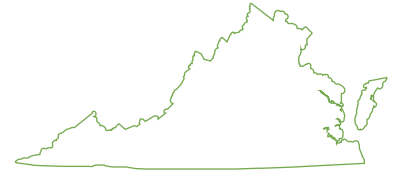


Cost of Community Services Studies



ANDRIY BLOCKHIN/ALAMY

Cost of Community Services (COCS) studies are a case study approach used to determine the fiscal contribution of local land uses. They are a snapshot in time of a local government's costs versus revenues for major land uses over the course of a recent tax year. Unlike typical fiscal analyses, COCS studies assess farmland and other working and open lands along with residential, commercial, and industrial development.

Virginia Studies Description

PURPOSE

COCS studies offer communities a straightforward and inexpensive way to measure the contribution of farmland and other open lands to the local tax base. They provide a baseline of current information to help local officials make informed land use and policy decisions, especially in communities where farmland is a significant land use, but which lack the resources to conduct a large fiscal impact analysis. They do not predict the impact of future growth.

HOW IT WORKS

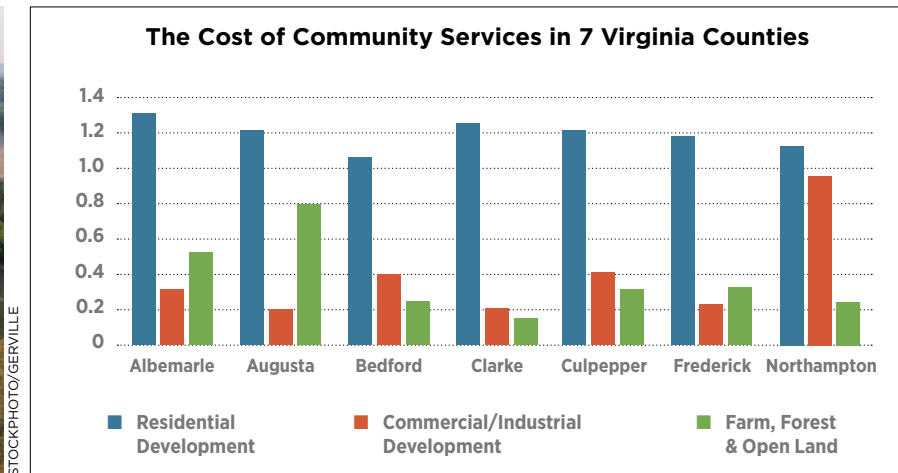
Virginia has a handful of county-level COCS studies that assessed the net fiscal impact of residential, commercial/



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industrial, and working/open land uses in a recent fiscal year. Most defined agriculture using the state's [Use-Value Assessment](#) or [Agricultural Districts](#) program definition, although some studies solely focused on agricultural and forestry properties larger than 20 acres.

Property tax revenues are reported by land use, but other types of revenues are not. These include permits and fees, sales tax, taxes from special districts, state and/or federal aid, and so on. Researchers rely heavily on interviews with financial officers, department heads, and budget managers to provide financial data, answer



questions, and offer insights to categorize these additional revenues and how funds were spent on a land use basis. Typical expenses include general government, public safety, public works, road maintenance, schools, water and sewer use, and more.

The final step is to allocate each line item of the budget across the major land use categories. The rationale behind these allocations should be explained in an appendix or an accompanying report. Data is checked, rechecked—and often rechecked again for accuracy and consistency. Then ratios are calculated to compare total revenues to total expenditures in each category to show the net cost for each land use.

MEDIAN COST OF COMMUNITY SERVICES—RESULTS

Farmland supports the local tax base. Across seven Virginia counties, every dollar of property tax revenue generated by working and open lands required 42 cents back in community services. Like commercial and industrial development, the property taxes from working farms help to offset the deficit from residential development, which required \$1.20 back in services.

CONSIDERATIONS

COCS studies are a relatively quick and inexpensive way for community leaders to assess the fiscal contributions of working lands to local coffers. They are a snapshot in time of the public sector costs of a community's major

land uses, but do not predict the impacts of future land use decisions and do not assess the total economic benefits of any given land use. They tend to be most useful in agricultural communities that are experiencing development pressure and can help change public perception about the importance of policies like Use-Value Assessment. To see how one Virginia County pursued a COCS study, see [“Understanding the Fiscal Impacts of Farmland Protection through a Cost of Community Services Study,”](#) a case study on Clarke County's process and results.

To Learn More

- › [American Farmland Trust: “Cost of Community Services Studies”](#)
- › [COCS: Making the Case for Conservation](#)
- › [UVA Weldon Cooper Center for Public Service: “Albemarle County COCS Study”](#)
- › [Clarke County Conservation Easement Authority: COCS Study](#)
- › [UVA Weldon Cooper Center for Public Service: “Fauquier County COCS Study”](#)
- › [Matthew Kotchen and Stacey Shulte, “A Meta-Analysis of Cost of Community Services Studies”](#)