

**WLURP Research Report No. 2**  
**May 2000**

**Paying for Local Services:  
The Cost of Community Services for  
Nine Wisconsin Municipalities**

**Prepared By:**

**Mary Edwards, UW-Madison**  
**Douglas Jackson-Smith, UW-Madison**  
**Patrick Berends, UW-Platteville**  
**Jill Bukovac, UW-Madison**  
**Holly Hansen, UW-Stevens Point**  
**Don Last, UW-Stevens Point**  
**Eric Sanden, UW-River Falls**  
**Steve Ventura, UW-Madison**

**Program on Agricultural Technology Studies**  
**College of Agricultural and Life Sciences**  
**University of Wisconsin-Madison**

## **I. Introduction**

Over the past decade, the state of Wisconsin has gained over 380,000 residents and continues to experience strong growth pressure. The state's estimated population for 1999 is 5,274,827, a 7.83 percent increase since 1990. There are several strong growth areas across the state--the Fox Valley, which includes the communities along the Fox River in northeast Wisconsin, Dane and Waukesha counties, central areas along the Wisconsin River and the greater Minneapolis commuter-shed in the northwest. Dane and Waukesha Counties had the largest numeric growth with an increase of nearly 46,000 in both counties. Menomonie County showed the largest percentage change in population with an increase of nearly 20 percent. Between 1990 and 1999, the state also experienced an increase in housing units of over 13 percent.<sup>1</sup>

As Wisconsin continues to grow and develop, and demand for land escalates in many areas, concerns over development and its effect on farmers and farmland have intensified. According to the U.S. Department of Agriculture, between 1992 and 1997, the number of full time farms declined by 15 percent and the amount of land in farms in Wisconsin decreased by 4 percent. A recent study conducted by the University of Minnesota concluded that in St. Croix and Pierce counties, along the Minnesota border, more than 30,000 acres were converted out of farmland between 1982 and 1997. Dane county lost 25,000 acres of farmland between 1992 and 1997. A recent American Farmland Trust study identified southern Wisconsin/northern Illinois as the third most threatened agricultural area in the nation.<sup>2</sup>

Of further concern to both citizens and policy makers in thinking about growth and development is the "bottom line", or more specifically, the impacts of land use change on community costs, revenues, tax base and tax rates. A number of studies have emerged that attempt to shed some light on how different types of land use affect a community's fiscal position. These studies, known as *Cost of Community Services (COCS)* studies examine the impacts of open space and farmland versus other types of land uses on a community's fiscal balance sheet. They provide a community with a set of ratios that compare total revenue generated by each land use to total costs related to the land use.

The following report provides such an analysis of nine communities across the state and quantifies the net fiscal impact of different types of land uses in the communities. An understanding of the fiscal costs and revenues generated by different types of land is important as policy makers grapple with issues of sprawl and

increasing rates of farmland conversion. While this study is based on particular towns, we believe the general trends may be applicable to a broad range of Wisconsin towns.

The costs of community services method detailed below allows a community to assess their fiscal position at one point in time in terms of the demands placed on the locality by different land use categories. This procedure has been replicated, with some modification, for: the towns of Dunn, Perry and Westport in south-central Wisconsin; the towns of Stockton and Harrison in central Wisconsin; the towns of Wyoming and Jamestown in southwest Wisconsin; and the town of Richmond and city of River Falls in west-central Wisconsin. The towns were selected to represent different types of communities in terms of proximity to urban areas, diversity of land uses and degrees of development pressure.

The report is organized into six sections. Section II below includes a discussion of previous research on the COCS methodology. Section III details the research steps and the process for calculating the fiscal ratios. COCS ratios have been calculated from three different perspectives: the taxpayer (who is interested in the fiscal impact of land uses in the town and school district); the town itself; and the school districts serving the town. Section IV provides a profile of each community. Section V discusses the findings and compares the town ratios. Finally, the last section includes a discussion of the implications of the findings. An Appendix is provided which includes fiscal profiles of each of the towns and the methods used to allocate costs and revenues across land use categories.

## **II. Previous Research**

The American Farmland Trust (AFT) developed the COCS method and has conducted studies across the nation. Many of the early studies were either conducted or sponsored by the AFT, but in more recent years, a number of studies have emerged that were conducted by local governments and other researchers.

COCS studies are undertaken to examine the impacts of farmland, residential land, commercial land, industrial land and open space and forest land on a community's fiscal balance sheet in a single year. The studies are snapshots of the net fiscal costs of different land uses. They are snapshots because they measure one year in time and do not make projections into the future.

The COCS approach compares annual revenues to annual expenses of public services for various land use categories. Local

revenues and expenditures are apportioned to major categories of land use, and the result is a set of ratios showing the proportional relationship of revenues and expenditures for different land uses at one point in time. A ratio greater than one indicates that for every dollar of revenue collected for a type of land use, more than one dollar is spent to serve that land use. When the net fiscal impact of a land use is neutral, expenditures are equal to revenues and the ratio is \$1.00 : \$1.00. For every dollar of revenue generated, a dollar is spent to provide services to the land use type.

COCS studies typically show that for residential land, the cost of service ratio is greater than one. The average ratios of previous studies range from about \$1.05 to \$1.50 for residential development for every dollar of revenue generated. COCS ratios for commercial and industrial properties are typically below one. For commercial and industrial properties, studies have found it costs between 30 and 65 cents to provide public services to these properties. For agricultural land and open space, ratios are typically slightly smaller, ranging from 10 to 50 cents for every dollar of revenue generated. COCS studies across the board have concluded that farmland and open space provide more revenue to a community than is incurred in expenditures, resulting in a net fiscal benefit to a community. The Appendix includes a table which provides a summary of some of the COCS studies that have been undertaken across the nation.

In a recent COCS study conducted in Pennsylvania, the author found that in one township, for every dollar of revenue generated by residential land, \$2.11 was spent on services for that land. In that same township, for every dollar of revenue generated by agricultural land, \$0.31 was spent on services<sup>3</sup>. Again, findings such as these are typical and they have been used to dispel allegations that residential development increases property tax revenue and that farmland protection is too expensive to achieve at the local level.<sup>4</sup>

Here in Wisconsin, the Town of Dunn conducted a cost of community services study based on 1993 fiscal data. Consistent with the findings of the AFT, the town analysis showed that agricultural and open space was the least costly type of land use to serve. For every dollar of revenue generated by agricultural and open space lands, 18 cents was spent to serve them. In contrast, for every dollar of revenue generated by residential uses, \$1.06 was spent by the town to serve them. The table below illustrates the town summary of ratios.

**Table 1: Town of Dunn- Revenue: Cost Ratios, 1993**

Land Use	Ratio
Residential	\$1: 1.06
Commercial	\$1: 0.29
Agriculture/Open Space/Forest	\$1: 0.18

The Town of Dunn basically followed the standard methodology put forth by the American Farmland Trust. Costs and revenues were allocated using a variety of approaches. For example, police expenses were allocated by reviewing police records detailing the location of police calls. Road costs and highway aids were allocated across land uses based on the number of trips generated by land use type. A default percentage was used for those costs and revenues that could not be readily assigned to a particular land use. These percentages were based on relative property value.

### ***Criticisms of Traditional COCS***

Critics of COCS studies often discount them because of the many underlying assumptions. Most notably, the conventional studies often fail to acknowledge that the residential category includes the homes of most people who farm or work on farms in the study area. This means that the costs associated with servicing farmers, resident agricultural workers, and their families are apportioned to the residential category, and many kinds of costs – such as street maintenance, garbage collection or protective services are not assigned to any agricultural uses. As a result of this approach, the overall costs associated with agriculture and other natural resource industries will necessarily be low or nonexistent. Since the traditional AFT methods discount the human service costs associated with agricultural activities, conventional COCS ratios may not provide a clear picture of the different fiscal impacts associated with farming versus residential land uses.

A different criticism is that many COCS studies do not differentiate between different types of open space – farmland versus forest versus vacant lots for example. These different types of land uses may have different costs and revenues associated with them. Hence, policies designed to preserve economically active rural lands (like farmland or timber lands) may have different consequences than open space oriented policies that might encourage undeveloped grasslands or forested tracts that are no longer used for agriculture or forestry.

Finally, and perhaps most important, it has been noted that the results of COCS studies are often interpreted incorrectly. For example, although a general class of land use may be associated with a net fiscal benefit or loss, it is also true that any individual piece of property may have an impact that can be significantly different from the overall averages. The residential category includes very diverse types of residential properties, ranging from single family homes on large lots to densely settled subdivisions. The COCS ratio for residential property does not provide information about which of these sub-categories of housing might have better or worse fiscal impacts on a local community.

Similarly, a COCS study does not provide a community with a measure of the fiscal impact of specific existing or proposed developments – one residential development may result in a fiscal benefit to a community, and another, a fiscal deficit – depending on a variety of factors from the location of the development, its design, age, density and the value of the property in relation to its public service requirements. A more detailed fiscal impact analysis must be conducted to ascertain the impact of a specific development proposal.

Overall, it should be noted that COCS studies are not intended to prescribe a course of action. Rather, they are intended to provide an assessment of a community's fiscal situation with regard to different types of land use at a particular point in time. Using this information as a starting point, we would encourage communities to embark on a more careful analysis of the fiscal impacts of all types of land use changes that they might be considering, along with analyses of non-fiscal impacts such as affects on transportation, aesthetics and the environment.

### **III. COCS Methodology**

The basic steps to conduct a COCS study are as follows:

1. Define land use categories
2. Collect local data
3. Calculate a default percentage for allocation of various costs and revenues
4. Allocate expenditures by land use category
5. Allocate revenues by land use category
6. Compute the cost of community service ratios for each land use type

Land use categories are typically defined in COCS studies as they are defined by the tax assessor for property tax purposes— agricultural, commercial, residential, industrial, etc. Local data is collected from the local municipalities and from the state government. The default percentage, used as a last resort to allocate costs and revenues, is based on relative assessed property value. The allocation of costs and revenues across land use types involves a series of approaches depending on the availability and completeness of local records and the willingness of local staff and officials to participate in interviews and help allocate costs. Finally, the COCS cost of service ratios for each land use type are estimated by dividing total costs by total revenues in each land use type.

The studies undertaken in Wisconsin follow the basic steps outlined above; however, there is some deviation from the standard methods put forth by the American Farmland Trust. First, our study initially disaggregated the traditional “farmland/forest/open lands” category used by the AFT into two distinct categories – farmland, and “swamp/forest” (based on the land use tax categories available in standard reporting to the Wisconsin Department of Revenue). Since these different forms of open lands have very different service demands, we felt it would be more useful to treat them separately in the COCS analysis.

Second, typical COCS studies include agricultural residences in the residential land use category. In our study, however, we separated farm residences from nonfarm residences in our COCS calculations. This enables us to compare COCS ratios for different types of residences. More importantly, since virtually all farms in Wisconsin have a resident farm operator and family, this methodological approach allows us to combine the revenue and expenditure information for both farmland and agricultural residences into a single indicator for farming operations. We feel that this provides a better picture of the total fiscal impact of farms and their residents and workers than the conventional AFT approach.

It should be noted that many farms in Wisconsin also include some forest and swamp lands within their operations. We decided not to include these in the combined farm operation (farmland and agricultural residence) totals since it is difficult to know how much of the forests and swamp land is actually part of a farm at the local level. Moreover, as farms are bought by nonfarmers, anecdotal evidence suggests that the use of woodlands and wetlands is usually affected less than the use of farmland acreage.

STEP 1) IDENTIFYING LAND USE CATEGORIES

Each COCS study began by dividing up most taxable property in each town into the following categories, which are based on the seven classes of real property used in the state of Wisconsin for assessment purposes:

1. **Residential:** Property used as a dwelling, including homes, mobile homes and apartment buildings of three units or less.
2. **Commercial:** All land and improvements devoted to buying and reselling goods for profit, including apartments of four or more units, stores with apartments above, and golf courses.
3. **Manufacturing:** Properties used in manufacturing, assembling, processing, fabricating, making or milling tangible personal property for profit, including warehouses, storage facilities and offices that support manufacturing.
4. **Agricultural:** Land devoted primarily to farming.
5. **Swamp and Waste:** Includes bog, marsh, lowland brush and other nonproductive land not classified elsewhere.
6. **Forest Lands:** Land which is producing or capable of producing commercial forest products.
7. **Other:** Agricultural buildings and improvements and the land necessary for their location and convenience, including farm residences, silos, sheds and barns.<sup>5</sup>

In addition, we used information available through each town clerk to identify the residential properties that were associated with the homes of farm families and agricultural workers. These properties were used to create a category we call “Agricultural Residences” (refer to endnotes for more detail).

It should be noted that each town also contains tax-exempt lands. These lands generated some local revenue, such as “payment in lieu of taxes.” These revenues are not included in the calculation of ratios for the above land use categories. The service costs generated by the lands could not be estimated in an accurate manner, therefore no costs were allocated to exempt lands, even though some tax-exempt land such as parks may have considerable service costs.

STEP 2) COLLECTION OF LOCAL DATA



All local revenue and expenditure data were collected for fiscal year 1996. Property value data was collected for 1995. All of the data necessary were located in town offices and in the State Department of Revenue. Much of the data can be found in the local budgets, the tax assessment rolls and the statements of assessment. It was also necessary to gather some demographic data on the communities, including population and number of farm and non-farm dwelling units. Data were supplemented by extensive interviews with local officials and staff.

The studies also included estimates of school costs and revenues associated with the different land use categories. School district fiscal data were obtained from the Department of Public Instruction (DPI).<sup>6</sup>

### STEP 3) CALCULATE THE DEFAULT PERCENTAGE

The default percentage is based on the relative property value of each land use category. Under the “default approach,” revenues and expenditures are allocated across land use types according to the percentage of property value in each land use category relative to the total value in the town. For example, if 70 percent of the town’s value is in residential land uses, 70 percent of the expenditure category is allocated to residential land uses. This represents an approach to allocate revenues and expenditures across land use categories when there is no other appropriate approach. For example, often general government expenditures, which include town staff and government operations expenses, are allocated based on this default percentage due to the difficulty in identifying exactly where general government expenses are spent across land uses. However, this method should be used to allocate costs and revenues as seldom as possible, as it does assume that property value is an appropriate proxy for local spending patterns.

### STEP 4) ALLOCATE EXPENDITURES BY LAND USE CATEGORY

The allocation of expenditures is the crux of the COCS approach to estimating the fiscal impacts of different land uses. It is extremely important to try to be as precise as possible in allocating across land use categories. This typically entails extensive interviews with local officials who are familiar with services provided by the community, as well as an examination of local records for items such as police and fire calls. In our study, we began the allocation procedure by reviewing all town expenditures (reported in their annual

budget) with the town clerk, and then deriving sensible allocation rules for assigning each town expense to particular land use categories.

It is important to remember that COCS studies are measuring *demand* for services and not the *benefit* derived from the public services. Expenditures such as health and human services are demanded by citizens and allocated to residential uses, even though the entire community may benefit from a healthy population. It is also important to investigate anomolous and one-time expenses.

The methods used in allocating expenditures across land use categories for each of the communities are found in the Appendix. A number of techniques were used. Most expenditures were allocated based on information in local records and information elicited from town clerks and staff. For example, road construction costs in the Town of Westport were allocated based on examination of the actual expense reports from 1996 road construction projects. Staff assisted in noting where these construction sites were located in the town and how to allocate particular expenses to specific land use categories.

Road maintenance expenses were more difficult to allocate, as there was no precise breakdown or maintenance records available in any of the towns. To allocate road maintenance expenses, a method commonly used in traffic impact analysis was borrowed. Trip generation rates, based on estimates from the Institute of Transportation Engineers, *Trip Generation Manual*, were calculated for each structure in the town. For example, the Institute estimates that each household generates about 10 trips per day and a gas station generates about 73 trips per pump per day. Once all trips were estimated on an annual basis, the relative number of trips generated by each land use category was used to allocate road maintenance costs across land use categories. In the Town of Westport, for example, 47 percent of all trips are generated by residences, and so 47 percent of the road maintenance expenses were applied to the residential land use category.

Educational expenses were somewhat problematic due to the fact that one town may be served by several different public school districts. Most of the communities in the study were served by at least two different school districts. To estimate total school spending within a town, per pupil expenditures were estimated using DPI data and a share of each school district's budget was allocated to the town based on the number of pupils in the school district living within the town limits. Pupil counts were obtained from representatives of the school districts.

School district expenditures in each community were then allocated across two land use categories. All school district expenses were allocated to residences and agricultural residences, based on the relative number of dwelling units in each category of land use. No school district expenses were assigned to the agricultural lands, commercial/industrial properties or forest/swampland land use categories.

#### STEP 5) ALLOCATE REVENUES BY LAND USE CATEGORY

Revenues were allocated across land use categories, similar to expenditures. Again, local interviews and local records provide much of the information necessary to allocate revenues. Most local revenues come from a clearly identifiable source, which can be discerned through the examination of local records. Building permits, for example, can be tracked back to the source of the permit.

School funding is derived from four main revenue sources: state school aids; local property taxes; other local revenues; and federal aids. Estimating school district property taxes generated by each land use category presented a challenge due to the fact that neither the school district nor the local government maintains information on property values by land use by school district. In some cases, a geographically-referenced parcel database that includes tax records was used and this map was overlaid with school district boundaries. The program was then able to estimate the proportionate value of town property in each land use category that fell into each school district, and using information about school district mill rates, we were able to estimate the total property tax revenue generated for schools by each land use class. In other cases, we examined the tax assessment rolls and recorded property values by land use type by school district.

Because they are usually distributed based on population estimates, other types of local revenues, and state and federal shared-revenues were assumed to be generated by residences and agricultural residences. This means they were allocated based on number of dwelling units in each land use category.

#### STEP 6) CALCULATE REVENUE-COST RATIOS FOR EACH LAND USE TYPE

Finally, COCS ratios were calculated by dividing total expenditures by total revenues in each category of land use. Ratios are provided from three perspectives. The perspective of the taxpayer of the town who pays taxes to both the town government and a school

district is illustrated. These ratios include all costs and revenues associated with both the town government and the school district. COCS ratios are then examined separately for the town government and for the school districts. The tables in the section V illustrate the ratios for each of the communities.

#### **IV. Profile of Wisconsin Communities**

The following section includes a community profile of each of the study sites. The three towns in Dane county chosen for these studies--the towns of Dunn, Perry and Westport--were chosen, in part, due to their differences. The Town of Dunn, though close to the urban fringe, has a history of a strong commitment to preserve farmland. The Town of Westport is experiencing strong development pressure, as it lies close to the City of Madison and to the growing Village of Waunakee. Finally, the Town of Perry is a rural and agricultural town experiencing only scattered development pressure at this point in time.

The COCS studies conducted in central Wisconsin took place in the town of Harrison located in Calumet County, and the town of Stockton located in Portage County. These study sites were chosen based on their central Wisconsin location, productive farmland base, diverse mix of land uses, town governments, development pressure, and adjacency or non-adjacency to expanding urban areas. The town of Harrison is experiencing much development pressure from the adjacent Fox Valley cities of Menasha and Appleton and the village of Sherwood. The town of Stockton, having a one-township buffer from the urban areas of the city of Stevens Point and villages of Whiting and Plover, has moderate development pressure.

The case studies in west-central Wisconsin were selected to represent different types of communities and political jurisdictions within St. Croix County. The town of Richmond is rural with a history of a strong commitment to agriculture, yet it also contains a variety of land uses including commercial and industrial. The city of River Falls is experiencing strong development pressure due to its proximity to the Twin Cities

In southwest Wisconsin, the Town of Jamestown, in Grant County, was chosen because of its diverse land use and it's comparatively high population (for a town) and it's proximity to Dubuque, Iowa, the largest city in the area. The Town of Wyoming, in Iowa County, was chosen because of its proximity to the city of Dodgeville. Dodgeville is a small city (approximate population 3,500), but the city is experiencing very good economic growth. Southwest Wisconsin is a very rural area, with agriculture and forest being the primary land uses. Neither Wyoming nor Jamestown is experiencing tremendous growth pressure at the present time.

### A. South-central Wisconsin: Dane County

Over the past decade, the population of Dane County has grown by about 13 percent, adding approximately 46,000 new residents and making it the 9<sup>th</sup> fastest growing county in the state. In 1998, more than 4,000 housing units were built in the county, the largest number of units built since 1993.<sup>7</sup> Population is projected to continue growing by a total of about 33 percent between 1990 and 2020<sup>8</sup>. Population, housing and employment growth has created pressure for development and its necessary infrastructure investments. As growth has intensified across the county, citizens and policy makers have become increasingly aware of the consequences associated with growth and development.

These concerns have prompted a number of policy initiatives on the part of local governments in Dane County. In 1998, the County embarked on a planning process which culminated in *Design Dane*, a comprehensive set of actions meant to improve the way the county grows in the future. The Town of Dunn recently became the first municipality in the state to pass a local levy to provide funding for purchasing the development rights of property in the Town. The Village of Oregon instituted a growth moratorium out of a need to step back and evaluate how to grow responsibly in the future. In 1995, the Town of Oregon adopted strict zoning ordinances that make it difficult for farmers to divide and sell their lots for housing development. The Town of Bristol has made an effort to keep development concentrated in one area so as to preserve productive farmland in other areas. Recently, the town board of Blooming Grove voted to put a moratorium on all land divisions in the town until they have developed and approved a land use plan. These initiatives are illustrative of local land use activities occurring throughout the county.

The town of Dunn, located directly south of the city of Madison is surrounded by the cities of Fitchburg and Stoughton, the village of McFarland, the village and town of Oregon and the towns of Blooming Grove, Pleasant Springs and Rutland. The 1999 population estimate is 5,504 residents, an increase of about 4.4 percent since 1990.<sup>9</sup> In 1997, the town had about 8,500 acres of farmland from a total land base of about 18,350.<sup>10</sup> The town has historically been an agricultural town; however, both the number of farms and the amount of farmland has decreased in recent decades. In 1990, only about 2 percent of its population was living on a farm.<sup>11</sup> Nevertheless, the town is well known in the county for its efforts to preserve agricultural lands and open space. The Dunn Town Land Use Plan (dating back to 1979) calls for preserving agriculture and allows only limited residential development in specified areas, and the town has drawn nationwide attention by adopting and funding a Purchase of

---

*As growth has intensified across the county, citizens and policy makers have become increasingly aware of the consequences associated with growth and development.*

---

Development Rights program designed to protect important farmland.<sup>12</sup>

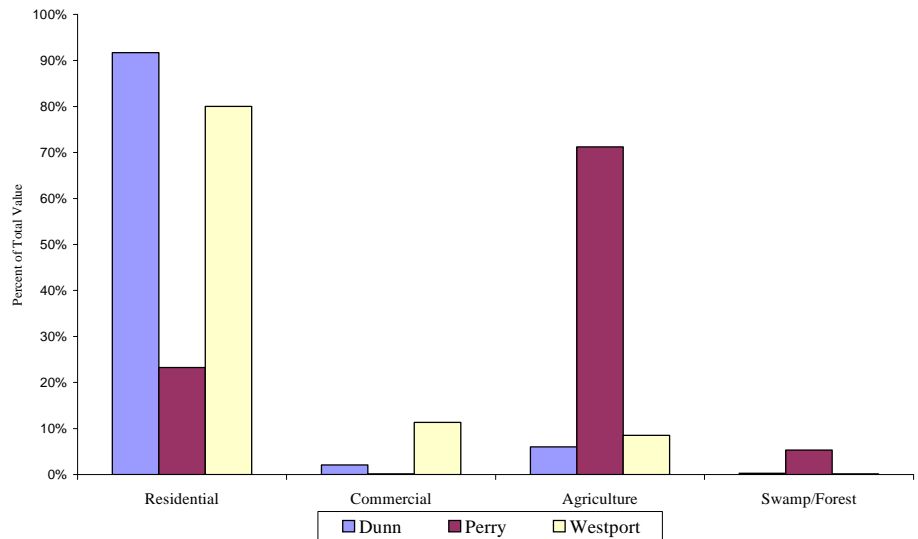
The Town of Perry, a rural township located in the southwestern corner of Dane County, is one of the county's least developed towns. Agriculture is Perry's major land use. In 1997, the town had approximately 17,000 acres of farmland, out of a total land base of about 23,100.<sup>13</sup> The steep unglaciated topography of the town limit it somewhat from development--extensive areas of soils are not capable of supporting septic systems. Perry has also maintained a tradition of trying to preserve its rural character. The town adopted exclusive agricultural zoning in 1979 and created policies for controlled development in certain areas of the town.<sup>14</sup> These policies have continued to the present. Although agriculture dominates the landscape, the town has experienced a slight shift from its dependence on farming. The proportion of the town population that lives on farms decreased from 56.3 percent in 1980 to 41.4 percent in 1990. Roughly a third of adults were employed in farming in 1990.<sup>15</sup> Perry's population increased by 8.4 percent between 1990 and 1999, to 700 residents.<sup>16</sup> The total number of homes in the town also increased from 222 in 1990 to 262 in 1995.<sup>17</sup>

The Town of Westport, located just north of Madison, is facing strong development pressure. Town population increased by 35 percent between 1990 and 1999, to 3,692 residents.<sup>18</sup> In 1997 alone, 143 new homes were built in the town, compared with 65 in 1990 and 20 in 1991.<sup>19</sup> Annexation pressure is also intense in the town, although it recently developed an intergovernmental agreement with the neighboring village of Waunakee, which will lessen some of the annexation pressure. While the town retains over 8,000 acres of farmland, and has a strong agricultural heritage in decades past, its population is now largely non-agricultural.<sup>20</sup> Only 1.6 percent of town residents lived on a farm in 1990, and less than 1 percent of adults work in agriculture.<sup>21</sup>

Figure 1 below illustrates the mix of land use types in each of the towns. Based on 1995 Department of Revenue assessment data, over 90 percent of the total property value in the Town of Dunn is comprised of residential value. Similarly, nearly 80 percent of the value in the Town of Westport is residential value. In the Town of Perry, residences represent about 23 percent of total value and agriculture represents about 70 percent of total property value.<sup>22</sup>

**Figure 1**

1995 Assesed Property Value by Land Use Type



Public works and public safety generally represent the two largest expenses in municipal budgets. In the towns of Westport and Perry, 56 percent of the total budget was spent on public works. In the town of Dunn, 35 percent of the total expenditures was spent on public works. Public safety, which includes law enforcement, fire protection and ambulance services, represented 16 percent of Dunn’s total town budget, 9 percent of Perry’s and 14 percent of Westport’s. Public works includes town services such as street maintenance, construction, and lighting; refuse and garbage collection, and recycling program expenses. Please refer to the Appendix for a precise breakdown of town expenditures.

Local governments in Wisconsin rely predominantly on taxes and intergovernmental revenues to fund their services. Property taxes and state shared revenues represent the two largest revenue sources within these broader categories of revenue. Although the majority of taxes come from general property taxes, other sources include mobile home fees, woodland tax, and forest crop tax. Intergovernmental revenue sources also include: fire insurance tax, general transportation aids, local road program revenues, recycling grants, recycling aid from the county, and revenues generated from exempt lands. Total taxes, of which the bulk is property tax revenue, represented about 46 percent of all revenue raised in Westport in 1996, 48 percent in Perry and 36 percent in the town of Dunn. The Appendix provides a breakdown of revenue sources for each town.



## **B. Central Wisconsin**

The Town of Harrison is located in the northwest corner of Calumet County directly bordering the urban areas of Outagamie and Winnebago counties and stretching along a significant portion of northeastern Lake Winnebago. Calumet County, another fast-growing county, grew 8.80% between 1990 and 1996, from 34,291 to 37,309 persons. The adjacent counties of Winnebago and Outagamie grew 6.82% and 7.98% respectively, during the same time frame<sup>23</sup>. The town contains natural features such as High Cliff State Park and lies adjacent to the Fox Valley cities of Appleton and Menasha, the village of Sherwood, Darboy (an unincorporated urban area), and is bordered by the towns of Buchanan, Stockbridge, and Woodville.

Harrison is experiencing much development pressure. From 1990 to February 1999, 1,143 acres have been annexed from the town to expanding adjacent urban areas: 451 acres to the city of Appleton, 236 acres to the city of Menasha, and 456 acres to the village of Sherwood. Steady growth in the town of Harrison has meant that the town's population grew from 3,874 persons in 1996, to 4,025 persons in 1997, and to 4,493 persons in 1998.<sup>24</sup> From 1990 to 1996, there was a 21 percent increase in town population, making it the fastest growing town in Calumet County.<sup>25</sup>

The town lies within five different school districts: Appleton, Hilbert, Kaukauna, Kimberly, and Stockbridge, see Appendix E for a map of the school district boundaries. The dominant land uses in the town are agriculture, which constitutes 77.75%, residential at 10.68%, and swamp/forest at 9.35% . Almost the entire town is classified as having productive agricultural soils.<sup>26</sup>

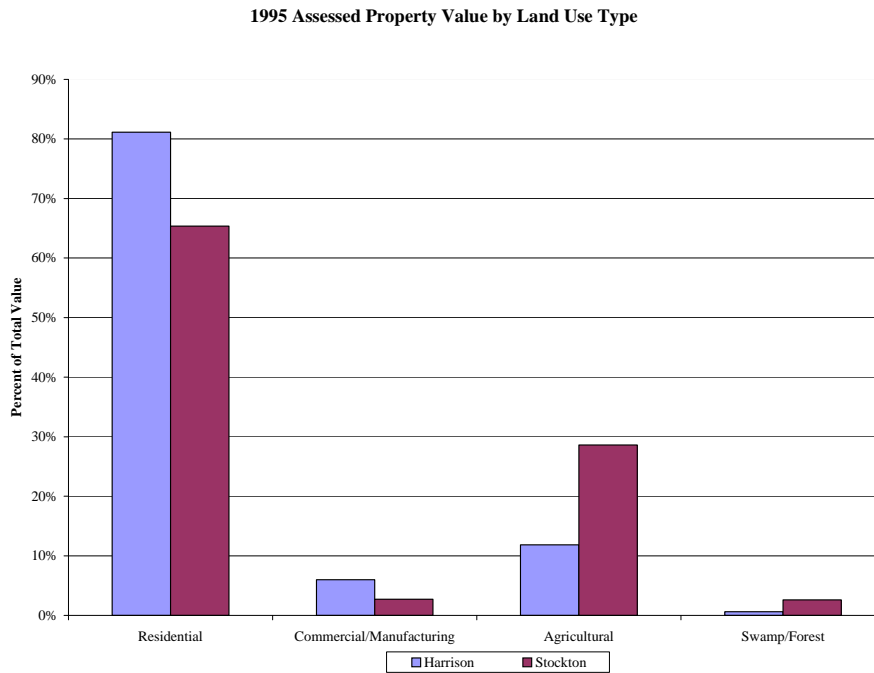
The Town of Stockton's western edge is approximately six miles from the City of Stevens Point and from the villages of Whiting and Plover. The town is comprised of approximately 37,000 acres and ranks fourth in size in the Portage County. The western half of the town of Stockton has some of the most productive farm soils in the county that are utilized for producing potatoes, snap beans, peas, and sweet corn. Agriculture comprises 71.08% or 24,148 acres of the town. Agriculture in the eastern half of the town is primarily dairy farming.<sup>27</sup> Many gravel pit operations and a large grain mill dominate manufacturing in the town.

Though the Town of Stockton is close to the urbanized city of Stevens Point and the villages of Whiting and Plover, there is a buffer from these urban areas provided by the towns of Plover and Hull. In 1996, the Village of Plover was the fastest growing community in the

state of Wisconsin.<sup>28</sup> At the present time there is moderate development pressure in the town. Stockton is the sixth fastest growing town in Portage County; it grew 7.42 percent between 1990 to 1996, from 2,494 to 2,679 persons and ranks second highest in town population in the county. Between 1990 to 1996, Portage County grew 7.19 percent, from 61,405 to 65,820 persons.<sup>29</sup> Portage County permitting information for 1998 indicated that in terms of total new single family housing permits issued from 1990 to 1998 for towns, Stockton ranked the second highest after the Town of Hull. Stockton lies within the path of future developments from the city of Stevens Point and from the villages of Plover and Whiting.

Figure 2 displays land uses by value for the towns of Harrison and Stockton. As illustrated, the residential category comprises the bulk of town value--at about 65 percent in Stockton and over 80 percent in Harrison, with agricultural land second at 28 percent in Stockton and just over 10 percent in Harrison.

**Figure 2**



The largest revenue sources in the Town of Stockton are intergovernmental revenues at 48 percent, local taxes at 32 percent, and public charges accounting for about 20 percent of total revenues. The largest revenue sources for the town of Harrison are taxes at about 40 percent of total revenues and intergovernmental revenues comprising 23 percent.

The largest expenditures in the Town of Stockton are public works at 64 percent of total expenses, public safety at 13 percent and general government at 11 percent. The largest expenditures in the town of Harrison are public works at 48 percent of total expenditures, capital outlays at 24 percent, and general government at 16 percent. Capital outlays include large expenditure items such as general public buildings, general governmental services, fire protection, highway and park equipment. General government services include legal, legislative, financial administration, and highway and law enforcement insurance. Please refer to the Appendix for a precise breakdown of revenues and expenditures.

**C. West-central Wisconsin**

The Town of Richmond and the City of River Falls were selected as case studies because both areas are facing dynamic development pressures. River Falls, originally a small mill town situated near the border with Minnesota and about 30 miles east of

Minneapolis-St. Paul, is today a thriving community with a highly diversified economy and over 10,600 permanent residents. The population of the city has shown a growth rate of just over 1 percent per year since 1990.<sup>30</sup> This growth rate has been inconsistent though, with the greatest increases occurring in the second half of the decade, perhaps linked to the industrial park development.

Approximately 60 percent of the city's land area is located in Pierce County, with the remainder in St. Croix County to the north. The towns of Troy, Clifton, Kinnickinnic, and River Falls surround the city. The economy of each of these towns is primarily agriculture; however, an increased diversification of land uses has occurred recently due to development pressures.

The City of River Falls has long been facing development pressures due to its proximity and easy access to the Twin Cities metropolitan region. A recently constructed bypass highway linking the River Falls area to a nearby interstate freeway results in a commute time of less than one hour. This access has contributed to the diversification of the local economy, the population growth within the city, and the increases in rural residences and "hobby farms" in the immediate vicinity.

A second factor leading to the growth of the city is the University of Wisconsin-River Falls, consisting of approximately 5000 students, which increases the city's population by 50 percent during nine months of the year. These students, along with the faculty and support staff, create a ripple effect through the economy that has helped sustained consistent growth over the past century. In addition, the University represents a source of skilled labor that has attracted industry into the area.

And finally, the aesthetic appeal of this area has increased development pressure as people have begun capitalizing on the benefits of having these rural amenities in such close proximity to a major metropolitan area. Industry has responded by moving into the area to provide its workforce a high quality of life, while the increase in subdivision development outside of the corporate city limits has become a constant local planning issue. In addition, the designation of the Kinnickinnic River as a Class A-1 trout stream and an Outstanding Water Resource, and the surrounding drainage basin as a Priority Watershed Project by the State of Wisconsin has elevated the status of this area.

The city government and citizen's groups, in recognition of the value of these natural resources, have taken steps to preserve the rural

character of this community. The Master Plan of the city, adopted in 1987 and revised in 1995, accommodates development options aimed at preserving open space, including conservation development, purchase of easements and development rights, though most have yet to be actively implemented.

In addition, the City of River Falls and the Town of River Falls have adopted ordinances prohibiting the increase in off-site runoff potential following development in an effort to protect the Kinnickinnic River trout habitat.

Physical limitations to growth are relatively few, but include wetlands, steep topography on hillsides, and current infrastructure logistics. The close proximity to prime agricultural lands also ensures an abundant supply of buildable sites with few physical limitations. The city has increased by 527 acres since 1990, with 294 acres being an industrial park.

The land uses within the city include approximately 986 acres of residential area, 200 commercial businesses, 32 industrial businesses, and 70 acres of agricultural land. This city does not contain any areas with an agricultural-residential land use. The entire city is served by the River Falls School District.

The Town of Richmond is a vibrant agricultural community located northeast of the City of River Falls and outside the commuting radius of the Twin Cities, insulating it from much of the external growth pressures experienced in River Falls. The town has a current population of 1480, and has been experiencing a growth rate slightly greater than one-half of one percent per year since 1990, due in large part to the prevalence of prime agricultural land and its proximity to the City of New Richmond. The economy of the area is, and has been, primarily driven by agriculture. This has been changing slightly in recent years to a more diversified economy, though not nearly to the extent as in the City of River Falls.

The Town of Richmond was also selected because each of the land use categories of interest were represented, including 17,000 acres of agricultural land, 400 residences, 21 commercial entities, and two manufacturing plants. Although development pressures may be less here than in the City of River Falls, this study site represents a more agricultural-based community experiencing a greater degree of localized and internal growth pressures.<sup>31</sup>

The Town of Richmond and approximately 40 percent of the land area of the city of River Falls occupy portions of St. Croix

County. Over the past decade, St. Croix County has grown by 21 percent, adding approximately 10,000 new residents. It is projected to continue growing by a total of about 58 percent between 1990 and 2020.<sup>32</sup> Population, housing and employment growth have created pressure for development and its necessary infrastructure investments. As growth has intensified across the county, citizens and policy makers have become increasingly aware of the consequences associated with growth and development. These concerns have prompted a number of policy initiatives on the part of local governments in St. Croix County. Recently, the county proposed a comprehensive set of growth policies that would effectively reduce the potential development capacity of its towns from just over 222,000 dwelling units to 59,000 dwelling units by the year 2020. Although population projections estimate only about 7000 additional dwelling units being required over this time period, these proactive growth control measures are seen as important considerations given the area's potential for explosive growth.

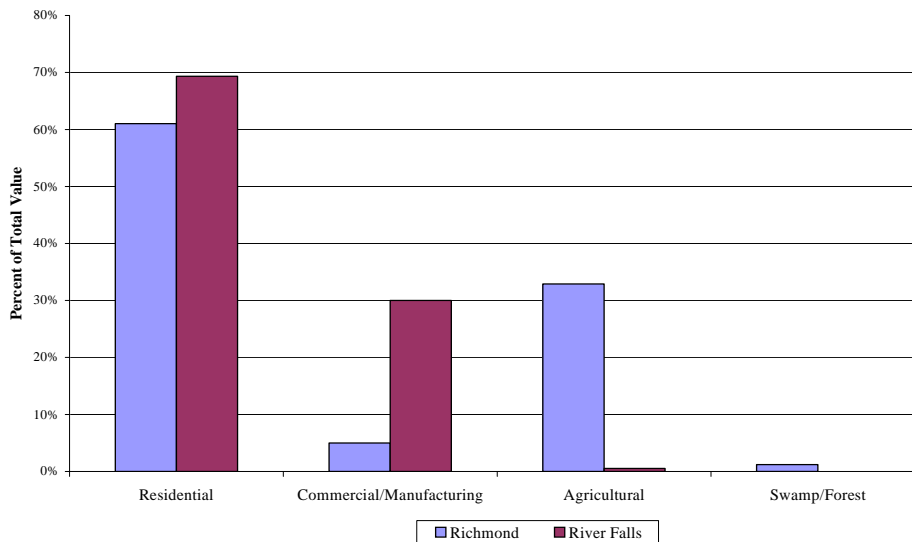
Current planning initiatives for the City of River Falls include the adoption of a Master Plan, a Park and Recreation Plan, and an Official Map. The city has also adopted general and extraterritorial zoning ordinances and plat review procedures, local subdivision regulations, and erosion control/stormwater management ordinances. Although the city's Master Plan makes mention of cluster housing developments and open space recreation standards, few of these efforts have yet to be implemented. In addition, the town of River Falls has adopted erosion control/stormwater management ordinances.

The Town of Richmond has adopted the county's general zoning and mobile home ordinances, while all unincorporated towns have also adopted the county's floodplain ordinances, sanitary ordinances, subdivision regulations, erosion control/stormwater management ordinances, nonmetallic mining ordinances, and an animal waste ordinance.<sup>33</sup> Beyond this, few growth control measures have been initiated at the town level.

Figure 3 below illustrates the mix of land use types in each of the communities. Based on 1995 Department of Revenue assessment data, nearly 70 percent of the total property value in the City of River Falls is comprised of residential value. In Richmond, about 60 percent of total value is residential and over 30 percent is agricultural. River Falls also has a substantial commercial base, as nearly 30 percent of total value is commercial value.

Figure 3

1995 Assessed Property Value by Land Use Type



In both places, public works represents the largest category of expense. In the City of River Falls, about 25 percent of the total budget was spent on public works. In the Town of Richmond, 76 percent of the total expenditures was spent on public works. Public safety represented 18 percent of the city’s total budget and just over 6 percent of Richmond’s budget. Please refer to the Appendix for a precise breakdown of expenditures.

Property taxes and intergovernmental revenues represent the two largest revenue sources for both the city and town. Total taxes, of which the bulk is property tax revenue, represented about 38 percent of all revenue raised in Richmond in 1996, and 19 percent in the City of River Falls. The Appendix provides a breakdown of revenue sources.

#### D. Southwest Wisconsin

Over the past decade, southwestern Wisconsin has experienced moderate growth. Grant County, where Jamestown is located, has seen population grow by about 1.24 percent between 1990 and 1999. Jamestown has had even smaller growth, measuring at 1.06 percent during the same time period.<sup>34</sup> Jamestown was selected because of its location beside Dubuque, Iowa, the largest city (approximately 65,000 residents) in the area. Because the population growth in Grant County and Jamestown has been slow, neither Grant County nor the town of Jamestown have felt the development pressures facing other areas of the state. Discussion are more geared towards keeping the population from migrating out of the county and/or town.

Iowa County, where Wyoming is located, has seen more growth. Over the past decade, the population has increased by about 10 percent. However, Wyoming has not experienced much of this growth. They have added 6 new residents to their community between 1990 and 1999-- growth of only 1.78 percent.<sup>35</sup> Wyoming was selected because of its proximity to the city of Dodgeville, a community experiencing strong economic growth. Wyoming is an extremely rural community (over half the land is in forest and swamps) and, even though it is very close to Dodgeville, it's experiencing little development pressure, at least from a residential point of view. The area is a tourist community with attractions like The House on the Rock, Frank Lloyd Wright's Taliesin, and the American Players Theater. However, these have done little to encourage population growth, and Wyoming is not feeling any pressure to make dramatic changes in their land use planning. Overall, southwest Wisconsin is not feeling the residential development pressures that other areas of the state are experiencing. The area is very rural, consisting primarily of agricultural and forest lands and population growth estimates are moderate at best.

Jamestown is an agricultural town with 11,326 out of 16,839 acres being devoted to farming. The town has over 150 farms and a total of 617 residential units. However, it represents only 10 new houses from 1995, but these gains were offset by losses in agricultural residences of 3 units.

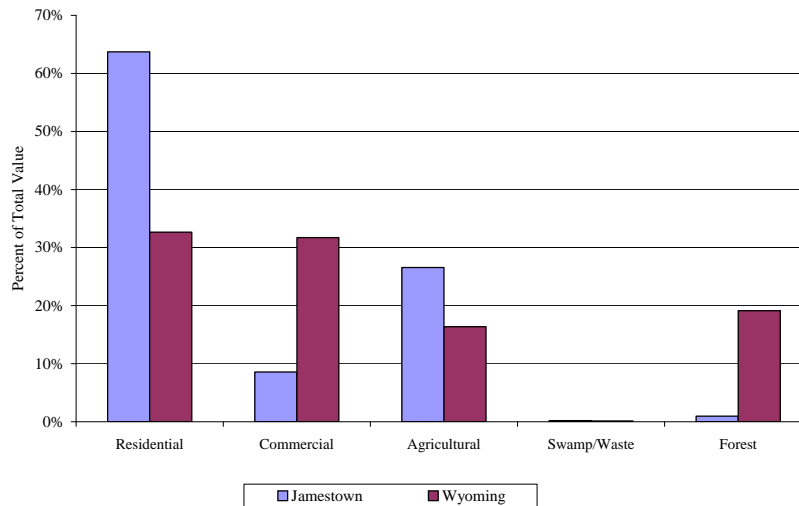
Wyoming is a very rural township. Agriculture and forest comprise the main land uses. Together they comprise 19,038 out of 20,331 acres of the land use in Wyoming. Over half of Wyoming is forest. However, the vast majority of the forest is considered non-productive for commercial forestry. Hence, most of Wyoming's land is not used for any purpose other than scenery.

Figure 4 below illustrates the mix of land use types in each of the towns. Based on 1995 Department of Revenue assessment data, about 63 percent of the total property value in the Town of Jamestown is comprised of residential value. In contrast, about 33 percent of the value in the town of Wyoming is residential value. Wyoming has a substantial base of commercial value, representing about 32 percent of total value. Jamestown has a larger agricultural base at 27 percent of total value compared to 16 percent in the Town of Wyoming.



**Figure 4**

1995 Assessed Value by Land Use Type



Public works represents the largest area of spending in both towns, at 65 percent of total spending in the Town of Wyoming and 64 percent of total spending in the Town of Jamestown. Public safety, the second largest spending category, represents about 20 percent of Wyoming’s budget and 22 percent of Jamestown’s budget. Please refer to the Appendix for a precise breakdown of town expenditures.

Local taxes and intergovernmental revenues fund the majority of services in the towns. Total taxes, of which the bulk is property tax revenue, represented about 51 percent of all revenue raised in Wyoming in 1996, and about 6 percent in the Town of Jamestown. Jamestown relied mainly on intergovernmental revenues, which represented about 80 percent of its total revenue base. The Appendix provides a breakdown of revenue sources for each town.

**E. Town Characteristics**

Table 3 below provides a summary of some basic town characteristics. The table highlights some of the key differences between the communities. The Town of Perry is the most agriculturally dependent of all towns, with nearly 75 percent of its land acreage taxed as farmland and about 70 percent of its assessed value in farmland. In contrast, only 6 percent of total value in the town of Dunn is farmland, although about 47 percent of total acreage in Dunn is taxed as farmland. The towns of Dunn, Westport and Stockton have at least 80 percent of their total value in residential land uses. The town of Wyoming has the largest commercial/manufacturing base,

with over 30 percent of its value in commercial and manufacturing land uses. Population per square mile or density varies greatly across communities, at 184 persons per square mile in Dunn and 18 and 9 persons per square mile in Perry and Wyoming, respectively.

**Table 3: Summary of Town Characteristics**

	1990 Pop.	1999 Pop.	Percent Change 1990-00	Pop.Per Sq. Mile (1997)	Acres of farmland (1997)	% of land taxed as farmland (1997)	Percent Value in Ag	Percent Value in Rsd	Percent Value in Comm/ Mfg.
Dunn	5,274	5,504	4.3%	184	8,594	46.8%	6.0%	92.0%	2.1%
Perry	646	700	8.4%	18	17,175	74.3%	71.2%	23.3%	0.0%
Westport	2,732	3,692	35.1%	105	8,535	51.4%	8.5%	80.0%	9.0%
Harrison	3,195	4,660	45.8%	90	15,263	67.1%	28.6%	65.0%	3.4%
Stockton	2,494	2,761	10.7%	43	24,044	65.1%	11.9%	81.1%	6.4%
Jamestown	2,175	2,198	1.1%	72	11,287	58.6%	26.5%	63.7%	8.6%
Wyoming	338	344	1.8%	9	8,750	34.4%	16.4%	32.7%	31.2%
Richmond	1,400	1,486	6.1%	41	17,194	79.1%	32.9%	61.0%	4.8%

Sources: Wisconsin Department of Revenue; Wisconsin Department of Administration

## V. Cost of Community Services for Wisconsin: Findings

The following tables illustrate the set of revenue-cost ratios for all towns. COCS ratios are provided from three perspectives. First, the perspective of the resident of the town who pays taxes to both the town and the school district is illustrated. These ratios include all revenues and expenditures associated with both the town government and each of the school districts within the town. We then examine the COCS ratios separately for town government and school districts.

**Table 4: Cost of Service Ratios (taxpayers perspective\*)**

Land Use	Residential	Ag. Residential	Commercial/ Manufacturing	Ag. Land	Swamp/ Forest	Ag. Land and Residences
Dunn	1.02	1.09	.55	.16	.10	.96
Perry	1.20	1.21	1.04	.09	.04	.96
Westport	1.11	1.23	.31	.13	.08	.74
Harrison	1.04	1.21	.30	.06	.07	.92
Stockton	1.08	1.09	.44	.04	.03	.74
Jamestown	1.01	1.11	1.11	.29	.43	.91
Wyoming	1.30	1.35	.61	.20	.17	.83
New Richmond	1.13	1.19	.15	.14	.11	.69
**River Falls	1.03		.92	.93		.93

\* Includes all local costs, including costs/revenues for school districts.

\*\*River Falls represents the only City in the sample.

The table above shows that the cost of town and school services provided to all types of residences slightly exceeds the revenue generated by those residences. Interestingly, in every community, those residences associated with agriculture actually have a slightly higher ratio of revenues to costs than other residences, due to the lower values associated with agricultural residences and the accompanying lower amounts of property tax revenue generated by them.

The shortfall in residential land use revenues was offset by fiscal surpluses in agricultural, and swamp and forest lands, and in most communities, commercial and manufacturing land. This result is consistent with previous COCS studies. The ratios for all towns are quite similar, with the exception of those for commercial properties. The few commercial properties that are located in the Town of Perry are generally lower valued properties that do not generate as much in property taxes as do those in the remaining towns. In the Town of Jamestown, transportation expenditures drove the ratio, as the town has a commercial base generating some high trip generation estimates.

In every town, swamp and forest land represent the least costly type of land use for every dollar of revenue generated. Farmland is also a net contributor to each of the towns. Across all towns, farmland

cost between 4 and 29 cents for every dollar of revenue generated. Farmland requires few town services and places little pressure on infrastructure, resulting in farmland generating more revenues than it costs to maintain. Residences and agricultural residences generate less in revenue than they cost the town and school district to serve. Again, the residences are the high demanders of public services. Although residential development may expand the tax base, according to these results, the tax revenue associated with residential land uses were offset by even larger amounts of public services provided to them.

---

*Although residential development may expand the tax base, according to these results, the tax revenue associated with residential land uses were offset by even larger amounts of public services provided to them.*

---

Residential ratios do vary slightly across towns, and when examined in association with density or population per square mile, an interesting finding emerges. In looking at patterns of correlation or association among variables, we find that the residential ratio is negatively correlated with density. The higher the population density in a community, the more closely revenues generated by residential housing match the expenditures devoted to serving these properties.

The City of River Falls represents an outlier in terms of ratios for agricultural land and for manufacturing properties. The City has an extremely small agricultural land base, which represents less than 1 percent of total property value in the City. Results for agricultural land are somewhat distorted due to this fact. The ratio for commercial/manufacturing land uses is also somewhat higher than the other communities, as the city also incurred a one-time expense for a conservation/development project on an industrial property. This expense inflated the ratio above what it would otherwise be for a typical year.

When agricultural land and agricultural residences are combined, as shown in the last column of Table 4, we find that they still generate more local revenue than they demand in services. Put differently, for every dollar generated in revenue, it costs between 74 and 96 cents to serve the farmland and residences of farmers. It should be noted that this is a smaller net fiscal benefit than the traditional AFT studies have found, and the main difference is attributable to the fact that we are including the farm houses in the calculation of the COCS ratio. Meanwhile, nonfarm residences still cost more to serve than they generate in revenue. For every dollar they generate in revenue, it costs between \$1.01 and \$1.30 to provide services to them.

Whereas the previous table illustrates ratios from the perspective of the taxpayer in the town who pays taxes to both the town government and the school district, the following tables illustrate the costs of service ratios from the perspectives of town officials and school district administrators separately. It is useful to calculate the

ratios separately because similar land uses impact different units of government in different ways.

Table 5 illustrates the cost of service ratios for the town government alone. The most dramatic change that appears when one excludes educational costs and revenues is reflected in the ratios for commercial and industrial land uses. Specifically, commercial and industrial uses generate revenues that support school districts, but typically do not require services from these schools (although they do benefit indirectly from the provision of a trained workforce). Because conventional COCS ratios do not allocate any of the costs of education to these uses, excluding education from the calculation significantly reduces the apparent net fiscal benefit of commercial and manufacturing land uses to local town governments. In four of the communities – Dunn, Stockton, Wyoming, and River Falls, commercial/manufacturing uses actually represent a fiscal drain when viewed from the perspective of municipal government only. Ratios for swamp and forest lands also increase across all communities. On the other hands, most residential ratios fall when you exclude educational expenses, reflecting the degree to which non-residential land subsidizes residential properties in funding educational services.

**Table 5: Cost of Service Ratios (town/city government perspective\*)**

Land Use	Residential	Commercial/Manufacturing	Ag. Land and Residences	Swamp/Forest
Dunn	1.04	1.22	.96	.61
Perry	1.19	1.19	.92	.20
Westport	.96	.82	.92	.48
Harrison	1.05	.89	.77	.30
Stockton	1.05	1.44	.77	.22
Jamestown	.82	1.45	.81	.95
Wyoming	.88	1.18	.81	.50
New Richmond	1.02	.70	1.06	.30
River Falls	.95	1.21	1.32	

\*ratios do not include costs/revenues for school districts

Table 6 illustrates the fiscal impact of the different land uses on the school districts that serve the area. The total revenues and expenditures represent weighted portions of the different school districts serving each town. Portions were allocated based on the number of town pupils attending each school district. The school district results provide yet another perspective – again because not all land uses generate demand for school services, while all do in fact pay into the school system. On average, it costs schools between \$1.01 and \$1.37 for every dollar generated by non-agricultural residential properties in the study towns. The combined category including agricultural residences and farmland acreages typically generate more revenue to schools than they demand in services, though the ratios are

close to 1:1 in some cases. As mentioned above, commercial/manufacturing and forest/swamp/waste lands pay into the school system, but receive no services (and hence have an educational COCS ratio of zero).

The different COCS ratios that are apparent to town governments and school districts reinforce the fact that some forms of development can have positive fiscal impacts to the local town government, while being a net fiscal drain from the perspective of school districts. This can generate public policy tensions since decisions regarding future land use changes are usually made by the local town or county governments, while the fiscal impacts of these decisions are shared jointly by local governments and school districts.

Thus far, all COCS ratios have been estimated on a dollar basis. However, some scholars have suggested that we also consider the net fiscal impacts of different land uses on a per acre basis. The idea is that sometimes a high value use of a small acreage property (like industrial development) can generate considerably more net revenue per acre than a lower value use on an larger acreage (like farming).

**Table 6: Cost of Service Ratios (school district perspective)**

Land Use	Residential	Commercial/ Manufacturing	Ag. Land and Residences	Swamp/ Forest
Dunn	1.01	0	.90	0
Perry	1.19	0	.96	0
Westport	1.14	0	.71	0
Harrison	1.04	0	.94	0
Stockton	1.08	0	.74	0
Jamestown	1.06	0	.94	0
Wyoming	1.37	0	.83	0
New Richmond	1.15	0	.62	0
River Falls	1.10	0	0	0

Table 7 illustrates the net cost (or benefit) per acre of different land uses in the study communities. The results suggest that residential uses (both farm and nonfarm) generate relatively high net costs (\$50-\$1000 per acre) to local governments. Agricultural land generally provides a net fiscal benefit ranging from \$4 to \$20 per acre, and the combination of farmland and farm residences typically produces net benefits of \$2 to \$12 per acre). Swamp and forest lands have quite favorable COCS ratios overall, but provide only modest fiscal benefits on a per acre basis. At the other end of the spectrum, commercial and manufacturing properties typically generate the most net financial gain on a per acre basis, with benefits ranging from \$75-\$1000 per acre in seven of our nine study sites. In two sites, however,

the net fiscal impact of commercial and manufacturing property was negative (overall, and on a per-acre basis).

**Table 7: Per Acre Net Fiscal Impact (taxpayer perspective)**

Town	Residential	Ag. Residences	Ag. Land	Ag Land & Residences Combined	Swamp/Forest	Comm/Ind
Dunn	(107.18)	(384.52)	9.87	5.38	4.12	608.31
Westport	(485.69)	(761.70)	20.98	105.32	3.78	1,030.21
Perry	(120.01)	(828.05)	9.49	8.09	10.23	(86.50)
Harrison	(147.65)	(1,062.60)	15.23	5.19	10.94	465.35
Stockton	(95.19)	(231.98)	15.10	12.03	9.76	72.63
Richmond	(52.02)	(154.80)	8.19	6.16	3.09	76.43
Jamestown	(14.51)	(52.44)	3.96	2.01	0.59	(49.64)
Wyoming	(455.41)	(382.17)	4.40	2.08	6.09	139.39

**VI. Conclusions**

The ratios throughout the report represent a snapshot in time that provide a different perspective on the contributions of different land use types to communities. These results are not predictive and should not be used to predict the impact of future developments, as they represent revenue-cost ratios for 1996 only. They also represent average ratios within land use categories. In terms of residential land uses, the ratios do not distinguish between single family homes and apartment buildings, for example.

The ratios found in the study do fit the general pattern of previous COCS studies. However, the buildings and homesteads on farms are generally treated as residential properties in most COCS reports; so we feel our results provide a more accurate picture of the fiscal impact of agriculture. Despite this methodological innovation, agriculture still shows a positive fiscal impact on the three towns, but it is nearing the break-even point in both Dunn and Perry.

COCS studies do not suggest that any one type of land use is better or worse than another. They do not suggest that a town should follow a particular growth strategy. They simply provide the community with a baseline of information about the fiscal affects of different types of land use. They are meant to prompt discussion within communities on the role of different land use types in the planning process and to demonstrate the value of having a diverse tax base. A balance of land use types is necessary for the long-term health of any community. These ratios show how different land use types subsidize others that may be values by the community for a variety of non-fiscal reasons. Although these ratios do not measure the costs of change, they do show that both revenues and costs are important in considering development. Of course, land use and development has consequences beyond fiscal, which these studies fail to address. Development poses challenges in terms of the impacts it may have on the environment, the social atmosphere of the town, and traffic



patterns. A more complex study is needed to illustrate the comprehensive effects of different land use types.

Endnotes

- <sup>1</sup> Wisconsin Department of Administration. Demographic Services Center.
- <sup>2</sup> Massey, Jim. 1999. Not Your Father's Farm: The Changing Face of Wisconsin's Farms. *On Common Ground*. No. 2, 3: 22-23.
- <sup>3</sup> Kelsey, Timothy W. 1996. The Fiscal Impacts of Alternative Land Uses: What Do Cost of Community Services Studies Really Tell Us? *Journal of the Community Development Society* 27, no. 1: 78-89.
- <sup>4</sup> American Farmland Trust. 1992. *Does Farmland Protection Pay? The Cost of Community Services in Three Massachusetts Towns*. Northampton, MA: American Farmland Trust.
- <sup>5</sup> Definitions from: Property Assessment Manual for Wisconsin Assessors, Volume 1: Administrative, Procedural, 1998. The "Other" category is a new category of as of 1996. Using it a COCS study, allows for a more precise tracking of revenues and expenditures associated with agricultural residences. Since 1995 property value data was used for this study, an agricultural residence category was created by determining which residential improvement parcels were part of operating farms by examining tax assessment rolls and interviewing local staff and officials.
- <sup>6</sup> Wisconsin Department of Public Instruction. 1998. *Basic Facts About Wisconsin Elementary and Secondary Schools* Madison, Wisconsin.
- <sup>7</sup> McDade, Phil. 1999. More People Choosing to Live in Dane County. *Wisconsin State Journal*, August 11.
- <sup>8</sup> Dane County Regional Planning Commission. 1997. Dane County Land Use and Transportation Plan, adopted June 26, 1997 by the Dane County Regional Planning Commission.
- <sup>9</sup> McDade, August 11, 1999.
- <sup>10</sup> Wisconsin Department of Revenue.
- <sup>11</sup> U.S. Bureau of the Census, 1990.
- <sup>12</sup> Town of Dunn Land Use Plan, amended September 22, 1998.
- <sup>13</sup> Wisconsin Department of Revenue.
- <sup>14</sup> A zoning ordinance with a district devoted exclusively to agricultural uses is considered an "exclusive agricultural zoning ordinance". State statutes provide certification standards that exclusive agricultural zoning ordinances must meet so that landowners may obtain tax credits under the farmland protection program.
- <sup>15</sup> U.S. Bureau of the Census, 1990.
- <sup>16</sup> McDade, August 11, 1999.
- <sup>17</sup> Wisconsin Department of Administration.

<sup>18</sup> McDade, August 11, 1999.

<sup>19</sup> Wisconsin Department of Administration.

<sup>20</sup> Wisconsin Department of Revenue.

<sup>21</sup> U.S. Bureau of the Census, 1990.

<sup>22</sup> The chart is based on 1995 Department of Revenue assessment data.

<sup>23</sup> Wisconsin Legislative Reference Bureau-Joint Committee on Legislative Organization. State of Wisconsin Blue Book 1997-98. Madison, Wisconsin.

<sup>24</sup> Town of Harrison. 1997. Town of Harrison 1997 Annual Report.

<sup>25</sup> Wisconsin Legislative Reference Bureau-Joint Committee on Legislative Organization. State of Wisconsin Blue Book 1997-98. Madison, Wisconsin.

<sup>26</sup> Community Development Systems. 1997. Town of Harrison Comprehensive Plan. Neenah, Wisconsin.

<sup>27</sup> Portage County Planning and Zoning Department. 1992. Town of Stockton Land Use Plan. Stevens Point, Wisconsin.

<sup>28</sup> Ludeman, Terry. 1999. *Déjà vu All Over Again? A Historic Perspective on Growth in Wisconsin.* *On Common Ground*, 12-14. Winter.

<sup>29</sup> Wisconsin Legislative Reference Bureau-Joint Committee on Legislative Organization. State of Wisconsin Blue Book 1997-98. Madison, Wisconsin.

<sup>30</sup> Wisconsin Department of Administration.

<sup>31</sup> Town Assessment Role. 1996. Town of Richmond, St. Croix County.

<sup>32</sup> Development Management Plan Population Projections 1990-2020. 1995. West Central Regional Planning Commission, Eau Claire, WI.

<sup>33</sup> St. Croix County Development Plan. 2000. St. Croix County Planning Department, Hudson, WI.

<sup>34</sup> Wisconsin Department of Administration.

<sup>35</sup> Wisconsin Department of Administration.