

## SC 12 – Measuring Costs of Services for Rural Land Uses

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**Project Lead:**

Brad Davis, Co. Planning Manager  
(952) 496-8654  
[bdavis@co.scott.mn.us](mailto:bdavis@co.scott.mn.us)

**Description:** Cost of community services (COCS) studies help people understand the fiscal impacts associated with different types of land use in a community. The fiscal consequences of different land uses vary significantly, in terms of both tax revenues generated and local government service expenses incurred. The results of a COCS study are typically in the form of an easy-to-understand ratio that compares how many dollars of local government services are required for every dollar in taxes collected. Common services include road repair, sewer maintenance, public safety, and public schools (which constitute an especially large portion of government spending for residential land uses). A ratio greater than 1.0 means that for every dollar of tax revenue collected for a given category of land use, more than one dollar is spent on services for the uses that occur on that land. A ratio below 1.0 means the government spends less on services than it receives in tax revenue, resulting in a net revenue gain.

This project will involve conducting a COCS study for Scott County's three broad land use categories for rural areas that appear in the 2040 Comprehensive Plan: Agricultural Preservation (residential density of 1 unit per 40 acres), Rural Residential (residential density of 1 unit per 2.5 acres), and Rural Commercial/Industrial.

**Key Issues, Questions, and Ideas for Exploration:**

- Are there comparable COCS studies that assess rural land uses elsewhere in the Twin Cities region? If so, what methodology was used to calculate the cost of community services, and what were the findings from these studies?
- Have any recent COCS studies in the Twin Cities metro area assessed regional fiscal impacts (i.e., impacts to Metropolitan Council regional systems such as wastewater, parks, and transportation) of different types of land use? If so, what methodology was used and what were the findings from these analyses?
- What is the tax-revenue/cost-of-services ratio in Scott County for Agricultural Preservation, Rural Residential, and Rural Commercial/industrial land uses?
  - What would be the fiscal implications if the County guided more land in rural areas for each of these future uses?
  - What are the implications of these findings for the development fees (which are intended to pay the cost of providing additional infrastructure and services for new development) the County assess for new development?

*(continued)*

- How have other communities in Minnesota or elsewhere used the results of COCS studies to inform and educate the public and elected officials about the implications of differing land uses?

### **How Will Student Work Be Used to Build Community Resiliency?**

Cost of community services studies can help to dispel common misconceptions about the fiscal impacts of different land uses. The results of student research will be timely and critical for two efforts currently underway in Scott County: (1) they will inform elected officials at the township and county level about the broad fiscal impacts of adopting the Scott County 2040 Comprehensive Plan, which is scheduled for completion in December 2018 and implementation in spring of 2019; (2) they will inform a comprehensive review of the County's development fees that County staff will undertake in 2019 and 2020.

Students will be invited to present their findings to the Scott County Planning Advisory Commission and/or County Board of Commissioners, as well as township officials.

### **Existing Plans and Reports:**

- [2040 Comprehensive Plan](#)
- Tischler-Bise and Metropolitan Council of the Twin Cities, *Fiscal Impacts of Growth on Cities* (2001)
- Minnesota Department of Agriculture, *Cost of Public Service Study* (1999)

### **Potential Stakeholders and Partners:**

- Scott County townships
- Scott County Planning Advisory Commission
- Local Twin Cities developers
- Scott County Planning Department and Highway Department
- Scott County CDA First Stop Shop

*To learn more about this project or discuss how to integrate it into a UMN course or an individual student project (such as a culminating experience, capstone, master's project, or independent study), please contact Sarah Tschida or Mike Greco with the Resilient Communities Project at [rcp@umn.edu](mailto:rcp@umn.edu).*