTS

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**TECHNICAL APPENDIX F:
LEVELS OF SERVICE /
COST AND REVENUE FACTORS**

***Cost of Land Use Fiscal Impact Analysis for the
Study of the Metropolitan Area Fiscal Disparities Program***

Prepared for:

MINNESOTA DEPARTMENT OF REVENUE

February 1, 2012

Prepared by:

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***TischlerBise** is a fiscal, economic, and planning firm specializing in fiscal/economic impact analysis, impact fees, infrastructure financing studies, cost allocation plans, user fees, utility rate studies, and related revenue strategies. We have been providing consulting services nationally for over 30 years during which time we have advised over 2,000 communities.*

Disclaimer

The analysis and findings conveyed in this report are that of TischlerBise, the authors of the study, unless otherwise noted. Any errors are the responsibility of the authors.

February 2012



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** The chapter on property tax, aid, and local development programs that interact with Fiscal Disparities program was written by Minnesota Department of Revenue.*

TECHNICAL APPENDIX F: LEVELS OF SERVICE / COST AND REVENUE FACTORS
Cost of Land Use Fiscal Impact Analysis for the Study of the Fiscal Disparities Program:
For the Minnesota Department of Revenue

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OVERVIEW OF STUDY

TischlerBise has been retained by the Minnesota Department of Revenue to analyze the Twin Cities Metropolitan Area Fiscal Disparities Program. The “Charles R. Weaver Metropolitan Revenue Distribution Act” enacted in 1971, commonly referred to as the Metropolitan Fiscal Disparities program, was an attempt to address growing fiscal concerns within the seven-county Minneapolis-St. Paul region, home to over 180 cities and townships; over 60 school districts; and dozens of other taxing authorities. The law requires all communities in the seven-county area to contribute 40 percent of the growth in their commercial/industrial tax base (from 1971) to a regional pool.

This document provides technical detail on the Cost of Land Use Fiscal Impact Study that was conducted as part of the larger study on the Fiscal Disparities program.

ROLE OF THE COST OF LAND USE FISCAL IMPACT ANALYSIS

The legislation authorizing this study identified a need to analyze a locality’s “overburden,” particularly related to Commercial/Industrial property under the Fiscal Disparities program. That is, is the revenue generated to a locality from C/I property sufficient to cover the direct expenditures incurred.

To attempt to address the issues identified in the legislation authorizing the study as well as in stakeholder discussions, we conducted a *Cost of Land Use* fiscal impact analysis of a select group of jurisdictions in the region. The selected jurisdictions reflect one from the regional development classification groupings used in this analysis:

- Central Cities
- Developed Cities
- Developing Cities
- Rural (Rural Area and Rural Growth Center)

Counties were not duplicated and an equal number of Fiscal Disparities “recipients” and “contributors” were included. For one each of the recipients and contributors, the community is in their respective top twenty list of the resulting percentage increase (recipients) or decrease (contributors) in the tax rate if the Fiscal Disparities Program were eliminated. *While actual data (e.g., budgets, demographic factors) are used for each jurisdiction in the study, we do not include the name of the jurisdiction analyzed with the intent to focus more on the findings and results as opposed to the jurisdiction itself.*

A *Cost of Land Use Fiscal Impact Study* examines the fiscal impact of prototypical land uses that are currently developed (or anticipated to be developed in the future) in the jurisdiction. In this type of analysis, a “snapshot” approach is used that determines the costs and revenues for various land use prototypes in order to understand the fiscal effect each land use has independently on the jurisdiction. In other words, it seeks to answer the question, ***“What type of development pays for itself?”***

For each jurisdiction, TischlerBise evaluated nine land use categories—five residential and four nonresidential land uses. The land use categories are listed below. Demographic factors vary by jurisdiction and are discussed in each jurisdiction’s section of this report.

Residential Land Use

- Single family detached unit: Higher value
- Single family detached unit: Median value
- Single family detached unit: Lower value
- Multifamily/Condo (Homestead) unit
- Apartment unit

Nonresidential Land Use

- Commercial/Retail
- Office
- Industrial
- Institutional (tax exempt)

Cost and revenue factors have been determined based on the FY 2011 budget for the case study city and additional fiscal research. The analysis is based on **current levels of service**. Current levels of service represent the respective level of government’s (City, County, or School District) current level of spending for services and facilities. That is, assumptions made in the analysis are based on revenue sources, programs, services, requirements, and policies that are in place today (with the exception of the “without Fiscal Disparities Program” scenario where tax rates are adjusted to reflect hypothetical elimination of the program).

Each jurisdiction’s analysis is for the General Fund and any tax-support funds, including operating and capital costs (including debt service). Enterprise funds (such as water and wastewater) are not included

in the analysis as they are assumed to be self-sustaining; Special Funds with restricted revenues are excluded as well.

Only those revenues and costs **directly attributed** to the land use are assumed with the exception of Fiscal Disparities Program revenue. (The approach is to allocate the Fiscal Disparities distribution levy in the jurisdiction using the factors in the Fiscal Disparities distribution formula, namely market values and population. Therefore, the residential prototypes in this analysis get “revenue credit” for distribution levies in the “With Fiscal Disparities” scenario. Detail for each case example is provided in the main report document.) Indirect, or spin-off, impacts are not included.

An average cost approach is taken and where appropriate, revenues and costs are allocated to residential development, nonresidential development, or both. Proportionate share factors are provided in this document. Tax increment financing is not assumed for any prototype. Since this analysis focuses on the fiscal impact of selected residential and nonresidential prototypes in each jurisdiction without regard to geographic location within the jurisdiction, it relies on average costing.

There are two scenarios analyzed: (1) Current with Fiscal Disparities (Current System); and (2) Without Fiscal Disparities (Hypothetical Scenario). In the latter scenario, the tax rates are adjusted to assume the same amount of levy in the respective locality, however, other revenue sources (such as state funding that may be affected by changes to the Fiscal Disparities program) are **not** adjusted. The concept is to test what would happen to revenue generation by type of land use if the Fiscal Disparities program were to be dismantled without clouding the results with changes to other funding programs.

Prototype Demographic Factors

For each jurisdiction, TischlerBise determined key demographic factors by prototype. Our approach was to be as consistent as possible among the study jurisdictions, therefore the same data sources were used wherever possible.

- ***Household Size by Type of Residential Unit:*** Household size, or persons per household, was derived using U.S. Census data from the American Community Survey (2009, Five-Year Estimates). Household size varies by type of housing unit (single family detached, multifamily).
- ***Public School Student Generation Rates:*** Public School Student Generation Rates reflect the average number of public school students per housing unit by type of unit and were derived for each County using U.S. Census data from Year 2005-2009 American Community Survey Public User Microdata Sample (PUMS) files. It should be highlighted that the rate reflects an *average* rate by type of unit regardless of the year a house was built. This reflects the impact from public school students over the life of a housing unit.

- **Proportionate Share Factors:** For some services that are provided to both residential and nonresidential land uses (e.g., public safety), an analysis of the relative demand from residential and nonresidential development is necessary to allocate costs. We obtained and evaluated data on resident workers (those who live and work in the study jurisdiction), non-resident workers (those who work in the study jurisdiction but live elsewhere), and jobs in the study jurisdiction. This information was then used to estimate the relative demand from residential and nonresidential development, which is then used to allocate costs where appropriate. For some factors, proportionate share factors are derived using vehicle trips. More information is provided below. It should be noted, that this type of allocation for a more in-depth case-study marginal cost analysis would be obtained through other means (if data were available).
- **Market Values:** TischlerBise conducted research on market values for residential and nonresidential properties using local and Met Council data, online sources, and our experience in the state and nationally. Market values vary by jurisdiction to reflect local conditions and because tax rates are affected by tax capacities (in part derived from property values).

Projection Factors

The following projection factors and approaches are used in the *Cost of Land Use Fiscal Impact Analysis* to determine current service levels and associated revenues and costs. Base year data is for Fiscal Year 2011 and reflects jurisdiction-level factors. This analysis was done through an in-depth review of applicable budgets and other relevant documents. Additionally, our local fiscal experience as well as our national experience conducting over 600 fiscal impact analyses was beneficial. The information in this Appendix establishes the baseline standards on which revenue and cost calculations are based for each jurisdiction. Further detail is provided below.

Population

If a cost or revenue is assumed to be affected by residential development it is allocated on a *population* basis. The budget is divided by the jurisdiction's base year population to arrive at the current level-of-service standard, or prototype factor. Then to estimate costs for each prototype—in this case the residential prototypes—the prototype factor is multiplied by the persons per household for each prototype.

Population (Pop) and Jobs

Some costs and revenues use both a *population and job* approach if affected by both residential and nonresidential development. If a cost or revenue is assumed to be allocated on a *population and job* basis, the revenue or expenditure is allocated to the proportionate share of residential and nonresidential demand and then divided by current jurisdictional population or job estimate to

determine the current level-of-service, or prototype factor. TischlerBise determined proportionate share factors based on demand by type of land use using a “functional population” approach, thus reflecting residential versus non-residential activities.

Custom Table

Revenues and costs that are calculated on a marginal basis reflect unique characteristics of the proposed land use. Examples of revenues are property tax revenue, based on market values, state classification rates, and Fiscal Disparities assumptions. The tables are provided in the main study document.

Fixed

Fixed revenues and costs are those that are not affected by development, are one-time revenues or expenditures, or are restricted to specific purposes (and therefore are a “wash” between the base year revenues and expenditures). These are not factored in the fiscal impact analysis.

Residential or Nonresidential Vehicle Trips and Employee Density

Some expenditures are projected based on average daily vehicle trips by type of land use. Trip rates are from the publication, *Trip Generation*, published by the Institute of Transportation Engineers. To derive the applicable prototype factor/level of service, the expenditure is divided by the current estimated number of vehicle trips from existing development. See prototype figures for average daily trip rates.

A “trip end” represents a vehicle either entering or exiting a development (as if a traffic counter were placed across a driveway). Trip rates have been adjusted to avoid overestimating the number of actual trips because one vehicle trip is counted in the trip rates of both the origination and destination points. A simple factor of 50 percent is applied to Residential and the Office and Industrial categories. The Retail category has a trip factor of less than 50 percent because this type of development attracts vehicles as they pass-by on arterial and collector roads. For example, when someone stops at a convenience store on their way home from work, the convenience store is not their primary destination.

SUPPORTING DOCUMENTATION

The remainder of this document provides supporting material for the “Cost of Land Use Fiscal Impact Analysis” portion of the *Study of the Metropolitan Area Fiscal Disparities Program*. It includes demographic data and assumptions on the prototypes used in the analysis with each case example covered in a separate chapter. Also included is detail on revenue and cost factors, assumptions, methodologies, and outputs by individual land use prototype. Appendix D, issued as part of the *Fiscal Disparities Program Study* report, includes property tax revenue outputs for each prototype for each case study for each of the levels of government. Also it should be noted that where debt service and capital improvement tax levies are indicated, the projected revenues are combined into one line item under the capital revenue tables included herein.

CASE EXAMPLE 1: CENTRAL CITY (NET RECIPIENT)

PROTOTYPE DETAIL

Details on pertinent data for the residential and nonresidential prototypes included in the study are shown below in Figure 1.

Figure 1. CENTRAL CITY Prototype Detail

RESIDENTIAL PROTOTYPES

	Land Use Prototype	Market Value Per Unit [1]	Persons Per Unit [2]	Students Per Unit [3]	Vehicle Trips Per Unit [4]
1	Single Family (SF) (Homestead)	\$350,000	2.84	0.414	4.10
2	Single Family (SF) (Homestead)	\$200,000	2.84	0.414	4.10
3	Single Family (SF) (Homestead)	\$150,000	2.84	0.414	4.10
4	Multifamily/Condo (Homestead)	\$150,000	1.86	0.183	2.40
5	Apartment (4+ Units)	\$75,000	1.86	0.183	2.40

[1] Met Council Database; TischlerBise analysis

[2] U.S. Census, American Community Survey, 2005-09 Five-Yr Estimates

[3] U.S. Census, American Community Survey, 2005-2009 Five-Yr PUMS Estimates for Ramsey County; TischlerBise analysis

[4] Trip Generation, Institute of Transportation Engineers, 2008. Trip rate is adjusted to account for portion attributable to residential unit.

	Land Use Prototype	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Employees Per 1,000 SF [2]	Vehicle Trips Per 1,000 SF [3]
1	Commercial/Retail	\$115	25,000	\$2,875,000	3.03	30.89
2	Offices	\$120	50,000	\$6,000,000	3.91	7.83
3	Industrial	\$70	25,000	\$1,750,000	1.79	1.91
4	Institutional (Tax-Exempt)	\$130	50,000	\$6,500,000	3.91	7.83

[1] Met Council Database; TischlerBise analysis;

[2] Institute of Transportation Engineers; Urban Land Institute

[3] Trip Generation, Institute of Transportation Engineers, 2008. Trip rate is adjusted to account for portion attributable to nonresidential.

CITY REVENUES

Methodologies & Levels of Service

The section provides detail on operating and capital revenue projection methodologies for the **City** level of government. The following figures show base year operating and capital revenue amounts, methodologies, and prototype factors. For most Special Funds for this case study, the majority of revenues is restricted (including utility revenues) and is considered fixed on both the revenue *and* expenditure sides (including a small portion of property-tax funded expenditures); only the variable special fund revenue is included.

Figure 2. CENTRAL CITY Revenue Projection Methodologies: CITY Operating Revenues

PROPORTIONATE SHARE FACTORS

Residential

81%

Nonresidential

19%

Revenues

General Fund Revenues:

MN Fiscal Disparities: Cost of Land Use

CITY REVENUES

Revenue Category		FY 2011 Amount	Percent of Total	Prototype Methodology	RESIDENTIAL			NONRESIDENTIAL		
					Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
GENERAL FUND	Use of/Contribution to Fund Balance	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Taxes	\$65,570,310	29.92%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Fees, Sales and Services	\$22,884,218	10.44%	POP AND JOBS	\$18,460,688	285,068	\$64.76	\$4,423,530	163,896	\$26.99
	Franchise Fees	\$25,546,891	11.66%	POP AND JOBS	\$20,608,665	285,068	\$72.29	\$4,938,226	163,896	\$30.13
	Fines & Forfeits	\$47,000	0.02%	POP AND JOBS	\$37,915	285,068	\$0.13	\$9,085	163,896	\$0.06
	Intergovernmental Revenue-LGA	\$62,000,000	28.29%	POPULATION	\$62,000,000	285,068	\$217.49	\$0	N/A	\$0.00
	Intergovernmental Revenue-Other	\$10,498,265	4.79%	POPULATION	\$10,498,265	285,068	\$36.83	\$0	N/A	\$0.00
	Investment Income	\$2,415,034	1.10%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	License and Permits	\$9,989,303	4.56%	POP AND JOBS	\$8,058,366	285,068	\$28.27	\$1,930,937	163,896	\$11.78
	Miscellaneous Revenues	\$635,114	0.29%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Non-Operating Income	\$14,298,796	6.52%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
SPECIAL FUNDS	Intergovernmental Revenue-ROW Maint(Muni State Aid;	\$5,297,585	2.42%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00
		\$219,182,516								
										\$3,374

Figure 3. CENTRAL CITY Revenue Projection Methodologies: CITY Capital Revenues

Revenue Category		FY 2011 Amount	Percent of Total	Prototype Methodology	RESIDENTIAL			NONRESIDENTIAL		
					Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
Debt Service FUNDS	Use of Fund Balance	\$20,023,280	18.79%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Taxes	\$12,929,144	12.13%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Assessments	\$4,088,705	3.84%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Fees, Sales and Services	\$80,000	0.08%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Intergovernmental Revenue	\$762,626	0.72%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Interest	\$327,035	0.31%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Transfers and Other Financing	\$23,005,951	21.59%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Capital Improvement Bu	Bonds	\$24,654,000	23.14%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Other Local Financing Sources	\$3,493,000	3.28%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	State Grants and Aids-Municipal State Ai	\$7,540,000	7.08%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00
	State Grants and Aids-Other	\$800,000	0.75%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Federal Grants and Aid	\$8,850,000	8.31%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
TOTAL		\$106,553,741	100.00%							

\$4,803

Revenue Outputs by Prototype

The following section provides further detail on revenue outputs for each of the prototype land uses within the study jurisdictions for the City level of government. Revenue outputs are shown first with Fiscal Disparities and then without the program. (See discussion above on “fixed” revenues.)

Figure 4. CENTRAL CITY Revenues per Prototype: CITY OUTPUTS for Operating Revenues with Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
GENERAL FUND	Use of/Contribution to Fund Balance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Taxes	\$928.48	\$497.35	\$353.64	\$353.64	\$251.90	\$393.02	\$412.93	\$237.20	\$0.00
	Fees, Sales and Services	\$183.92	\$183.92	\$183.92	\$120.45	\$120.45	\$81.79	\$105.60	\$48.40	\$105.60
	Franchise Fees	\$205.31	\$205.31	\$205.31	\$134.47	\$134.47	\$91.30	\$117.88	\$54.04	\$117.88
	Fines & Forfeits	\$0.38	\$0.38	\$0.38	\$0.25	\$0.25	\$0.17	\$0.22	\$0.10	\$0.22
	Intergovernmental Revenue-LGA	\$617.68	\$617.68	\$617.68	\$404.54	\$404.54	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental Revenue-Other	\$104.59	\$104.59	\$104.59	\$68.50	\$68.50	\$0.00	\$0.00	\$0.00	\$0.00
	Investment Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	License and Permits	\$80.28	\$80.28	\$80.28	\$52.58	\$52.58	\$35.70	\$46.10	\$21.13	\$46.10
	Miscellaneous Revenues	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Non-Operating Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SPECIAL FUNDS	Intergovernmental Revenue-ROW Maint(Muni State Aid)	\$46.33	\$46.33	\$46.33	\$27.12	\$27.12	\$39.06	\$9.89	\$2.42	\$9.89
	TOTAL	\$2,166.97	\$1,735.84	\$1,592.13	\$1,161.54	\$1,059.80	\$641.04	\$692.62	\$363.28	\$279.69
	Fiscal Disparities Revenue Allocation	\$116	\$203	\$271	\$116	\$232	\$0	\$0	\$0	\$0
	GRAND TOTAL	\$2,283.02	\$1,938.93	\$1,862.92	\$1,277.69	\$1,292.10	\$641.04	\$692.62	\$363.28	\$279.69

Figure 5. CENTRAL CITY Revenues per Prototype: CITY OUTPUTS for Operating Revenues without Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
GENERAL FUND	Use of/Contribution to Fund Balance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Taxes	\$1,028.99	\$554.45	\$396.27	\$396.27	\$278.85	\$675.20	\$709.41	\$407.50	\$0.00
	Fees, Sales and Services	\$183.92	\$183.92	\$183.92	\$120.45	\$120.45	\$81.79	\$105.60	\$48.40	\$105.60
	Franchise Fees	\$205.31	\$205.31	\$205.31	\$134.47	\$134.47	\$91.30	\$117.88	\$54.04	\$117.88
	Fines & Forfeits	\$0.38	\$0.38	\$0.38	\$0.25	\$0.25	\$0.17	\$0.22	\$0.10	\$0.22
	Intergovernmental Revenue-LGA	\$501.32	\$501.32	\$501.32	\$328.33	\$328.33	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental Revenue-Other	\$220.95	\$220.95	\$220.95	\$144.70	\$144.70	\$0.00	\$0.00	\$0.00	\$0.00
	Investment Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	License and Permits	\$80.28	\$80.28	\$80.28	\$52.58	\$52.58	\$35.70	\$46.10	\$21.13	\$46.10
	Miscellaneous Revenues	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Non-Operating Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SPECIAL FUNDS	Intergovernmental Revenue-ROW Maint(Muni State Aid)	\$46.33	\$46.33	\$46.33	\$27.12	\$27.12	\$39.06	\$9.89	\$2.42	\$9.89
	TOTAL	\$2,267.48	\$1,792.94	\$1,634.75	\$1,204.17	\$1,086.75	\$923.22	\$989.09	\$533.58	\$279.69

Figure 6. CENTRAL CITY Revenues per Prototype: CITY OUTPUTS for Capital Revenues with Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
Debt Service FUNDS	Use of Fund Balance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Taxes	\$139.92	\$74.95	\$53.29	\$53.29	\$37.96	\$59.23	\$62.23	\$35.74	\$0.00
	Assessments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fees, Sales and Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Interest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Cap. Impr. Budget	Transfers and Other Financing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Bonds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Local Financing Sources	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	State Grants and Aids-Municipal State Aid	\$65.95	\$65.95	\$65.95	\$38.60	\$38.60	\$55.59	\$14.08	\$3.44	\$14.08
	State Grants and Aids-Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Federal Grants and Aid	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	TOTAL	\$205.86	\$140.90	\$119.24	\$91.90	\$76.56	\$114.82	\$76.31	\$39.18	\$14.08

Figure 7. CENTRAL CITY Revenues per Prototype: CITY OUTPUTS for Capital Revenues without Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
Debt Service FUNDS	Use of Fund Balance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Taxes	\$155.07	\$83.55	\$59.72	\$59.72	\$42.02	\$101.75	\$106.90	\$61.41	\$0.00
	Assessments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fees, Sales and Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Interest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Cap. Impr. Budget	Transfers and Other Financing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Bonds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Local Financing Sources	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	State Grants and Aids-Municipal State Aid	\$65.95	\$65.95	\$65.95	\$38.60	\$38.60	\$55.59	\$14.08	\$3.44	\$14.08
	State Grants and Aids-Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Federal Grants and Aid	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	TOTAL	\$221.01	\$149.50	\$125.66	\$98.32	\$80.62	\$157.34	\$120.99	\$64.85	\$14.08

CITY EXPENDITURES

Methodologies & Levels of Service

The section provides detail on operating and capital expenditure projection methodologies for the **City** level of government. The following figures provide base year expenditure amounts, methodologies, and prototype factors. Most expenditures are based on either Population or a combination of Population and Jobs or Population and Trips (nonresidential trips). Capital expenditures are shown separately. As noted in the revenue introduction above, for the Special Funds for this case study the majority of revenues is restricted (including utility revenues) and is considered fixed on both the revenue *and* expenditure sides (including a small portion of property-tax funded expenditures).

Figure 8. CENTRAL CITY Expenditure Projection Methodologies: CITY Operating Expenditures

PROPORTIONATE SHARE FACTORS					
RES/EMPS	Residential	81%	Nonresidential	19%	
TRIPS	Residential	39%	Nonresidential	61%	

EXPENDITURES

General Fund Expenditures

MN Fiscal Disparities: Cost of Land Use

CITY EXPENDITURES

				RESIDENTIAL			NONRESIDENTIAL			
Expenditure Category	FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor	
GENERAL FUND										
City Attorney	\$6,863,483	3%	POP AND JOBS	\$5,536,769	285,068	\$19.42	\$1,326,714	163,896	\$8.09	
Council	\$3,101,567	1%	POP AND JOBS	\$2,502,033	285,068	\$8.78	\$599,534	163,896	\$3.66	
Emergency Management	\$260,052	0%	POP AND JOBS	\$209,784	285,068	\$0.74	\$50,268	163,896	\$0.31	
Financial Services	\$2,004,923	1%	POP AND JOBS	\$1,617,370	285,068	\$5.67	\$387,553	163,896	\$2.36	
Fire and Safety Services	\$54,673,164	24%	POP AND NONRES TRIPS	\$44,104,816	285,068	\$154.72	\$10,568,348	628,448	\$16.82	FORMULA
General Government Accts	\$6,302,433	3%	POP AND JOBS	\$5,084,170	285,068	\$17.83	\$1,218,263	163,896	\$7.43	
HREEO	\$1,611,955	1%	POPULATION	\$1,611,955	285,068	\$5.65	\$0	N/A	\$0.00	
Human Resources	\$3,239,920	1%	POP AND JOBS	\$2,613,642	285,068	\$9.17	\$626,278	163,896	\$3.82	
Mayor's Office	\$1,433,869	1%	POP AND JOBS	\$1,156,701	285,068	\$4.06	\$277,168	163,896	\$1.69	
Parks and Recreation	\$26,741,030	12%	POPULATION	\$26,741,030	285,068	\$93.81	\$0	N/A	\$0.00	
Police	\$78,126,037	34%	POP AND NONRES TRIPS	\$63,024,238	285,068	\$221.08	\$15,101,799	628,448	\$24.03	FORMULA
Public Works	\$2,204,511	1%	POP AND JOBS	\$1,778,378	285,068	\$6.24	\$426,133	163,896	\$2.60	
Safety and Inspection	\$17,244,536	8%	POP AND JOBS	\$13,911,159	285,068	\$48.80	\$3,333,377	163,896	\$20.34	
Technology	\$10,077,449	4%	POP AND JOBS	\$8,129,473	285,068	\$28.52	\$1,947,976	163,896	\$11.89	
SPECIAL FUNDS										
Public Works-ROW Maintenance (Non-Assessment)	\$13,954,640	6%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00	\$8,888
Total Expenditures	\$227,839,569	100%								

Figure 9 CENTRAL CITY Expenditure Projection Methodologies: CITY Capital Expenditures

	FY 2011 Amount	Percent of Total	Prototype Methodology	RESIDENTIAL			NONRESIDENTIAL			
				Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor	
Parks and Recreation-Avg Debt Service	\$330,000	4%	POPULATION	\$330,000	285,068	\$1.16	\$0	N/A	\$0.00	
Police-Avg Debt Service	\$170,000	2%	POP AND NONRES TRIPS	\$137,139	285,068	\$0.48	\$32,861	628,448	\$0.05	FORMULA
Fire and Safety-Avg Debt Service	\$278,000	3%	POP AND NONRES TRIPS	\$224,262	285,068	\$0.79	\$53,738	628,448	\$0.09	FORMULA
General Govt-Avg Debt Service	\$200,000	2%	POP AND JOBS	\$161,340	285,068	\$0.57	\$38,660	163,896	\$0.24	
Public Works-Streets Avg Debt Service	\$1,250,000	15%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00	\$796
Public Works-Streets PAYGO (Muni State Aid)	\$6,300,000	74%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00	\$4,013
Total Capital Expenditures (Locally Funded)	\$8,528,000	100%								

Note: Most of the capital expenditures here reflect debt financing (bond funded projects), therefore the amounts are annual debt service payments.

Expenditure Outputs by Prototype

The following section provides further detail on expenditure outputs for each of the prototype land uses within the study jurisdictions for the City level of government. (See discussion above on “fixed” expenditures.)

Figure 10. CENTRAL CITY Expenditures per Prototype: CITY OUTPUTS for Operating Expenditures

EXPENDITURE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
	Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
GENERAL FUND									
City Attorney	\$55.16	\$55.16	\$55.16	\$36.13	\$36.13	\$24.53	\$31.67	\$14.52	\$31.67
Council	\$24.93	\$24.93	\$24.93	\$16.33	\$16.33	\$11.08	\$14.31	\$6.56	\$14.31
Emergency Management	\$2.09	\$2.09	\$2.09	\$1.37	\$1.37	\$0.93	\$1.20	\$0.55	\$1.20
Financial Services	\$16.11	\$16.11	\$16.11	\$10.55	\$10.55	\$7.17	\$9.25	\$4.24	\$9.25
Fire and Safety Services	\$439.40	\$439.40	\$439.40	\$287.77	\$287.77	\$519.46	\$131.59	\$32.12	\$131.59
General Government Accts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HREEO	\$16.06	\$16.06	\$16.06	\$10.52	\$10.52	\$0.00	\$0.00	\$0.00	\$0.00
Human Resources	\$26.04	\$26.04	\$26.04	\$17.05	\$17.05	\$11.58	\$14.95	\$6.85	\$14.95
Mayor's Office	\$11.52	\$11.52	\$11.52	\$7.55	\$7.55	\$5.12	\$6.62	\$3.03	\$6.62
Parks and Recreation	\$384.60	\$384.60	\$384.60	\$225.13	\$225.13	\$0.00	\$0.00	\$0.00	\$0.00
Police	\$627.88	\$627.88	\$627.88	\$411.22	\$411.22	\$742.29	\$188.04	\$45.90	\$188.04
Public Works	\$17.72	\$17.72	\$17.72	\$11.60	\$11.60	\$7.88	\$10.17	\$4.66	\$10.17
Safety and Inspection	\$138.59	\$138.59	\$138.59	\$90.77	\$90.77	\$61.63	\$79.57	\$36.48	\$79.57
Technology	\$80.99	\$80.99	\$80.99	\$53.04	\$53.04	\$36.02	\$46.50	\$21.32	\$46.50
SPECIAL FUNDS									
Public Works-ROW Maintenance (Non-Assess)	\$122.05	\$122.05	\$122.05	\$71.44	\$71.44	\$102.89	\$26.06	\$6.36	\$26.06
Total General Fund Expenditures	\$1,963.14	\$1,963.14	\$1,963.14	\$1,250.47	\$1,250.47	\$1,530.58	\$559.94	\$182.59	\$559.94

Figure 11. CENTRAL CITY Expenditures per Prototype: CITY OUTPUTS for Capital Expenditures

	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
	Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
Parks and Recreation-Avg Debt Service	\$3.29	\$3.29	\$3.29	\$2.15	\$2.15	\$0.00	\$0.00	\$0.00	\$0.00
Police-Avg Debt Service	\$1.37	\$1.37	\$1.37	\$0.89	\$0.89	\$1.62	\$0.41	\$0.10	\$0.41
Fire and Safety-Avg Debt Service	\$2.23	\$2.23	\$2.23	\$1.46	\$1.46	\$2.64	\$0.67	\$0.16	\$0.67
General Govt-Avg Debt Service	\$1.61	\$1.61	\$1.61	\$1.05	\$1.05	\$0.71	\$0.92	\$0.42	\$0.92
Public Works-Streets Avg Debt Service	\$10.93	\$10.93	\$10.93	\$6.40	\$6.40	\$9.22	\$2.33	\$0.57	\$2.33
Public Works-Streets PAYGO (Muni State Aid)	\$55.10	\$55.10	\$55.10	\$32.25	\$32.25	\$46.45	\$11.77	\$2.87	\$11.77
Total Capital Expenditures (Locally Funded)	\$74.53	\$74.53	\$74.53	\$44.22	\$44.22	\$60.64	\$16.10	\$4.13	\$16.10

COUNTY REVENUES

Methodologies & Levels of Service

This section provides detail on operating and capital revenue projection methodologies for the **County** level of government. The following figures show base year operating and capital revenue amounts, methodologies, and prototype factors.

Figure 12. CENTRAL CITY Revenue Projection Methodologies: COUNTY Operating Revenues

PROPORTIONATE SHARE FACTORS

Residential

80%

Nonresidential

20%

Revenues

General Fund Revenues:

MN Fiscal Disparities: Cost of Land Use

COUNTY REVENUES

				RESIDENTIAL			NONRESIDENTIAL		
Revenue Category	FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
GENERAL REVENUE FUND									
Current Property Tax	\$148,092,037	32.32%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
Charges for Service	\$42,909,871	9.37%	POP AND JOBS	\$34,206,624	505,795	\$67.63	\$8,703,247	301,000	\$28.91
Intergovernmental Rev-Other	\$6,222,673	1.36%	POPULATION	\$6,222,673	505,795	\$12.30	\$0	N/A	\$0.00
Intergovernmental Rev-Federal	\$20,749,971	4.53%	POPULATION	\$20,749,971	505,795	\$41.02	\$0	N/A	\$0.00
Intergovernmental Rev-State	\$22,681,712	4.95%	POPULATION	\$22,681,712	505,795	\$44.84	\$0	N/A	\$0.00
Intergovernmental Rev-State Co. Program Aid	\$9,726,245	2.12%	POPULATION	\$9,726,245	505,795	\$19.23	\$0	N/A	\$0.00
Grants and Donations	\$723	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Licenses and Permits	\$881,846	0.19%	POP AND JOBS	\$702,985	505,795	\$1.39	\$178,861	301,000	\$0.59
Sales	\$1,151,611	0.25%	POP AND JOBS	\$918,034	505,795	\$1.82	\$233,577	301,000	\$0.78
Use of Money(interest)	\$10,261,179	2.24%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Use of Property (rentals)	\$1,246,539	0.27%	POP AND JOBS	\$993,708	505,795	\$1.96	\$252,831	301,000	\$0.84
Recovery of Expenses	\$841,280	0.18%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Other Taxes	\$1,658,765	0.36%	POP AND JOBS	\$1,322,324	505,795	\$2.61	\$336,441	301,000	\$1.12
Operating Transfers In	\$615,000	0.13%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Fund Balance	\$830,035	0.18%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Other	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
COMMUNITY HUMAN SERVICES									
Current Property Tax	\$83,415,210	18.21%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
Charges for Service	\$7,320,269	1.60%	POPULATION	\$7,320,269	505,795	\$14.47	\$0	N/A	\$0.00
Fines and Forfeitures	\$15,000	0.00%	POPULATION	\$15,000	505,795	\$0.03	\$0	N/A	\$0.00
Intergovernmental Rev-Other	\$63,821	0.01%	POPULATION	\$63,821	505,795	\$0.13	\$0	N/A	\$0.00
Intergovernmental Rev-Federal	\$38,522,564	8.41%	POPULATION	\$38,522,564	505,795	\$76.16	\$0	N/A	\$0.00
Intergovernmental Rev-State	\$33,761,603	7.37%	POPULATION	\$33,761,603	505,795	\$66.75	\$0	N/A	\$0.00
Intergovernmental Rev-State Co. Program Aid	\$4,971,690	1.09%	POPULATION	\$4,971,690	505,795	\$9.83	\$0	N/A	\$0.00
Grants and Donations	\$244,345	0.05%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Sales	\$220,000	0.05%	POPULATION	\$220,000	505,795	\$0.43	\$0	N/A	\$0.00
Use of Money(interest)	\$11,106	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Recovery of Expenses	\$336,433	0.07%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
CHS-Program Recoveries	\$5,113,093	1.12%	POPULATION	\$5,113,093	505,795	\$10.11	\$0	N/A	\$0.00
Other Taxes	\$148,430	0.03%	POP AND JOBS	\$118,325	505,795	\$0.23	\$30,105	301,000	\$0.10
Operating Transfers In	\$1,800,000	0.39%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Fund Balance	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Other	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
EMERGENCY COMMUN. FUND									
Current Property Tax	\$9,140,722	2.00%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
Charges for Service	\$4,456,598	0.97%	POP AND JOBS	\$3,552,683	505,795	\$7.02	\$903,915	301,000	\$3.00
Intergovernmental Rev-State	\$740,994	0.16%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Recovery of Expenses	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Fund Balance	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Other	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
TOTAL	\$458,151,365	100.00%							

Figure 13. CENTRAL CITY Revenue Projection Methodologies: COUNTY Capital Revenues

Revenue Category		FY 2011 Amount	Percent of Total	Prototype Methodology	RESIDENTIAL			NONRESIDENTIAL		
					Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
COUNTY DEBT SERVICE FUND	Current Property Tax	\$19,068,638	24.77%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Intergovernmental Rev-Other	\$1,030	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Intergovernmental Rev-Federal	\$90,857	0.12%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Intergovernmental Rev-State	\$302,055	0.39%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Intergovernmental Rev-State Co. Program Aid	\$1,130,102	1.47%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Use of Property (rentals)	\$167,500	0.22%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Recovery of Expenses	\$720,137	0.94%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Other Taxes	\$33,430	0.04%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Fund Balance	\$2,150,000	2.79%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
CAPITAL IMPROVEMENT FUND	CIP Bonds	\$17,500,000	22.73%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	County Levy	\$2,350,000	3.05%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	County Other	\$1,762,642	2.29%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Federal	\$11,741,000	15.25%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	State-County State Aid Highway Rd Construc.	\$14,022,817	18.21%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00
	Municipal	\$5,948,500	7.73%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
TOTAL CAPITAL AND DEBT SERVICE		\$76,988,708								

\$18,548.70

Revenue Outputs by Prototype

The following section provides further detail on revenue outputs for each of the prototype land uses within the study jurisdictions for the **County** level of government. Revenue outputs are shown first with Fiscal Disparities and then without the program.

Figure 14. CENTRAL CITY Revenues per Prototype: COUNTY OUTPUTS for Operating Revenues with Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
GENERAL REVENUE FUND	Current Property Tax	\$999.24	\$535.26	\$380.60	\$380.60	\$271.10	\$422.97	\$444.40	\$255.28	\$0.00
	Charges for Service	\$192.07	\$192.07	\$192.07	\$125.79	\$125.79	\$87.62	\$113.13	\$51.86	\$113.13
	Intergovernmental Rev-Other	\$34.94	\$34.94	\$34.94	\$22.88	\$22.88	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental Rev-Federal	\$116.51	\$116.51	\$116.51	\$76.31	\$76.31	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental Rev-State	\$127.36	\$127.36	\$127.36	\$83.41	\$83.41	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental Rev-State Co. Program Aid	\$54.61	\$54.61	\$54.61	\$35.77	\$35.77	\$0.00	\$0.00	\$0.00	\$0.00
	Grants and Donations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Licenses and Permits	\$3.95	\$3.95	\$3.95	\$2.59	\$2.59	\$1.80	\$2.32	\$1.07	\$2.32
	Sales	\$5.15	\$5.15	\$5.15	\$3.38	\$3.38	\$2.35	\$3.04	\$1.39	\$3.04
	Use of Money(interest)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Use of Property (rentals)	\$5.58	\$5.58	\$5.58	\$3.65	\$3.65	\$2.55	\$3.29	\$1.51	\$3.29
	Recovery of Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Taxes	\$7.42	\$7.42	\$7.42	\$4.86	\$4.86	\$3.39	\$4.37	\$2.00	\$4.37
	Operating Transfers In	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fund Balance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COMMUNITY HUMAN SERVICES	Current Property Tax	\$562.84	\$301.49	\$214.38	\$214.38	\$152.70	\$238.25	\$250.32	\$143.79	\$0.00
	Charges for Service	\$41.10	\$41.10	\$41.10	\$26.92	\$26.92	\$0.00	\$0.00	\$0.00	\$0.00
	Fines and Forfeitures	\$0.08	\$0.08	\$0.08	\$0.06	\$0.06	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental Rev-Other	\$0.36	\$0.36	\$0.36	\$0.23	\$0.23	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental Rev-Federal	\$216.30	\$216.30	\$216.30	\$141.66	\$141.66	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental Rev-State	\$189.57	\$189.57	\$189.57	\$124.15	\$124.15	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental Rev-State Co. Program Aid	\$27.92	\$27.92	\$27.92	\$18.28	\$18.28	\$0.00	\$0.00	\$0.00	\$0.00
	Grants and Donations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Sales	\$1.24	\$1.24	\$1.24	\$0.81	\$0.81	\$0.00	\$0.00	\$0.00	\$0.00
	Use of Money(interest)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Recovery of Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	CHS-Program Recoveries	\$28.71	\$28.71	\$28.71	\$18.80	\$18.80	\$0.00	\$0.00	\$0.00	\$0.00
	Other Taxes	\$0.66	\$0.66	\$0.66	\$0.44	\$0.44	\$0.30	\$0.39	\$0.18	\$0.39
	Operating Transfers In	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fund Balance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EMERGENCY COMMUN. FUND	Current Property Tax	\$61.68	\$33.04	\$23.49	\$23.49	\$16.73	\$26.11	\$27.43	\$15.76	\$0.00
	Charges for Service	\$19.95	\$19.95	\$19.95	\$13.06	\$13.06	\$9.10	\$11.75	\$5.39	\$11.75
	Intergovernmental Rev-State	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Recovery of Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fund Balance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL		\$2,697.24	\$1,943.27	\$1,691.94	\$1,321.52	\$1,143.58	\$794.44	\$860.44	\$478.21	\$138.29
Fiscal Disparities Revenue Allocation		\$162	\$283	\$377	\$162	\$323	\$0	\$0	\$0	\$0
GRAND TOTAL		\$2,858.78	\$2,225.97	\$2,068.88	\$1,483.20	\$1,466.95	\$794.44	\$860.44	\$478.21	\$138.29

Figure 15. CENTRAL CITY Revenues per Prototype: COUNTY OUTPUTS for Operating Revenues without Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
GENERAL REVENUE FUND	Current Property Tax	\$1,027.90	\$553.86	\$395.85	\$395.85	\$278.56	\$674.49	\$708.66	\$407.07	\$0.00
	Charges for Service	\$192.07	\$192.07	\$192.07	\$125.79	\$125.79	\$87.62	\$113.13	\$51.86	\$113.13
	Intergovernmental Rev-Other	\$34.94	\$34.94	\$34.94	\$22.88	\$22.88	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental Rev-Federal	\$116.51	\$116.51	\$116.51	\$76.31	\$76.31	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental Rev-State	\$127.36	\$127.36	\$127.36	\$83.41	\$83.41	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental Rev-State Co. Program Aid	\$54.61	\$54.61	\$54.61	\$35.77	\$35.77	\$0.00	\$0.00	\$0.00	\$0.00
	Grants and Donations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Licenses and Permits	\$3.95	\$3.95	\$3.95	\$2.59	\$2.59	\$1.80	\$2.32	\$1.07	\$2.32
	Sales	\$5.15	\$5.15	\$5.15	\$3.38	\$3.38	\$2.35	\$3.04	\$1.39	\$3.04
	Use of Money(interest)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Use of Property (rentals)	\$5.58	\$5.58	\$5.58	\$3.65	\$3.65	\$2.55	\$3.29	\$1.51	\$3.29
	Recovery of Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Taxes	\$7.42	\$7.42	\$7.42	\$4.86	\$4.86	\$3.39	\$4.37	\$2.00	\$4.37
	Operating Transfers In	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fund Balance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COMMUNITY HUMAN SERVICES	Current Property Tax	\$578.98	\$311.97	\$222.97	\$222.97	\$156.90	\$379.91	\$399.16	\$229.29	\$0.00
	Charges for Service	\$41.10	\$41.10	\$41.10	\$26.92	\$26.92	\$0.00	\$0.00	\$0.00	\$0.00
	Fines and Forfeitures	\$0.08	\$0.08	\$0.08	\$0.06	\$0.06	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental Rev-Other	\$0.36	\$0.36	\$0.36	\$0.23	\$0.23	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental Rev-Federal	\$216.30	\$216.30	\$216.30	\$141.66	\$141.66	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental Rev-State	\$189.57	\$189.57	\$189.57	\$124.15	\$124.15	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental Rev-State Co. Program Aid	\$27.92	\$27.92	\$27.92	\$18.28	\$18.28	\$0.00	\$0.00	\$0.00	\$0.00
	Grants and Donations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Sales	\$1.24	\$1.24	\$1.24	\$0.81	\$0.81	\$0.00	\$0.00	\$0.00	\$0.00
	Use of Money(interest)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Recovery of Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	CHS-Program Recoveries	\$28.71	\$28.71	\$28.71	\$18.80	\$18.80	\$0.00	\$0.00	\$0.00	\$0.00
	Other Taxes	\$0.66	\$0.66	\$0.66	\$0.44	\$0.44	\$0.30	\$0.39	\$0.18	\$0.39
	Operating Transfers In	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fund Balance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EMERGENCY COMMUN. FUND	Current Property Tax	\$63.45	\$34.19	\$24.43	\$24.43	\$17.19	\$41.63	\$43.74	\$25.13	\$0.00
	Charges for Service	\$19.95	\$19.95	\$19.95	\$13.06	\$13.06	\$9.10	\$11.75	\$5.39	\$11.75
	Intergovernmental Rev-State	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Recovery of Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fund Balance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL		\$2,743.81	\$1,973.50	\$1,716.73	\$1,346.30	\$1,155.71	\$1,203.14	\$1,289.85	\$724.87	\$138.29

Figure 16. CENTRAL CITY Revenues per Prototype: COUNTY OUTPUTS for Capital Revenues with Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
COUNTY DEBT SERVICE FUND	Current Property Tax	\$128.66	\$68.92	\$49.01	\$49.01	\$34.91	\$54.46	\$57.22	\$32.87	\$0.00
	Intergovernmental Rev-Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental Rev-Federal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental Rev-State	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental Rev-State Co. Program Aid	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Use of Property (rentals)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Recovery of Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Taxes	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CAPITAL IMPROVEMENT FUND	Fund Balance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	CIP Bonds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	County Levy	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	County Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Federal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	State-County State Aid Highway Rd Construc.	\$53.28	\$53.28	\$53.28	\$31.19	\$31.19	\$74.75	\$18.94	\$4.62	\$18.94
	Municipal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	TOTAL	\$181.94	\$122.20	\$102.28	\$80.19	\$66.09	\$129.22	\$76.16	\$37.49	\$18.94

Figure 17. CENTRAL CITY Revenues per Prototype: COUNTY OUTPUTS for Capital Revenues without Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
COUNTY DEBT SERVICE FUND	Current Property Tax	\$132.35	\$71.32	\$50.97	\$50.97	\$35.87	\$86.85	\$91.25	\$52.41	\$0.00
	Intergovernmental Rev-Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental Rev-Federal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental Rev-State	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental Rev-State Co. Program Aid	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Use of Property (rentals)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Recovery of Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Taxes	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CAPITAL IMPROVEMENT FUND	Fund Balance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	CIP Bonds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	County Levy	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	County Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Federal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	State-County State Aid Highway Rd Construc.	\$53.28	\$53.28	\$53.28	\$31.19	\$31.19	\$74.75	\$18.94	\$4.62	\$18.94
	Municipal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	TOTAL	\$185.63	\$124.59	\$104.25	\$82.16	\$67.05	\$161.60	\$110.18	\$57.04	\$18.94

COUNTY EXPENDITURES

Methodologies & Levels of Service

The section provides detail on operating and capital expenditure projection methodologies for the **County** level of government. The following figures provide base year expenditure amounts, methodologies, and prototype factors for operating and capital expenditures.

Figure 18. CENTRAL CITY Expenditure Projection Methodologies: COUNTY Operating Expenditures

PROPORTIONATE SHARE FACTORS				
OVERHEAD PROP SHARE	Residential	93%	Nonresidential	7%
RES/EMPS	Residential	80%	Nonresidential	20%
TRIPS	Residential	51%	Nonresidential	49%

EXPENDITURES

General Fund Expenditures

MN Fiscal Disparities: Cost of Land Use

				RESIDENTIAL			NONRESIDENTIAL			
Expenditure Category	FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor	
GENERAL Board of County Commissioners	\$1,997,011	0.43%	POP AND JOBS	\$1,857,220	505,795	\$3.67	\$139,791	301,000	\$0.46	
Charter Commission	\$1,136	0.00%	POP AND JOBS	\$1,056	505,795	\$0.00	\$80	301,000	\$0.00	
Community Corrections	\$62,765,156	13.65%	POPULATION	\$62,765,156	505,795	\$124.09	\$0	N/A	\$0.00	
Contingent Acct	\$2,000,000	0.43%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00	
County Atty-Law Office	\$19,034,339	4.14%	POP AND JOBS	\$15,173,676	505,795	\$30.00	\$3,860,663	301,000	\$12.83	
County Atty-Child Support Enforcement	\$16,148,307	3.51%	POPULATION	\$16,148,307	505,795	\$31.93	\$0	N/A	\$0.00	
County Extension Services	\$65,813	0.01%	POPULATION	\$65,813	505,795	\$0.13	\$0	N/A	\$0.00	
County Manager	\$10,939,733	2.38%	POP AND JOBS	\$10,173,952	505,795	\$20.11	\$765,781	301,000	\$2.54	
District Court-Co Court Functions	\$3,618,708	0.79%	POPULATION	\$3,618,708	505,795	\$7.15	\$0	N/A	\$0.00	
General County Expenses	\$10,898,468	2.37%	POP AND JOBS	\$10,135,575	505,795	\$20.04	\$762,893	301,000	\$2.53	
Historical Society	\$90,757	0.02%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00	
Medical Examiner	\$2,236,007	0.49%	POPULATION	\$2,236,007	505,795	\$4.42	\$0	N/A	\$0.00	
Misc Health	\$6,438,755	1.40%	POPULATION	\$6,438,755	505,795	\$12.73	\$0	N/A	\$0.00	
Parks and Recreation	\$9,184,686	2.00%	POPULATION	\$9,184,686	505,795	\$18.16	\$0	N/A	\$0.00	
Property Management	\$20,969,501	4.56%	POP AND JOBS	\$16,716,336	505,795	\$33.05	\$4,253,165	301,000	\$14.13	
Property Records and Revenue	\$15,500,877	3.37%	POP AND JOBS	\$12,356,893	505,795	\$24.43	\$3,143,984	301,000	\$10.45	
Public Health	\$31,127,718	6.77%	POPULATION	\$31,127,718	505,795	\$61.54	\$0	N/A	\$0.00	
Public Works-Road Related	\$10,449,990	2.27%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00	\$13,822.74
Public Works-Other	\$6,271,979	1.36%	POP AND JOBS	\$4,999,857	505,795	\$9.89	\$1,272,122	301,000	\$4.23	
Sheriff-Support Services	\$4,078,182	0.89%	POP AND NONRES TRIPS	\$3,251,020	505,795	\$6.43	\$827,162	869,177	\$0.95	FORMULA
Sheriff-Volunteers in Public Safety	\$110,533	0.02%	POPULATION	\$110,533	505,795	\$0.22	\$0	N/A	\$0.00	
Sheriff-Courts	\$3,432,660	0.75%	POPULATION	\$3,432,660	505,795	\$6.79	\$0	N/A	\$0.00	
Sheriff-Court Security	\$4,199,961	0.91%	POPULATION	\$4,199,961	505,795	\$8.30	\$0	N/A	\$0.00	
Sheriff-Felony Apprehension	\$2,226,058	0.48%	POPULATION	\$2,226,058	505,795	\$4.40	\$0	N/A	\$0.00	
Sheriff-Gun Permits	\$260,475	0.06%	POPULATION	\$260,475	505,795	\$0.51	\$0	N/A	\$0.00	
Sheriff-Law Enforcement Ctr	\$17,729,338	3.86%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00	
Sheriff-County Parks, Waterways & Facilities	\$4,145,503	0.90%	POPULATION	\$4,145,503	505,795	\$8.20	\$0	N/A	\$0.00	
Sheriff-Transportation/Hospital	\$2,892,230	0.63%	POPULATION	\$2,892,230	505,795	\$5.72	\$0	N/A	\$0.00	
Technology	\$5,820,690	1.27%	POP AND JOBS	\$5,413,242	505,795	\$10.70	\$407,448	301,000	\$1.35	\$5,820,690
Veterans Services	\$408,308	0.09%	POPULATION	\$408,308	505,795	\$0.81	\$0	N/A	\$0.00	
Other	\$0	0.00%	POP AND JOBS	\$0	505,795	\$0.00	\$0	301,000	\$0.00	
HUMAN SERVICES Community Human Services	\$170,465,968	37.07%	POPULATION	\$170,465,968	505,795	\$337.03	\$0	N/A	\$0.00	
EMERG. COMM. Emergency Communications	\$14,338,314	3.12%	POP AND JOBS	\$11,430,128	505,795	\$22.60	\$2,908,186	301,000	\$9.66	
Total Expenditures	\$459,847,161	100.00%								

Figure 19 CENTRAL CITY Expenditure Projection Methodologies: COUNTY Capital Expenditures

			RESIDENTIAL			NONRESIDENTIAL			
	FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
CAPITAL IMP/EQUIP REPLAC Capital Improvements-Paygo	\$2,350,000	5%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
DEBT SERVICE Debt Service	\$22,499,187	52%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
BY Dept. Community Corrections-Paygo	\$172,000	0%	POPULATION	\$172,000	505,795	\$0.34	\$0	N/A	\$0.00
Community Human Services-Debt Service	\$360,000	1%	POPULATION	\$360,000	505,795	\$0.71	\$0	N/A	\$0.00
Medcal Examiner	\$2,500	0%	POP AND JOBS	\$1,993	505,795	\$0.00	\$507	301,000	\$0.00
Parks and Recreation-Debt Service	\$125,000	0%	POPULATION	\$125,000	505,795	\$0.25	\$0	N/A	\$0.00
Parks and Recreation-Paygo	\$402,805	1%	POPULATION	\$402,805	505,795	\$0.80	\$0	N/A	\$0.00
Property Management	\$785,000	2%	POP AND JOBS	\$625,781	505,795	\$1.24	\$159,219	301,000	\$0.53
Public Works-Roads Related-Debt Service	\$80,000	0%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00
Public Works-Roads Related-Paygo	\$13,500,000	31%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00
Public Works-Other	\$0	0%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Sheriff-Paygo	\$263,100	1%	POP AND NONRES TRIPS	\$209,736	505,795	\$0.41	\$53,364	869,177	\$0.06
Buildings Impr-Property Mngt Paygo	\$1,751,412	4%	POP AND JOBS	\$1,396,180	505,795	\$2.76	\$355,232	301,000	\$1.18
Buildings Impr-Paygo	\$850,000	2%	POP AND JOBS	\$677,598	505,795	\$1.34	\$172,402	301,000	\$0.57
Other-Debt Service	\$20,000	0%	POP AND JOBS	\$15,943	505,795	\$0.03	\$4,057	301,000	\$0.01
Total Capital Expenditures	\$43,161,004	100%							

\$105.82
\$17,857.14
FORMULA

Expenditure Outputs by Prototype

The following section provides further detail on expenditure outputs for each of the prototype land uses within the study jurisdictions for the County level of government.

Figure 20. CENTRAL CITY Expenditures per Prototype: COUNTY OUTPUTS for Operating Expenditures

	EXPENDITURE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
GENERAL	Board of County Commissioners	\$10.43	\$10.43	\$10.43	\$6.83	\$6.83	\$1.41	\$1.82	\$0.83	\$1.82
	Charter Commission	\$0.01	\$0.01	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Community Corrections	\$352.42	\$352.42	\$352.42	\$230.81	\$230.81	\$0.00	\$0.00	\$0.00	\$0.00
	Contingent Acct	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	County Atty-Law Office	\$85.20	\$85.20	\$85.20	\$55.80	\$55.80	\$38.87	\$50.18	\$23.00	\$50.18
	County Atty-Child Support Enforcement	\$90.67	\$90.67	\$90.67	\$59.38	\$59.38	\$0.00	\$0.00	\$0.00	\$0.00
	County Extension Services	\$0.37	\$0.37	\$0.37	\$0.24	\$0.24	\$0.00	\$0.00	\$0.00	\$0.00
	County Manager	\$57.13	\$57.13	\$57.13	\$37.41	\$37.41	\$7.71	\$9.95	\$4.56	\$9.95
	District Court-Co Court Functions	\$20.32	\$20.32	\$20.32	\$13.31	\$13.31	\$0.00	\$0.00	\$0.00	\$0.00
	General County Expenses	\$56.91	\$56.91	\$56.91	\$37.27	\$37.27	\$7.68	\$9.92	\$4.55	\$9.92
	Historical Society	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Medical Examiner	\$12.56	\$12.56	\$12.56	\$8.22	\$8.22	\$0.00	\$0.00	\$0.00	\$0.00
	Misc Health	\$36.15	\$36.15	\$36.15	\$23.68	\$23.68	\$0.00	\$0.00	\$0.00	\$0.00
	Parks and Recreation	\$51.57	\$51.57	\$51.57	\$33.78	\$33.78	\$0.00	\$0.00	\$0.00	\$0.00
	Property Management	\$93.86	\$93.86	\$93.86	\$61.47	\$61.47	\$42.82	\$55.28	\$25.34	\$55.28
	Property Records and Revenue	\$69.38	\$69.38	\$69.38	\$45.44	\$45.44	\$31.65	\$40.87	\$18.73	\$40.87
	Public Health	\$174.78	\$174.78	\$174.78	\$114.47	\$114.47	\$0.00	\$0.00	\$0.00	\$0.00
	Public Works-Road Related	\$39.70	\$39.70	\$39.70	\$23.24	\$23.24	\$55.71	\$14.11	\$3.44	\$14.11
	Public Works-Other	\$28.07	\$28.07	\$28.07	\$18.39	\$18.39	\$12.81	\$16.54	\$7.58	\$16.54
	Sheriff-Support Services	\$18.25	\$18.25	\$18.25	\$11.96	\$11.96	\$29.40	\$7.45	\$1.82	\$7.45
	Sheriff-Volunteers in Public Safety	\$0.62	\$0.62	\$0.62	\$0.41	\$0.41	\$0.00	\$0.00	\$0.00	\$0.00
	Sheriff-Courts	\$19.27	\$19.27	\$19.27	\$12.62	\$12.62	\$0.00	\$0.00	\$0.00	\$0.00
	Sheriff-Court Security	\$23.58	\$23.58	\$23.58	\$15.44	\$15.44	\$0.00	\$0.00	\$0.00	\$0.00
	Sheriff-Felony Apprehension	\$12.50	\$12.50	\$12.50	\$8.19	\$8.19	\$0.00	\$0.00	\$0.00	\$0.00
	Sheriff-Gun Permits	\$1.46	\$1.46	\$1.46	\$0.96	\$0.96	\$0.00	\$0.00	\$0.00	\$0.00
	Sheriff-Law Enforcement Ctr	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Sheriff-County Parks, Waterways & Facilitie	\$23.28	\$23.28	\$23.28	\$15.24	\$15.24	\$0.00	\$0.00	\$0.00	\$0.00
	Sheriff-Transportation/Hospital	\$16.24	\$16.24	\$16.24	\$10.64	\$10.64	\$0.00	\$0.00	\$0.00	\$0.00
	Technology	\$30.39	\$30.39	\$30.39	\$19.91	\$19.91	\$4.10	\$5.30	\$2.43	\$5.30
	Veterans Services	\$2.29	\$2.29	\$2.29	\$1.50	\$1.50	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HUMAN SERVICES	Community Human Services	\$957.15	\$957.15	\$957.15	\$626.87	\$626.87	\$0.00	\$0.00	\$0.00	\$0.00
EMERG. COMM.	Emergency Communications	\$64.18	\$64.18	\$64.18	\$42.03	\$42.03	\$29.28	\$37.80	\$17.33	\$37.80
	Total Expenditures	\$2,348.76	\$2,348.76	\$2,348.76	\$1,535.51	\$1,535.51	\$261.43	\$249.21	\$109.62	\$249.21

Figure 21. CENTRAL CITY Expenditures per Prototype: COUNTY OUTPUTS for Capital Expenditures

		<i>Residential: Per Unit</i>					<i>Nonresidential: Per 1,000 Square Feet</i>			
		<i>SFD</i>	<i>SFD</i>	<i>SFD</i>	<i>Townhouse</i>	<i>Multifamily</i>	<i>Commercial/</i>			
		<i>High Value</i>	<i>Average Value</i>	<i>Low Value</i>	<i>Unit</i>	<i>Unit</i>	<i>Retail</i>	<i>Office</i>	<i>Industrial</i>	<i>Institutional</i>
CAPITAL IMP/EQUIP REPLACE	Capital Improvements-Paygo	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DEBT SERVICE	Debt Service	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BY Dept.	Community Corrections-Paygo	\$0.97	\$0.97	\$0.97	\$0.63	\$0.63	\$0.00	\$0.00	\$0.00	\$0.00
	Community Human Services-Debt Service	\$2.02	\$2.02	\$2.02	\$1.32	\$1.32	\$0.00	\$0.00	\$0.00	\$0.00
	Medcal Examiner	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.00	\$0.01
	Parks and Recreation-Debt Service	\$0.70	\$0.70	\$0.70	\$0.46	\$0.46	\$0.00	\$0.00	\$0.00	\$0.00
	Parks and Recreation-Paygo	\$2.26	\$2.26	\$2.26	\$1.48	\$1.48	\$0.00	\$0.00	\$0.00	\$0.00
	Property Management	\$3.51	\$3.51	\$3.51	\$2.30	\$2.30	\$1.60	\$2.07	\$0.95	\$2.07
	Public Works-Roads Related-Debt Service	\$0.30	\$0.30	\$0.30	\$0.18	\$0.18	\$0.43	\$0.11	\$0.03	\$0.11
	Public Works-Roads Related-Paygo	\$51.29	\$51.29	\$51.29	\$30.02	\$30.02	\$71.97	\$18.23	\$4.45	\$18.23
	Public Works-Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Sheriff-Paygo	\$1.18	\$1.18	\$1.18	\$0.77	\$0.77	\$1.90	\$0.48	\$0.12	\$0.48
	Buildings Impr-Property Mngt Paygo	\$7.84	\$7.84	\$7.84	\$5.13	\$5.13	\$3.58	\$4.62	\$2.12	\$4.62
	Buildings Impr-Paygo	\$3.80	\$3.80	\$3.80	\$2.49	\$2.49	\$1.74	\$2.24	\$1.03	\$2.24
	Other-Debt Service	\$0.09	\$0.09	\$0.09	\$0.06	\$0.06	\$0.04	\$0.05	\$0.02	\$0.05
	Total Capital Expenditures	\$73.98	\$73.98	\$73.98	\$44.86	\$44.86	\$81.25	\$27.81	\$8.71	\$27.81

SCHOOL DISTRICT REVENUES

Methodologies & Levels of Service

The section provides detail on operating and capital revenue projection methodologies for the **Schools** level of government. The following figures show base year operating and capital revenue amounts, methodologies, and prototype factors.

Figure 22. CENTRAL CITY Revenue Projection Methodologies: SCHOOLS Operating Revenues

Revenues										
REVENUES										
MN Fiscal Disparities: Cost of Land Use										
SCHOOLS										
Revenue Category		FY 2010 Amount	Percent of Total	Prototype Methodology	RESIDENTIAL			NONRESIDENTIAL		
					Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
General Fund	Local Levy	\$71,741,220	15.13%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Other Local	\$5,081,648	1.07%	TOTAL ENROLLMENT	\$5,081,648	37,765	\$134.56	\$0.00	N/A	\$0.00
	State	\$375,385,589	79.15%	TOTAL ENROLLMENT	\$375,385,589	37,765	\$9,940.04	\$0.00	N/A	\$0.00
	Federal	\$3,150,000	0.66%	TOTAL ENROLLMENT	\$3,150,000	37,765	\$83.41	\$0.00	N/A	\$0.00
Community Svcs Fund	Local Levy	\$3,503,735	0.74%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Other Local	\$4,623,491	0.97%	TOTAL ENROLLMENT	\$4,623,491	37,765	\$122.43	\$0.00	N/A	\$0.00
	State	\$10,235,891	2.16%	TOTAL ENROLLMENT	\$10,235,891	37,765	\$271.04	\$0.00	N/A	\$0.00
	Federal	\$570,500	0.12%	TOTAL ENROLLMENT	\$570,500	37,765	\$15.11	\$0.00	N/A	\$0.00
TOTAL		\$474,292,074	100.00%							

Figure 23. CENTRAL CITY Revenue Projection Methodologies: SCHOOLS Capital Revenues

Revenue Category		FY 2011 Amount	Percent of Total	Prototype Methodology	RESIDENTIAL			NONRESIDENTIAL		
					Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
Debt Service Fund	Local Levy	\$35,814,160	90.11%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Other Local	\$196,225	0.49%	TOTAL ENROLLMENT	\$196,225	37,765	\$5.20	\$0.00	N/A	\$0.00
	State	\$3,732,577	9.39%	TOTAL ENROLLMENT	\$3,732,577	37,765	\$98.84	\$0.00	N/A	\$0.00
TOTAL		\$39,742,962	100.00%							

Revenue Outputs by Prototype

The following section provides further detail on revenue outputs for each of the prototype land uses within the study jurisdictions for the **Schools** level of government. Revenue outputs are shown first with Fiscal Disparities and then without the program.

Figure 24. CENTRAL CITY Revenues per Prototype: SCHOOLS OUTPUTS for Operating Revenues with Fiscal Disparities

REVENUE Category		Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/Retail	Office	Industrial	Institutional
General Fund	Local Levy	\$990.68	\$542.10	\$392.57	\$392.57	\$250.56	\$389.10	\$408.05	\$235.37	\$0.00
	Other Local	\$55.69	\$55.69	\$55.69	\$24.68	\$24.68	\$0.00	\$0.00	\$0.00	\$0.00
	State	\$4,114.02	\$4,114.02	\$4,114.02	\$1,823.01	\$1,823.01	\$0.00	\$0.00	\$0.00	\$0.00
	Federal	\$34.52	\$34.52	\$34.52	\$15.30	\$15.30	\$0.00	\$0.00	\$0.00	\$0.00
Community Svcs Fund	Local Levy	\$46.43	\$25.41	\$18.40	\$18.40	\$11.74	\$18.24	\$19.13	\$11.03	\$0.00
	Other Local	\$50.67	\$50.67	\$50.67	\$22.45	\$22.45	\$0.00	\$0.00	\$0.00	\$0.00
	State	\$112.18	\$112.18	\$112.18	\$49.71	\$49.71	\$0.00	\$0.00	\$0.00	\$0.00
	Federal	\$6.25	\$6.25	\$6.25	\$2.77	\$2.77	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL		\$5,410.45	\$4,940.84	\$4,784.30	\$2,348.88	\$2,200.22	\$407.33	\$427.18	\$246.40	\$0.00
Fiscal Disparities Revenue Alloca		\$91	\$159	\$212	\$91	\$182	\$0	\$0	\$0	\$0
GRAND TOTAL		\$5,501.20	\$5,099.65	\$4,996.05	\$2,439.71	\$2,381.87	\$407.33	\$427.18	\$246.40	\$0.00

Figure 25. CENTRAL CITY Revenues per Prototype: SCHOOLS OUTPUTS for Operating Revenues without Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
General Fund	Local Levy	\$1,134.43	\$621.67	\$450.75	\$450.75	\$289.31	\$639.74	\$671.40	\$386.64	\$0.00
	Other Local	\$55.69	\$55.69	\$55.69	\$24.68	\$24.68	\$0.00	\$0.00	\$0.00	\$0.00
	State	\$4,114.02	\$4,114.02	\$4,114.02	\$1,823.01	\$1,823.01	\$0.00	\$0.00	\$0.00	\$0.00
	Federal	\$34.52	\$34.52	\$34.52	\$15.30	\$15.30	\$0.00	\$0.00	\$0.00	\$0.00
Community Svcs Fund	Local Levy	\$53.17	\$29.14	\$21.13	\$21.13	\$13.56	\$29.98	\$31.47	\$18.12	\$0.00
	Other Local	\$50.67	\$50.67	\$50.67	\$22.45	\$22.45	\$0.00	\$0.00	\$0.00	\$0.00
	State	\$112.18	\$112.18	\$112.18	\$49.71	\$49.71	\$0.00	\$0.00	\$0.00	\$0.00
	Federal	\$6.25	\$6.25	\$6.25	\$2.77	\$2.77	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL		\$5,560.93	\$5,024.15	\$4,845.22	\$2,409.80	\$2,240.79	\$669.73	\$702.87	\$404.77	\$0.00

Figure 26. CENTRAL CITY Revenues per Prototype: SCHOOLS OUTPUTS for Capital Revenues with Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
Debt Service Fund	Local Levy	\$545.64	\$298.57	\$216.22	\$216.22	\$138.00	\$214.30	\$224.75	\$129.64	\$0.00
	Other Local	\$2.15	\$2.15	\$2.15	\$0.95	\$0.95	\$0.00	\$0.00	\$0.00	\$0.00
	State	\$40.91	\$40.91	\$40.91	\$18.13	\$18.13	\$0.00	\$0.00	\$0.00	\$0.00
	TOTAL	\$588.70	\$341.63	\$259.27	\$235.30	\$157.08	\$214.30	\$224.75	\$129.64	\$0.00

Figure 27. CENTRAL CITY Revenues per Prototype: SCHOOLS OUTPUTS for Capital Revenues without Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
Debt Service Fund	Local Levy	\$624.81	\$342.40	\$248.26	\$248.26	\$159.35	\$352.36	\$369.79	\$212.95	\$0.00
	Other Local	\$2.15	\$2.15	\$2.15	\$0.95	\$0.95	\$0.00	\$0.00	\$0.00	\$0.00
	State	\$40.91	\$40.91	\$40.91	\$18.13	\$18.13	\$0.00	\$0.00	\$0.00	\$0.00
	TOTAL	\$667.87	\$385.46	\$291.32	\$267.34	\$178.43	\$352.36	\$369.79	\$212.95	\$0.00

SCHOOL DISTRICT EXPENDITURES

Methodologies & Levels of Service

The section provides detail on operating and capital expenditure projection methodologies for the **Schools** level of government. The following figures provide base year expenditure amounts, methodologies, and prototype factors for operating and capital expenditures.

Figure 28. CENTRAL CITY Expenditure Projection Methodologies: SCHOOLS Operating Expenditures

EXPENDITURES										
Expenditures										
MN Fiscal Disparities: Cost of Land Use										
SCHOOLS										
				RESIDENTIAL			NONRESIDENTIAL			
Expenditure Category		FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
GENERAL FUND	Salaries and Wages	\$283,181,169	59.58%	TOTAL ENROLLMENT	\$283,181,169	37,765	\$7,498.51	\$0.00	N/A	\$0.00
	Employee Benefits	\$98,602,565	20.75%	TOTAL ENROLLMENT	\$98,602,565	37,765	\$2,610.95	\$0.00	N/A	\$0.00
	Purchased Services	\$28,477,386	5.99%	TOTAL ENROLLMENT	\$28,477,386	37,765	\$754.07	\$0.00	N/A	\$0.00
	Transportation Contracts	\$18,868,852	3.97%	TOTAL ENROLLMENT	\$18,868,852	37,765	\$499.64	\$0.00	N/A	\$0.00
	Supplies and Materials	\$19,930,043	4.19%	TOTAL ENROLLMENT	\$19,930,043	37,765	\$527.74	\$0.00	N/A	\$0.00
	Capital Expenditures	\$4,664,626	0.98%	TOTAL ENROLLMENT	\$4,664,626	37,765	\$123.52	\$0.00	N/A	\$0.00
	Other Expenditures	\$2,133,816	0.45%	TOTAL ENROLLMENT	\$2,133,816	37,765	\$56.50	\$0.00	N/A	\$0.00
COMMUNITY SERVICE	Salaries and Wages	\$11,144,158	2.34%	TOTAL ENROLLMENT	\$11,144,158	37,765	\$295.09	\$0.00	N/A	\$0.00
	Employee Benefits	\$3,498,896	0.74%	TOTAL ENROLLMENT	\$3,498,896	37,765	\$92.65	\$0.00	N/A	\$0.00
	Purchased Services	\$4,339,077	0.91%	TOTAL ENROLLMENT	\$4,339,077	37,765	\$114.90	\$0.00	N/A	\$0.00
	Supplies and Materials	\$447,021	0.09%	TOTAL ENROLLMENT	\$447,021	37,765	\$11.84	\$0.00	N/A	\$0.00
	Capital Expenditures	\$0	0.00%	TOTAL ENROLLMENT	\$0	37,765	\$0.00	\$0.00	N/A	\$0.00
	Other Expenditures	\$4,465	0.00%	TOTAL ENROLLMENT	\$4,465	37,765	\$0.12	\$0.00	N/A	\$0.00
Total School Operating Expenditures		\$475,292,074	100.00%							

Figure 29 CENTRAL CITY Expenditure Projection Methodologies: SCHOOLS Capital Expenditures

	FY 2011 Amount	Percent of Total	Prototype Methodology	RESIDENTIAL			NONRESIDENTIAL		
				Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
Debt Service	\$39,324,047	100%	TOTAL ENROLLMENT	\$39,324,047	37,765	\$1,041.28	\$0.00	N/A	\$0.00
Total School Capital Expenditures	\$39,324,047	100%							

Expenditure Outputs by Prototype

The following section provides further detail on expenditure outputs for each of the prototype land uses within the study jurisdictions for the County level of government.

Figure 30. CENTRAL CITY Expenditures per Prototype: SCHOOLS OUTPUTS for Operating Expenditures

	EXPENDITURE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
GENERAL FUND	Salaries and Wages	\$3,103.51	\$3,103.51	\$3,103.51	\$1,375.23	\$1,375.23	\$0.00	\$0.00	\$0.00	\$0.00
	Employee Benefits	\$1,080.63	\$1,080.63	\$1,080.63	\$478.85	\$478.85	\$0.00	\$0.00	\$0.00	\$0.00
	Purchased Services	\$312.10	\$312.10	\$312.10	\$138.30	\$138.30	\$0.00	\$0.00	\$0.00	\$0.00
	Transportation Contracts	\$206.79	\$206.79	\$206.79	\$91.63	\$91.63	\$0.00	\$0.00	\$0.00	\$0.00
	Supplies and Materials	\$218.42	\$218.42	\$218.42	\$96.79	\$96.79	\$0.00	\$0.00	\$0.00	\$0.00
	Capital Expenditures	\$51.12	\$51.12	\$51.12	\$22.65	\$22.65	\$0.00	\$0.00	\$0.00	\$0.00
	Other Expenditures	\$23.39	\$23.39	\$23.39	\$10.36	\$10.36	\$0.00	\$0.00	\$0.00	\$0.00
COMMUNITY SERVICES FUND	Salaries and Wages	\$122.13	\$122.13	\$122.13	\$54.12	\$54.12	\$0.00	\$0.00	\$0.00	\$0.00
	Employee Benefits	\$38.35	\$38.35	\$38.35	\$16.99	\$16.99	\$0.00	\$0.00	\$0.00	\$0.00
	Purchased Services	\$47.55	\$47.55	\$47.55	\$21.07	\$21.07	\$0.00	\$0.00	\$0.00	\$0.00
	Supplies and Materials	\$4.90	\$4.90	\$4.90	\$2.17	\$2.17	\$0.00	\$0.00	\$0.00	\$0.00
	Capital Expenditures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Expenditures	\$0.05	\$0.05	\$0.05	\$0.02	\$0.02	\$0.00	\$0.00	\$0.00	\$0.00
	Total School Operating Expenditures	\$5,208.94	\$5,208.94	\$5,208.94	\$2,308.19	\$2,308.19	\$0.00	\$0.00	\$0.00	\$0.00

Figure 31. CENTRAL CITY Expenditures per Prototype: SCHOOLS OUTPUTS for Capital Expenditures

		<i>Residential: Per Unit</i>					<i>Nonresidential: Per 1,000 Square Feet</i>			
		<i>Single Family Higher Value</i>	<i>Single Family Median Value</i>	<i>Single Family Lower Value</i>	<i>Multifamily/Condo (Hmestd) Unit</i>	<i>Apt. Unit</i>	<i>Commercial/ Retail</i>	<i>Office</i>	<i>Industrial</i>	<i>Institutional</i>
Debt Service		\$430.97	\$430.97	\$430.97	\$190.97	\$190.97	\$0.00	\$0.00	\$0.00	\$0.00
Total School Capital Expenditures		\$430.97	\$430.97	\$430.97	\$190.97	\$190.97	\$0.00	\$0.00	\$0.00	\$0.00

CASE EXAMPLE 2: DEVELOPED CITY (NET CONTRIBUTOR)

PROTOTYPE DETAIL

Details on pertinent data for the residential and nonresidential prototypes included in the study are shown below.

Figure 32. DEVELOPED CITY Prototype Detail

RESIDENTIAL PROTOTYPES

	Land Use Prototype	Market Value Per Unit [1]	Persons Per Unit [2]	Students Per Unit [3]	Vehicle Trips Per Unit [4]
1	Single Family (SF) (Homestead)	\$350,000	2.56	0.422	4.79
2	Single Family (SF) (Homestead)	\$200,000	2.56	0.422	4.79
3	Single Family (SF) (Homestead)	\$150,000	2.56	0.422	4.79
4	Multifamily/Condo (Homestead)	\$150,000	1.62	0.133	3.33
5	Apartment (4+ Units)	\$75,000	1.62	0.133	3.33

[1] Met Council Database; TischlerBise analysis

[2] U.S. Census, American Community Survey, 2005-09 Five-Yr Estimates

[3] U.S. Census, American Community Survey, 2005-2009 Five-Yr PUMS Estimates for Hennepin County; TischlerBise analysis

[4] Trip Generation, Institute of Transportation Engineers, 2008. Trip rate is adjusted to account for portion attributable to residential unit.

	Land Use Prototype	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Employees Per 1,000 SF [2]	Vehicle Trips Per 1,000 SF [3]
1	Commercial/Retail	\$90	75,000	\$6,750,000	2.50	22.41
2	Offices	\$80	100,000	\$8,000,000	3.70	6.67
3	Industrial	\$55	60,000	\$3,300,000	1.79	1.91
4	Institutional (Tax-Exempt)	\$60	30,000	\$1,800,000	3.70	6.67

[1] Met Council Database; TischlerBise analysis

[2] Institute of Transportation Engineers; Urban Land Institute

[3] Trip Generation, Institute of Transportation Engineers, 2008. Trip rate is adjusted to account for portion attributable to nonresidential.

CITY REVENUES

Methodologies & Levels of Service

The section provides detail on operating and capital revenue projection methodologies for the **City** level of government. The following figures show base year operating and capital revenue amounts, methodologies, and prototype factors.

Figure 33. DEVELOPED CITY Revenue Projection Methodologies: CITY Operating Revenues

PROPORTIONATE SHARE FACTORS

Residential 71%

Nonresidential 29%

Revenues

REVENUES

MN Fiscal Disparities: Cost of Land Use

DEVELOPED CITY REVENUES

					RESIDENTIAL			NONRESIDENTIAL		
	Revenue Category	FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
GENERAL FUND	Property Taxes	\$35,607,226	65.41%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Hotel-Motel Admissions Tax	\$6,325,000	11.62%	POP AND JOBS	\$4,471,563	82,893	\$53.94	\$1,853,437	86,323	\$21.47
	Building Permit Fees	\$2,242,000	4.12%	POP AND JOBS	\$1,585,019	82,893	\$19.12	\$656,981	86,323	\$7.61
	License Fees	\$1,550,000	2.85%	POP AND JOBS	\$1,095,798	82,893	\$13.22	\$454,202	86,323	\$5.26
	Fines & Forfeits	\$1,200,000	2.20%	POP AND JOBS	\$848,360	82,893	\$10.23	\$351,640	86,323	\$4.07
	Program Income	\$2,019,351	3.71%	POPULATION	\$2,019,351	82,893	\$24.36	\$0	N/A	\$0.00
	Intergovernmental Revenue	\$2,154,032	3.96%	POPULATION	\$2,154,032	82,893	\$25.99	\$0	N/A	\$0.00
	Interest Earnings	\$280,000	0.51%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Miscellaneous Revenues	\$462,889	0.85%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Transfers from Other Funds	\$2,595,566	4.77%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
TOTAL		\$54,436,064	100.00%							

Figure 34. DEVELOPED CITY Revenue Projection Methodologies: CITY Capital Revenues

Revenue Category		FY 2011 Amount	Percent of Total	Prototype Methodology	RESIDENTIAL			NONRESIDENTIAL		
					Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
Debt Service	Special Assessments	\$3,000,000	33.65%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Tax Levy	\$3,573,935	40.09%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Interest on Investments	\$200,000	2.24%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Federal Reimbursement	\$127,480	1.43%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Other Cap Revenues	Municipal State Aid (MSA)	\$958,800	10.76%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00
	Pavement Management Tax Levy	\$1,054,175	11.83%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
TOTAL		\$8,914,390	100.00%							

\$1,169.27

Revenue Outputs by Prototype

The following section provides further detail on revenue outputs for each of the prototype land uses within the study jurisdictions for the **City** level of government. Revenue outputs are shown first with Fiscal Disparities and then without the program.

Figure 35. DEVELOPED CITY Revenues per Prototype: CITY OUTPUTS for Operating Revenues with Fiscal Disparities

REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
	Single Family High Value	Single Family Median Value	Single Family Low Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
Property Taxes	\$1,260.05	\$671.61	\$475.46	\$475.46	\$342.18	\$349.07	\$310.56	\$212.07	\$0.00
Hotel-Motel Admissions Tax	\$138.10	\$138.10	\$138.10	\$87.39	\$87.39	\$53.68	\$79.34	\$38.51	\$79.34
Building Permit Fees	\$48.95	\$48.95	\$48.95	\$30.98	\$30.98	\$19.03	\$28.12	\$13.65	\$28.12
License Fees	\$33.84	\$33.84	\$33.84	\$21.42	\$21.42	\$13.15	\$19.44	\$9.44	\$19.44
Fines & Forfeits	\$26.20	\$26.20	\$26.20	\$16.58	\$16.58	\$10.18	\$15.05	\$7.31	\$15.05
Program Income	\$62.36	\$62.36	\$62.36	\$39.46	\$39.46	\$0.00	\$0.00	\$0.00	\$0.00
Intergovernmental Revenue	\$66.52	\$66.52	\$66.52	\$42.10	\$42.10	\$0.00	\$0.00	\$0.00	\$0.00
Interest Earnings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous Revenues	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Transfers from Other Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL	\$1,636.03	\$1,047.58	\$851.43	\$713.38	\$580.10	\$445.11	\$452.52	\$280.97	\$141.96
Fiscal Disparities Revenue Allocation	\$108	\$188	\$251	\$101	\$201	\$0	\$0	\$0	\$0
GRAND TOTAL	\$1,743.60	\$1,235.83	\$1,102.43	\$813.89	\$781.13	\$445.11	\$452.52	\$280.97	\$141.96

Figure 36. DEVELOPED CITY Revenues per Prototype: CITY OUTPUTS for Operating Revenues without Fiscal Disparities

REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
	Single Family High Value	Single Family Median Value	Single Family Low Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
Property Taxes	\$1,043.25	\$550.37	\$386.08	\$386.08	\$283.85	\$541.97	\$482.17	\$329.27	\$0.00
Hotel-Motel Admissions Tax	\$138.10	\$138.10	\$138.10	\$87.39	\$87.39	\$53.68	\$79.34	\$38.51	\$79.34
Building Permit Fees	\$48.95	\$48.95	\$48.95	\$30.98	\$30.98	\$19.03	\$28.12	\$13.65	\$28.12
License Fees	\$33.84	\$33.84	\$33.84	\$21.42	\$21.42	\$13.15	\$19.44	\$9.44	\$19.44
Fines & Forfeits	\$26.20	\$26.20	\$26.20	\$16.58	\$16.58	\$10.18	\$15.05	\$7.31	\$15.05
Program Income	\$62.36	\$62.36	\$62.36	\$39.46	\$39.46	\$0.00	\$0.00	\$0.00	\$0.00
Intergovernmental Revenue	\$66.52	\$66.52	\$66.52	\$42.10	\$42.10	\$0.00	\$0.00	\$0.00	\$0.00
Interest Earnings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous Revenues	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Transfers from Other Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL	\$1,419.22	\$926.35	\$762.06	\$624.00	\$521.77	\$638.01	\$624.13	\$398.16	\$141.96

Figure 37. DEVELOPED CITY Revenues per Prototype: CITY OUTPUTS for Capital Revenues with Fiscal Disparities

REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
	Single Family High Value	Single Family Median Value	Single Family Low Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
Special Assessments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tax Levy	\$113.55	\$60.52	\$42.85	\$42.85	\$30.84	\$31.46	\$27.99	\$19.11	\$0.00
Interest on Investments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Federal Reimbursement	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Municipal State Aid (MSA)	\$23.98	\$23.98	\$23.98	\$16.66	\$16.66	\$11.69	\$3.48	\$1.00	\$3.48
Pavement Management Tax Levy	\$33.49	\$17.85	\$12.64	\$12.64	\$9.10	\$9.28	\$8.26	\$5.64	\$0.00
TOTAL	\$171.03	\$102.35	\$79.46	\$72.15	\$56.59	\$52.42	\$39.72	\$25.75	\$3.48

Figure 38. DEVELOPED CITY Revenues per Prototype: CITY OUTPUTS for Capital Revenues without Fiscal Disparities

REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
	Single Family High Value	Single Family Median Value	Single Family Low Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
Special Assessments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tax Levy	\$94.02	\$49.60	\$34.79	\$34.79	\$25.58	\$48.84	\$43.45	\$29.67	\$0.00
Interest on Investments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Federal Reimbursement	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Municipal State Aid (MSA)	\$23.98	\$23.98	\$23.98	\$16.66	\$16.66	\$11.69	\$3.48	\$1.00	\$3.48
Pavement Management Tax Levy	\$27.73	\$14.63	\$10.26	\$10.26	\$7.55	\$14.41	\$12.82	\$8.75	\$0.00
TOTAL	\$145.72	\$88.21	\$69.03	\$61.72	\$49.79	\$74.93	\$59.75	\$39.42	\$3.48

CITY EXPENDITURES

Methodologies & Levels of Service

The section provides detail on operating and capital expenditure projection methodologies for the **City** level of government. The following figures provide base year expenditure amounts, methodologies, and prototype factors. Most expenditures are based on either Population or a combination of Population and Jobs or Population and Trips (nonresidential trips). Capital expenditures are shown separately.

Figure 39. DEVELOPED CITY Expenditure Projection Methodologies: CITY Operating Expenditures

PROPORTIONATE SHARE FACTORS				
POLICE CALLS FOR SERVICE	Residential	63%	Nonresidential	Retail 28% Non-Retail 9%
RES/EMPS	Residential	71%	Nonresidential	29%
TRIPS	Residential	37%	Nonresidential	63%

EXPENDITURES

EXPENDITURES

MN Fiscal Disparities: Cost of Land Use

DEVELOPED CITY EXPENDITURES

				RESIDENTIAL			NONRESIDENTIAL			
Expenditure Category	FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor	
GENERAL FUND General Government	\$527,384	0.97%	POP AND JOBS	\$372,843	82,893	\$4.50	\$154,541	86,323	\$1.79	
City Manager	\$325,963	0.60%	POP AND JOBS	\$230,445	82,893	\$2.78	\$95,518	86,323	\$1.11	
Legal	\$1,132,400	2.08%	POP AND JOBS	\$800,569	82,893	\$9.66	\$331,831	86,323	\$3.84	
Human Resources	\$689,838	1.27%	POP AND JOBS	\$487,692	82,893	\$5.88	\$202,146	86,323	\$2.34	
Finance	\$958,177	1.76%	POP AND JOBS	\$677,399	82,893	\$8.17	\$280,778	86,323	\$3.25	
Public Safety-Police	\$20,339,481	37.36%	POLICE CALLS	\$12,828,093	28,381	\$451.99	\$7,511,388	16,619	\$451.99	FORMULA
Public Safety-Fire	\$2,684,717	4.93%	POP AND NONRES TRIPS	\$1,898,005	82,893	\$22.90	\$786,712	275,806	\$2.85	FORMULA
Community Development	\$6,195,991	11.38%	POP AND JOBS	\$4,380,358	82,893	\$52.84	\$1,815,633	86,323	\$21.03	
Community Services	\$8,856,769	16.27%	POPULATION	\$8,856,769	82,893	\$106.85	\$0	N/A	\$0.00	
Public Works-Road Related	\$8,692,681	15.97%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00	\$10,600.83
Public Works-Parks Maintenance	\$2,868,944	5.27%	POPULATION	\$2,868,944	82,893	\$34.61	\$0	N/A	\$0.00	
Public Works-Other	\$337,341	0.62%	POP AND JOBS	\$238,489	82,893	\$2.88	\$98,852	86,323	\$1.15	
Technical Services Group	\$2,404,070	4.42%	POP AND JOBS	\$1,699,597	82,893	\$20.50	\$704,473	86,323	\$8.16	
Contingency	\$1,411,350	2.59%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00	
Estimated Unexpended	(\$3,364,042)	-6.18%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00	
Transfers Out	\$375,000	0.69%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00	
Total General Fund Expenditures	\$54,436,064	100.00%								

Figure 40 DEVELOPED CITY Expenditure Projection Methodologies: CITY Capital Expenditures

	FY 2011 Amount	Percent of Total	Prototype Methodology	RESIDENTIAL			NONRESIDENTIAL			
				Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor	
Capital Expenditures-Transportation (Avg Ann/D	\$7,215,825	97%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00	\$8,799.79
Other Gen Govt (LOCAL Sources)	\$200,000	3%	POP AND JOBS	\$141,393	82,893	\$1.71	\$58,607	86,323	\$0.68	
Total Capital Expenditures (Locally Funded)	\$7,415,825	100%								

Expenditure Outputs by Prototype

The following section provides further detail on expenditure outputs for each of the prototype land uses within the study jurisdictions for the City level of government.

Figure 41. DEVELOPED CITY Expenditures per Prototype: CITY OUTPUTS for Operating Expenditures

EXPENDITURE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
	Single Family High Value	Single Family Median Value	Single Family Low Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
General Government	\$11.51	\$11.51	\$11.51	\$7.29	\$7.29	\$4.48	\$6.62	\$3.21	\$6.62
City Manager	\$7.12	\$7.12	\$7.12	\$4.50	\$4.50	\$2.77	\$4.09	\$1.98	\$4.09
Legal	\$24.72	\$24.72	\$24.72	\$15.65	\$15.65	\$9.61	\$14.20	\$6.89	\$14.20
Human Resources	\$15.06	\$15.06	\$15.06	\$9.53	\$9.53	\$5.85	\$8.65	\$4.20	\$8.65
Finance	\$20.92	\$20.92	\$20.92	\$13.24	\$13.24	\$8.13	\$12.02	\$5.83	\$12.02
Public Safety-Police	\$396.17	\$396.17	\$396.17	\$250.70	\$250.70	\$706.78	\$128.59	\$36.82	\$128.59
Public Safety-Fire	\$58.62	\$58.62	\$58.62	\$37.09	\$37.09	\$63.92	\$19.03	\$5.45	\$19.03
Community Development	\$135.28	\$135.28	\$135.28	\$85.61	\$85.61	\$52.58	\$77.72	\$37.72	\$77.72
Community Services	\$273.53	\$273.53	\$273.53	\$173.09	\$173.09	\$0.00	\$0.00	\$0.00	\$0.00
Public Works-Road Related	\$217.37	\$217.37	\$217.37	\$151.05	\$151.05	\$105.95	\$31.53	\$9.03	\$31.53
Public Works-Parks Maintenance	\$88.60	\$88.60	\$88.60	\$56.07	\$56.07	\$0.00	\$0.00	\$0.00	\$0.00
Public Works-Other	\$7.37	\$7.37	\$7.37	\$4.66	\$4.66	\$2.86	\$4.23	\$2.05	\$4.23
Technical Services Group	\$52.49	\$52.49	\$52.49	\$33.22	\$33.22	\$20.40	\$30.16	\$14.64	\$30.16
Contingency	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Estimated Unexpended	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total General Fund Expenditures	\$1,308.76	\$1,308.76	\$1,308.76	\$841.69	\$841.69	\$983.34	\$336.84	\$127.83	\$336.84

Figure 42. DEVELOPED CITY Expenditures per Prototype: CITY OUTPUTS for Capital Expenditures

	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
	Single Family High Value	Single Family Median Value	Single Family Low Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
Capital Expenditures-Transportation (Avg Ann	\$180.44	\$180.44	\$180.44	\$125.39	\$125.39	\$87.95	\$26.18	\$7.50	\$26.18
Other Gen Govt (LOCAL Sources)	\$4.37	\$4.37	\$4.37	\$2.76	\$2.76	\$4.26	\$6.30	\$3.06	\$6.30
Total Capital Expenditures (Locally Funded)	\$184.81	\$184.81	\$184.81	\$128.15	\$128.15	\$92.21	\$32.48	\$10.55	\$32.48

COUNTY REVENUES

Methodologies & Levels of Service

The section provides detail on operating and capital revenue projection methodologies for the **County** level of government. The following figures show base year operating and capital revenue amounts, methodologies, and prototype factors.

Figure 43. DEVELOPED CITY Revenue Projection Methodologies: COUNTY Operating Revenues

PROPORTIONATE SHARE FACTORS

Residential

78%

Nonresidential

22%

Revenues

REVENUES

MN Fiscal Disparities: Cost of Land Use

COUNTY REVENUES

Revenue Category		FY 2011 Amount	Percent of Total	Prototype Methodology	RESIDENTIAL			NONRESIDENTIAL		
					Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
COUNTY REVENUE	Current Property Tax	\$316,325,966	32.00%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Nonproperty Tax	\$6,525,369	0.66%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
<i>Federal</i>	Highway Aids	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Human Services	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Other	\$29,723,001	3.01%	POPULATION	\$29,723,001	1,155,495	\$25.72	\$0	N/A	\$0.00
<i>State</i>	County Program Aid	\$5,548,385	0.56%	POPULATION	\$5,548,385	1,155,495	\$4.80	\$0	N/A	\$0.00
	Highway Participation	\$14,813,582	1.50%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00
	Community Corrections	\$19,019,999	1.92%	POPULATION	\$19,019,999	1,155,495	\$16.46	\$0	N/A	\$0.00
	Community Health	\$0	0.00%	POPULATION	\$0	1,155,495	\$0.00	\$0	N/A	\$0.00
	Human Services	\$0	0.00%	POPULATION	\$0	1,155,495	\$0.00	\$0	N/A	\$0.00
	Public Defender	\$8,625,000	0.87%	POPULATION	\$8,625,000	1,155,495	\$7.46	\$0	N/A	\$0.00
	Other	\$11,015,716	1.11%	POPULATION	\$11,015,716	1,155,495	\$9.53	\$0	N/A	\$0.00
<i>Local Intergovt</i>	Other Intergovernmental	\$1,129,261	0.11%	POP AND JOBS	\$876,878	1,155,495	\$0.76	\$252,383	796,245	\$0.32
<i>Other Revenue</i>	Interest on Investment	\$10,000,000	1.01%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Fees and Services	\$49,912,166	5.05%	POP AND JOBS	\$47,416,558	1,155,495	\$41.04	\$2,495,608	796,245	\$3.13
	Fines and Forfeitures	\$78,800	0.01%	POPULATION	\$78,800	1,155,495	\$0.07	\$0	N/A	\$0.00
	Licensing and Permits	\$5,180,199	0.52%	POP AND JOBS	\$4,022,457	1,155,495	\$3.48	\$1,157,742	796,245	\$1.45
	Bond Proceeds	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Other	\$67,375,230	6.82%	POP AND JOBS	\$52,317,287	1,155,495	\$45.28	\$15,057,943	796,245	\$18.91
HUMAN SERVICES	Current Property Tax	\$204,957,839	20.73%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Nonproperty Tax	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
<i>Federal</i>	Highway Aids	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Human Services	\$126,950,000	12.84%	POPULATION	\$126,950,000	1,155,495	\$109.87	\$0	N/A	\$0.00
	Other	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
<i>State</i>	County Program Aid	\$3,522,321	0.36%	POPULATION	\$3,522,321	1,155,495	\$3.05	\$0	N/A	\$0.00
	Highway Participation	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Community Corrections	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Community Health	\$2,212,000	0.22%	POPULATION	\$2,212,000	1,155,495	\$1.91	\$0	N/A	\$0.00
	Human Services	\$52,839,000	5.34%	POPULATION	\$52,839,000	1,155,495	\$45.73	\$0	N/A	\$0.00
	Public Defender	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Other	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
<i>Local Intergovt</i>	Other Governmental	\$1,645,000	0.17%	POPULATION	\$1,645,000	1,155,495	\$1.42	\$0	N/A	\$0.00
<i>Other Revenue</i>	Interest on Investment	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Fees and Services	\$46,694,000	4.72%	POPULATION	\$46,694,000	1,155,495	\$40.41	\$0	N/A	\$0.00
	Fines and Forfeitures	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Licensing and Permits	\$1,263,000	0.13%	POPULATION	\$1,263,000	1,155,495	\$1.09	\$0	N/A	\$0.00
	Bond Proceeds	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Other	\$3,270,000	0.33%	POPULATION	\$3,270,000	1,155,495	\$2.83	\$0	N/A	\$0.00

APPENDIX F: Cost and Revenue Factors
Cost of Land Use Fiscal Impact Analysis for the Study of the Fiscal Disparities Program
For the Minnesota Department of Revenue

LIBRARY	Current Property Tax	\$54,074,001	5.47%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Nonproperty Tax	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	<i>Federal</i> Highway Aids	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Human Services	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Other	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	<i>State</i> County Program Aid	\$929,294	0.09%	POPULATION	\$929,294	1,155,495	\$0.80	\$0	N/A	\$0.00
	Highway Participation	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Community Corrections	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Community Health	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Human Services	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Public Defender	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Other	\$933,844	0.09%	POPULATION	\$933,844	1,155,495	\$0.81	\$0	N/A	\$0.00
	<i>Local Intergovt</i> Other Governmental	\$5,850,312	0.59%	POPULATION	\$5,850,312	1,155,495	\$5.06	\$0	N/A	\$0.00
	<i>Other Revenue</i> Interest on Investment	\$142,305	0.01%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Fees and Services	\$300,000	0.03%	POPULATION	\$300,000	1,155,495	\$0.26	\$0	N/A	\$0.00
	Fines and Forfeitures	\$1,752,097	0.18%	pop	N/A	N/A	\$0.00	N/A	N/A	\$0.00
	Licensing and Permits	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Bond Proceeds	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Other	\$3,478,709	0.35%	POPULATION	\$3,478,709	1,155,495	\$3.01	\$0	N/A	\$0.00
	TOTAL	\$988,625,834	100.00%							

Figure 44. DEVELOPED CITY Revenue Projection Methodologies: COUNTY Capital Revenues

Revenue Category		FY 2011 Amount	Percent of Total	Prototype Methodology	RESIDENTIAL			NONRESIDENTIAL		
					Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
CAPITAL IMPROVEMENT	Current Property Tax	\$1,611,000	0.68%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Nonproperty Tax	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	<i>Federal</i> Highway Aids	\$6,262,000	2.65%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00
	Human Services	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Other	\$400,000	0.17%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	<i>State</i> County Program Aid	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Highway Participation	\$24,554,000	10.40%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00
	Community Corrections	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Community Health	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Human Services	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Public Defender	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Other	\$7,020,000	2.97%	POPULATION	\$7,020,000	1,155,495	\$6.08	\$0	N/A	\$0.00
	<i>Local Intergovt</i> Other Governmental	\$14,087,000	5.97%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	<i>Other Revenue</i> Interest on Investment	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Fees and Services	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Fines and Forfeitures	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Licensing and Permits	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Bond Proceeds	\$57,442,000	24.33%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Other	\$23,379,669	9.90%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
DEBT MANAGEMENT	Current Property Tax	\$71,147,168	30.13%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Nonproperty Tax	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	<i>Federal</i>	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	<i>State</i>	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Other Governmental	\$5,847,951	2.48%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Interest on Investment	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Fees and Services	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Fines and Forfeitures	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Licensing and Permits	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Bond Proceeds	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Other	\$24,371,383	10.32%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
TOTAL CAPITAL AND DEBT SERVICE		\$236,122,171	100.00%							

Revenue Outputs by Prototype

The following section provides further detail on revenue outputs for each of the prototype land uses within the study jurisdictions for the **County** level of government. Revenue outputs are shown first with Fiscal Disparities and then without the program.

Figure 45. DEVELOPED CITY Revenues per Prototype: COUNTY OUTPUTS for Operating Revenues with Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family High Value	Single Family Medium Value	Single Family Low Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail Office Industrial Institutional			
COUNTY REVENUE	Current Property Tax	\$813.39	\$433.53	\$306.92	\$306.92	\$220.88	\$225.33	\$200.47	\$136.90	\$0.00
	Nonproperty Tax	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<i>Federal</i> Highway Aids	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Human Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<i>State</i> Other	\$65.85	\$65.85	\$65.85	\$41.67	\$41.67	\$0.00	\$0.00	\$0.00	\$0.00
	County Program Aid	\$12.29	\$12.29	\$12.29	\$7.78	\$7.78	\$0.00	\$0.00	\$0.00	\$0.00
	Highway Participation	\$27.99	\$27.99	\$27.99	\$19.45	\$19.45	\$21.83	\$6.50	\$1.86	\$6.50
	Community Corrections	\$42.14	\$42.14	\$42.14	\$26.67	\$26.67	\$0.00	\$0.00	\$0.00	\$0.00
	Community Health	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Human Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Public Defender	\$19.11	\$19.11	\$19.11	\$12.09	\$12.09	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$24.41	\$24.41	\$24.41	\$15.44	\$15.44	\$0.00	\$0.00	\$0.00	\$0.00
	<i>Local Intergovt</i> Other Intergovernmental	\$1.94	\$1.94	\$1.94	\$1.23	\$1.23	\$0.79	\$1.17	\$0.57	\$1.17
	<i>Other Revenue</i> Interest on Investment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fees and Services	\$105.05	\$105.05	\$105.05	\$66.48	\$66.48	\$7.84	\$11.58	\$5.62	\$11.58
	Fines and Forfeitures	\$0.17	\$0.17	\$0.17	\$0.11	\$0.11	\$0.00	\$0.00	\$0.00	\$0.00
	Licensing and Permits	\$8.91	\$8.91	\$8.91	\$5.64	\$5.64	\$3.64	\$5.37	\$2.61	\$5.37
	Bond Proceeds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$115.91	\$115.91	\$115.91	\$73.35	\$73.35	\$47.28	\$69.88	\$33.92	\$69.88
HUMAN SERVICES	Current Property Tax	\$527.02	\$280.90	\$198.86	\$198.86	\$143.12	\$146.00	\$129.89	\$88.70	\$0.00
	Nonproperty Tax	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<i>Federal</i> Highway Aids	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Human Services	\$281.26	\$281.26	\$281.26	\$177.98	\$177.98	\$0.00	\$0.00	\$0.00	\$0.00
	<i>State</i> Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	County Program Aid	\$7.80	\$7.80	\$7.80	\$4.94	\$4.94	\$0.00	\$0.00	\$0.00	\$0.00
	Highway Participation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Community Corrections	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Community Health	\$4.90	\$4.90	\$4.90	\$3.10	\$3.10	\$0.00	\$0.00	\$0.00	\$0.00
	Human Services	\$117.06	\$117.06	\$117.06	\$74.08	\$74.08	\$0.00	\$0.00	\$0.00	\$0.00
	Public Defender	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<i>Local Intergovt</i> Other Governmental	\$3.64	\$3.64	\$3.64	\$2.31	\$2.31	\$0.00	\$0.00	\$0.00	\$0.00
	<i>Other Revenue</i> Interest on Investment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fees and Services	\$103.45	\$103.45	\$103.45	\$65.46	\$65.46	\$0.00	\$0.00	\$0.00	\$0.00
	Fines and Forfeitures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Licensing and Permits	\$2.80	\$2.80	\$2.80	\$1.77	\$1.77	\$0.00	\$0.00	\$0.00	\$0.00
	Bond Proceeds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$7.24	\$7.24	\$7.24	\$4.58	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00

APPENDIX F: Cost and Revenue Factors
Cost of Land Use Fiscal Impact Analysis for the Study of the Fiscal Disparities Program
For the Minnesota Department of Revenue

LIBRARY	Current Property Tax	\$139.04	\$74.11	\$52.47	\$52.47	\$37.76	\$38.52	\$34.27	\$23.40	\$0.00
	Nonproperty Tax	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Federal	Highway Aids	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Human Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
State	County Program Aid	\$2.06	\$2.06	\$2.06	\$1.30	\$1.30	\$0.00	\$0.00	\$0.00	\$0.00
	Highway Participation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Community Corrections	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Community Health	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Human Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Public Defender	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$2.07	\$2.07	\$2.07	\$1.31	\$1.31	\$0.00	\$0.00	\$0.00	\$0.00
Local Intergovt	Other Governmental	\$12.96	\$12.96	\$12.96	\$8.20	\$8.20	\$0.00	\$0.00	\$0.00	\$0.00
Other Revenue	Interest on Investment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fees and Services	\$0.66	\$0.66	\$0.66	\$0.42	\$0.42	\$0.00	\$0.00	\$0.00	\$0.00
	Fees and Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fines and Forfeitures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Licensing and Permits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Bond Proceeds	\$7.71	\$7.71	\$7.71	\$4.88	\$4.88	\$0.00	\$0.00	\$0.00	\$0.00
	TOTAL	\$2,456.86	\$1,765.95	\$1,535.65	\$1,178.49	\$1,022.01	\$491.23	\$459.14	\$293.58	\$94.51
	Fiscal Disparities Revenue Allocation	\$40	\$71	\$94	\$38	\$75	\$0	\$0	\$0	\$0
	GRAND TOTAL	\$2,497.18	\$1,836.50	\$1,629.71	\$1,216.16	\$1,097.35	\$491.23	\$459.14	\$293.58	\$94.51

Figure 46. DEVELOPED CITY Revenues per Prototype: COUNTY OUTPUTS for Operating Revenues without Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family High Value	Single Family Medium Value	Single Family Low Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
COUNTY REVENUE	Current Property Tax	\$733.31	\$386.86	\$271.38	\$271.38	\$199.52	\$380.95	\$338.92	\$231.44	\$0.00
	Nonproperty Tax	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<i>Federal</i> Highway Aids	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Human Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<i>State</i> Other	\$65.85	\$65.85	\$65.85	\$41.67	\$41.67	\$0.00	\$0.00	\$0.00	\$0.00
	County Program Aid	\$12.29	\$12.29	\$12.29	\$7.78	\$7.78	\$0.00	\$0.00	\$0.00	\$0.00
	Highway Participation	\$27.99	\$27.99	\$27.99	\$19.45	\$19.45	\$21.83	\$6.50	\$1.86	\$6.50
	Community Corrections	\$42.14	\$42.14	\$42.14	\$26.67	\$26.67	\$0.00	\$0.00	\$0.00	\$0.00
	Community Health	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Human Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Public Defender	\$19.11	\$19.11	\$19.11	\$12.09	\$12.09	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$24.41	\$24.41	\$24.41	\$15.44	\$15.44	\$0.00	\$0.00	\$0.00	\$0.00
	<i>Local Intergovt</i> Other Intergovernmental	\$1.94	\$1.94	\$1.94	\$1.23	\$1.23	\$0.79	\$1.17	\$0.57	\$1.17
	<i>Other Revenue</i> Interest on Investment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<i>in revs</i> Fees and Services	\$105.05	\$105.05	\$105.05	\$66.48	\$66.48	\$7.84	\$11.58	\$5.62	\$11.58
	Fines and Forfeitures	\$0.17	\$0.17	\$0.17	\$0.11	\$0.11	\$0.00	\$0.00	\$0.00	\$0.00
	Licensing and Permits	\$8.91	\$8.91	\$8.91	\$5.64	\$5.64	\$3.64	\$5.37	\$2.61	\$5.37
	Bond Proceeds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$115.91	\$115.91	\$115.91	\$73.35	\$73.35	\$47.28	\$69.88	\$33.92	\$69.88
HUMAN SERVICES	Current Property Tax	\$475.13	\$250.66	\$175.84	\$175.84	\$129.28	\$246.83	\$219.60	\$149.96	\$0.00
	Nonproperty Tax	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<i>Federal</i> Highway Aids	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Human Services	\$281.26	\$281.26	\$281.26	\$177.98	\$177.98	\$0.00	\$0.00	\$0.00	\$0.00
	<i>State</i> Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	County Program Aid	\$7.80	\$7.80	\$7.80	\$4.94	\$4.94	\$0.00	\$0.00	\$0.00	\$0.00
	Highway Participation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Community Corrections	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Community Health	\$4.90	\$4.90	\$4.90	\$3.10	\$3.10	\$0.00	\$0.00	\$0.00	\$0.00
	Human Services	\$117.06	\$117.06	\$117.06	\$74.08	\$74.08	\$0.00	\$0.00	\$0.00	\$0.00
	Public Defender	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<i>Local Intergovt</i> Other Governmental	\$3.64	\$3.64	\$3.64	\$2.31	\$2.31	\$0.00	\$0.00	\$0.00	\$0.00
	<i>Other Revenue</i> Interest on Investment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fees and Services	\$103.45	\$103.45	\$103.45	\$65.46	\$65.46	\$0.00	\$0.00	\$0.00	\$0.00
	Fines and Forfeitures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Licensing and Permits	\$2.80	\$2.80	\$2.80	\$1.77	\$1.77	\$0.00	\$0.00	\$0.00	\$0.00
	Bond Proceeds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$7.24	\$7.24	\$7.24	\$4.58	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00

APPENDIX F: Cost and Revenue Factors
Cost of Land Use Fiscal Impact Analysis for the Study of the Fiscal Disparities Program
For the Minnesota Department of Revenue

LIBRARY	Current Property Tax	\$125.35	\$66.13	\$46.39	\$46.39	\$34.11	\$65.12	\$57.94	\$39.56	\$0.00
	Nonproperty Tax	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Federal	Highway Aids	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Human Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
State	County Program Aid	\$2.06	\$2.06	\$2.06	\$1.30	\$1.30	\$0.00	\$0.00	\$0.00	\$0.00
	Highway Participation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Community Corrections	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Community Health	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Human Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Public Defender	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$2.07	\$2.07	\$2.07	\$1.31	\$1.31	\$0.00	\$0.00	\$0.00	\$0.00
Local Intergovt	Other Governmental	\$12.96	\$12.96	\$12.96	\$8.20	\$8.20	\$0.00	\$0.00	\$0.00	\$0.00
Other Revenue	Interest on Investment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fees and Services	\$0.66	\$0.66	\$0.66	\$0.42	\$0.42	\$0.00	\$0.00	\$0.00	\$0.00
	Fees and Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fines and Forfeitures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Licensing and Permits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Bond Proceeds	\$7.71	\$7.71	\$7.71	\$4.88	\$4.88	\$0.00	\$0.00	\$0.00	\$0.00
	TOTAL	\$2,311.20	\$1,681.06	\$1,471.01	\$1,113.86	\$983.15	\$774.28	\$710.96	\$465.54	\$94.51

Figure 47. DEVELOPED CITY Revenues per Prototype: COUNTY OUTPUTS for Capital Revenues with Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family High Value	Single Family Medium Value	Single Family Low Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
CAPITAL IMPROVEMENT	Current Property Tax	\$187.09	\$99.72	\$70.59	\$70.59	\$50.81	\$51.83	\$46.11	\$31.49	\$0.00
	Nonproperty Tax	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<i>Federal</i> Highway Aids	\$11.83	\$11.83	\$11.83	\$8.22	\$8.22	\$9.23	\$2.75	\$0.79	\$2.75
	Human Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<i>State</i> County Program Aid	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Highway Participation	\$46.40	\$46.40	\$46.40	\$32.24	\$32.24	\$36.19	\$10.77	\$3.08	\$10.77
	Community Corrections	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Community Health	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Human Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Public Defender	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$15.55	\$15.55	\$15.55	\$9.84	\$9.84	\$0.00	\$0.00	\$0.00	\$0.00
	<i>Local Intergovt</i> Other Governmental	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<i>Other Revenue</i> Interest on Investment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fees and Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fees and Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fines and Forfeitures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Licensing and Permits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Bond Proceeds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DEBT MANAGEMENT	Current Property Tax	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Nonproperty Tax	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<i>Federal</i>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<i>State</i>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Governmental	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Interest on Investment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fees and Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fees and Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fines and Forfeitures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Licensing and Permits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Bond Proceeds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL		\$260.87	\$173.50	\$144.38	\$120.90	\$101.11	\$97.25	\$59.63	\$35.36	\$13.52

Figure 48. DEVELOPED CITY Revenues per Prototype: COUNTY OUTPUTS for Capital Revenues without Fiscal Disparities

REVENUE Category		Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family High Value	Single Family Medium Value	Single Family Low Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail Office Industrial Institutional			
CAPITAL IMPROVEMENT	Current Property Tax	\$168.67	\$88.98	\$62.42	\$62.42	\$45.89	\$87.62	\$77.95	\$53.23	\$0.00
	Nonproperty Tax	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<i>Federal</i> Highway Aids	\$11.83	\$11.83	\$11.83	\$8.22	\$8.22	\$9.23	\$2.75	\$0.79	\$2.75
	Human Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<i>State</i> County Program Aid	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Highway Participation	\$46.40	\$46.40	\$46.40	\$32.24	\$32.24	\$36.19	\$10.77	\$3.08	\$10.77
	Community Corrections	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Community Health	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Human Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Public Defender	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$15.55	\$15.55	\$15.55	\$9.84	\$9.84	\$0.00	\$0.00	\$0.00	\$0.00
	<i>Local Intergovt</i> Other Governmental	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<i>Other Revenue</i> Interest on Investment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fees and Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fees and Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fines and Forfeitures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Licensing and Permits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Bond Proceeds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DEBT MANAGEMENT	Current Property Tax	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Nonproperty Tax	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<i>Federal</i>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<i>State</i>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Governmental	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Interest on Investment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fees and Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fees and Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fines and Forfeitures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Licensing and Permits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Bond Proceeds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL		\$242.45	\$162.76	\$136.20	\$112.72	\$96.20	\$133.04	\$91.47	\$57.11	\$13.52

COUNTY EXPENDITURES

Methodologies & Levels of Service

The section provides detail on operating and capital expenditure projection methodologies for the **County** level of government. The following figures provide base year expenditure amounts, methodologies, and prototype factors for operating and capital expenditures.

Figure 49. DEVELOPED CITY Expenditure Projection Methodologies: COUNTY Operating Expenditures

PROPORTIONATE SHARE FACTORS					
OVERHEAD PROP SHARE		Residential	92%	Nonresidential	8%
RES/EMPS		Residential	78%	Nonresidential	22%
TRIPS		Residential	49%	Nonresidential	51%

EXPENDITURES

General Fund Expenditures

MN Fiscal Disparities: Cost of Land Use

COUNTY EXPENDITURES

Expenditure Category		FY 2011 Amount	Percent of Total	Prototype Methodology	RESIDENTIAL			NONRESIDENTIAL		
					Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
PUBLIC WORKS	PW Administration	\$4,596,665	0.42%	POP AND JOBS	\$3,569,339	1,155,495	\$3.09	\$1,027,326	796,245	\$1.29
	PW Housing, Community Works & Trans	\$28,754,861	2.66%	POPULATION	\$28,754,861	1,155,495	\$24.89	\$0	N/A	\$0.00
	PW Management Support	\$2,740,680	0.25%	POP AND JOBS	\$2,128,155	1,155,495	\$1.84	\$612,525	796,245	\$0.77
	PW Transportation	\$34,843,351	3.22%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00
PUBLIC SAFETY	County Attorney's Ofc-Criminal	\$23,066,841	2.13%	POP AND JOBS	\$17,911,546	1,155,495	\$15.50	\$5,155,295	796,245	\$6.47
	County Attorney's Ofc-Civil/Admin	\$19,156,510	1.77%	POPULATION	\$19,156,510	1,155,495	\$16.58	\$0	N/A	\$0.00
	County Court Functions	\$2,294,000	0.21%	POPULATION	\$2,294,000	1,155,495	\$1.99	\$0	N/A	\$0.00
	Law Library	\$1,689,595	0.16%	POPULATION	\$1,689,595	1,155,495	\$1.46	\$0	N/A	\$0.00
	Public Defender	\$15,868,047	1.47%	POPULATION	\$15,868,047	1,155,495	\$13.73	\$0	N/A	\$0.00
	Sheriff's Ofc-Communications	\$14,229,229	1.31%	POP AND NONRES TRIPS	\$11,049,085	1,155,495	\$9.56	\$3,180,144	2,280,646	\$1.39
	Sheriff's Ofc-Enforcement Services	\$10,978,139	1.01%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Sheriff's Ofc-Forensic Sciences	\$3,704,208	0.34%	POP AND NONRES TRIPS	\$2,876,341	1,155,495	\$2.49	\$827,867	2,280,646	\$0.36
	Sheriff's Ofc-Violent Crime Initiative	\$2,095,814	0.19%	POP AND NONRES TRIPS	\$1,627,413	1,155,495	\$1.41	\$468,401	2,280,646	\$0.21
	Sheriff's Ofc-Investigative	\$4,646,663	0.43%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Sheriff's Ofc-Administrative	\$6,409,175	0.59%	POP AND NONRES TRIPS	\$4,976,764	1,155,495	\$4.31	\$1,432,411	2,280,646	\$0.63
	Sheriff's Ofc-Adult Detention	\$32,930,945	3.04%	POPULATION	\$32,930,945	1,155,495	\$28.50	\$0	N/A	\$0.00
	Sheriff's Ofc-Court Services	\$9,266,479	0.86%	POPULATION	\$9,266,479	1,155,495	\$8.02	\$0	N/A	\$0.00
	Sheriff's Ofc-Grants and Other Revenue	\$1,199,395	0.11%	POPULATION	\$1,199,395	1,155,495	\$1.04	\$0	N/A	\$0.00
	Community Corrections & Rehab	\$104,328,492	9.64%	POPULATION	\$104,328,492	1,155,495	\$90.29	\$0	N/A	\$0.00
HEALTH	NorthPoint Health and Wellness	\$25,728,300	2.38%	POPULATION	\$25,728,300	1,155,495	\$22.27	\$0	N/A	\$0.00
	Medical Examiner	\$3,792,015	0.35%	POPULATION	\$3,792,015	1,155,495	\$3.28	\$0	N/A	\$0.00
	Uncompensated Care	\$30,000,000	2.77%	POPULATION	\$30,000,000	1,155,495	\$25.96	\$0	N/A	\$0.00
	HCMC Intergovernmental Transfers	\$21,425,000	1.98%	POPULATION	\$21,425,000	1,155,495	\$18.54	\$0	N/A	\$0.00
GENERAL GOVT	Commissioners	\$2,711,829	0.25%	POP AND JOBS	\$2,494,883	1,155,495	\$2.16	\$216,946	796,245	\$0.27
	County Administration	\$2,843,822	0.26%	POP AND JOBS	\$2,616,316	1,155,495	\$2.26	\$227,506	796,245	\$0.29
	County Assessor	\$3,964,507	0.37%	POP AND JOBS	\$3,647,346	1,155,495	\$3.16	\$317,161	796,245	\$0.40
	Budget and Finance	\$16,112,551	1.49%	POP AND JOBS	\$14,823,547	1,155,495	\$12.83	\$1,289,004	796,245	\$1.62
	Research, Planning and Development	\$3,017,669	0.28%	POP AND JOBS	\$2,776,255	1,155,495	\$2.40	\$241,414	796,245	\$0.30
	Information Technology	\$8,984,752	0.83%	POP AND JOBS	\$8,265,972	1,155,495	\$7.15	\$718,780	796,245	\$0.90
	Property Services	\$43,456,553	4.01%	POP AND JOBS	\$39,980,029	1,155,495	\$34.60	\$3,476,524	796,245	\$4.37
	Taxpayer Services	\$27,081,971	2.50%	POP AND JOBS	\$24,915,413	1,155,495	\$21.56	\$2,166,558	796,245	\$2.72
	Human Resources	\$6,885,782	0.64%	POP AND JOBS	\$6,334,919	1,155,495	\$5.48	\$550,863	796,245	\$0.69
	Public Affairs	\$2,266,635	0.21%	POP AND JOBS	\$2,085,304	1,155,495	\$1.80	\$181,331	796,245	\$0.23
	Internal Audit	\$2,075,856	0.19%	POP AND JOBS	\$1,909,788	1,155,495	\$1.65	\$166,068	796,245	\$0.21
	Examiner of Titles	\$898,877	0.08%	POP AND JOBS	\$826,967	1,155,495	\$0.72	\$71,910	796,245	\$0.09
	Computer Forensics Unit	\$690,685	0.06%	POP AND JOBS	\$635,430	1,155,495	\$0.55	\$55,255	796,245	\$0.07
	General County Purposes	\$37,961,032	3.51%	POP AND JOBS	\$34,924,149	1,155,495	\$30.22	\$3,036,883	796,245	\$3.81
HUMAN SERVICES	Human Services	\$450,853,160	41.64%	POPULATION	\$450,853,160	1,155,495	\$390.18	\$0	N/A	\$0.00
LIBRARY	Library	\$69,190,562	6.39%	POPULATION	\$69,190,562	1,155,495	\$59.88	\$0	N/A	\$0.00
Total Expenditures		\$1,082,740,647	100.00%							

\$22,773

Figure 50 DEVELOPED CITY Expenditure Projection Methodologies: COUNTY Capital Expenditures

					RESIDENTIAL			NONRESIDENTIAL			
					Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor	
PUBLIC WORKS	TRANSPORTATION-PayGo	\$31,416,000	73%	LANE MILES	\$15,253,824	2,152,468	\$7.09	\$16,162,176	2,280,646	\$7.09	\$20,533
	TRANSPORTATION-Debt Service	\$1,105,000	3%	LANE MILES	\$536,525	2,152,468	\$0.25	\$568,475	2,280,646	\$0.25	\$722
	Housing, Community Works & Transit-Pa	\$350,000	1%	POPULATION	\$350,000	1,155,495	\$0.30	\$0	N/A	\$0.00	
	Housing, Community Works & Transit-D	\$585,000	1%	POPULATION	\$585,000	1,155,495	\$0.51	\$0	N/A	\$0.00	
	Enviro Services-PayGo	\$0	0%	POP AND JOBS	\$0	1,155,495	\$0.00	\$0	796,245	\$0.00	
	Enviro Services-Debt Service	\$100,000	0%	POP AND JOBS	\$77,651	1,155,495	\$0.07	\$22,349	796,245	\$0.03	
PUBLIC SAFETY	District Court-PayGo	\$0	0%	POPULATION	\$0	1,155,495	\$0.00	\$0	N/A	\$0.00	
	District Court-Debt Service	\$33,000	0%	POPULATION	\$33,000	1,155,495	\$0.03	\$0	N/A	\$0.00	
	Comm Corrections/Rehab-PayGo	\$0	0%	POPULATION	\$0	1,155,495	\$0.00	\$0	N/A	\$0.00	
	Comm Corrections/Rehab-Debt Service	\$220,000	1%	POPULATION	\$220,000	1,155,495	\$0.19	\$0	N/A	\$0.00	
	Sheriff-PayGo	\$0	0%	POP AND JOBS	\$0	1,155,495	\$0.00	\$0	796,245	\$0.00	
	Sheriff-Debt	\$43,000	0%	POP AND JOBS	\$39,362	1,155,495	\$0.03	\$3,638	796,245	\$0.00	
HEALTH	Medical Center-PayGo	\$6,220,000	14%	POPULATION	\$6,220,000	1,155,495	\$5.38	\$0	N/A	\$0.00	
	Medical Center-Debt Service	\$737,000	2%	POPULATION	\$737,000	1,155,495	\$0.64	\$0	N/A	\$0.00	
LIBRARIES	Libraries-PayGo	\$0	0%	POPULATION	\$0	1,155,495	\$0.00	\$0	N/A	\$0.00	
	Libraries-Debt Service	\$673,000	2%	POPULATION	\$673,000	1,155,495	\$0.58	\$0	N/A	\$0.00	
HUMAN SERVICES	Human Services-PayGo	\$125,000	0%	POPULATION	\$125,000	1,155,495	\$0.11	\$0	N/A	\$0.00	
	Human Services-Debt Service	\$316,000	1%	POPULATION	\$316,000	1,155,495	\$0.27	\$0	N/A	\$0.00	
GENERAL GOVT	General Govt-PayGo	\$536,000	1%	POP AND JOBS	\$493,120	1,155,495	\$0.43	\$42,880	796,245	\$0.05	
	General Govt-Debt Service	\$797,000	2%	POP AND JOBS	\$733,240	1,155,495	\$0.63	\$63,760	796,245	\$0.08	
Total Capital Expenditures		\$43,256,000	100%								

Expenditure Outputs by Prototype

The following section provides further detail on expenditure outputs for each of the prototype land uses within the study jurisdictions for the County level of government.

Figure 51. DEVELOPED CITY Expenditures per Prototype: COUNTY OUTPUTS for Operating Expenditures

	EXPENDITURE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family High Value	Single Family Median Value	Single Family Low Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
PUBLIC WORKS	PW Administration	\$7.91	\$7.91	\$7.91	\$5.00	\$5.00	\$3.23	\$4.77	\$2.31	\$4.77
	PW Housing, Community Works & Transit	\$63.71	\$63.71	\$63.71	\$40.31	\$40.31	\$0.00	\$0.00	\$0.00	\$0.00
	PW Management Support	\$4.71	\$4.71	\$4.71	\$2.98	\$2.98	\$1.92	\$2.84	\$1.38	\$2.84
	PW Transportation	\$65.84	\$65.84	\$65.84	\$45.75	\$45.75	\$51.36	\$15.29	\$4.38	\$15.29
PUBLIC SAFETY	County Attorney's Ofc-Criminal	\$39.68	\$39.68	\$39.68	\$25.11	\$25.11	\$16.19	\$23.93	\$11.61	\$23.93
	County Attorney's Ofc-Civil/Admin	\$42.44	\$42.44	\$42.44	\$26.86	\$26.86	\$0.00	\$0.00	\$0.00	\$0.00
	County Court Functions	\$5.08	\$5.08	\$5.08	\$3.22	\$3.22	\$0.00	\$0.00	\$0.00	\$0.00
	Law Library	\$3.74	\$3.74	\$3.74	\$2.37	\$2.37	\$0.00	\$0.00	\$0.00	\$0.00
	Public Defender	\$35.16	\$35.16	\$35.16	\$22.25	\$22.25	\$0.00	\$0.00	\$0.00	\$0.00
	Sheriff's Ofc-Communications	\$24.48	\$24.48	\$24.48	\$15.49	\$15.49	\$31.25	\$9.30	\$2.66	\$9.30
	Sheriff's Ofc-Enforcement Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Sheriff's Ofc-Forensic Sciences	\$6.37	\$6.37	\$6.37	\$4.03	\$4.03	\$8.13	\$2.42	\$0.69	\$2.42
	Sheriff's Ofc-Violent Crime Initiative	\$3.61	\$3.61	\$3.61	\$2.28	\$2.28	\$4.60	\$1.37	\$0.39	\$1.37
	Sheriff's Ofc-Investigative	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Sheriff's Ofc-Administrative	\$11.03	\$11.03	\$11.03	\$6.98	\$6.98	\$14.08	\$4.19	\$1.20	\$4.19
	Sheriff's Ofc-Adult Detention	\$72.96	\$72.96	\$72.96	\$46.17	\$46.17	\$0.00	\$0.00	\$0.00	\$0.00
	Sheriff's Ofc-Court Services	\$20.53	\$20.53	\$20.53	\$12.99	\$12.99	\$0.00	\$0.00	\$0.00	\$0.00
	Sheriff's Ofc-Grants and Other Revenues	\$2.66	\$2.66	\$2.66	\$1.68	\$1.68	\$0.00	\$0.00	\$0.00	\$0.00
	Community Corrections & Rehab	\$231.14	\$231.14	\$231.14	\$146.27	\$146.27	\$0.00	\$0.00	\$0.00	\$0.00
HEALTH	NorthPoint Health and Wellness	\$57.00	\$57.00	\$57.00	\$36.07	\$36.07	\$0.00	\$0.00	\$0.00	\$0.00
	Medical Examiner	\$8.40	\$8.40	\$8.40	\$5.32	\$5.32	\$0.00	\$0.00	\$0.00	\$0.00
	Uncompensated Care	\$66.47	\$66.47	\$66.47	\$42.06	\$42.06	\$0.00	\$0.00	\$0.00	\$0.00
	HCMC Intergovernmental Transfers	\$47.47	\$47.47	\$47.47	\$30.04	\$30.04	\$0.00	\$0.00	\$0.00	\$0.00
GENERAL GOVT	Commissioners	\$5.53	\$5.53	\$5.53	\$3.50	\$3.50	\$0.68	\$1.01	\$0.49	\$1.01
	County Administration	\$5.80	\$5.80	\$5.80	\$3.67	\$3.67	\$0.71	\$1.06	\$0.51	\$1.06
	County Assessor	\$8.08	\$8.08	\$8.08	\$5.11	\$5.11	\$1.00	\$1.47	\$0.71	\$1.47
	Budget and Finance	\$32.84	\$32.84	\$32.84	\$20.78	\$20.78	\$4.05	\$5.98	\$2.90	\$5.98
	Research, Planning and Development	\$6.15	\$6.15	\$6.15	\$3.89	\$3.89	\$0.76	\$1.12	\$0.54	\$1.12
	Information Technology	\$18.31	\$18.31	\$18.31	\$11.59	\$11.59	\$2.26	\$3.34	\$1.62	\$3.34
	Property Services	\$88.58	\$88.58	\$88.58	\$56.05	\$56.05	\$10.92	\$16.13	\$7.83	\$16.13
	Taxpayer Services	\$55.20	\$55.20	\$55.20	\$34.93	\$34.93	\$6.80	\$10.05	\$4.88	\$10.05
	Human Resources	\$14.04	\$14.04	\$14.04	\$8.88	\$8.88	\$1.73	\$2.56	\$1.24	\$2.56
	Public Affairs	\$4.62	\$4.62	\$4.62	\$2.92	\$2.92	\$0.57	\$0.84	\$0.41	\$0.84
	Internal Audit	\$4.23	\$4.23	\$4.23	\$2.68	\$2.68	\$0.52	\$0.77	\$0.37	\$0.77
	Examiner of Titles	\$1.83	\$1.83	\$1.83	\$1.16	\$1.16	\$0.23	\$0.33	\$0.16	\$0.33
	Computer Forensics Unit	\$1.41	\$1.41	\$1.41	\$0.89	\$0.89	\$0.17	\$0.26	\$0.12	\$0.26
	General County Purposes	\$77.37	\$77.37	\$77.37	\$48.96	\$48.96	\$9.54	\$14.09	\$6.84	\$14.09
	Human Services	\$998.87	\$998.87	\$998.87	\$632.09	\$632.09	\$0.00	\$0.00	\$0.00	\$0.00
	LIBRARY	\$153.29	\$153.29	\$153.29	\$97.00	\$97.00	\$0.00	\$0.00	\$0.00	\$0.00
	Total Expenditures	\$2,296.52	\$2,296.52	\$2,296.52	\$1,457.35	\$1,457.35	\$170.68	\$123.12	\$53.27	\$123.12

Figure 52. DEVELOPED CITY Expenditures per Prototype: COUNTY OUTPUTS for Capital Expenditures

		<i>Residential: Per Unit</i>					<i>Nonresidential: Per 1,000 Square Feet</i>			
		<i>Single Family High Value</i>	<i>Single Family Median Value</i>	<i>Single Family Low Value</i>	<i>Multifamily/Condo (Hmestd) Unit</i>	<i>Apt. Unit</i>	<i>Commercial/ Retail</i>	<i>Office</i>	<i>Industrial</i>	<i>Institutional</i>
PUBLIC WORKS	TRANSPORTATION-PayGo	\$59.36	\$59.36	\$59.36	\$41.25	\$41.25	\$46.31	\$13.78	\$3.95	\$13.78
	TRANSPORTATION-Debt Service	\$2.09	\$2.09	\$2.09	\$1.45	\$1.45	\$1.63	\$0.48	\$0.14	\$0.48
	Housing, Community Works & Transit-PayGo	\$0.78	\$0.78	\$0.78	\$0.49	\$0.49	\$0.00	\$0.00	\$0.00	\$0.00
	Housing, Community Works & Transit-Debt S	\$1.30	\$1.30	\$1.30	\$0.82	\$0.82	\$0.00	\$0.00	\$0.00	\$0.00
	Enviro Services-PayGo	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Enviro Services-Debt Service	\$0.17	\$0.17	\$0.17	\$0.11	\$0.11	\$0.07	\$0.10	\$0.05	\$0.10
PUBLIC SAFETY	District Court-PayGo	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	District Court-Debt Service	\$0.07	\$0.07	\$0.07	\$0.05	\$0.05	\$0.00	\$0.00	\$0.00	\$0.00
	Comm Corrections/Rehab-PayGo	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Comm Corrections/Rehab-Debt Service	\$0.49	\$0.49	\$0.49	\$0.31	\$0.31	\$0.00	\$0.00	\$0.00	\$0.00
	Sheriff-PayGo	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Sheriff-Debt	\$0.09	\$0.09	\$0.09	\$0.06	\$0.06	\$0.01	\$0.02	\$0.01	\$0.02
HEALTH	Medical Center-PayGo	\$13.78	\$13.78	\$13.78	\$8.72	\$8.72	\$0.00	\$0.00	\$0.00	\$0.00
	Medical Center-Debt Service	\$1.63	\$1.63	\$1.63	\$1.03	\$1.03	\$0.00	\$0.00	\$0.00	\$0.00
LIBRARIES	Libraries-PayGo	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Libraries-Debt Service	\$1.49	\$1.49	\$1.49	\$0.94	\$0.94	\$0.00	\$0.00	\$0.00	\$0.00
HUMAN SERVICES	Human Services-PayGo	\$0.28	\$0.28	\$0.28	\$0.18	\$0.18	\$0.00	\$0.00	\$0.00	\$0.00
	Human Services-Debt Service	\$0.70	\$0.70	\$0.70	\$0.44	\$0.44	\$0.00	\$0.00	\$0.00	\$0.00
GENERAL GOVT	General Govt-PayGo	\$1.09	\$1.09	\$1.09	\$0.69	\$0.69	\$0.13	\$0.20	\$0.10	\$0.20
	General Govt-Debt Service	\$1.62	\$1.62	\$1.62	\$1.03	\$1.03	\$0.20	\$0.30	\$0.14	\$0.30
Total Capital Expenditures		\$84.94	\$84.94	\$84.94	\$57.57	\$57.57	\$48.35	\$14.88	\$4.38	\$14.88

SCHOOL DISTRICT REVENUES

Methodologies & Levels of Service

The section provides detail on operating and capital revenue projection methodologies for the **Schools** level of government. The following figures show base year operating and capital revenue amounts, methodologies, and prototype factors.

Figure 53. DEVELOPED CITY Revenue Projection Methodologies: SCHOOLS Operating Revenues

Revenues										
REVENUES										
MN Fiscal Disparities: Cost of Land Use										
SCHOOL DISTRICT REVENUES										
Revenue Category		FY 2011 Amount	Percent of Total	Prototype Methodology	RESIDENTIAL			NONRESIDENTIAL		
					Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
General Fund	Local Property Taxes	\$27,130,869	20.29%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Other Local and County Revenues	\$3,596,576	2.69%	TOTAL ENROLLMENT	\$3,596,576	10,357	\$347.26	\$0.00	N/A	\$0.00
	Revenue from State Sources	\$71,305,332	53.33%	TOTAL ENROLLMENT	\$71,305,332	10,357	\$6,884.75	\$0.00	N/A	\$0.00
	Revenue from Federal Sources	\$12,228,711	9.15%	TOTAL ENROLLMENT	\$12,228,711	10,357	\$1,180.72	\$0.00	N/A	\$0.00
	Sales and Other Conversion of Assets	\$51,543	0.04%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Interdistrict Revenue	\$142,876	0.11%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Nonmajor Funds	Local Property Taxes	\$4,386,360	3.28%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Other Local and County Revenues	\$5,751,314	4.30%	TOTAL ENROLLMENT	\$5,751,314	10,357	\$555.31	\$0.00	N/A	\$0.00
	Revenue from State Sources	\$3,282,846	2.46%	TOTAL ENROLLMENT	\$3,282,846	10,357	\$316.97	\$0.00	N/A	\$0.00
	Revenue from Federal Sources	\$2,512,044	1.88%	TOTAL ENROLLMENT	\$2,512,044	10,357	\$242.55	\$0.00	N/A	\$0.00
	Sales and Other Conversion of Assets	\$2,505,378	1.87%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Interdistrict Revenue	\$818,966	0.61%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
TOTAL		\$133,712,815	100.00%							

Figure 54. DEVELOPED CITY Revenue Projection Methodologies: SCHOOLS Capital Revenues

					RESIDENTIAL			NONRESIDENTIAL		
Revenue Category		FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
Debt Service Fund	Local Property Taxes	\$8,778,231	67.9%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Other Local and County Revenues	\$2,766,114	21.4%	TOTAL ENROLLMENT	\$2,766,114	10,357	\$267.08	\$0.00	N/A	\$0.00
	Revenue from State Sources	\$1,387,993	10.7%	TOTAL ENROLLMENT	\$1,387,993	10,357	\$134.01	\$0.00	N/A	\$0.00
TOTAL		\$12,932,338	100.00%							

Revenue Outputs by Prototype

The following section provides further detail on revenue outputs for each of the prototype land uses within the study jurisdictions for the **Schools** level of government. Revenue outputs are shown first with Fiscal Disparities and then without the program.

Figure 55. DEVELOPED CITY Revenues per Prototype: SCHOOLS OUTPUTS for Operating Revenues with Fiscal Disparities

REVENUE Category		Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family High Value	Single Family Medium Value	Single Family Low Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/Retail	Office	Industrial	Institutional
General Fund	Local Property Taxes	\$871.52	\$479.99	\$349.47	\$349.47	\$213.62	\$233.43	\$207.60	\$142.19	\$0.00
	Other Local and County Revenues	\$146.47	\$146.47	\$146.47	\$46.04	\$46.04	\$0.00	\$0.00	\$0.00	\$0.00
	Revenue from State Sources	\$2,903.99	\$2,903.99	\$2,903.99	\$912.78	\$912.78	\$0.00	\$0.00	\$0.00	\$0.00
	Revenue from Federal Sources	\$498.03	\$498.03	\$498.03	\$156.54	\$156.54	\$0.00	\$0.00	\$0.00	\$0.00
	Sales and Other Conversion of Asset	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Interdistrict Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Nonmajor Funds	Local Property Taxes	\$140.91	\$77.61	\$56.50	\$56.50	\$34.54	\$37.74	\$33.56	\$22.99	\$0.00
	Other Local and County Revenues	\$234.23	\$234.23	\$234.23	\$73.62	\$73.62	\$0.00	\$0.00	\$0.00	\$0.00
	Revenue from State Sources	\$133.70	\$133.70	\$133.70	\$42.02	\$42.02	\$0.00	\$0.00	\$0.00	\$0.00
	Revenue from Federal Sources	\$102.31	\$102.31	\$102.31	\$32.16	\$32.16	\$0.00	\$0.00	\$0.00	\$0.00
	Sales and Other Conversion of Asset	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Interdistrict Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL		\$5,031.15	\$4,576.31	\$4,424.70	\$1,669.15	\$1,511.32	\$271.17	\$241.16	\$165.18	\$0.00
Fiscal Disparities Revenue Allocation		\$55	\$95	\$127	\$51	\$102	\$0	\$0	\$0	\$0
GRAND TOTAL		\$5,085.65	\$4,671.69	\$4,551.87	\$1,720.07	\$1,613.17	\$271.17	\$241.16	\$165.18	\$0.00

Figure 56. DEVELOPED CITY Revenues per Prototype: SCHOOLS OUTPUTS for Operating Revenues without Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family High Value	Single Family Medium Value	Single Family Low Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
General Fund	Local Property Taxes	\$825.10	\$452.95	\$328.89	\$328.89	\$201.23	\$323.04	\$287.32	\$196.63	\$0.00
	Other Local and County Revenues	\$146.47	\$146.47	\$146.47	\$46.04	\$46.04	\$0.00	\$0.00	\$0.00	\$0.00
	Revenue from State Sources	\$2,903.99	\$2,903.99	\$2,903.99	\$912.78	\$912.78	\$0.00	\$0.00	\$0.00	\$0.00
	Revenue from Federal Sources	\$498.03	\$498.03	\$498.03	\$156.54	\$156.54	\$0.00	\$0.00	\$0.00	\$0.00
	Sales and Other Conversion of Asset	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Interdistrict Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Nonmajor Funds	Local Property Taxes	\$133.41	\$73.23	\$53.18	\$53.18	\$32.54	\$52.23	\$46.45	\$31.79	\$0.00
	Other Local and County Revenues	\$234.23	\$234.23	\$234.23	\$73.62	\$73.62	\$0.00	\$0.00	\$0.00	\$0.00
	Revenue from State Sources	\$133.70	\$133.70	\$133.70	\$42.02	\$42.02	\$0.00	\$0.00	\$0.00	\$0.00
	Revenue from Federal Sources	\$102.31	\$102.31	\$102.31	\$32.16	\$32.16	\$0.00	\$0.00	\$0.00	\$0.00
	Sales and Other Conversion of Asset	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Interdistrict Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL		\$4,977.23	\$4,544.90	\$4,400.79	\$1,645.24	\$1,496.94	\$375.27	\$333.77	\$228.42	\$0.00

Figure 57. DEVELOPED CITY Revenues per Prototype: SCHOOLS OUTPUTS for Capital Revenues with Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family High Value	Single Family Medium Value	Single Family Low Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
	Local Property Taxes	\$281.98	\$155.30	\$113.07	\$113.07	\$69.12	\$75.53	\$67.17	\$46.01	\$0.00
	Other Local and County Revenues	\$112.65	\$112.65	\$112.65	\$35.41	\$35.41	\$0.00	\$0.00	\$0.00	\$0.00
	Revenue from State Sources	\$56.53	\$56.53	\$56.53	\$17.77	\$17.77	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL		\$451.16	\$324.48	\$282.25	\$166.25	\$122.29	\$75.53	\$67.17	\$46.01	\$0.00

Figure 58. DEVELOPED CITY Revenues per Prototype: SCHOOLS OUTPUTS for Capital Revenues without Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family High Value	Single Family Medium Value	Single Family Low Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
	Local Property Taxes	\$266.96	\$146.55	\$106.41	\$106.41	\$65.11	\$104.52	\$92.96	\$63.62	\$0.00
	Other Local and County Revenues	\$112.65	\$112.65	\$112.65	\$35.41	\$35.41	\$0.00	\$0.00	\$0.00	\$0.00
	Revenue from State Sources	\$56.53	\$56.53	\$56.53	\$17.77	\$17.77	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL		\$436.14	\$315.73	\$275.59	\$159.59	\$118.29	\$104.52	\$92.96	\$63.62	\$0.00

SCHOOL DISTRICT EXPENDITURES

Methodologies & Levels of Service

The section provides detail on operating and capital expenditure projection methodologies for the **Schools** level of government. The following figures provide base year expenditure amounts, methodologies, and prototype factors for operating and capital expenditures.

Figure 59. DEVELOPED CITY Expenditure Projection Methodologies: SCHOOLS Operating Expenditures

EXPENDITURES											
EXPENDITURES											
MN Fiscal Disparities: Cost of Land Use											
SCHOOL DISTRICT EXPENDITURES											
				RESIDENTIAL			NONRESIDENTIAL				
Expenditure Category		FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor	
GENERAL FUND	Administration	\$5,171,052	4.05%	TOTAL ENROLLMENT	\$5,171,052	10,357	\$499.28	\$0.00	N/A	\$0.00	
	District Support Services	\$3,841,929	3.01%	TOTAL ENROLLMENT	\$3,841,929	10,357	\$370.95	\$0.00	N/A	\$0.00	
	Elem and Sec Regular Instruction	\$48,422,835	37.93%	TOTAL ENROLLMENT	\$48,422,835	10,357	\$4,675.37	\$0.00	N/A	\$0.00	
	Vocational Educ Instruction	\$1,910,756	1.50%	TOTAL ENROLLMENT	\$1,910,756	10,357	\$184.49	\$0.00	N/A	\$0.00	
	Special Education Instruction	\$19,999,289	15.66%	TOTAL ENROLLMENT	\$19,999,289	10,357	\$1,930.99	\$0.00	N/A	\$0.00	
	Instructional Support Services	\$5,885,415	4.61%	TOTAL ENROLLMENT	\$5,885,415	10,357	\$568.25	\$0.00	N/A	\$0.00	
	Pupil Support Services	\$8,055,843	6.31%	TOTAL ENROLLMENT	\$8,055,843	10,357	\$777.82	\$0.00	N/A	\$0.00	
	Sites and Buildings	\$7,729,966	6.05%	TOTAL ENROLLMENT	\$7,729,966	10,357	\$746.35	\$0.00	N/A	\$0.00	
	Fiscal and Other Fixed Cost Program	\$230,310	0.18%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00	
NONMAJOR FUNDS	Sites and Buildings	\$941,919	0.74%	TOTAL ENROLLMENT	\$941,919	10,357	\$90.95	\$0.00	N/A	\$0.00	
	Food Service	\$5,072,194	3.97%	TOTAL ENROLLMENT	\$5,072,194	10,357	\$489.74	\$0.00	N/A	\$0.00	
	Community Education and Services	\$11,620,129	9.10%	TOTAL ENROLLMENT	\$11,620,129	10,357	\$1,121.96	\$0.00	N/A	\$0.00	
CAPITAL OUTLAY	Capital Outlay	\$8,798,560	6.89%	TOTAL ENROLLMENT	\$8,798,560	10,357	\$849.53	\$0.00	N/A	\$0.00	
Total School Operating Expenditures		\$127,680,197	100.00%				\$12,306				

Figure 60 DEVELOPED CITY Expenditure Projection Methodologies: SCHOOLS Capital Expenditures

	FY 2011 Amount	Percent of Total	Prototype Methodology	RESIDENTIAL			NONRESIDENTIAL		
				Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
Principal	\$5,525,000	36%	TOTAL ENROLLMENT	\$5,525,000	10,357	\$533.46	\$0.00	N/A	\$0.00
Interest	\$9,664,923	64%	TOTAL ENROLLMENT	\$9,664,923	10,357	\$933.18	\$0.00	N/A	\$0.00
Total School Capital Expenditures	\$15,189,923	100%				\$1,466.63			

Expenditure Outputs by Prototype

The following section provides further detail on expenditure outputs for each of the prototype land uses within the study jurisdictions for the County level of government.

Figure 61. DEVELOPED CITY Expenditures per Prototype: SCHOOLS OUTPUTS for Operating Expenditures

	EXPENDITURE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family High Value	Single Family Median Value	Single Family Low Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
GENERAL FUND	Administration	\$210.60	\$210.60	\$210.60	\$66.19	\$66.19	\$0.00	\$0.00	\$0.00	\$0.00
	District Support Services	\$156.47	\$156.47	\$156.47	\$49.18	\$49.18	\$0.00	\$0.00	\$0.00	\$0.00
	Elem and Sec Regular Instruction	\$1,972.07	\$1,972.07	\$1,972.07	\$619.86	\$619.86	\$0.00	\$0.00	\$0.00	\$0.00
	Vocational Educ Instruction	\$77.82	\$77.82	\$77.82	\$24.46	\$24.46	\$0.00	\$0.00	\$0.00	\$0.00
	Special Education Instruction	\$814.49	\$814.49	\$814.49	\$256.01	\$256.01	\$0.00	\$0.00	\$0.00	\$0.00
	Instructional Support Services	\$239.69	\$239.69	\$239.69	\$75.34	\$75.34	\$0.00	\$0.00	\$0.00	\$0.00
	Pupil Support Services	\$328.08	\$328.08	\$328.08	\$103.12	\$103.12	\$0.00	\$0.00	\$0.00	\$0.00
	Sites and Buildings	\$314.81	\$314.81	\$314.81	\$98.95	\$98.95	\$0.00	\$0.00	\$0.00	\$0.00
	Fiscal and Other Fixed Cost Progra	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NONMAJOR FUNDS	Sites and Buildings	\$38.36	\$38.36	\$38.36	\$12.06	\$12.06	\$0.00	\$0.00	\$0.00	\$0.00
	Food Service	\$206.57	\$206.57	\$206.57	\$64.93	\$64.93	\$0.00	\$0.00	\$0.00	\$0.00
	Community Education and Services	\$473.24	\$473.24	\$473.24	\$148.75	\$148.75	\$0.00	\$0.00	\$0.00	\$0.00
CAPITAL OUTLAY	Capital Outlay	\$358.33	\$358.33	\$358.33	\$112.63	\$112.63	\$0.00	\$0.00	\$0.00	\$0.00
	Total School Operating Expenditures	\$5,190.53	\$5,190.53	\$5,190.53	\$1,631.49	\$1,631.49	\$0.00	\$0.00	\$0.00	\$0.00

Figure 62. DEVELOPED CITY Expenditures per Prototype: SCHOOLS OUTPUTS for Capital Expenditures

	<i>Residential: Per Unit</i>					<i>Nonresidential: Per 1,000 Square Feet</i>			
	<i>Single Family High Value</i>	<i>Single Family Median Value</i>	<i>Single Family Low Value</i>	<i>Multifamily/Condo (Hmestd) Unit</i>	<i>Apt. Unit</i>	<i>Commercial/ Retail</i>	<i>Office</i>	<i>Industrial</i>	<i>Institutional</i>
Principal	\$225.01	\$225.01	\$225.01	\$70.73	\$70.73	\$0.00	\$0.00	\$0.00	\$0.00
Interest	\$393.61	\$393.61	\$393.61	\$123.72	\$123.72	\$0.00	\$0.00	\$0.00	\$0.00
Total School Capital Expenditures	\$618.63	\$618.63	\$618.63	\$194.45	\$194.45	\$0.00	\$0.00	\$0.00	\$0.00

CASE EXAMPLE 3: DEVELOPING CITY (NET RECIPIENT)

PROTOTYPE DETAIL

Details on pertinent data for the residential and nonresidential prototypes included in the study are shown below.

Figure 63. DEVELOPING CITY Prototype Detail

	Land Use Prototype	Market Value Per Unit [1]	Persons Per Unit [2]	Students Per Unit [3]	Vehicle Trips Per Unit [4]
1	Single Family (SF) (Homestead)	\$350,000	3.21	0.480	4.79
2	Single Family (SF) (Homestead)	\$250,000	3.21	0.480	4.79
3	Single Family (SF) (Homestead)	\$150,000	3.21	0.480	4.79
4	Multifamily/Condo (Homestead)	\$150,000	1.84	0.305	3.33
5	Apartment (4+ Units)	\$75,000	1.84	0.305	3.33

[1] Met Council Database; TischlerBise analysis

[2] U.S. Census, American Community Survey, 2005-09 Five-Yr Estimates

[3] U.S. Census, American Community Survey, 2005-2009 Five-Yr PUMS Estimates for Anoka County; TischlerBise analysis

[4] Trip Generation, Institute of Transportation Engineers, 2008. Trip rate is adjusted to account for portion attributable to residential unit.

	Land Use Prototype [1]	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Employees Per 1,000 SF [3]	Vehicle Trips Per 1,000 SF [4]
1	Commercial/Retail	\$90	15,000	\$1,350,000	3.03	30.89
2	Offices	\$55	20,000	\$1,100,000	4.14	9.18
3	Industrial	\$45	30,000	\$1,350,000	1.79	1.91
4	Institutional (Tax-Exempt)	\$55	20,000	\$1,100,000	4.14	9.18

[1] Met Council Database; TischlerBise analysis;

[2] Tax capacity based on state formulas by land use classification

[3] Institute of Transportation Engineers; Urban Land Institute

[4] Trip Generation, Institute of Transportation Engineers, 2008. Trip rate is adjusted to account for portion attributable to nonresidential.

CITY REVENUES

Methodologies & Levels of Service

The section provides detail on operating and capital revenue projection methodologies for the **City** level of government. The following figures show base year operating and capital revenue amounts, methodologies, and prototype factors.

Figure 64. DEVELOPING CITY Revenue Projection Methodologies: CITY Operating Revenues

PROPORTIONATE SHARE FACTORS

Residential 96%

Nonresidential 4%

Revenues

REVENUES

MN Fiscal Disparities: Cost of Land Use

CITY REVENUES

				RESIDENTIAL			NONRESIDENTIAL		
Revenue Category	FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
GENERAL FUND									
Property Taxes	\$7,217,219	79.68%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
License and Permits	\$250,080	2.76%	POP AND JOBS	\$238,856	30,598	\$7.81	\$11,224	3,930	\$2.86
Intergovernmental Revenue	\$558,215	6.16%	POPULATION	\$558,215	30,598	\$18.24	\$0	N/A	\$0.00
Charges for Services	\$580,200	6.41%	POP AND JOBS	\$554,160	30,598	\$18.11	\$26,040	3,930	\$6.63
Fines & Forfeits	\$105,750	1.17%	POP AND JOBS	\$101,004	30,598	\$3.30	\$4,746	3,930	\$1.21
Investment Income	\$65,000	0.72%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Miscellaneous Revenues	\$84,900	0.94%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Transfers from Other Funds	\$196,930	2.17%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
TOTAL	\$9,058,294	100.00%							

Figure 65. DEVELOPING CITY Revenue Projection Methodologies: CITY Capital Revenues

Revenue Category		FY 2011 Amount	Percent of Total	Prototype Methodology	RESIDENTIAL			NONRESIDENTIAL		
					Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
Debt Service	Property Taxes	\$1,929,112	16.03%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Intergovernmental Revenue	\$236,009	1.96%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Investment Income	\$716,209	5.95%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Transfers In	\$2,883,239	23.96%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Capital Projects	Property Taxes	\$1,181,385	9.82%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Tax Increments	\$1,654,699	13.75%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Special Assessments	\$627,000	5.21%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Intergovernmental Revenue (Roa	\$977,497	8.12%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00
	Investment Income	\$147,000	1.22%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	User Charges	\$139,711	1.16%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Miscellaneous	\$12,000	0.10%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Transfers In	\$1,196,172	9.94%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Bond Proceeds	\$335,000	2.78%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
TOTAL		\$12,035,033	100.00%							

\$2,525.83

Revenue Outputs by Prototype

The following section provides further detail on revenue outputs for each of the prototype land uses within the study jurisdictions for the **City** level of government. Revenue outputs are shown first with Fiscal Disparities and then without the program.

Figure 66. DEVELOPING CITY Revenues per Prototype: CITY OUTPUTS for Operating Revenues with Fiscal Disparities

REVENUE Category	Residential: Per Unit						Nonresidential: Per 1,000 Square Feet			
	Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit		Commercial/ Retail	Office	Industrial	Institutional
Property Taxes	\$916.07	\$626.58	\$337.09	\$337.09	\$249.39		\$265.26	\$161.05	\$132.63	\$0.00
License and Permits	\$25.06	\$25.06	\$25.06	\$14.36	\$14.36		\$8.65	\$11.83	\$5.12	\$11.83
Intergovernmental Revenue	\$58.56	\$58.56	\$58.56	\$33.57	\$33.57		\$0.00	\$0.00	\$0.00	\$0.00
Charges for Services	\$58.14	\$58.14	\$58.14	\$33.32	\$33.32		\$20.08	\$27.45	\$11.88	\$27.45
Fines & Forfeits	\$10.60	\$10.60	\$10.60	\$6.07	\$6.07		\$3.66	\$5.00	\$2.17	\$5.00
Investment Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous Revenues	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
Transfers from Other Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
TOTAL	\$1,068.43	\$778.93	\$489.44	\$424.42	\$336.72		\$297.65	\$205.33	\$151.80	\$44.28
Fiscal Disparities Revenue Allocation	\$146	\$205	\$342	\$112	\$225		\$0	\$0	\$0	\$0
GRAND TOTAL	\$1,214.92	\$984.03	\$831.27	\$536.73	\$561.34		\$297.65	\$205.33	\$151.80	\$44.28

Figure 67. DEVELOPING CITY Revenues per Prototype: CITY OUTPUTS for Operating Revenues without Fiscal Disparities

REVENUE Category	Residential: Per Unit						Nonresidential: Per 1,000 Square Feet			
	Single Family High Value	Single Family Medium Value	Single Family Low Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit		Commercial/ Retail	Office	Industrial	Institutional
Property Taxes	\$1,057.72	\$728.26	\$398.81	\$398.81	\$287.25		\$536.21	\$325.55	\$268.10	\$0.00
License and Permits	\$25.06	\$25.06	\$25.06	\$14.36	\$14.36		\$8.65	\$11.83	\$5.12	\$11.83
Intergovernmental Revenue	\$58.56	\$58.56	\$58.56	\$33.57	\$33.57		\$0.00	\$0.00	\$0.00	\$0.00
Charges for Services	\$58.14	\$58.14	\$58.14	\$33.32	\$33.32		\$20.08	\$27.45	\$11.88	\$27.45
Fines & Forfeits	\$10.60	\$10.60	\$10.60	\$6.07	\$6.07		\$3.66	\$5.00	\$2.17	\$5.00
Investment Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous Revenues	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
Transfers from Other Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
TOTAL	\$1,210.07	\$880.61	\$551.16	\$486.14	\$374.58		\$568.60	\$369.83	\$287.27	\$44.28

Figure 68. DEVELOPING CITY Revenues per Prototype: CITY OUTPUTS for Capital Revenues with Fiscal Disparities

REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
	Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
Property Taxes	\$405.53	\$277.38	\$149.22	\$149.22	\$110.40	\$117.43	\$71.30	\$58.71	\$0.00
Intergovernmental Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Investment Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Property Taxes	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tax Increments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Special Assessments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Intergovernmental Revenue (Roads)	\$83.64	\$83.64	\$83.64	\$58.12	\$58.12	\$206.64	\$61.38	\$12.78	\$61.38
Investment Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
User Charges	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Bond Proceeds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL	\$405.53	\$277.38	\$149.22	\$149.22	\$110.40	\$117.43	\$71.30	\$58.71	\$0.00

Figure 69. DEVELOPING CITY Revenues per Prototype: CITY OUTPUTS for Capital Revenues without Fiscal Disparities

REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
	Single Family High Value	Single Family Medium Value	Single Family Low Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
Property Taxes	\$468.24	\$322.39	\$176.55	\$176.55	\$127.16	\$237.37	\$144.12	\$118.69	\$0.00
Intergovernmental Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Investment Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Property Taxes	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tax Increments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Special Assessments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Intergovernmental Revenue	\$83.64	\$83.64	\$83.64	\$58.12	\$58.12	\$206.64	\$61.38	\$12.78	\$61.38
Investment Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
User Charges	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Bond Proceeds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL	\$468.24	\$322.39	\$176.55	\$176.55	\$127.16	\$237.37	\$144.12	\$118.69	\$0.00

CITY EXPENDITURES

Methodologies & Levels of Service

The section provides detail on operating and capital expenditure projection methodologies for the **City** level of government. The following figures provide base year expenditure amounts, methodologies, and prototype factors. Most expenditures are based on either Population or a combination of Population and Jobs or Population and Trips (nonresidential trips). Capital expenditures are shown separately.

Figure 70. DEVELOPING CITY Expenditure Projection Methodologies: CITY Operating Expenditures

PROPORTIONATE SHARE FACTORS				
RES/EMPS	Residential	96%	Nonresidential	4%
TRIPS	Residential	68%	Nonresidential	32%

EXPENDITURES

Expenditures

MN Fiscal Disparities: Cost of Land Use

CITY EXPENDITURES

Expenditure Category		FY 2011 Amount	Percent of Total	Prototype Methodology	RESIDENTIAL			NONRESIDENTIAL			
					Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor	
GENERAL GOVT	Mayor and Council	\$106,956	1.17%	POP AND JOBS	\$102,156	30,598	\$3.34	\$4,800	3,930	\$1.22	
	Administration	\$138,157	1.51%	POP AND JOBS	\$131,956	30,598	\$4.31	\$6,201	3,930	\$1.58	
	Newsletter	\$27,500	0.30%	POP AND JOBS	\$26,266	30,598	\$0.86	\$1,234	3,930	\$0.31	
	Human Resources	\$36,221	0.40%	POP AND JOBS	\$34,595	30,598	\$1.13	\$1,626	3,930	\$0.41	
	Attorney	\$178,300	1.95%	POP AND JOBS	\$170,298	30,598	\$5.57	\$8,002	3,930	\$2.04	
	City Clerk	\$103,333	1.13%	POP AND JOBS	\$98,695	30,598	\$3.23	\$4,638	3,930	\$1.18	
	Elections	\$6,750	0.07%	POPULATION	\$6,750	30,598	\$0.22	\$0	N/A	\$0.00	
	Finance	\$212,967	2.33%	POP AND JOBS	\$203,409	30,598	\$6.65	\$9,558	3,930	\$2.43	
	Assessing	\$152,500	1.67%	POP AND JOBS	\$145,656	30,598	\$4.76	\$6,844	3,930	\$1.74	
	Info Services	\$149,871	1.64%	POP AND JOBS	\$102,573	47,534	\$2.16	\$47,298	21,919	\$2.16	
	Planning and Zoning	\$355,258	3.89%	POP AND JOBS	\$339,314	30,598	\$11.09	\$15,944	3,930	\$4.06	
	Engineering	\$413,408	4.53%	POP AND JOBS	\$394,854	30,598	\$12.90	\$18,554	3,930	\$4.72	
	Facility Management	\$543,739	5.96%	POP AND JOBS	\$519,336	30,598	\$16.97	\$24,403	3,930	\$6.21	
PUBLIC SAFETY	Police	\$2,615,407	28.66%	POP AND NONRES TRIPS	\$2,498,026	30,598	\$81.64	\$117,381	21,919	\$5.36	FORMULA
	Fire	\$1,077,084	11.80%	POP AND NONRES TRIPS	\$1,028,744	30,598	\$33.62	\$48,340	21,919	\$2.21	FORMULA
	Protective Inspection	\$363,789	3.99%	POP AND JOBS	\$347,462	30,598	\$11.36	\$16,327	3,930	\$4.15	
	Civil Defense	\$16,463	0.18%	POPULATION	\$16,463	30,598	\$0.54	\$0	N/A	\$0.00	
	Animal Control	\$9,970	0.11%	POPULATION	\$9,970	30,598	\$0.33	\$0	N/A	\$0.00	
PUBLIC WORKS	Streets and Highways	\$578,050	6.33%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00	\$1,493.67
	Snow and Ice Removal	\$489,315	5.36%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00	\$1,264.38
	Street Signs	\$196,712	2.16%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00	\$508.30
	Traffic Signals	\$36,000	0.39%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00	\$93.02
	Street Lighting	\$36,400	0.40%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00	\$94.06
	Street-Lights (billed)	\$206,000	2.26%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00	
	Parks and Recreation	\$908,832	9.96%	POPULATION	\$908,832	30,598	\$29.70	\$0	N/A	\$0.00	
	Recycling	\$122,273	1.34%	POPULATION	\$122,273	30,598	\$4.00	\$0	N/A	\$0.00	
OTHER	Other	\$45,000	0.49%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00	
Total General Fund Expenditures		\$9,126,255	100.00%								

Figure 71 DEVELOPING CITY Expenditure Projection Methodologies: CITY Capital Expenditures

				RESIDENTIAL			NONRESIDENTIAL			
		FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
DEBT SERVICE	Debt Service: Equipment	\$583,237	13%	POP AND JOBS	\$557,061	30,598	\$18.21	\$26,176	3,930	\$6.66
	Debt Service: Public Bldgs	\$375,500	8%	POP AND JOBS	\$358,647	30,598	\$11.72	\$16,853	3,930	\$4.29
	Debt Service: Recreation	\$785,000	17%	POPULATION	\$785,000	30,598	\$25.66	\$0	N/A	\$0.00
	Debt Service: General Projects	\$380,000	8%	POP AND JOBS	\$362,945	30,598	\$11.86	\$17,055	3,930	\$4.34
	Debt Service: Open Space	\$170,000	4%	POPULATION	\$170,000	30,598	\$5.56	\$0	N/A	\$0.00
CAPITAL PROJECTS FUND	Road and Bridge Fund	\$1,948,000	43%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00
	Equipment Paygo	\$310,000	7%	POP AND JOBS	\$296,087	30,598	\$9.68	\$13,913	3,930	\$3.54
Total Capital Expenditures (Locally Funded)		\$4,551,737	100%							

\$5,033.59

Expenditure Outputs by Prototype

The following section provides further detail on expenditure outputs for each of the prototype land uses within the study jurisdictions for the City level of government.

Figure 72. DEVELOPING CITY Expenditures per Prototype: CITY OUTPUTS for Operating Expenditures

	EXPENDITURE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
GENERAL GOVT	Mayor and Council	\$10.72	\$10.72	\$10.72	\$6.14	\$6.14	\$3.70	\$5.06	\$2.19	\$5.06
	Administration	\$13.84	\$13.84	\$13.84	\$7.94	\$7.94	\$4.78	\$6.54	\$2.83	\$6.54
	Newsletter	\$2.76	\$2.76	\$2.76	\$1.58	\$1.58	\$0.95	\$1.30	\$0.56	\$1.30
	Human Resources	\$3.63	\$3.63	\$3.63	\$2.08	\$2.08	\$1.25	\$1.71	\$0.74	\$1.71
	Attorney	\$17.87	\$17.87	\$17.87	\$10.24	\$10.24	\$6.17	\$8.43	\$3.65	\$8.43
	City Clerk	\$10.35	\$10.35	\$10.35	\$5.94	\$5.94	\$3.58	\$4.89	\$2.12	\$4.89
	Elections	\$0.71	\$0.71	\$0.71	\$0.41	\$0.41	\$0.00	\$0.00	\$0.00	\$0.00
	Finance	\$21.34	\$21.34	\$21.34	\$12.23	\$12.23	\$7.37	\$10.07	\$4.36	\$10.07
	Assessing	\$15.28	\$15.28	\$15.28	\$8.76	\$8.76	\$5.28	\$7.21	\$3.12	\$7.21
	Info Services	\$6.93	\$6.93	\$6.93	\$3.97	\$3.97	\$6.54	\$8.94	\$3.87	\$8.94
	Planning and Zoning	\$35.60	\$35.60	\$35.60	\$20.40	\$20.40	\$12.29	\$16.81	\$7.28	\$16.81
	Engineering	\$41.42	\$41.42	\$41.42	\$23.74	\$23.74	\$14.31	\$19.56	\$8.47	\$19.56
	Facility Management	\$54.48	\$54.48	\$54.48	\$31.23	\$31.23	\$18.82	\$25.72	\$11.14	\$25.72
PUBLIC SAFETY	Police	\$262.06	\$262.06	\$262.06	\$150.22	\$150.22	\$165.43	\$49.14	\$10.23	\$49.14
	Fire	\$107.92	\$107.92	\$107.92	\$61.86	\$61.86	\$68.13	\$20.24	\$4.21	\$20.24
	Protective Inspection	\$36.45	\$36.45	\$36.45	\$20.89	\$20.89	\$12.59	\$17.21	\$7.45	\$17.21
	Civil Defense	\$1.73	\$1.73	\$1.73	\$0.99	\$0.99	\$0.00	\$0.00	\$0.00	\$0.00
	Animal Control	\$1.05	\$1.05	\$1.05	\$0.60	\$0.60	\$0.00	\$0.00	\$0.00	\$0.00
PUBLIC WORKS	Streets and Highways	\$49.46	\$49.46	\$49.46	\$34.37	\$34.37	\$122.20	\$36.30	\$7.56	\$36.30
	Snow and Ice Removal	\$41.87	\$41.87	\$41.87	\$29.09	\$29.09	\$103.44	\$30.72	\$6.40	\$30.72
	Street Signs	\$16.83	\$16.83	\$16.83	\$11.70	\$11.70	\$41.58	\$12.35	\$2.57	\$12.35
	Traffic Signals	\$3.08	\$3.08	\$3.08	\$2.14	\$2.14	\$7.61	\$2.26	\$0.47	\$2.26
	Street Lighting	\$3.11	\$3.11	\$3.11	\$2.16	\$2.16	\$7.69	\$2.29	\$0.48	\$2.29
	Street-Lights (billed)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Parks and Recreation	\$95.34	\$95.34	\$95.34	\$54.65	\$54.65	\$0.00	\$0.00	\$0.00	\$0.00
	Recycling	\$12.83	\$12.83	\$12.83	\$7.35	\$7.35	\$0.00	\$0.00	\$0.00	\$0.00
OTHER	Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total General Fund Expenditures		\$866.67	\$866.67	\$866.67	\$510.69	\$510.69	\$613.70	\$286.74	\$89.69	\$286.74

Figure 73. DEVELOPING CITY Expenditures per Prototype: CITY OUTPUTS for Capital Expenditures

		<i>Residential: Per Unit</i>					<i>Nonresidential: Per 1,000 Square Feet</i>			
		<i>Single Family Higher Value</i>	<i>Single Family Median Value</i>	<i>Single Family Lower Value</i>	<i>Multifamily/Condo (Hmestd) Unit</i>	<i>Apt. Unit</i>	<i>Commercial/ Retail</i>	<i>Office</i>	<i>Industrial</i>	<i>Institutional</i>
DEBT SERVICE	Debt Service: Equipment	\$58.44	\$58.44	\$58.44		\$33.50	\$20.18	\$27.59	\$11.95	\$27.59
	Debt Service: Public Bldgs	\$37.63	\$37.63	\$37.63		\$21.57	\$12.99	\$17.76	\$7.69	\$17.76
	Debt Service: Recreation	\$82.35	\$82.35	\$82.35		\$47.21	\$0.00	\$0.00	\$0.00	\$0.00
	Debt Service: General Projects	\$38.08	\$38.08	\$38.08		\$21.83	\$13.15	\$17.98	\$7.78	\$17.98
	Debt Service: Open Space	\$17.83	\$17.83	\$17.83		\$10.22	\$0.00	\$0.00	\$0.00	\$0.00
CAPITAL PROJECTS FUND	Road and Bridge Fund	\$166.68	\$166.68	\$166.68		\$115.82	\$411.80	\$122.31	\$25.46	\$122.31
	Equipment Paygo	\$31.06	\$31.06	\$31.06		\$17.81	\$10.73	\$14.66	\$6.35	\$14.66
	Total Capital Expenditures (Locally Funded)	\$432.07	\$432.07	\$432.07		\$267.95	\$468.85	\$200.31	\$59.23	\$200.31

COUNTY REVENUES

Methodologies & Levels of Service

The section provides detail on operating and capital revenue projection methodologies for the **County** level of government. The following figures show base year operating and capital revenue amounts, methodologies, and prototype factors.

Figure 74. DEVELOPING CITY Revenue Projection Methodologies: COUNTY Operating Revenues

PROPORTIONATE SHARE FACTORS

Residential **88%**

Nonresidential **12%**

Revenues

REVENUES

MN Fiscal Disparities: Cost of Land Use

COUNTY REVENUES

					RESIDENTIAL			NONRESIDENTIAL		
Revenue Category	FY 2011 Amount	Percent of Total	Prototype Methodology		Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
COUNTY GENERAL SERVICES <i>(plus finance, prop recrds judicial; govt srvc)</i>	Current Property Tax	\$44,569,176	16.87%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Other Tax Revenue	\$455,300	0.17%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Licenses and Permits	\$1,810	0.00%	POP AND JOBS	\$1,592	330,844	\$0.00	\$218	98,866	\$0.00
	Charges for Service-Sheriff	\$7,003,980	2.65%	POPULATION	\$7,003,980	330,844	\$21.17	\$0	N/A	\$0.00
	Charges for Service-Sanitation	\$6,219,659	2.35%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Charges for Service-Other	\$7,185,477	2.72%	POP AND JOBS	\$6,321,624	330,844	\$19.11	\$863,853	98,866	\$8.74
	Fines and Forfeitures	\$11,000	0.00%	POP AND JOBS	\$9,678	330,844	\$0.03	\$1,322	98,866	\$0.01
	Intergovernmental-Sheriff	\$1,466,088	0.55%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Intergovernmental-Other	\$1,911,650	0.72%	POPULATION	\$1,911,650	330,844	\$5.78	\$0	N/A	\$0.00
	Interest on Investment	\$3,026,500	1.15%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Other Misc	\$2,932,233	1.11%	POP AND JOBS	\$2,579,714	330,844	\$7.80	\$352,519	98,866	\$3.57
PUBLIC SERVICES <i>(highways; parks)</i>	Current Property Tax-Highway	\$12,143,317	4.60%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Current Property Tax-Parks	\$3,034,877	1.15%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Current Property Tax-Other	\$2,376,554	0.90%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Other Tax Revenue	\$1,300,000	0.49%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Licenses and Permits	\$48,500	0.02%	POP AND JOBS	\$42,669	330,844	\$0.13	\$5,831	98,866	\$0.06
	Charges for Service-Highway	\$5,301,100	2.01%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00
	Charges for Service-Parks	\$798,150	0.30%	POPULATION	\$798,150	330,844	\$2.41	\$0	N/A	\$0.00
	Charges for Service-Other	\$303,950	0.12%	POPULATION	\$303,950	330,844	\$0.92	\$0	N/A	\$0.00
	Fines and Forfeitures	\$0	0.00%	POP AND JOBS	\$0	330,844	\$0.00	\$0	98,866	\$0.00
	Intergovernmental-Highway	\$35,862,713	13.58%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00
	Intergovernmental-Parks	\$345,312	0.13%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Intergovernmental-Other (transit)	\$2,342,000	0.89%	POPULATION	\$2,342,000	330,844	\$7.08	\$0	N/A	\$0.00
	Interest on Investment	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Other Misc-Highway	\$185,600	0.07%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Other Misc-Parks	\$749,800	0.28%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Other Misc-Other	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00

\$5,639.47

\$38,151.82

APPENDIX F: Cost and Revenue Factors
Cost of Land Use Fiscal Impact Analysis for the Study of the Fiscal Disparities Program
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HUMAN SERVICES	Current Property Tax-Human Services	\$49,066,491	18.57%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Other Tax Revenue	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Licenses and Permits	\$1,002,590	0.38%	POPULATION	\$1,002,590	330,844	\$3.03	\$0	N/A	\$0.00
	Charges for Service	\$14,343,536	5.43%	POP AND JOBS	\$12,619,126	330,844	\$38.14	\$1,724,410	98,866	\$17.44
	Fines and Forfeitures	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Intergovernmental	\$50,444,058	19.10%	POPULATION	\$50,444,058	330,844	\$152.47	\$0	N/A	\$0.00
	Interest on Investment	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Other Misc	\$824,055	0.31%	POPULATION	\$824,055	330,844	\$2.49	\$0	N/A	\$0.00
LIBRARY	Current Property Tax	\$7,853,169	2.97%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Other Tax Revenue	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Licenses and Permits	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Charges for Service	\$536,200	0.20%	POPULATION	\$536,200	330,844	\$1.62	\$0	N/A	\$0.00
	Fines and Forfeitures	\$256,500	0.10%	POPULATION	\$256,500	330,844	\$0.78	\$0	N/A	\$0.00
	Intergovernmental	\$139,600	0.05%	POPULATION	\$139,600	330,844	\$0.42	\$0	N/A	\$0.00
	Interest on Investment	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Other Misc	\$122,096	0.05%	POPULATION	\$122,096	330,844	\$0.37	\$0	N/A	\$0.00
TOTAL		\$264,163,041	100.00%							

Figure 75. DEVELOPING CITY Revenue Projection Methodologies: COUNTY Capital Revenues

					RESIDENTIAL			NONRESIDENTIAL		
Revenue Category		FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
CAPITAL IMPROVEMENT	County-Current Property Tax Levy	\$5,960,000	7.50%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	County-Other	\$467,746	0.59%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Federal Federal-Road and Bridges	\$5,930,800	7.46%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00
	Federal-Human Services	\$196,000	0.25%	POPULATION	\$196,000	330,844	\$0.59	\$0	N/A	\$0.00
	State State-MNDOT	\$300,000	0.38%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00
	State Turnback MNDOT	\$25,731,300	32.38%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	State	\$750,000	0.94%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	City City Participation-Road and Bridges	\$950,000	1.20%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	County Bonds Bond Proceeds	\$17,602,961	22.15%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
DEBT SERVICE	Debt Service Levy	\$21,575,021	27.15%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
TOTAL CAPITAL AND DEBT SERVICE		\$79,463,828	100.00%							

Revenue Outputs by Prototype

The following section provides further detail on revenue outputs for each of the prototype land uses within the study jurisdictions for the **County** level of government. Revenue outputs are shown first with Fiscal Disparities and then without the program.

Figure 76. DEVELOPING CITY Revenues per Prototype: COUNTY OUTPUTS for Operating Revenues with Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
COUNTY GENERAL SERVICES	Current Property Tax	\$571.25	\$390.73	\$210.20	\$210.20	\$155.52	\$165.41	\$100.43	\$82.71	\$0.00
	Other Tax Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Licenses and Permits	\$0.02	\$0.02	\$0.02	\$0.01	\$0.01	\$0.01	\$0.01	\$0.00	\$0.01
	Charges for Service-Sheriff	\$67.96	\$67.96	\$67.96	\$38.95	\$38.95	\$0.00	\$0.00	\$0.00	\$0.00
	Charges for Service-Sanitation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Charges for Service-Other	\$61.34	\$61.34	\$61.34	\$35.16	\$35.16	\$26.48	\$36.19	\$15.67	\$36.19
	Fines and Forfeitures	\$0.09	\$0.09	\$0.09	\$0.05	\$0.05	\$0.04	\$0.06	\$0.02	\$0.06
	Intergovernmental-Sheriff	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental-Other	\$18.55	\$18.55	\$18.55	\$10.63	\$10.63	\$0.00	\$0.00	\$0.00	\$0.00
	Interest on Investment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Misc	\$25.03	\$25.03	\$25.03	\$14.35	\$14.35	\$10.80	\$14.77	\$6.39	\$14.77
PUBLIC SERVICES	Current Property Tax-Highway	\$117.05	\$80.06	\$43.07	\$43.07	\$31.86	\$33.89	\$20.58	\$16.95	\$0.00
	Current Property Tax-Parks	\$29.25	\$20.01	\$10.76	\$10.76	\$7.96	\$8.47	\$5.14	\$4.24	\$0.00
	Current Property Tax-Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Tax Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Licenses and Permits	\$0.41	\$0.41	\$0.41	\$0.24	\$0.24	\$0.18	\$0.24	\$0.11	\$0.24
	Charges for Service-Highway	\$37.48	\$37.48	\$37.48	\$26.05	\$26.05	\$74.61	\$22.16	\$4.61	\$22.16
	Charges for Service-Parks	\$7.74	\$7.74	\$7.74	\$4.44	\$4.44	\$0.00	\$0.00	\$0.00	\$0.00
	Charges for Service-Other	\$2.95	\$2.95	\$2.95	\$1.69	\$1.69	\$0.00	\$0.00	\$0.00	\$0.00
	Fines and Forfeitures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental-Highway	\$253.57	\$253.57	\$253.57	\$176.20	\$176.20	\$504.72	\$149.91	\$31.21	\$149.91
	Intergovernmental-Parks	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental-Other (transit)	\$22.72	\$22.72	\$22.72	\$13.03	\$13.03	\$0.00	\$0.00	\$0.00	\$0.00
	Interest on Investment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Misc-Highway	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Misc-Parks	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Misc-Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

APPENDIX F: Cost and Revenue Factors
Cost of Land Use Fiscal Impact Analysis for the Study of the Fiscal Disparities Program
For the Minnesota Department of Revenue

HUMAN SERVICES	Current Property Tax-Human Services	\$350.78	\$239.93	\$129.08	\$129.08	\$95.50	\$101.57	\$61.67	\$50.79	\$0.00
	Other Tax Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Licenses and Permits	\$9.73	\$9.73	\$9.73	\$5.58	\$5.58	\$0.00	\$0.00	\$0.00	\$0.00
	Charges for Service	\$122.44	\$122.44	\$122.44	\$70.18	\$70.18	\$52.85	\$72.25	\$31.28	\$72.25
	Fines and Forfeitures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental	\$489.43	\$489.43	\$489.43	\$280.55	\$280.55	\$0.00	\$0.00	\$0.00	\$0.00
	Interest on Investment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Misc	\$8.00	\$8.00	\$8.00	\$4.58	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00
LIBRARY	Current Property Tax	\$75.70	\$51.77	\$27.85	\$27.85	\$20.61	\$21.92	\$13.31	\$10.96	\$0.00
	Other Tax Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Licenses and Permits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Charges for Service	\$5.20	\$5.20	\$5.20	\$2.98	\$2.98	\$0.00	\$0.00	\$0.00	\$0.00
	Fines and Forfeitures	\$2.49	\$2.49	\$2.49	\$1.43	\$1.43	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental	\$1.35	\$1.35	\$1.35	\$0.78	\$0.78	\$0.00	\$0.00	\$0.00	\$0.00
	Interest on Investment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Misc	\$1.18	\$1.18	\$1.18	\$0.68	\$0.68	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL		\$2,281.71	\$1,920.18	\$1,558.65	\$1,108.51	\$998.99	\$1,000.96	\$496.72	\$254.93	\$295.59
Fiscal Disparities Revenue Allocatio		\$145	\$203	\$339	\$111	\$223	\$0	\$0	\$0	\$0
GRAND TOTAL		\$2,427.06	\$2,123.66	\$1,897.79	\$1,219.94	\$1,221.85	\$1,000.96	\$496.72	\$254.93	\$295.59

Figure 77. DEVELOPING CITY Revenues per Prototype: COUNTY OUTPUTS for Operating Revenues without Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family	Single Family	Single Family	Multifamily/Condo	Apt.	Commercial/	Office	Industrial	Institutional
		High Value	Medium Value	Low Value	(Hmestd) Unit	Unit	Retail			
COUNTY GENERAL SERVICES	Current Property Tax	\$617.01	\$424.83	\$232.64	\$232.64	\$167.57	\$312.79	\$189.91	\$156.40	\$0.00
	Other Tax Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Licenses and Permits	\$0.02	\$0.02	\$0.02	\$0.01	\$0.01	\$0.01	\$0.01	\$0.00	\$0.01
	Charges for Service-Sheriff	\$67.96	\$67.96	\$67.96	\$38.95	\$38.95	\$0.00	\$0.00	\$0.00	\$0.00
	Charges for Service-Sanitation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Charges for Service-Other	\$61.34	\$61.34	\$61.34	\$35.16	\$35.16	\$26.48	\$36.19	\$15.67	\$36.19
	Fines and Forfeitures	\$0.09	\$0.09	\$0.09	\$0.05	\$0.05	\$0.04	\$0.06	\$0.02	\$0.06
	Intergovernmental-Sheriff	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental-Other	\$18.55	\$18.55	\$18.55	\$10.63	\$10.63	\$0.00	\$0.00	\$0.00	\$0.00
	Interest on Investment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PUBLIC SERVICES	Other Misc	\$25.03	\$25.03	\$25.03	\$14.35	\$14.35	\$10.80	\$14.77	\$6.39	\$14.77
	Current Property Tax-Highway	\$126.42	\$87.05	\$47.67	\$47.67	\$34.33	\$64.09	\$38.91	\$32.04	\$0.00
	Current Property Tax-Parks	\$31.60	\$21.75	\$11.91	\$11.91	\$8.58	\$16.02	\$9.72	\$8.01	\$0.00
	Current Property Tax-Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Tax Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Licenses and Permits	\$0.41	\$0.41	\$0.41	\$0.24	\$0.24	\$0.18	\$0.24	\$0.11	\$0.24
	Charges for Service-Highway	\$37.48	\$37.48	\$37.48	\$26.05	\$26.05	\$74.61	\$22.16	\$4.61	\$22.16
	Charges for Service-Parks	\$7.74	\$7.74	\$7.74	\$4.44	\$4.44	\$0.00	\$0.00	\$0.00	\$0.00
	Charges for Service-Other	\$2.95	\$2.95	\$2.95	\$1.69	\$1.69	\$0.00	\$0.00	\$0.00	\$0.00
	Fines and Forfeitures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental-Highway	\$253.57	\$253.57	\$253.57	\$176.20	\$176.20	\$504.72	\$149.91	\$31.21	\$149.91
	Intergovernmental-Parks	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental-Other (transit)	\$22.72	\$22.72	\$22.72	\$13.03	\$13.03	\$0.00	\$0.00	\$0.00	\$0.00
	Interest on Investment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Misc-Highway	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Misc-Parks	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Misc-Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

APPENDIX F: Cost and Revenue Factors
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HUMAN SERVICES	Current Property Tax-Human Services	\$378.88	\$260.87	\$142.86	\$142.86	\$102.90	\$192.07	\$116.62	\$96.04	\$0.00
	Other Tax Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Licenses and Permits	\$9.73	\$9.73	\$9.73	\$5.58	\$5.58	\$0.00	\$0.00	\$0.00	\$0.00
	Charges for Service	\$122.44	\$122.44	\$122.44	\$70.18	\$70.18	\$52.85	\$72.25	\$31.28	\$72.25
	Fines and Forfeitures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental	\$489.43	\$489.43	\$489.43	\$280.55	\$280.55	\$0.00	\$0.00	\$0.00	\$0.00
	Interest on Investment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Misc	\$8.00	\$8.00	\$8.00	\$4.58	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00
LIBRARY	Current Property Tax	\$81.76	\$56.29	\$30.83	\$30.83	\$22.20	\$41.45	\$25.16	\$20.72	\$0.00
	Other Tax Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Licenses and Permits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Charges for Service	\$5.20	\$5.20	\$5.20	\$2.98	\$2.98	\$0.00	\$0.00	\$0.00	\$0.00
	Fines and Forfeitures	\$2.49	\$2.49	\$2.49	\$1.43	\$1.43	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental	\$1.35	\$1.35	\$1.35	\$0.78	\$0.78	\$0.00	\$0.00	\$0.00	\$0.00
	Interest on Investment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Misc	\$1.18	\$1.18	\$1.18	\$0.68	\$0.68	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL		\$2,373.35	\$1,988.47	\$1,603.58	\$1,153.45	\$1,023.12	\$1,296.11	\$675.92	\$402.51	\$295.59

Figure 78. DEVELOPING CITY Revenues per Prototype: COUNTY OUTPUTS for Capital Revenues with Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
CAPITAL IMPROVEMENT	County-Current Property Tax Levy	\$216.87	\$148.34	\$79.80	\$79.80	\$59.04	\$62.80	\$38.13	\$31.40	\$0.00
	County-Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Federal	Federal-Road and Bridges	\$41.93	\$41.93	\$41.93	\$29.14	\$29.14	\$83.47	\$24.79	\$5.16	\$24.79
	Federal-Human Services	\$1.90	\$1.90	\$1.90	\$1.09	\$1.09	\$0.00	\$0.00	\$0.00	\$0.00
State	State-MNDOT	\$2.12	\$2.12	\$2.12	\$1.47	\$1.47	\$4.22	\$1.25	\$0.26	\$1.25
	State Turnback MNDOT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	State	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	City Participation-Road and Bridges	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DEBT SERVICE	Bond Proceeds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Debt Service Levy	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL		\$262.83	\$194.29	\$125.76	\$111.51	\$90.74	\$150.49	\$64.17	\$36.82	\$26.05

Figure 79. DEVELOPING CITY Revenues per Prototype: COUNTY OUTPUTS for Capital Revenues without Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family High Value	Single Family Medium Value	Single Family Low Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
CAPITAL IMPROVEMENT	County-Current Property Tax Levy	\$234.25	\$161.28	\$88.32	\$88.32	\$63.62	\$118.75	\$72.10	\$59.38	\$0.00
	County-Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Federal	Federal-Road and Bridges	\$41.93	\$41.93	\$41.93	\$29.14	\$29.14	\$83.47	\$24.79	\$5.16	\$24.79
	Federal-Human Services	\$1.90	\$1.90	\$1.90	\$1.09	\$1.09	\$0.00	\$0.00	\$0.00	\$0.00
State	State-MNDOT	\$2.12	\$2.12	\$2.12	\$1.47	\$1.47	\$4.22	\$1.25	\$0.26	\$1.25
	State Turnback MNDOT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	State	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	City Participation-Road and Bridges	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Bond Proceeds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DEBT SERVICE	Debt Service Levy	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	TOTAL	\$280.20	\$207.24	\$134.28	\$120.02	\$95.32	\$206.44	\$98.14	\$64.80	\$26.05

COUNTY EXPENDITURES

Methodologies & Levels of Service

The section provides detail on operating and capital expenditure projection methodologies for the **County** level of government. The following figures provide base year expenditure amounts, methodologies, and prototype factors for operating and capital expenditures.

Figure 80. DEVELOPING CITY Expenditure Projection Methodologies: COUNTY Operating Expenditures

PROPORTIONATE SHARE FACTORS			
OVERHEAD PROP SHARE	Residential	88%	Nonresidential 12%
RES/EMPS	Residential	88%	Nonresidential 12%
TRIPS	Residential	64%	Nonresidential 36%

EXPENDITURES

Expenditures

MN Fiscal Disparities: Cost of Land Use

COUNTY EXPENDITURES

Expenditure Category		FY 2011 Amount	Percent of Total	Prototype Methodology	RESIDENTIAL			NONRESIDENTIAL		
					Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
COUNTY GENERAL SERVICES	County General Services	\$9,045,553	3.40%	POP AND JOBS	\$7,960,087	330,844	\$24.06	\$1,085,466	98,866	\$10.98
	Finance and Central Services	\$3,622,220	1.36%	POP AND JOBS	\$3,187,554	330,844	\$9.63	\$434,666	98,866	\$4.40
	Property Records and Taxation	\$7,481,920	2.81%	POP AND JOBS	\$6,584,090	330,844	\$19.90	\$897,830	98,866	\$9.08
STAT. JUDICIAL & PUBLIC SAFETY	County Attorney	\$8,294,228	3.12%	POP AND JOBS	\$7,297,079	330,844	\$22.06	\$997,149	98,866	\$10.09
	Court Facilities	\$873,389	0.33%	POP AND JOBS	\$768,388	330,844	\$2.32	\$105,001	98,866	\$1.06
	Court Appt. Attys and Legal Def Servi	\$511,000	0.19%	POPULATION	\$511,000	330,844	\$1.54	\$0	N/A	\$0.00
	Sheriff									
	Sheriff-Countywide	\$21,144,174	7.94%	POP AND NONRES TRIPS	\$18,602,177	330,844	\$56.23	\$2,541,996	329,228	\$7.72
	Sheriff-Intergovtl, Patrol, Investigati	\$6,752,131	2.54%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
PUBLIC SERVICES	Public Services Admin	\$552,716	0.21%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00
	Highway	\$56,093,774	21.07%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00
	Parks and Recreation	\$4,562,498	1.71%	POPULATION	\$4,562,498	330,844	\$13.79	\$0	N/A	\$0.00
	Surveyor	\$998,485	0.38%	POP AND JOBS	\$878,445	330,844	\$2.66	\$120,040	98,866	\$1.21
	GIS	\$214,328	0.08%	POP AND JOBS	\$188,561	330,844	\$0.57	\$25,767	98,866	\$0.26
	Transit and Volunteer Transportati	\$3,150,310	1.18%	POPULATION	\$3,150,310	330,844	\$9.52	\$0	N/A	\$0.00
HUMAN SERVICES	Income Maintenance	\$26,533,647	9.97%	POPULATION	\$26,533,647	330,844	\$80.20	\$0	N/A	\$0.00
	Social Services	\$30,928,902	11.62%	POPULATION	\$30,928,902	330,844	\$93.48	\$0	N/A	\$0.00
	Mental Health Services	\$11,704,066	4.40%	POPULATION	\$11,704,066	330,844	\$35.38	\$0	N/A	\$0.00
	Community Health & Enviro Services	\$11,840,456	4.45%	POP AND JOBS	\$10,416,972	330,844	\$31.49	\$1,423,484	98,866	\$14.40
	Senior Services	\$1,338,657	0.50%	POPULATION	\$1,338,657	330,844	\$4.05	\$0	N/A	\$0.00
	Community Corrections	\$25,529,158	9.59%	POPULATION	\$25,529,158	330,844	\$77.16	\$0	N/A	\$0.00
	Job Training Ctr	\$3,727,150	1.40%	POPULATION	\$3,727,150	330,844	\$11.27	\$0	N/A	\$0.00
	Medical Examiner	\$2,043,018	0.77%	POPULATION	\$2,043,018	330,844	\$6.18	\$0	N/A	\$0.00
	HSD Admin	\$240,362	0.09%	POPULATION	\$240,362	330,844	\$0.73	\$0	N/A	\$0.00
GOVERNMENT SERVICES	Govt Services Admin	\$226,785	0.09%	POP AND JOBS	\$199,571	330,844	\$0.60	\$27,214	98,866	\$0.28
	Central Communications	\$3,739,746	1.40%	POP AND JOBS	\$3,290,976	330,844	\$9.95	\$448,770	98,866	\$4.54
	Emergency Mngt	\$240,009	0.09%	POP AND JOBS	\$211,155	330,844	\$0.64	\$28,854	98,866	\$0.29
	Veterans Services	\$441,851	0.17%	POP AND JOBS	\$388,731	330,844	\$1.17	\$53,120	98,866	\$0.54
	Intergovtl Relations	\$207,432	0.08%	POP AND JOBS	\$182,540	330,844	\$0.55	\$24,892	98,866	\$0.25
	Elections Services	\$428,675	0.16%	POPULATION	\$428,675	330,844	\$1.30	\$0	N/A	\$0.00
	License Bureau	\$2,786,299	1.05%	POP AND JOBS	\$2,451,324	330,844	\$7.41	\$334,975	98,866	\$3.39
	Community Development	\$5,077,106	1.91%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Public Information	\$481,761	0.18%	POP AND JOBS	\$423,950	330,844	\$1.28	\$57,811	98,866	\$0.58
	Integrated Waste Mngmt	\$7,079,821	2.66%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
LIBRARY	County Library	\$7,878,285	2.96%	POPULATION	\$7,878,285	330,844	\$23.81	\$0	N/A	\$0.00
	Law Library	\$436,796	0.16%	POP AND JOBS	\$384,283	330,844	\$1.16	\$52,513	98,866	\$0.53
Total Expenditures		\$266,206,708	100.00%							

\$588.00
\$59,674.23

Figure 81 DEVELOPING CITY Expenditure Projection Methodologies: COUNTY Capital Expenditures

				RESIDENTIAL			NONRESIDENTIAL			
		FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
GENERAL FUND	General Govt Capital	\$188,313	2%	POP AND JOBS	\$165,674	330,844	\$0.50	\$22,639	98,866	\$0.23
	Sheriff Capital	\$95,928	1%	POP AND JOBS	\$84,395	330,844	\$0.26	\$11,533	98,866	\$0.12
ROAD AND BRIDGE FUND	Highway-Debt service	\$850,000	8%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00
LIBRARY FUND	Library Capital Paygo	\$95,500	1%	POPULATION	\$95,500	330,844	\$0.29	\$0	N/A	\$0.00
Building and Equip	Debt Service	\$140,000	1%	POP AND JOBS	\$123,169	330,844	\$0.37	\$16,831	98,866	\$0.17
	PayGo	\$239,028	2%	POP AND JOBS	\$210,291	330,844	\$0.64	\$28,736	98,866	\$0.29
Library	Debt Service	\$250,000	2%	POPULATION	\$250,000	330,844	\$0.76	\$0	N/A	\$0.00
	Paygo	\$20,670	0%	POPULATION	\$20,670	330,844	\$0.06	\$0	N/A	\$0.00
Road and Bridges	Debt Service	\$455,000	4%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00
	PayGo	\$7,639,600	74%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00
Info Management	Debt Service	\$290,000	3%	POP AND JOBS	\$255,136	330,844	\$0.77	\$34,864	98,866	\$0.35
	PayGo	\$43,320	0%	POP AND JOBS	\$38,112	330,844	\$0.12	\$5,208	98,866	\$0.05
Parks and Recreation	Debt Service	\$35,000	0%	POPULATION	\$35,000	330,844	\$0.11	\$0	N/A	\$0.00
	PayGo	\$0	0%	POPULATION	\$0	330,844	\$0.00	\$0	N/A	\$0.00
Total Capital Expenditures		\$10,342,359	100%				\$3.9			

Expenditure Outputs by Prototype

The following section provides further detail on expenditure outputs for each of the prototype land uses within the study jurisdictions for the County level of government.

Figure 82. DEVELOPING CITY Expenditures per Prototype: COUNTY OUTPUTS for Operating Expenditures

	EXPENDITURE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
COUNTY GENERAL SERVICES	County General Services	\$77.23	\$77.23	\$77.23	\$44.27	\$44.27	\$33.27	\$45.48	\$19.69	\$45.48
	Finance and Central Services	\$30.93	\$30.93	\$30.93	\$17.73	\$17.73	\$13.32	\$18.21	\$7.88	\$18.21
	Property Records and Taxation	\$63.88	\$63.88	\$63.88	\$36.62	\$36.62	\$27.52	\$37.62	\$16.29	\$37.62
STAT. JUDICAL & PUBLIC SAFETY	County Attorney	\$70.80	\$70.80	\$70.80	\$40.58	\$40.58	\$30.56	\$41.78	\$18.09	\$41.78
	Court Facilities	\$7.46	\$7.46	\$7.46	\$4.27	\$4.27	\$3.22	\$4.40	\$1.90	\$4.40
	Court Appt. Attys and Legal Def Services	\$4.96	\$4.96	\$4.96	\$2.84	\$2.84	\$0.00	\$0.00	\$0.00	\$0.00
	Sheriff-Countywide	\$180.49	\$180.49	\$180.49	\$103.46	\$103.46	\$238.50	\$70.84	\$14.75	\$70.84
	Sheriff-Intergovtl, Patrol, Investigative	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PUBLIC SERVICES	Public Services Admin	\$3.91	\$3.91	\$3.91	\$2.72	\$2.72	\$7.78	\$2.31	\$0.48	\$2.31
	Highway	\$396.61	\$396.61	\$396.61	\$275.60	\$275.60	\$789.45	\$234.48	\$48.81	\$234.48
	Parks and Recreation	\$44.27	\$44.27	\$44.27	\$25.37	\$25.37	\$0.00	\$0.00	\$0.00	\$0.00
	Surveyor	\$8.52	\$8.52	\$8.52	\$4.89	\$4.89	\$3.68	\$5.03	\$2.18	\$5.03
	GIS	\$1.83	\$1.83	\$1.83	\$1.05	\$1.05	\$0.79	\$1.08	\$0.47	\$1.08
	Transit and Volunteer Transportation	\$30.57	\$30.57	\$30.57	\$17.52	\$17.52	\$0.00	\$0.00	\$0.00	\$0.00
HUMAN SERVICES	Income Maintenance	\$257.44	\$257.44	\$257.44	\$147.57	\$147.57	\$0.00	\$0.00	\$0.00	\$0.00
	Social Services	\$300.09	\$300.09	\$300.09	\$172.01	\$172.01	\$0.00	\$0.00	\$0.00	\$0.00
	Mental Health Services	\$113.56	\$113.56	\$113.56	\$65.09	\$65.09	\$0.00	\$0.00	\$0.00	\$0.00
	Community Health & Enviro Services	\$101.07	\$101.07	\$101.07	\$57.93	\$57.93	\$43.63	\$59.64	\$25.82	\$59.64
	Senior Services	\$12.99	\$12.99	\$12.99	\$7.44	\$7.44	\$0.00	\$0.00	\$0.00	\$0.00
	Community Corrections	\$247.70	\$247.70	\$247.70	\$141.98	\$141.98	\$0.00	\$0.00	\$0.00	\$0.00
	Job Training Ctr	\$36.16	\$36.16	\$36.16	\$20.73	\$20.73	\$0.00	\$0.00	\$0.00	\$0.00
	Medical Examiner	\$19.82	\$19.82	\$19.82	\$11.36	\$11.36	\$0.00	\$0.00	\$0.00	\$0.00
	HSD Admin	\$2.33	\$2.33	\$2.33	\$1.34	\$1.34	\$0.00	\$0.00	\$0.00	\$0.00
GOVERNMENT SERVICES	Govt Services Admin	\$1.94	\$1.94	\$1.94	\$1.11	\$1.11	\$0.83	\$1.14	\$0.49	\$1.14
	Central Communications	\$31.93	\$31.93	\$31.93	\$18.30	\$18.30	\$13.76	\$18.80	\$8.14	\$18.80
	Emergency Mngt	\$2.05	\$2.05	\$2.05	\$1.17	\$1.17	\$0.88	\$1.21	\$0.52	\$1.21
	Veterans Services	\$3.77	\$3.77	\$3.77	\$2.16	\$2.16	\$1.63	\$2.23	\$0.96	\$2.23
	Intergovtl Relations	\$1.77	\$1.77	\$1.77	\$1.02	\$1.02	\$0.76	\$1.04	\$0.45	\$1.04
	Elections Services	\$4.16	\$4.16	\$4.16	\$2.38	\$2.38	\$0.00	\$0.00	\$0.00	\$0.00
	License Bureau	\$23.78	\$23.78	\$23.78	\$13.63	\$13.63	\$10.27	\$14.03	\$6.08	\$14.03
	Community Development	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Public Information	\$4.11	\$4.11	\$4.11	\$2.36	\$2.36	\$1.77	\$2.42	\$1.05	\$2.42
	integrated Waste Mngmt	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LIBRARY	County Library	\$76.44	\$76.44	\$76.44	\$43.82	\$43.82	\$0.00	\$0.00	\$0.00	\$0.00
	Law Library	\$3.73	\$3.73	\$3.73	\$2.14	\$2.14	\$1.61	\$2.20	\$0.95	\$2.20
Total Expenditures		\$2,166.29	\$2,166.29	\$2,166.29	\$1,290.47	\$1,290.47	\$1,223.24	\$563.94	\$175.01	\$563.94

Figure 83. DEVELOPING CITY Expenditures per Prototype: COUNTY OUTPUTS for Capital Expenditures

		<i>Residential: Per Unit</i>					<i>Nonresidential: Per 1,000 Square Feet</i>			
		<i>Single Family Higher Value</i>	<i>Single Family Median Value</i>	<i>Single Family Lower Value</i>	<i>Multifamily/Condo (Hmestd) Unit</i>	<i>Apt. Unit</i>	<i>Commercial/ Retail</i>	<i>Office</i>	<i>Industrial</i>	<i>Institutional</i>
GENERAL FUND (Cap Budg)	General Govt Capital	\$1.61	\$1.61	\$1.61	\$0.92	\$0.92	\$0.69	\$0.95	\$0.41	\$0.95
	Sheriff Capital	\$0.82	\$0.82	\$0.82	\$0.47	\$0.47	\$0.35	\$0.48	\$0.21	\$0.48
ROAD & BRIDGE FUND (Cap Budg)	Highway-Debt service	\$6.01	\$6.01	\$6.01	\$4.18	\$4.18	\$11.96	\$3.55	\$0.74	\$3.55
LIBRARY FUND (Cap Budg)	Library Capital Paygo	\$0.93	\$0.93	\$0.93	\$0.53	\$0.53	\$0.00	\$0.00	\$0.00	\$0.00
Building and Equip (5-Yr CIP)	Debt Service	\$1.20	\$1.20	\$1.20	\$0.69	\$0.69	\$0.52	\$0.71	\$0.31	\$0.71
	PayGo	\$2.04	\$2.04	\$2.04	\$1.17	\$1.17	\$0.88	\$1.20	\$0.52	\$1.20
Library (5-Yr CIP)	Debt Service	\$2.43	\$2.43	\$2.43	\$1.39	\$1.39	\$0.00	\$0.00	\$0.00	\$0.00
	Paygo	\$0.20	\$0.20	\$0.20	\$0.11	\$0.11	\$0.00	\$0.00	\$0.00	\$0.00
Road and Bridges (5-Yr CIP)	Debt Service	\$3.22	\$3.22	\$3.22	\$2.24	\$2.24	\$6.40	\$1.90	\$0.40	\$1.90
	PayGo	\$54.02	\$54.02	\$54.02	\$37.53	\$37.53	\$107.52	\$31.94	\$6.65	\$31.94
Info Management (5-Yr CIP)	Debt Service	\$2.48	\$2.48	\$2.48	\$1.42	\$1.42	\$1.07	\$1.46	\$0.63	\$1.46
	PayGo	\$0.37	\$0.37	\$0.37	\$0.21	\$0.21	\$0.16	\$0.22	\$0.09	\$0.22
Parks and Recreation (5-Yr CIP)	Debt Service	\$0.34	\$0.34	\$0.34	\$0.19	\$0.19	\$0.00	\$0.00	\$0.00	\$0.00
	PayGo	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Capital Expenditures		\$75.64	\$75.64	\$75.64	\$51.05	\$51.05	\$129.56	\$42.41	\$9.96	\$42.41

SCHOOL DISTRICT REVENUES

Methodologies & Levels of Service

The section provides detail on operating and capital revenue projection methodologies for the **Schools** level of government. The following figures show base year operating and capital revenue amounts, methodologies, and prototype factors.

Figure 84. DEVELOPING CITY Revenue Projection Methodologies: SCHOOLS Operating Revenues

Revenues										
Revenues										
MN Fiscal Disparities: Cost of Land Use										
SCHOOL DISTRICT REVENUES										
Revenue Category		FY 2011 Amount	Percent of Total	Prototype Methodology	RESIDENTIAL			NONRESIDENTIAL		
					Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
General Fund	Property Taxes	\$76,611,901	18.15%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	State Revenue	\$302,730,763	71.70%	TOTAL ENROLLMENT	\$302,730,763	39,106	\$7,741.29	\$0.00	N/A	\$0.00
	Federal Revenue	\$13,854,200	3.28%	TOTAL ENROLLMENT	\$13,854,200	39,106	\$354.27	\$0.00	N/A	\$0.00
	Local Sales	\$1,087,890	0.26%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Other Local	\$9,355,574	2.22%	TOTAL ENROLLMENT	\$9,355,574	39,106	\$239.24	\$0.00	N/A	\$0.00
	Transfers	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Community Service Fund	Property Taxes	\$3,368,809	0.80%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	State Revenue	\$4,776,443	1.13%	TOTAL ENROLLMENT	\$4,776,443	39,106	\$122.14	\$0.00	N/A	\$0.00
	Federal Revenue	\$131,133	0.03%	TOTAL ENROLLMENT	\$131,133	39,106	\$3.35	\$0.00	N/A	\$0.00
	Local Sales	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Other Local	\$10,238,606	2.43%	TOTAL ENROLLMENT	\$10,238,606	39,106	\$261.82	\$0.00	N/A	\$0.00
	Transfers	\$50,000	0.01%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
TOTAL		\$422,205,319	100.00%							

Figure 85. DEVELOPING CITY Revenue Projection Methodologies: SCHOOLS Capital Revenues

					RESIDENTIAL			NONRESIDENTIAL		
Revenue Category		FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
Debt Service Fund	Local Property Taxes	\$21,926,010	80.46%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Other Local	\$2,282,125	8.37%	TOTAL ENROLLMENT	\$2,282,125	39,106	\$58.36	\$0.00	N/A	\$0.00
	State Revenue	\$1,061,000	3.89%	TOTAL ENROLLMENT	\$1,061,000	39,106	\$27.13	\$0.00	N/A	\$0.00
Capital Projects Fund	Transfers in	\$1,983,345	7.28%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
TOTAL		\$27,252,480	100.00%							

Revenue Outputs by Prototype

The following section provides further detail on revenue outputs for each of the prototype land uses within the study jurisdictions for the **Schools** level of government. Revenue outputs are shown first with Fiscal Disparities and then without the program.

Figure 86. DEVELOPING CITY Revenues per Prototype: SCHOOLS OUTPUTS for Operating Revenues with Fiscal Disparities

REVENUE Category		Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family High Value	Single Family Medium Value	Single Family Low Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/Retail	Office	Industrial	Institutional
General Fund	Property Taxes	\$1,126.72	\$790.77	\$454.82	\$454.82	\$268.27	\$304.74	\$185.70	\$152.37	\$0.00
	State Revenue	\$3,718.51	\$3,718.51	\$3,718.51	\$2,359.53	\$2,359.53	\$0.00	\$0.00	\$0.00	\$0.00
	Federal Revenue	\$170.17	\$170.17	\$170.17	\$107.98	\$107.98	\$0.00	\$0.00	\$0.00	\$0.00
	Local Sales	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Local	\$114.92	\$114.92	\$114.92	\$72.92	\$72.92	\$0.00	\$0.00	\$0.00	\$0.00
	Transfers	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Community Service Fund	Property Taxes	\$50.27	\$35.28	\$20.29	\$20.29	\$11.97	\$13.60	\$8.29	\$6.80	\$0.00
	State Revenue	\$58.67	\$58.67	\$58.67	\$37.23	\$37.23	\$0.00	\$0.00	\$0.00	\$0.00
	Federal Revenue	\$1.61	\$1.61	\$1.61	\$1.02	\$1.02	\$0.00	\$0.00	\$0.00	\$0.00
	Local Sales	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Local	\$125.76	\$125.76	\$125.76	\$79.80	\$79.80	\$0.00	\$0.00	\$0.00	\$0.00
	Transfers	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL		\$5,366.64	\$5,015.70	\$4,664.76	\$3,133.60	\$2,938.73	\$318.34	\$193.98	\$159.17	\$0.00
Fiscal Disparities Revenue Allocatio		\$76	\$107	\$178	\$59	\$117	\$0	\$0	\$0	\$0
GRAND TOTAL		\$5,442.97	\$5,122.56	\$4,842.86	\$3,192.11	\$3,055.76	\$318.34	\$193.98	\$159.17	\$0.00

Figure 87. DEVELOPING CITY Revenues per Prototype: SCHOOLS OUTPUTS for Operating Revenues without Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family High Value	Single Family Medium Value	Single Family Low Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail Office Industrial Institutional			
General Fund	Property Taxes	\$1,343.54	\$942.16	\$540.77	\$540.77	\$326.85	\$515.32	\$313.55	\$257.66	\$0.00
	State Revenue	\$3,718.51	\$3,718.51	\$3,718.51	\$2,359.53	\$2,359.53	\$0.00	\$0.00	\$0.00	\$0.00
	Federal Revenue	\$170.17	\$170.17	\$170.17	\$107.98	\$107.98	\$0.00	\$0.00	\$0.00	\$0.00
	Local Sales	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Local	\$114.92	\$114.92	\$114.92	\$72.92	\$72.92	\$0.00	\$0.00	\$0.00	\$0.00
	Transfers	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Community Service Fund	Property Taxes	\$59.95	\$42.04	\$24.13	\$24.13	\$14.58	\$22.99	\$13.99	\$11.50	\$0.00
	State Revenue	\$58.67	\$58.67	\$58.67	\$37.23	\$37.23	\$0.00	\$0.00	\$0.00	\$0.00
	Federal Revenue	\$1.61	\$1.61	\$1.61	\$1.02	\$1.02	\$0.00	\$0.00	\$0.00	\$0.00
	Local Sales	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Local	\$125.76	\$125.76	\$125.76	\$79.80	\$79.80	\$0.00	\$0.00	\$0.00	\$0.00
	Transfers	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL		\$5,593.14	\$5,173.84	\$4,754.55	\$3,223.39	\$2,999.92	\$538.31	\$327.54	\$269.16	\$0.00

Figure 88. DEVELOPING CITY Revenues per Prototype: SCHOOLS OUTPUTS for Capital Revenues with Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family High Value	Single Family Medium Value	Single Family Low Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail Office Industrial Institutional			
Debt Service Fund	Local Property Taxes	\$327.20	\$229.64	\$132.08	\$132.08	\$77.91	\$88.50	\$53.93	\$44.25	\$0.00
	Other Local	\$28.03	\$28.03	\$28.03	\$17.79	\$17.79	\$0.00	\$0.00	\$0.00	\$0.00
	State Revenue	\$13.03	\$13.03	\$13.03	\$8.27	\$8.27	\$0.00	\$0.00	\$0.00	\$0.00
	Transfers in	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL		\$368.27	\$270.71	\$173.15	\$158.14	\$103.96	\$88.50	\$53.93	\$44.25	\$0.00

Figure 89. DEVELOPING CITY Revenues per Prototype: SCHOOLS OUTPUTS for Capital Revenues without Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family High Value	Single Family Medium Value	Single Family Low Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/			
							Retail	Office	Industrial	Institutional
Debt Service Fund	Local Property Taxes	\$390.17	\$273.61	\$157.04	\$157.04	\$94.92	\$149.65	\$91.06	\$74.83	\$0.00
	Other Local	\$28.03	\$28.03	\$28.03	\$17.79	\$17.79	\$0.00	\$0.00	\$0.00	\$0.00
	State Revenue	\$13.03	\$13.03	\$13.03	\$8.27	\$8.27	\$0.00	\$0.00	\$0.00	\$0.00
	Transfers in	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	TOTAL	\$431.24	\$314.67	\$198.11	\$183.10	\$120.98	\$149.65	\$91.06	\$74.83	\$0.00

SCHOOL DISTRICT EXPENDITURES

Methodologies & Levels of Service

The section provides detail on operating and capital expenditure projection methodologies for the **Schools** level of government. The following figures provide base year expenditure amounts, methodologies, and prototype factors for operating and capital expenditures.

Figure 90. DEVELOPING CITY Expenditure Projection Methodologies: SCHOOLS Operating Expenditures

EXPENDITURES

Expenditures

MN Fiscal Disparities: Cost of Land Use

SCHOOL DISTRICT EXPENDITURES

				RESIDENTIAL			NONRESIDENTIAL		
Expenditure Category	FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
GENERAL FUND Salaries	\$248,769,333	59.03%	TOTAL ENROLLMENT	#####	39,106	\$6,361.41	\$0.00	N/A	\$0.00
Benefits	\$74,423,563	17.66%	TOTAL ENROLLMENT	\$74,423,563	39,106	\$1,903.12	\$0.00	N/A	\$0.00
Purchased Services	\$49,490,332	11.74%	TOTAL ENROLLMENT	\$49,490,332	39,106	\$1,265.54	\$0.00	N/A	\$0.00
Supplies	\$16,593,861	3.94%	TOTAL ENROLLMENT	\$16,593,861	39,106	\$424.33	\$0.00	N/A	\$0.00
Capital Expenses	\$9,854,963	2.34%	TOTAL ENROLLMENT	\$9,854,963	39,106	\$252.01	\$0.00	N/A	\$0.00
Debt Service	\$993,100	0.24%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Other Expense	\$670,282	0.16%	TOTAL ENROLLMENT	\$670,282	39,106	\$17.14	\$0.00	N/A	\$0.00
Transfers	\$2,103,368	0.50%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
COMMUNITY SERVICE Salaries	\$11,403,718	2.71%	TOTAL ENROLLMENT	\$11,403,718	39,106	\$291.61	\$0.00	N/A	\$0.00
Benefits	\$3,175,270	0.75%	TOTAL ENROLLMENT	\$3,175,270	39,106	\$81.20	\$0.00	N/A	\$0.00
Purchased Services	\$2,625,807	0.62%	TOTAL ENROLLMENT	\$2,625,807	39,106	\$67.15	\$0.00	N/A	\$0.00
Supplies	\$1,234,685	0.29%	TOTAL ENROLLMENT	\$1,234,685	39,106	\$31.57	\$0.00	N/A	\$0.00
Capital Expenses	\$110,500	0.03%	TOTAL ENROLLMENT	\$110,500	39,106	\$2.83	\$0.00	N/A	\$0.00
Debt Service	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Other Expense	\$10,485	0.00%	TOTAL ENROLLMENT	\$10,485	39,106	\$0.27	\$0.00	N/A	\$0.00
Transfers	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Total School Operating Expenditures	\$421,459,267	100.00%				\$10,698			

Figure 91 DEVELOPING CITY Expenditure Projection Methodologies: SCHOOLS Capital Expenditures

				RESIDENTIAL			NONRESIDENTIAL		
	FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
DEBT SERVICE FUND Debt Service	\$27,960,000	95%	TOTAL ENROLLMENT	\$27,960,000	39,106	\$714.98	\$0.00	N/A	\$0.00
CAPITAL PROJ FUND Capital Projects Expenses	\$1,345,649	5%	TOTAL ENROLLMENT	\$1,345,649	39,106	\$34.41	\$0.00	N/A	\$0.00
Total School Capital Expenditures	\$29,305,649	100%				\$749.39			

Expenditure Outputs by Prototype

The following section provides further detail on expenditure outputs for each of the prototype land uses within the study jurisdictions for the County level of government.

Figure 92. DEVELOPING CITY Expenditures per Prototype: SCHOOLS OUTPUTS for Operating Expenditures

	EXPENDITURE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
GENERAL FUND	Salaries	\$3,055.69	\$3,055.69	\$3,055.69	\$1,938.95	\$1,938.95	\$0.00	\$0.00	\$0.00	\$0.00
	Benefits	\$914.16	\$914.16	\$914.16	\$580.07	\$580.07	\$0.00	\$0.00	\$0.00	\$0.00
	Purchased Services	\$607.90	\$607.90	\$607.90	\$385.74	\$385.74	\$0.00	\$0.00	\$0.00	\$0.00
	Supplies	\$203.83	\$203.83	\$203.83	\$129.34	\$129.34	\$0.00	\$0.00	\$0.00	\$0.00
	Capital Expenses	\$121.05	\$121.05	\$121.05	\$76.81	\$76.81	\$0.00	\$0.00	\$0.00	\$0.00
	Debt Service	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Expense	\$8.23	\$8.23	\$8.23	\$5.22	\$5.22	\$0.00	\$0.00	\$0.00	\$0.00
	Transfers	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COMMUNITY SERVICE FUND	Salaries	\$140.07	\$140.07	\$140.07	\$88.88	\$88.88	\$0.00	\$0.00	\$0.00	\$0.00
	Benefits	\$39.00	\$39.00	\$39.00	\$24.75	\$24.75	\$0.00	\$0.00	\$0.00	\$0.00
	Purchased Services	\$32.25	\$32.25	\$32.25	\$20.47	\$20.47	\$0.00	\$0.00	\$0.00	\$0.00
	Supplies	\$15.17	\$15.17	\$15.17	\$9.62	\$9.62	\$0.00	\$0.00	\$0.00	\$0.00
	Capital Expenses	\$1.36	\$1.36	\$1.36	\$0.86	\$0.86	\$0.00	\$0.00	\$0.00	\$0.00
	Debt Service	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Expense	\$0.13	\$0.13	\$0.13	\$0.08	\$0.08	\$0.00	\$0.00	\$0.00	\$0.00
	Transfers	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total School Operating Expenditures		\$5,138.85	\$5,138.85	\$5,138.85	\$3,260.79	\$3,260.79	\$0.00	\$0.00	\$0.00	\$0.00

Figure 93. DEVELOPING CITY Expenditures per Prototype: SCHOOLS OUTPUTS for Capital Expenditures

	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
	Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
Debt Service	\$343.44	\$343.44	\$343.44	\$217.92	\$217.92	\$0.00	\$0.00	\$0.00	\$0.00
Capital Projects Expenses	\$16.53	\$16.53	\$16.53	\$10.49	\$10.49	\$0.00	\$0.00	\$0.00	\$0.00
Total School Capital Expenditures	\$359.97	\$359.97	\$359.97	\$228.41	\$228.41	\$0.00	\$0.00	\$0.00	\$0.00

CASE EXAMPLE 4: RURAL AREA (NET CONTRIBUTOR)

PROTOTYPE DETAIL

Details on pertinent data for the residential and nonresidential prototypes included in the study are shown below.

Figure 94. RURAL AREA Prototype Detail

RESIDENTIAL PROTOTYPES

	Land Use Prototype	Market Value Per Unit [1]	Persons Per Unit [2]	Students Per Unit [3]	Vehicle Trips Per Unit [4]
1	Single Family (SF) (Homestead)	\$500,000	2.60	0.495	4.79
2	Single Family (SF) (Homestead)	\$350,000	2.60	0.495	4.79
3	Single Family (SF) (Homestead)	\$200,000	2.60	0.495	4.79
4	Multifamily/Condo (Homestead)	\$200,000	1.72	0.189	3.33
5	Apartment (4+ Units)	\$150,000	1.72	0.189	3.33

[1] TischlerBise analysis of Met Council and Census data.

[2] U.S. Census, American Community Survey, 2005-09 Five-Yr Estimates

[3] U.S. Census, American Community Survey, 2005-2009 Five-Yr PUMS Estimates (Washington County); TischlerBise analysis

[4] Trip Generation, Institute of Transportation Engineers, 2008. Trip rate is adjusted to account for portion attributable to residential unit.

NONRESIDENTIAL PROTOTYPES

	Land Use Prototype [1]	Market Value Per Sq. Ft. [1]	Prototype Size (SF)	Market Value Per Property	Employees Per 1,000 SF [2]	Vehicle Trips Per 1,000 SF [3]
1	Commercial/Retail	\$75	5,000	\$375,000	3.03	30.89
2	Offices	\$80	10,000	\$800,000	4.48	11.33
3	Industrial	\$60	10,000	\$600,000	1.79	1.91
4	Institutional (Tax-Exempt)	\$100	10,000	\$1,000,000	4.48	11.33

[1] Met Council Database; TischlerBise analysis

[2] Institute of Transportation Engineers; Urban Land Institute

[3] Trip Generation, Institute of Transportation Engineers, 2008. Trip rate is adjusted to account for portion attributable to nonresidential.

CITY REVENUES

Methodologies & Levels of Service

The section provides detail on operating and capital revenue projection methodologies for the **City** level of government. The following figures show base year operating and capital revenue amounts, methodologies, and prototype factors.

Figure 95. RURAL AREA Revenue Projection Methodologies: CITY Operating Revenues

PROPORTIONATE SHARE FACTORS

Residential 96% Nonresidential 4%

Revenues

REVENUES

MN Fiscal Disparities: Cost of Land Use

CITY REVENUES

				RESIDENTIAL			NONRESIDENTIAL		
Revenue Category	FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
GENERAL FUND									
Property Taxes	\$1,188,033	86.32%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
Market Value Credit (prev year)	\$50,928	3.70%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Intergovernmental Revenue	\$1,734	0.13%	POPULATION	\$1,734	2,886	\$0.60	\$0	N/A	\$0.00
Charges for Services	\$385	0.03%	POP AND JOBS	\$369	2,886	\$0.13	\$16	379	\$0.04
Fines & Forfeits	\$15,500	1.13%	POP AND JOBS	\$14,840	2,886	\$5.14	\$660	379	\$1.74
Licenses, Fees, Permits	\$110,200	8.01%	POP AND JOBS	\$105,509	2,886	\$36.56	\$4,691	379	\$12.38
Miscellaneous Revenues	\$500	0.04%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Other Grants	\$8,292	0.60%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Interest Revenue	\$700	0.05%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
TOTAL	\$1,376,272	100.00%							

Figure 96. RURAL AREA Revenue Projection Methodologies: CITY Capital Revenues

					RESIDENTIAL			NONRESIDENTIAL		
Revenue Category		FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
Debt Service	Property Taxes	\$321,875	100.00%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00

Revenue Outputs by Prototype

The following section provides further detail on revenue outputs for each of the prototype land uses within the study jurisdictions for the **City** level of government. Revenue outputs are shown first with Fiscal Disparities and then without the program.

Figure 97. RURAL AREA Revenues per Prototype: CITY OUTPUTS for Operating Revenues with Fiscal Disparities

REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
	Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/Retail	Office	Industrial	Institutional
Property Taxes	\$1,029.03	\$705.88	\$363.21	\$363.21	\$385.89	\$187.29	\$211.57	\$156.08	\$0.00
Market Value Credit (prev years)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Intergovernmental Revenue	\$1.56	\$1.56	\$1.56	\$1.03	\$1.03	\$0.00	\$0.00	\$0.00	\$0.00
Charges for Services	\$0.33	\$0.33	\$0.33	\$0.22	\$0.22	\$0.13	\$0.19	\$0.08	\$0.19
Fines & Forfeits	\$13.37	\$13.37	\$13.37	\$8.84	\$8.84	\$5.28	\$7.80	\$3.12	\$7.80
Licenses, Fees, Permits	\$95.05	\$95.05	\$95.05	\$62.88	\$62.88	\$37.51	\$55.43	\$22.20	\$55.43
Miscellaneous Revenues	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL	\$1,139.34	\$816.20	\$473.53	\$436.19	\$458.86	\$230.21	\$274.99	\$181.48	\$63.42
Fiscal Disparities Revenue Allocatio	\$46	\$65	\$114	\$50	\$67	\$0	\$0	\$0	\$0
GRAND TOTAL	\$1,185.12	\$881.59	\$587.96	\$486.27	\$525.64	\$230.21	\$274.99	\$181.48	\$63.42

Figure 98. RURAL AREA Revenues per Prototype: CITY OUTPUTS for Operating Revenues without Fiscal Disparities

REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
	Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
Property Taxes	\$1,026.49	\$704.60	\$363.86	\$363.86	\$384.93	\$277.15	\$313.08	\$230.96	\$0.00
Market Value Credit (prev years)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Intergovernmental Revenue	\$1.56	\$1.56	\$1.56	\$1.03	\$1.03	\$0.00	\$0.00	\$0.00	\$0.00
Charges for Services	\$0.33	\$0.33	\$0.33	\$0.22	\$0.22	\$0.13	\$0.19	\$0.08	\$0.19
Fines & Forfeits	\$13.37	\$13.37	\$13.37	\$8.84	\$8.84	\$5.28	\$7.80	\$3.12	\$7.80
Licenses, Fees, Permits	\$95.05	\$95.05	\$95.05	\$62.88	\$62.88	\$37.51	\$55.43	\$22.20	\$55.43
Miscellaneous Revenues	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL	\$1,136.80	\$814.91	\$474.18	\$436.84	\$457.91	\$320.07	\$376.50	\$256.36	\$63.42

Figure 99. RURAL AREA Revenues per Prototype: CITY OUTPUTS for Capital Revenues with Fiscal Disparities

REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
	Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
Property Taxes	\$322.91	\$221.50	\$113.98	\$113.98	\$121.09	\$58.77	\$66.39	\$48.98	\$0.00
TOTAL	\$322.91	\$221.50	\$113.98	\$113.98	\$121.09	\$58.77	\$66.39	\$48.98	\$0.00

Figure 100. RURAL AREA Revenues per Prototype: CITY OUTPUTS for Capital Revenues without Fiscal Disparities

REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
	Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
Property Taxes	\$322.11	\$221.10	\$114.18	\$114.18	\$120.79	\$86.97	\$98.24	\$72.47	\$0.00
TOTAL	\$322.11	\$221.10	\$114.18	\$114.18	\$120.79	\$86.97	\$98.24	\$72.47	\$0.00

CITY EXPENDITURES

Methodologies & Levels of Service

The section provides detail on operating and capital expenditure projection methodologies for the **City** level of government. The following figures provide base year expenditure amounts, methodologies, and prototype factors. Most expenditures are based on either Population or a combination of Population and Jobs or Population and Trips (nonresidential trips). Capital expenditures are shown separately.

Figure 101. RURAL AREA Expenditure Projection Methodologies: CITY Operating Expenditures

PROPORTIONATE SHARE FACTORS				
RES/EMPS	Residential	96%	Nonresidential	4%
TRIPS	Residential	70%	Nonresidential	30%

EXPENDITURES

EXPENDITURES

MN Fiscal Disparities: Cost of Land Use

CITY EXPENDITURES

				RESIDENTIAL			NONRESIDENTIAL		
Expenditure Category	FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
GENERAL GOVT Wages and Benefits	\$189,909	17.61%	POP AND JOBS	\$181,825	2,886	\$63.00	\$8,084	379	\$21.33
Professional Services	\$147,950	13.72%	POP AND JOBS	\$141,652	2,886	\$49.08	\$6,298	379	\$16.62
Other Expenditures	\$109,500	10.15%	POP AND JOBS	\$104,839	2,886	\$36.33	\$4,661	379	\$12.30
PUBLIC SAFETY Animal Control	\$5,000	0.46%	POPULATION	\$5,000	2,886	\$1.73	\$0	N/A	\$0.00
Fire and Ambulance Service	\$189,564	17.57%	POP AND JOBS	\$181,494	2,886	\$62.89	\$8,070	379	\$21.29
Fire Relief Association	\$11,000	1.02%	POP AND JOBS	\$10,532	2,886	\$3.65	\$468	379	\$1.24
Police Service-County	\$163,000	15.11%	POP AND NONRES TRIPS	\$156,061	2,886	\$54.08	\$6,939	2,239	\$3.10
PUBLIC HEALTH Public Health	\$2,500	0.23%	POP AND JOBS	\$2,394	2,886	\$0.83	\$106	379	\$0.28
STREETS Street Operations and Maintenance-VAR	\$211,500	19.61%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00
Street Operations and Maintenance-FIXE	\$18,000	1.67%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
OTHER PUBLIC WRKS Other Public Works	\$9,000	0.83%	POP AND JOBS	\$8,617	2,886	\$2.99	\$383	379	\$1.01
BUILDINGS & LAND Buildings and Land	\$13,750	1.27%	POP AND JOBS	\$13,165	2,886	\$4.56	\$585	379	\$1.54
PARKS & REC Parks and Recreation	\$7,950	0.74%	POPULATION	\$7,950	2,886	\$2.75	\$0	N/A	\$0.00
Total General Fund Expenditures	\$1,078,623	100.00%							

FORMULA

\$2,051.33

Figure 102 RURAL AREA Expenditure Projection Methodologies: CITY Capital Expenditures

					RESIDENTIAL			NONRESIDENTIAL			
		FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor	
DEBT SERVICE	Debt Service: Roads	\$267,000	83%	VEHICLE TRIPS	\$255,634	5,332	\$47.94	\$11,366	2,239	\$5.08	FORMULA
	Debt Service: Fire Hall	\$54,875	17%	POP AND JOBS	\$52,539	2,886	\$18.20	\$2,336	379	\$6.16	
Total Capital Expenditures (Locally Funded)		\$321,875	100%								

Expenditure Outputs by Prototype

The following section provides further detail on expenditure outputs for each of the prototype land uses within the study jurisdictions for the City level of government.

Figure 103. RURAL AREA Expenditures per Prototype: CITY OUTPUTS for Operating Expenditures

EXPENDITURE Category		Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
GENERAL GOVT	Wages and Benefits	\$163.81	\$163.81	\$163.81	\$108.36	\$108.36	\$64.64	\$95.53	\$38.26	\$95.53
	Professional Services	\$127.61	\$127.61	\$127.61	\$84.42	\$84.42	\$50.36	\$74.42	\$29.80	\$74.42
	Other Expenditures	\$94.45	\$94.45	\$94.45	\$62.48	\$62.48	\$37.27	\$55.08	\$22.06	\$55.08
PUBLIC SAFETY	Animal Control	\$4.50	\$4.50	\$4.50	\$2.98	\$2.98	\$0.00	\$0.00	\$0.00	\$0.00
	Fire and Ambulance Service	\$163.51	\$163.51	\$163.51	\$108.17	\$108.17	\$64.52	\$95.35	\$38.19	\$95.35
	Fire Relief Association	\$9.49	\$9.49	\$9.49	\$6.28	\$6.28	\$3.74	\$5.53	\$2.22	\$5.53
	Police Service-County	\$140.60	\$140.60	\$140.60	\$93.01	\$93.01	\$95.72	\$35.11	\$5.92	\$35.11
PUBLIC HEALTH	Public Health	\$2.16	\$2.16	\$2.16	\$1.43	\$1.43	\$0.85	\$1.26	\$0.50	\$1.26
STREETS	Street Operations and Maintenance-VARIABLE	\$161.32	\$161.32	\$161.32	\$112.10	\$112.10	\$437.62	\$160.51	\$27.06	\$160.51
	Street Operations and Maintenance-FIXED	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
OTHER PUBLIC WORKS	Other Public Works	\$7.76	\$7.76	\$7.76	\$5.14	\$5.14	\$3.06	\$4.53	\$1.81	\$4.53
BUILDINGS & LAND	Buildings and Land	\$11.86	\$11.86	\$11.86	\$7.85	\$7.85	\$4.68	\$6.92	\$2.77	\$6.92
PARKS & REC	Parks and Recreation	\$7.16	\$7.16	\$7.16	\$4.74	\$4.74	\$0.00	\$0.00	\$0.00	\$0.00
Total General Fund Expenditures		\$894.23	\$894.23	\$894.23	\$596.95	\$596.95	\$762.46	\$534.23	\$168.58	\$534.23

Figure 104. RURAL AREA Expenditures per Prototype: CITY OUTPUTS for Capital Expenditures

	<i>Residential: Per Unit</i>					<i>Nonresidential: Per 1,000 Square Feet</i>			
	<i>Single Family Higher Value</i>	<i>Single Family Median Value</i>	<i>Single Family Lower Value</i>	<i>Multifamily/Condo (Hmestd) Unit</i>	<i>Apt. Unit</i>	<i>Commercial/ Retail</i>	<i>Office</i>	<i>Industrial</i>	<i>Institutional</i>
Debt Service: Roads	\$229.39	\$229.39	\$229.39	\$159.40	\$159.40	\$156.79	\$57.51	\$9.69	\$57.51
Debt Service: Fire Hall	\$47.33	\$47.33	\$47.33	\$31.31	\$31.31	\$18.68	\$27.60	\$11.05	\$27.60
Total Capital Expenditures (Locally Funded)	\$276.73	\$276.73	\$276.73	\$190.71	\$190.71	\$175.47	\$85.11	\$20.75	\$85.11

COUNTY REVENUES

Methodologies & Levels of Service

The section provides detail on operating and capital revenue projection methodologies for the **County** level of government. The following figures show base year operating and capital revenue amounts, methodologies, and prototype factors.

Figure 105. RURAL AREA Revenue Projection Methodologies: COUNTY Operating Revenues

PROPORTIONATE SHARE FACTORS

Residential **91%**

Nonresidential **9%**

Revenues

REVENUES

MN Fiscal Disparities: Cost of Land Use

COUNTY REVENUES

				RESIDENTIAL			NONRESIDENTIAL			
Revenue Category	FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor	
GENERAL FUND	Current Property Tax	\$52,306,800	35.34%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Other Tax Revenue	\$7,096,800	4.79%	POP AND JOBS	\$6,441,605	238,136	\$27.05	\$655,195	69,746	\$9.39
	Licenses and Permits	\$2,898,200	1.96%	POP AND JOBS	\$2,630,631	238,136	\$11.05	\$267,569	69,746	\$3.84
	Intergovernmental	\$11,637,900	7.86%	POPULATION	\$11,637,900	238,136	\$48.87	\$0	N/A	\$0.00
	Fees for Services	\$11,046,900	7.46%	POP AND JOBS	\$10,027,022	238,136	\$42.11	\$1,019,878	69,746	\$14.62
	Fines and Forfeitures	\$295,600	0.20%	POP AND JOBS	\$268,309	238,136	\$1.13	\$27,291	69,746	\$0.39
	Investment Earnings	\$701,300	0.47%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Rents	\$8,344,700	5.64%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Miscellaneous	\$1,001,700	0.68%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
PUBLIC WORKS	Current Property Tax	\$4,524,300	3.06%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Other Tax Revenue	\$175,000	0.12%	POP AND JOBS	\$158,844	238,136	\$0.67	\$16,156	69,746	\$0.23
	Licenses and Permits	\$15,000	0.01%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Intergovernmental	\$3,294,000	2.23%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00
	Fees for Services	\$210,200	0.14%	POP AND JOBS	\$190,794	238,136	\$0.80	\$19,406	69,746	\$0.28
	Fines and Forfeitures	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Investment Earnings	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Rents	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Miscellaneous	\$10,000	0.01%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
COMMUNITY SERVICES	Current Property Tax	\$16,382,000	11.07%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Other Tax Revenue	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Licenses and Permits	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Intergovernmental	\$16,653,100	11.25%	POPULATION	\$16,653,100	238,136	\$69.93	\$0	N/A	\$0.00
	Fees for Services	\$1,183,000	0.80%	POPULATION	\$1,183,000	238,136	\$4.97	\$0	N/A	\$0.00
	Fines and Forfeitures	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Investment Earnings	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Rents	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Miscellaneous	\$378,400	0.26%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00

\$5,373.57

APPENDIX F: Cost and Revenue Factors
Cost of Land Use Fiscal Impact Analysis for the Study of the Fiscal Disparities Program
For the Minnesota Department of Revenue

LIBRARY	Current Property Tax	\$6,066,800	4.10%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Other Tax Revenue	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Licenses and Permits	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Intergovernmental	\$192,000	0.13%	POPULATION	\$192,000	238,136	\$0.81	\$0	N/A	\$0.00
	Fees for Services	\$96,000	0.06%	POPULATION	\$96,000	238,136	\$0.40	\$0	N/A	\$0.00
	Fines and Forfeitures	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Investment Earnings	\$4,600	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Rents	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Miscellaneous	\$168,500	0.11%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
COUNTY PARKS	Current Property Tax	\$684,600	0.46%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Other Tax Revenue	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Licenses and Permits	\$810,000	0.55%	POPULATION	\$810,000	238,136	\$3.40	\$0	N/A	\$0.00
	Intergovernmental	\$1,644,000	1.11%	POPULATION	\$1,644,000	238,136	\$6.90	\$0	N/A	\$0.00
	Fees for Services	\$500	0.00%	POPULATION	\$500	238,136	\$0.00	\$0	N/A	\$0.00
	Fines and Forfeitures	\$1,800	0.00%	POPULATION	\$1,800	238,136	\$0.01	\$0	N/A	\$0.00
	Investment Earnings	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Rents	\$125,200	0.08%	POPULATION	\$125,200	238,136	\$0.53	\$0	N/A	\$0.00
	Miscellaneous	\$75,500	0.05%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
TOTAL		\$148,024,400	100.00%							

Figure 106. RURAL AREA Revenue Projection Methodologies: COUNTY Capital Revenues

				RESIDENTIAL			NONRESIDENTIAL			
Revenue Category		FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
CAPITAL FUNDS	Taxes	\$3,401,800	16.68%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Other taxes	\$1,025,600	5.03%	POPULATION	\$1,025,600	238,136	\$4.31	\$0	N/A	\$0.00
	Licenses and Permits	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Intergovernmental-State Aid	\$4,913,240	24.09%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00
	Fees for Services	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Fines and Forfeitures	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Investment Earnings	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Rents	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Miscellaneous	\$28,000	0.14%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
DEBT SERVICE	Debt Service Levy	\$11,030,400	54.07%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
TOTAL CAPITAL AND DEBT SERVICE		\$20,399,040	100.00%							

\$8,015.07

Revenue Outputs by Prototype

The following section provides further detail on revenue outputs for each of the prototype land uses within the study jurisdictions for the **County** level of government. Revenue outputs are shown first with Fiscal Disparities and then without the program.

Figure 107. RURAL AREA Revenues per Prototype: COUNTY OUTPUTS for Operating Revenues with Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/Retail	Office	Industrial	Institutional
GENERAL FUND	Current Property Tax	\$794.40	\$544.93	\$280.40	\$280.40	\$297.90	\$144.59	\$163.33	\$120.49	\$0.00
	Other Tax Revenue	\$70.33	\$70.33	\$70.33	\$46.53	\$46.53	\$28.47	\$42.07	\$16.85	\$42.07
	Licenses and Permits	\$28.72	\$28.72	\$28.72	\$19.00	\$19.00	\$11.63	\$17.18	\$6.88	\$17.18
	Intergovernmental	\$127.06	\$127.06	\$127.06	\$84.06	\$84.06	\$0.00	\$0.00	\$0.00	\$0.00
	Fees for Services	\$109.48	\$109.48	\$109.48	\$72.42	\$72.42	\$44.31	\$65.48	\$26.22	\$65.48
	Fines and Forfeitures	\$2.93	\$2.93	\$2.93	\$1.94	\$1.94	\$1.19	\$1.75	\$0.70	\$1.75
	Investment Earnings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Rents	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PUBLIC WORKS	Current Property Tax	\$68.71	\$47.13	\$24.25	\$24.25	\$25.77	\$12.51	\$14.13	\$10.42	\$0.00
	Other Tax Revenue	\$1.73	\$1.73	\$1.73	\$1.15	\$1.15	\$0.70	\$1.04	\$0.42	\$1.04
	Licenses and Permits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental	\$32.13	\$32.13	\$32.13	\$22.33	\$22.33	\$58.83	\$21.58	\$3.64	\$21.58
	Fees for Services	\$2.08	\$2.08	\$2.08	\$1.38	\$1.38	\$0.84	\$1.25	\$0.50	\$1.25
	Fines and Forfeitures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Investment Earnings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Rents	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COMMUNITY SERVICES	Current Property Tax	\$248.81	\$170.67	\$87.82	\$87.82	\$93.30	\$45.29	\$51.16	\$37.74	\$0.00
	Other Tax Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Licenses and Permits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental	\$181.82	\$181.82	\$181.82	\$120.28	\$120.28	\$0.00	\$0.00	\$0.00	\$0.00
	Fees for Services	\$12.92	\$12.92	\$12.92	\$8.54	\$8.54	\$0.00	\$0.00	\$0.00	\$0.00
	Fines and Forfeitures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Investment Earnings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Rents	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LIBRARY	Current Property Tax	\$102.54	\$70.34	\$36.19	\$36.19	\$38.45	\$18.66	\$21.08	\$15.55	\$0.00
	Other Tax Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Licenses and Permits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental	\$2.10	\$2.10	\$2.10	\$1.39	\$1.39	\$0.00	\$0.00	\$0.00	\$0.00
	Fees for Services	\$1.05	\$1.05	\$1.05	\$0.69	\$0.69	\$0.00	\$0.00	\$0.00	\$0.00
	Fines and Forfeitures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Investment Earnings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Rents	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COUNTY PARKS	Current Property Tax	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Tax Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Licenses and Permits	\$8.84	\$8.84	\$8.84	\$5.85	\$5.85	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental	\$17.95	\$17.95	\$17.95	\$11.87	\$11.87	\$0.00	\$0.00	\$0.00	\$0.00
	Fees for Services	\$0.01	\$0.01	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fines and Forfeitures	\$0.02	\$0.02	\$0.02	\$0.01	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00
	Investment Earnings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Rents	\$1.37	\$1.37	\$1.37	\$0.90	\$0.90	\$0.00	\$0.00	\$0.00	\$0.00
	Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL		\$1,814.99	\$1,433.61	\$1,029.20	\$827.01	\$853.77	\$367.00	\$400.04	\$239.41	\$150.35
Fiscal Disparities Revenue Allocation		\$54	\$77	\$135	\$59	\$79	\$0	\$0	\$0	\$0
GRAND TOTAL		\$1,868.94	\$1,510.69	\$1,164.09	\$886.04	\$932.48	\$367.00	\$400.04	\$239.41	\$150.35

Figure 108. RURAL AREA Revenues per Prototype: COUNTY OUTPUTS for Operating Revenues without Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
GENERAL FUND	Current Property Tax	\$823.45	\$565.23	\$291.89	\$291.89	\$308.80	\$222.33	\$251.15	\$185.28	\$0.00
	Other Tax Revenue	\$70.33	\$70.33	\$70.33	\$46.53	\$46.53	\$28.47	\$42.07	\$16.85	\$42.07
	Licenses and Permits	\$28.72	\$28.72	\$28.72	\$19.00	\$19.00	\$11.63	\$17.18	\$6.88	\$17.18
	Intergovernmental	\$127.06	\$127.06	\$127.06	\$84.06	\$84.06	\$0.00	\$0.00	\$0.00	\$0.00
	Fees for Services	\$109.48	\$109.48	\$109.48	\$72.42	\$72.42	\$44.31	\$65.48	\$26.22	\$65.48
	Fines and Forfeitures	\$2.93	\$2.93	\$2.93	\$1.94	\$1.94	\$1.19	\$1.75	\$0.70	\$1.75
	Investment Earnings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Rents	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PUBLIC WORKS	Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Current Property Tax	\$71.23	\$48.89	\$25.25	\$25.25	\$26.71	\$19.23	\$21.72	\$16.03	\$0.00
	Other Tax Revenue	\$1.73	\$1.73	\$1.73	\$1.15	\$1.15	\$0.70	\$1.04	\$0.42	\$1.04
	Licenses and Permits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental	\$32.13	\$32.13	\$32.13	\$22.33	\$22.33	\$58.83	\$21.58	\$3.64	\$21.58
	Fees for Services	\$2.08	\$2.08	\$2.08	\$1.38	\$1.38	\$0.84	\$1.25	\$0.50	\$1.25
	Fines and Forfeitures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Investment Earnings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COMMUNITY SERVICES	Rents	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Current Property Tax	\$257.91	\$177.03	\$91.42	\$91.42	\$96.72	\$69.64	\$78.66	\$58.03	\$0.00
	Other Tax Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Licenses and Permits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental	\$181.82	\$181.82	\$181.82	\$120.28	\$120.28	\$0.00	\$0.00	\$0.00	\$0.00
	Fees for Services	\$12.92	\$12.92	\$12.92	\$8.54	\$8.54	\$0.00	\$0.00	\$0.00	\$0.00
	Fines and Forfeitures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LIBRARY	Investment Earnings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Rents	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Current Property Tax	\$106.29	\$72.96	\$37.68	\$37.68	\$39.86	\$28.70	\$32.42	\$23.91	\$0.00
	Other Tax Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Licenses and Permits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental	\$2.10	\$2.10	\$2.10	\$1.39	\$1.39	\$0.00	\$0.00	\$0.00	\$0.00
	Fees for Services	\$1.05	\$1.05	\$1.05	\$0.69	\$0.69	\$0.00	\$0.00	\$0.00	\$0.00
COUNTY PARKS	Fines and Forfeitures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Investment Earnings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Rents	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Current Property Tax	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Tax Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Licenses and Permits	\$8.84	\$8.84	\$8.84	\$5.85	\$5.85	\$0.00	\$0.00	\$0.00	\$0.00
	Intergovernmental	\$17.95	\$17.95	\$17.95	\$11.87	\$11.87	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL	Fees for Services	\$0.01	\$0.01	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Fines and Forfeitures	\$0.02	\$0.02	\$0.02	\$0.01	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00
	Investment Earnings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Rents	\$1.37	\$1.37	\$1.37	\$0.90	\$0.90	\$0.00	\$0.00	\$0.00	\$0.00
	Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Current Property Tax	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Tax Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Licenses and Permits	\$8.84	\$8.84	\$8.84	\$5.85	\$5.85	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL		\$1,859.41	\$1,464.65	\$1,046.77	\$844.58	\$870.42	\$485.86	\$534.30	\$338.45	\$150.35

Figure 109. RURAL AREA Revenues per Prototype: COUNTY OUTPUTS for Capital Revenues with Fiscal Disparities

REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
	Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
Taxes	\$219.19	\$150.35	\$77.37	\$77.37	\$82.19	\$39.89	\$45.07	\$33.25	\$0.00
Other taxes	\$11.20	\$11.20	\$11.20	\$7.41	\$7.41	\$0.00	\$0.00	\$0.00	\$0.00
Licenses and Permits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Intergovernmental-State Aid	\$47.92	\$47.92	\$47.92	\$33.30	\$33.30	\$87.75	\$32.18	\$5.43	\$32.18
Fees for Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Fines and Forfeitures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Investment Earnings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Rents	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Debt Service Levy	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL	\$278.31	\$209.47	\$136.49	\$118.07	\$122.90	\$127.64	\$77.25	\$38.67	\$32.18

Figure 110. RURAL AREA Revenues per Prototype: COUNTY OUTPUTS for Capital Revenues without Fiscal Disparities

REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
	Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
Taxes	\$227.20	\$155.96	\$80.54	\$80.54	\$85.20	\$61.34	\$69.30	\$51.12	\$0.00
Other taxes	\$11.20	\$11.20	\$11.20	\$7.41	\$7.41	\$0.00	\$0.00	\$0.00	\$0.00
Licenses and Permits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Intergovernmental	\$47.92	\$47.92	\$47.92	\$33.30	\$33.30	\$87.75	\$32.18	\$5.43	\$32.18
Fees for Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Fines and Forfeitures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Investment Earnings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Rents	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Debt Service Levy	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL	\$286.32	\$215.08	\$139.66	\$121.24	\$125.91	\$149.09	\$101.48	\$56.55	\$32.18

COUNTY EXPENDITURES

Methodologies & Levels of Service

The section provides detail on operating and capital expenditure projection methodologies for the **County** level of government. The following figures provide base year expenditure amounts, methodologies, and prototype factors for operating and capital expenditures.

Figure 111. RURAL AREA Expenditure Projection Methodologies: COUNTY Operating Expenditures

PROPORTIONATE SHARE FACTORS			
OVERHEAD PROP SHARE			
Residential	91%	Nonresidential	9%
RES/EMPS	91%	Nonresidential	9%
TRIPS	62%	Nonresidential	38%

EXPENDITURES

EXPENDITURES

MN Fiscal Disparities: Cost of Land Use

COUNTY EXPENDITURES

				RESIDENTIAL			NONRESIDENTIAL			
Expenditure Category	FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor	
GENERAL FUND Public Safety-Sheriff	\$26,348,900	17.97%	POP AND NONRES TRIPS	\$23,916,303	238,136	\$100.43	\$2,432,597	259,448	\$9.38	
Public Safety-Community Corrections	\$10,003,400	6.82%	POPULATION	\$10,003,400	238,136	\$42.01	\$0	N/A	\$0.00	
Public Safety-County Atty	\$4,810,100	3.28%	POPULATION	\$4,810,100	238,136	\$20.20	\$0	N/A	\$0.00	
Court Administration (County Cost)	\$1,731,200	1.18%	POP AND JOBS	\$1,571,371	238,136	\$6.60	\$159,829	69,746	\$2.29	
Health and Community Services	\$18,195,000	12.41%	POPULATION	\$18,195,000	238,136	\$76.41	\$0	N/A	\$0.00	
Internal Services (Admin and Gen)	\$10,028,700	6.84%	POP AND JOBS	\$9,102,825	238,136	\$38.23	\$925,875	69,746	\$13.27	
Libraries	\$363,100	0.25%	POPULATION	\$363,100	238,136	\$1.52	\$0	N/A	\$0.00	
Other	\$4,389,200	2.99%	POP AND JOBS	\$3,983,978	238,136	\$16.73	\$405,222	69,746	\$5.81	
Parks (see Parks Fund)	\$0	0.00%	POPULATION	\$0	238,136	\$0.00	\$0	N/A	\$0.00	
Property and Taxation	\$8,008,700	5.46%	POP AND JOBS	\$7,269,317	238,136	\$30.53	\$739,383	69,746	\$10.60	
Public Works (GF)	\$9,211,100	6.28%	POP AND JOBS	\$8,360,708	238,136	\$35.11	\$850,392	69,746	\$12.19	
PUBLIC WORKS FUND Public Works	\$8,449,900	5.76%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00	\$13,784.50
COMMUNITY SERVICES Health and Community Services	\$35,128,500	23.96%	POPULATION	\$35,128,500	238,136	\$147.51	\$0	N/A	\$0.00	
LIBRARY Libraries	\$6,527,900	4.45%	POPULATION	\$6,527,900	238,136	\$27.41	\$0	N/A	\$0.00	
PARKS Parks	\$3,391,600	2.31%	POPULATION	\$3,391,600	238,136	\$14.24	\$0	N/A	\$0.00	
Total Expenditures	\$146,587,300	100.00%								

Figure 112 RURAL AREA Expenditure Projection Methodologies: COUNTY Capital Expenditures

		RESIDENTIAL						NONRESIDENTIAL			
		FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor	
CAPITAL FUNDS	Transportation-debt service (estd)	\$800,000	4%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00	\$1,305.06
	Transportation-paygo	\$8,689,640	41%	LANE MILES	N/A	N/A	\$0.00	N/A	N/A	\$0.00	\$14,175.60
	Public Facilities-Debt	\$150,000	1%	POPULATION	\$150,000	238,136	\$0.63	\$0	N/A	\$0.00	
	Public Facilities-Paygo	\$2,334,820	11%	POP AND JOBS	\$2,119,264	238,136	\$8.90	\$215,556	69,746	\$3.09	
	Sheriff-Paygo	\$446,300	2%	POP AND NONRES TRIP	\$405,096	238,136	\$1.70	\$41,204	259,448	\$0.16	
	Parks-Paygo (local funds)	\$14,000	0%	POPULATION	\$14,000	238,136	\$0.06	\$0	N/A	\$0.00	
DEBT SERVICE FUND	Principal	\$3,522,800	16%	POP AND JOBS	\$3,197,566	238,136	\$13.43	\$325,234	69,746	\$4.66	
	Interest	\$5,469,100	26%	POP AND JOBS	\$4,964,179	238,136	\$20.85	\$504,921	69,746	\$7.24	
Total Capital Expenditures		\$21,426,660	100%				\$45.6				

Expenditure Outputs by Prototype

The following section provides further detail on expenditure outputs for each of the prototype land uses within the study jurisdictions for the County level of government.

Figure 113. RURAL AREA Expenditures per Prototype: COUNTY OUTPUTS for Operating Expenditures

	EXPENDITURE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
GENERAL FUND	Public Safety-Sheriff	\$261.12	\$261.12	\$261.12	\$172.74	\$172.74	\$289.63	\$106.23	\$17.91	\$106.23
	Public Safety-Community Corrections	\$109.22	\$109.22	\$109.22	\$72.25	\$72.25	\$0.00	\$0.00	\$0.00	\$0.00
	Public Safety-County Atty	\$52.52	\$52.52	\$52.52	\$34.74	\$34.74	\$0.00	\$0.00	\$0.00	\$0.00
	Court Administration (County Costs)	\$17.16	\$17.16	\$17.16	\$11.35	\$11.35	\$6.94	\$10.26	\$4.11	\$10.26
	Health and Community Services	\$198.66	\$198.66	\$198.66	\$131.42	\$131.42	\$0.00	\$0.00	\$0.00	\$0.00
	Internal Services (Admin and Gen Op	\$99.39	\$99.39	\$99.39	\$65.75	\$65.75	\$40.23	\$59.45	\$23.81	\$59.45
	Libraries	\$3.96	\$3.96	\$3.96	\$2.62	\$2.62	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$43.50	\$43.50	\$43.50	\$28.78	\$28.78	\$17.61	\$26.02	\$10.42	\$26.02
	Parks (see Parks Fund)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Property and Taxation	\$79.37	\$79.37	\$79.37	\$52.50	\$52.50	\$32.12	\$47.47	\$19.01	\$47.47
PUBLIC WORKS FUND	Public Works (GF)	\$91.28	\$91.28	\$91.28	\$60.39	\$60.39	\$36.95	\$54.60	\$21.87	\$54.60
	Public Works	\$82.42	\$82.42	\$82.42	\$57.27	\$57.27	\$150.91	\$55.35	\$9.33	\$55.35
COMMUNITY SERVICES	Health and Community Services	\$383.54	\$383.54	\$383.54	\$253.72	\$253.72	\$0.00	\$0.00	\$0.00	\$0.00
	Libraries	\$71.27	\$71.27	\$71.27	\$47.15	\$47.15	\$0.00	\$0.00	\$0.00	\$0.00
LIBRARY	Parks	\$37.03	\$37.03	\$37.03	\$24.50	\$24.50	\$0.00	\$0.00	\$0.00	\$0.00
PARKS										
	Total Expenditures	\$1,530.42	\$1,530.42	\$1,530.42	\$1,015.18	\$1,015.18	\$574.38	\$359.39	\$106.46	\$359.39

Figure 114. RURAL AREA Expenditures per Prototype: COUNTY OUTPUTS for Capital Expenditures

	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
	Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
Transportation-debt service (estd)	\$7.80	\$7.80	\$7.80	\$5.42	\$5.42	\$14.29	\$5.24	\$0.88	\$5.24
Transportation-paygo	\$84.75	\$84.75	\$84.75	\$58.89	\$58.89	\$155.19	\$56.92	\$9.60	\$56.92
Public Facilities-Debt	\$1.64	\$1.64	\$1.64	\$1.08	\$1.08	\$0.00	\$0.00	\$0.00	\$0.00
Public Facilities-Paygo	\$23.14	\$23.14	\$23.14	\$15.31	\$15.31	\$9.37	\$13.84	\$5.54	\$13.84
Sheriff-Paygo	\$4.42	\$4.42	\$4.42	\$2.93	\$2.93	\$4.91	\$1.80	\$0.30	\$1.80
Parks-Paygo (local funds)	\$0.15	\$0.15	\$0.15	\$0.10	\$0.10	\$0.00	\$0.00	\$0.00	\$0.00
Principal	\$34.91	\$34.91	\$34.91	\$23.10	\$23.10	\$14.13	\$20.88	\$8.36	\$20.88
Interest	\$54.20	\$54.20	\$54.20	\$35.86	\$35.86	\$21.94	\$32.42	\$12.98	\$32.42
Total Capital Expenditures	\$211.02	\$211.02	\$211.02	\$142.68	\$142.68	\$219.81	\$131.10	\$37.67	\$131.10

SCHOOL DISTRICT REVENUES

Methodologies & Levels of Service

The section provides detail on operating and capital revenue projection methodologies for the **Schools** level of government. The following figures show base year operating and capital revenue amounts, methodologies, and prototype factors.

Figure 115. RURAL AREA Revenue Projection Methodologies: SCHOOLS Operating Revenues

Revenues										
REVENUES										
MN Fiscal Disparities: Cost of Land Use										
SCHOOL DISTRICT REVENUES										
Revenue Category		FY 2011 Amount	Percent of Total	Prototype Methodology	RESIDENTIAL			NONRESIDENTIAL		
					Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
General Fund	Property Taxes	\$14,546,181	17.00%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	State Revenue	\$60,247,940	70.41%	TOTAL ENROLLMENT	\$60,247,940	8,756	\$6,880.76	\$0.00	N/A	\$0.00
	Federal Revenue	\$3,881,324	4.54%	TOTAL ENROLLMENT	\$3,881,324	8,756	\$443.28	\$0.00	N/A	\$0.00
	Other	\$3,001,577	3.51%	TOTAL ENROLLMENT	\$3,001,577	8,756	\$342.80	\$0.00	N/A	\$0.00
Community Service Fund	Property Taxes	\$884,555	1.03%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	State Revenue	\$545,527	0.64%	TOTAL ENROLLMENT	\$545,527	8,756	\$62.30	\$0.00	N/A	\$0.00
	Federal Revenue	\$2,167	0.00%	TOTAL ENROLLMENT	\$2,167	8,756	\$0.25	\$0.00	N/A	\$0.00
	Other	\$2,453,292	2.87%	TOTAL ENROLLMENT	\$2,453,292	8,756	\$280.18	\$0.00	N/A	\$0.00
TOTAL		\$85,562,563	100.00%							

Figure 116. RURAL AREA Revenue Projection Methodologies: SCHOOLS Capital Revenues

					RESIDENTIAL			NONRESIDENTIAL		
Revenue Category		FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
Debt Service Fund Building Construction Fund	Local Property Taxes	\$9,967,640	76.94%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Local Property Taxes	\$2,984,616	23.04%	CUSTOM TABLE	N/A	See Table	\$0.00	N/A	See Table	\$0.00
	Interest Earnings	\$2,000	0.02%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Sale of Bonds	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
TOTAL		\$12,954,256	100.00%							

Revenue Outputs by Prototype

The following section provides further detail on revenue outputs for each of the prototype land uses within the study jurisdictions for the **Schools** level of government. Revenue outputs are shown first with Fiscal Disparities and then without the program.

Figure 117. RURAL AREA Revenues per Prototype: SCHOOLS OUTPUTS for Operating Revenues with Fiscal Disparities

REVENUE Category		Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/Retail	Office	Industrial	Institutional
General Fund	Property Taxes	\$927.46	\$641.93	\$346.52	\$346.52	\$317.25	\$155.77	\$172.12	\$127.77	\$0.00
	State Revenue	\$3,406.85	\$3,406.85	\$3,406.85	\$1,298.69	\$1,298.69	\$0.00	\$0.00	\$0.00	\$0.00
	Federal Revenue	\$219.48	\$219.48	\$219.48	\$83.67	\$83.67	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$169.73	\$169.73	\$169.73	\$64.70	\$64.70	\$0.00	\$0.00	\$0.00	\$0.00
Community Service Fund	Property Taxes	\$56.40	\$39.04	\$21.07	\$21.07	\$19.29	\$9.47	\$10.47	\$7.77	\$0.00
	State Revenue	\$30.85	\$30.85	\$30.85	\$11.76	\$11.76	\$0.00	\$0.00	\$0.00	\$0.00
	Federal Revenue	\$0.12	\$0.12	\$0.12	\$0.05	\$0.05	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$138.73	\$138.73	\$138.73	\$52.88	\$52.88	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL		\$4,949.62	\$4,646.72	\$4,333.35	\$1,879.34	\$1,848.29	\$165.24	\$182.58	\$135.54	\$0.00
Fiscal Disparities Revenue Allocati		\$42	\$60	\$105	\$46	\$61	\$0	\$0	\$0	\$0
GRAND TOTAL		\$4,991.45	\$4,706.48	\$4,437.92	\$1,925.10	\$1,909.31	\$165.24	\$182.58	\$135.54	\$0.00

Figure 118. RURAL AREA Revenues per Prototype: SCHOOLS OUTPUTS for Operating Revenues without Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail Office Industrial Institutional			
General Fund	Property Taxes	\$965.65	\$668.37	\$360.84	\$360.84	\$331.57	\$211.85	\$235.47	\$174.51	\$0.00
	State Revenue	\$3,406.85	\$3,406.85	\$3,406.85	\$1,298.69	\$1,298.69	\$0.00	\$0.00	\$0.00	\$0.00
	Federal Revenue	\$219.48	\$219.48	\$219.48	\$83.67	\$83.67	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$169.73	\$169.73	\$169.73	\$64.70	\$64.70	\$0.00	\$0.00	\$0.00	\$0.00
Community Service Fund	Property Taxes	\$58.72	\$40.64	\$21.94	\$21.94	\$20.16	\$12.88	\$14.32	\$10.61	\$0.00
	State Revenue	\$30.85	\$30.85	\$30.85	\$11.76	\$11.76	\$0.00	\$0.00	\$0.00	\$0.00
	Federal Revenue	\$0.12	\$0.12	\$0.12	\$0.05	\$0.05	\$0.00	\$0.00	\$0.00	\$0.00
	Other	\$138.73	\$138.73	\$138.73	\$52.88	\$52.88	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL		\$4,990.13	\$4,674.77	\$4,348.54	\$1,894.53	\$1,863.48	\$224.73	\$249.78	\$185.12	\$0.00

Figure 119. RURAL AREA Revenues per Prototype: SCHOOLS OUTPUTS for Capital Revenues with Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail Office Industrial Institutional			
Debt Service Fund	Local Property Taxes	\$825.84	\$571.59	\$308.55	\$308.55	\$282.49	\$138.70	\$153.26	\$113.77	\$0.00
	Local Property Taxes	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Building Construction Fund	Interest Earnings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Sale of Bonds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL		\$825.84	\$571.59	\$308.55	\$308.55	\$282.49	\$138.70	\$153.26	\$113.77	\$0.00

Figure 120. RURAL AREA Revenues per Prototype: SCHOOLS OUTPUTS for Capital Revenues without Fiscal Disparities

	REVENUE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail Office Industrial Institutional			
Debt Service Fund	Local Property Taxes	\$859.83	\$595.13	\$321.30	\$321.30	\$295.24	\$188.64	\$209.66	\$155.38	\$0.00
	Local Property Taxes	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Building Construction Fund	Interest Earnings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Sale of Bonds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL		\$859.83	\$595.13	\$321.30	\$321.30	\$295.24	\$188.64	\$209.66	\$155.38	\$0.00

SCHOOL DISTRICT EXPENDITURES

Methodologies & Levels of Service

The section provides detail on operating and capital expenditure projection methodologies for the **Schools** level of government. The following figures provide base year expenditure amounts, methodologies, and prototype factors for operating and capital expenditures.

Figure 121. RURAL AREA Expenditure Projection Methodologies: SCHOOLS Operating Expenditures

EXPENDITURES									
EXPENDITURES									
MN Fiscal Disparities: Cost of Land Use									
SCHOOL DISTRICT EXPENDITURES									
				RESIDENTIAL			NONRESIDENTIAL		
Expenditure Category	FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
GENERAL FUND Salaries	\$47,579,588	51.34%	TOTAL ENROLLMENT	\$47,579,588	8,756	\$5,433.94	\$0.00	N/A	\$0.00
Benefits	\$18,894,126	20.39%	TOTAL ENROLLMENT	\$18,894,126	8,756	\$2,157.85	\$0.00	N/A	\$0.00
Purchased Services	\$15,935,169	17.20%	TOTAL ENROLLMENT	\$15,935,169	8,756	\$1,819.91	\$0.00	N/A	\$0.00
Supplies	\$3,332,839	3.60%	TOTAL ENROLLMENT	\$3,332,839	8,756	\$380.63	\$0.00	N/A	\$0.00
Capital Expenses	\$2,625,140	2.83%	TOTAL ENROLLMENT	\$2,625,140	8,756	\$299.81	\$0.00	N/A	\$0.00
Debt Service	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Other Expense	\$414,645	0.45%	TOTAL ENROLLMENT	\$414,645	8,756	\$47.36	\$0.00	N/A	\$0.00
Transfers	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
COMMUNITY SERVICE Salaries	\$2,171,816	2.34%	TOTAL ENROLLMENT	\$2,171,816	8,756	\$248.04	\$0.00	N/A	\$0.00
Benefits	\$757,096	0.82%	TOTAL ENROLLMENT	\$757,096	8,756	\$86.47	\$0.00	N/A	\$0.00
Purchased Services	\$634,427	0.68%	TOTAL ENROLLMENT	\$634,427	8,756	\$72.46	\$0.00	N/A	\$0.00
Supplies	\$212,663	0.23%	TOTAL ENROLLMENT	\$212,663	8,756	\$24.29	\$0.00	N/A	\$0.00
Capital Expenses	\$44,300	0.05%	TOTAL ENROLLMENT	\$44,300	8,756	\$5.06	\$0.00	N/A	\$0.00
Debt Service	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Other Expense	\$65,440	0.07%	TOTAL ENROLLMENT	\$65,440	8,756	\$7.47	\$0.00	N/A	\$0.00
Transfers	\$0	0.00%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Total School Operating Expenditures	\$92,667,249	100.00%				\$10,583			

Figure 122 RURAL AREA Expenditure Projection Methodologies: SCHOOLS Capital Expenditures

					RESIDENTIAL			NONRESIDENTIAL		
		FY 2011 Amount	Percent of Total	Prototype Methodology	Residential Share	Prototype Divisor	Prototype Factor	Nonresidential Share	Prototype Divisor	Prototype Factor
DEBT SERVICE FUND BUILDING CONSTRUCTION	Debt Service	\$10,039,733	72%	TOTAL ENROLLMENT	\$10,039,733	8,756	\$1,146.61	\$0.00	N/A	\$0.00
	Salaries	\$78,789	1%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Benefits	\$31,531	0%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Purchased Services	\$483,000	3%	TOTAL ENROLLMENT	\$483,000	8,756	\$55.16	\$0.00	N/A	\$0.00
	Supplies	\$0	0%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
	Capital Expenses	\$3,307,500	24%	TOTAL ENROLLMENT	\$3,307,500	8,756	\$377.74	\$0.00	N/A	\$0.00
	Other Expenditures	\$0	0%	FIXED	N/A	None	\$0.00	N/A	None	\$0.00
Total School Capital Expenditures		\$13,940,553	100%				\$1,579.51			

Expenditure Outputs by Prototype

The following section provides further detail on expenditure outputs for each of the prototype land uses within the study jurisdictions for the County level of government.

Figure 123. RURAL AREA Expenditures per Prototype: SCHOOLS OUTPUTS for Operating Expenditures

	EXPENDITURE Category	Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
GENERAL FUND	Salaries	\$2,690.49	\$2,690.49	\$2,690.49	\$1,025.62	\$1,025.62	\$0.00	\$0.00	\$0.00	\$0.00
	Benefits	\$1,068.41	\$1,068.41	\$1,068.41	\$407.28	\$407.28	\$0.00	\$0.00	\$0.00	\$0.00
	Purchased Services	\$901.09	\$901.09	\$901.09	\$343.50	\$343.50	\$0.00	\$0.00	\$0.00	\$0.00
	Supplies	\$188.46	\$188.46	\$188.46	\$71.84	\$71.84	\$0.00	\$0.00	\$0.00	\$0.00
	Capital Expenses	\$148.44	\$148.44	\$148.44	\$56.59	\$56.59	\$0.00	\$0.00	\$0.00	\$0.00
	Debt Service	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Expense	\$23.45	\$23.45	\$23.45	\$8.94	\$8.94	\$0.00	\$0.00	\$0.00	\$0.00
	Transfers	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COMMUNITY SERVICE FUND	Salaries	\$122.81	\$122.81	\$122.81	\$46.82	\$46.82	\$0.00	\$0.00	\$0.00	\$0.00
	Benefits	\$42.81	\$42.81	\$42.81	\$16.32	\$16.32	\$0.00	\$0.00	\$0.00	\$0.00
	Purchased Services	\$35.88	\$35.88	\$35.88	\$13.68	\$13.68	\$0.00	\$0.00	\$0.00	\$0.00
	Supplies	\$12.03	\$12.03	\$12.03	\$4.58	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00
	Capital Expenses	\$2.51	\$2.51	\$2.51	\$0.95	\$0.95	\$0.00	\$0.00	\$0.00	\$0.00
	Debt Service	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Expense	\$3.70	\$3.70	\$3.70	\$1.41	\$1.41	\$0.00	\$0.00	\$0.00	\$0.00
	Transfers	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total School Operating Expenditures		\$5,240.08	\$5,240.08	\$5,240.08	\$1,997.52	\$1,997.52	\$0.00	\$0.00	\$0.00	\$0.00

Figure 124. RURAL AREA Expenditures per Prototype: SCHOOLS OUTPUTS for Capital Expenditures

		Residential: Per Unit					Nonresidential: Per 1,000 Square Feet			
		Single Family Higher Value	Single Family Median Value	Single Family Lower Value	Multifamily/Condo (Hmestd) Unit	Apt. Unit	Commercial/ Retail	Office	Industrial	Institutional
DEBT SERVICE FUND	Debt Service	\$567.72	\$567.72	\$567.72	\$216.41	\$216.41	\$0.00	\$0.00	\$0.00	\$0.00
BUILDING CONSTRUCTION	Salaries	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Benefits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Purchased Services	\$27.31	\$27.31	\$27.31	\$10.41	\$10.41	\$0.00	\$0.00	\$0.00	\$0.00
	Supplies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Capital Expenses	\$187.03	\$187.03	\$187.03	\$71.30	\$71.30	\$0.00	\$0.00	\$0.00	\$0.00
	Other Expenditures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total School Capital Expenditures		\$782.06	\$782.06	\$782.06	\$298.12	\$298.12	\$0.00	\$0.00	\$0.00	\$0.00