



Department Source: Community Development - Planning

To: City Council

From: City Manager & Staff

Council Meeting Date: March 2, 2020

Re: Growth Impact Study

Executive Summary

Staff has prepared for Council consideration a Request for Proposals for professional services in the preparation of a Growth Impact Study.

Discussion

Introduction

In FY 2019 the City Council budgeted funds for a Growth Impact Study with the specific scope of the Study to be determined. After a work session on the topic and additional research, staff has prepared a Request for Proposals (RFP) and a narrative of the requested scope of services for Council review.

Staff proposes that the city contract for a study that will inform the City Council on matters concerning the fiscal impacts of growth – the additional revenues and expenses that are attributed to the city's growth the built environment, population, employment, visitors, and territory.

The "deliverable" is not intended to offer the final word on whether development pays for itself or recommend a new fee structure. The study will recommend further work, including but not limited to revisions to ordinances, policies, and practices as necessary. To maximize transparency, it is expected that the consultant will develop the study with public engagement from start to finish. A successful consultant engagement will yield an action plan for the Council to review and revise its growth and development related policies.

Proposed Scope

In the attached RFP, the specific content of the Growth Impact Study (as opposed to standardized general content of RFPs) is highlighted in **bold**.

As stated in the Scope of Services portion of the RFP:

"The City of Columbia is seeking a Growth Impact Study which is a fiscal impact study designed to advance the community conversation about the city's physical, demographic, and territorial growth and its fiscal ramifications. The conversation begins with high-level questions: Does real estate land development activity pay for the public costs it creates? If yes, how is that conclusion reached, and does development pay its fair share with consistency? If no, how is that conclusion reached, and do existing residents subsidize or underwrite growth? Is there value to the whole community in the infrastructure attributable to new growth notwithstanding the commitment of public resources that it demands? Or is there a diversion of resources from other needs?"



“The completed study will be used by the City Council in its periodic review of its development policies, including but not limited to, the schedule of fees and charges to offset the growth in infrastructure and public services as well as other practices required to support the built environment, population, and territory within the city boundaries.”

Infrastructure is conceived of as basic public services. Therefore roads, water treatment plants, and sewer networks are infrastructure as well as police, fire service, and public schools. Their expense is measured for both “bricks and mortar” and the additional personnel.

This approach might be called “fiscal impact analysis plus.” Fiscal impact analysis is the study of the impact of development on governmental cash flows. Typically a fiscal impact analysis examines the revenues that residential, commercial, industrial, institutional and mixed-use development generate as well as the estimated public expenditures required to provide services to the new development. The “plus” sets the study into a context with which the City Council and the community may consider the benefits and costs of growth that go beyond the narrower analysis of revenues and expenditures generated by new development.

Other Considerations

Staff recommends that Council appoint a Growth Impact Study Steering Committee to provide liaison between the Council, the City Manager, and the consultant as the process proceeds. Appointees should be a mix of citizens and staff. The committee need not be large as its main function will be helping to manage the process.

A theme in the RFP is adaptation of the consultant’s preferred methodology to the unique community profile of Columbia. Staff cautions against accepting proposals that rely completely on “off-the-shelf” or “canned” models without tweaking for local context. The soft skills of public engagement and skills at quantitative analysis will both be on display.

Fiscal Impact

Short-Term Impact: Funding of the study is anticipated in the budget

Long-Term Impact: To be determined. The study could identify a number of cost-savings measures in its recommendations.

Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Economy, Secondary Impact: Infrastructure, Tertiary Impact: Not Applicable

Comprehensive Plan Impacts:



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Primary Impact: Land Use & Growth Management, Secondary Impact: Infrastructure, Tertiary Impact: Economic Development

Legislative History

Date	Action

Suggested Council Action

Direct the City Manager to release the RFP as-is or with revisions as specified by the City Council.