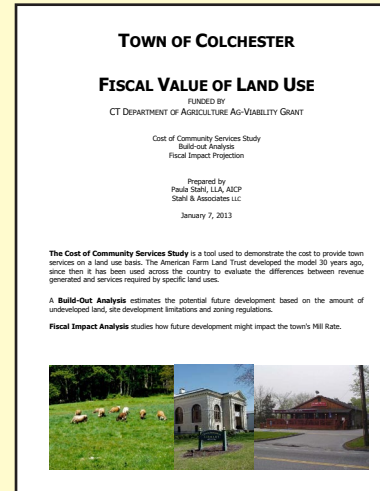


Fiscal Value of Land Use *in the Town of Colchester*

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Knowing the fiscal value of different land uses provides a community information important in making decisions about the town's future. The net fiscal effect of the taxes received and the associated cost of services differs by the type of land use, changing the mix of uses directly impacts the mill rate. This fiscal value of land use study looked at the fiscal effect of changing land uses for Colchester by conducting three studies.

Cost of Community Services Study is a tool used to demonstrate the cost to provide town services on a land use basis. The results for Colchester showed that residential land uses do not provide sufficient tax revenue to support the cost of services provided to them, while commercial uses and undeveloped land both provide far more in local taxes than needed to support the services provided to them.

A Build-Out Analysis estimates the potential future development based on the amount of undeveloped land, site limitations and zoning regulations. The results indicate that, conservatively, Colchester's population could increase between 157% and 200%. With the housing pressures facing Eastern Connecticut in the future, a 10% growth rate per decade is likely, if so, build-out could be reached in 50-60 years.

A Fiscal Impact Analysis studies how future development might impact the town's Mill Rate. To focus only on the result from development, the assumption was made that there was no inflation and all state revenue would be at current percentages, meaning the only change was the development of vacant land resulting in increased tax revenue and the cost of services needed to support that change in uses. In order to balance the budget, a 12.4% mill rate increase would be needed.

Colchester Cost of Community Services Study

The cost of services by land use for every dollar paid in local taxes

	Residential	Commercial Industrial	Open Space Farm/Vacant
Colchester 2012-13	\$ 1.14	\$.18	\$.18

Colchester Build out Analysis

Based on 2 and 4 acre average lot sizes:

	2 ac. Lot Size	4 ac. Lot Size
Number of additional single fam. homes	5,698	3,252
Current households (2010 Census)	5,669	5,669
Potential population increase	200%	157%

Colchester Future Fiscal Impact

Of commercial and residential development
based on zero inflation and no change in state revenues

	Mill Rate	Increase
Colchester 2012-13	28.8	
Increase to support additional services above the increased amount of taxes	+ 3.6	
projected Mill Rate in 20 yrs	32.4	12.4%