To: City of Brookfield Plan Commission

From: Dan Johns, AICP, Associate Planner: Scott Harrington, AICP, Principal Planner

CC: Dan Ertl, AICP, Director of Community Development; Richard VanDerWal, Neighborhood Planning Coordinator

Date: Thursday, December 19, 2019

Re: Vision 2050 – Fiscal Impact Analysis

Per the feedback provided by the Plan Commission at its regular meeting on Monday, December 9, 2019, Vandewalle & Associates has revisited several key assumptions within the 2050 Vision and Fiscal Impact Analysis (FIA) undertaken as part of the ongoing Comprehensive Plan update process.

As noted in the draft report and our presentation, the most recent FIA was intended to build upon the quantitative model prepared in 2008 during the development of the City's current 2035 Comprehensive Plan utilizing as many of the same assumptions regarding population, housing unit and non-residential development density/intensity so as to offer a direct comparison between the two analyses. In this sense, the impact figures presented on December 9 follow the trends established in the 2008 report, extended out an additional fifteen years, i.e. to 2050.

The FIA model was originally constructed as a means to quantify the City's future land use mix at maximum buildout in order to determine the potential fiscal impacts to the City and the school district. For purposes of the FIA's prepared for the 2008 plan and the 2019 update, full buildout was assumed to occur within the respective planning periods, but such significant growth was not intended to be a goal of the City. Essentially, the models projected a type of "extreme case scenario" as one test of determining future fiscal impacts of such scenarios.

Given the City's careful approach to evaluating new development, concern for the predominant single-family and lower- to moderate-density commercial character of the community, and historic rate of growth, we agree with the concerns raised by the Commission that the likelihood of Brookfield reaching the theoretical levels of population and development intensity presented by 2050 – if ever – is highly unlikely and even undesirable to some City officials and residents. Accordingly, the Plan Commission wishes to evaluate the impacts of future growth based not on a hypothetical upper bound of future development potential, but rather on a scenario based more on a likely rate of growth over the next thirty years. Therefore, we have developed a second, trend-based FIA scenario, the results of which are summarized below.

As shown in Figure 1, the City's growth over the last several decades has been fairly consistent (with an expected dip during the Great Recession). Accordingly, using a linear growth projection based on the City's population trajectory since 1990 seems appropriate and yields an expected 2050 population of just over 45,000. This is similar to what the Plan Commission discussed on December 9 as being a reasonable assumed rate of growth and one that would be in keeping with the character and high quality of life in the community. Due to the reduced population growth, related reductions are shown in Figure 2 for projected housing units, traffic and school-aged children. Estimates for non-residential land uses also have been slightly adjusted from the "maximum buildout" FIA to better track with anticipated population growth, although employment areas are somewhat independent because they include non-City residents. One notable exception (which was previously integrated into the 2019 model) is the projected growth in retail uses, which for many macro-level reasons, is expected to slow in Brookfield and elsewhere in the future. However, the square footage and job density assumptions originally made in 2008 for the non-residential uses are still generally valid and follow the actual and expected growth pattern shown on the updated Future Land Use Map.

Regardless of the projected land use scenario, the critical question to be answered by the FIA remains the same: *does Brookfield's desired future development pattern for both existing and new land uses produce a positive fiscal result for City and School District operations?* While the new trend-based scenario does not provide the same level of surplus as the original "maximum buildout" iteration, it reveals that Brookfield would indeed still be in a strong financial position in the coming years if it continues to grow in the manner that it has experienced during recent decades. This smaller surplus is a function of the more realistic pace of projected development – about 1,000 fewer housing units and 800,000 less square feet of non-residential space by 2050 – as well as numerous small touchups to the financial model to more accurately reflect the net financial impacts of net new construction.

However, any surplus generated under this FIA model also assumes the City continues to see growth across the spectrum of land uses. It further assumes that an appropriate level of scrutiny continues to be applied to new development proposals to ensure that they pay for the new infrastructure and service costs they induce, or otherwise provide community benefits that offset their financial impacts. Accordingly, additional studies should be undertaken on a case-by-case basis to ensure that the public costs and potential revenues are fully understood and constituent with the high-level analysis and outcomes presented in this FIA, as well as the goals and objectives of the updated Comprehensive Plan.

As noted in the previous draft of the FIA, it is tempting but unwise and untenable to only promote land uses with the most positive fiscal impacts. Indeed, some lower value uses may be necessary or at least desirable to make some higher value uses also possible or more plentiful in Brookfield. For example, apartments provide workforce housing that supports Brookfield's non-residential development such as retail goods and services, hospitality, and manufacturing. In that sense, although the City's existing apartments may be fiscally negative in aggregate, they make fiscally positive development more likely or plentiful. In addition, with steps to increase property values of lower value uses, such as through increased access to enhanced transit and advantageous land use mix, even those may end up yielding a positive fiscal impact on their own.

Please note that because an FIA is not statutorily required, City staff are recommending that the draft Appendix B report as previously submitted be accepted and filed as a future resource document, but not adopted as part of the 2050 Comprehensive Plan. Rather, the population projections and fiscal impact information in this memo are intended to replace that document as an appendix to the Plan, and therefore should be reviewed and considered by the Commission to ensure that they satisfy the concerns and community growth expectations raised on December 9, as well as the original intent of the FIA methodology.

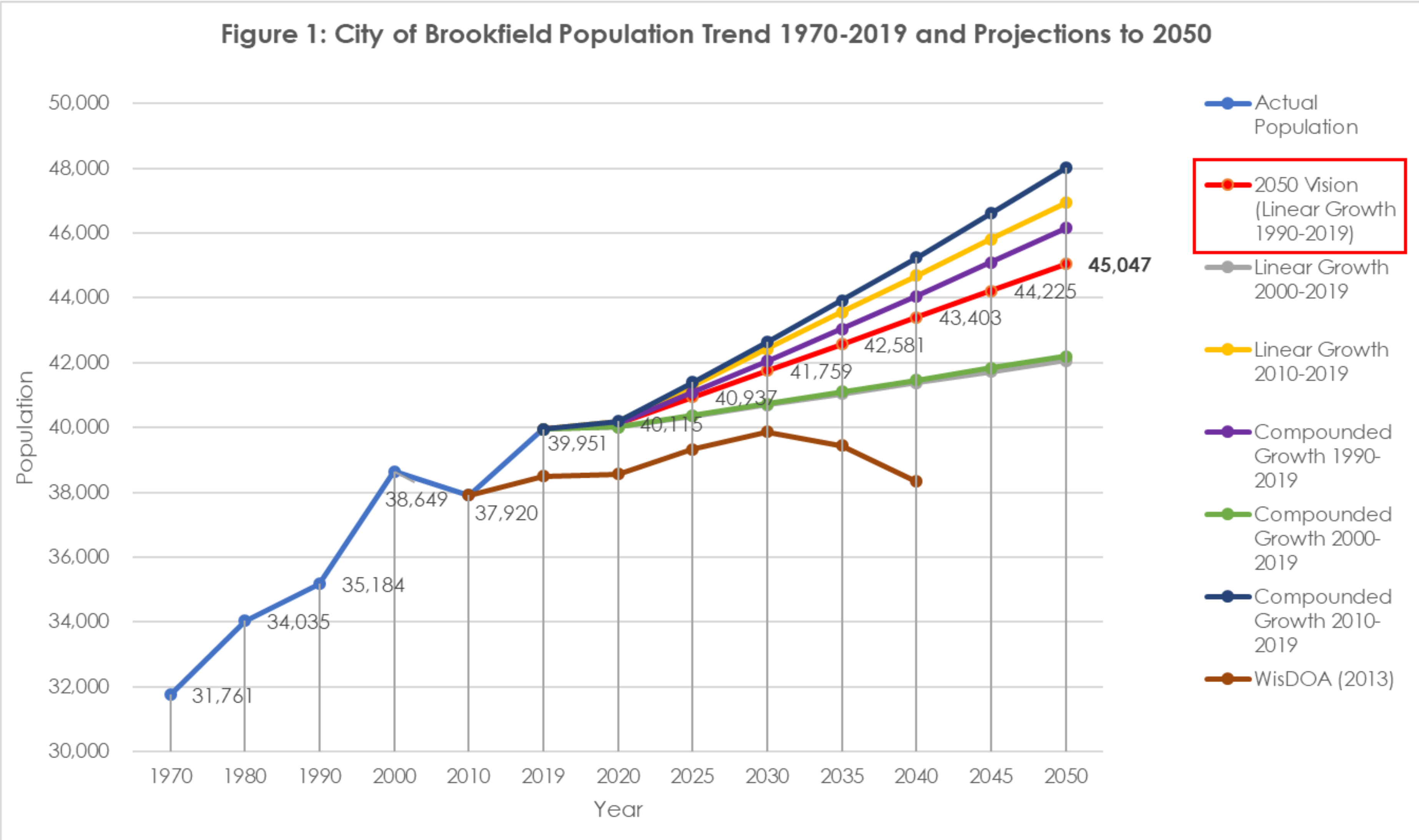

Figure 1: City of Brookfield Population Trend 1970-2019 and Projections to 2050
50,000
48,000
46,000
44,000
42,000
40,000
38,000
36,000
34,000
32,000
30,000
Population
1970
1980
1990
2000
2010
2019
2020
2025
2030
2035
2040
2045
2050
Year
31,761
34,035
35,184
38,649
37,920
39,951
40,115
40,937
41,759
42,581
43,403
44,225
45,047
Actual Population
2050 Vision (Linear Growth 1990-2019)
Linear Growth 2000-2019
Linear Growth 2010-2019
Compounded Growth 1990-2019
Compounded Growth 2000-2019
Compounded Growth 2010-2019
WisDOA (2013)

Figure 2: 2050 Vision Impact Statistics

Impact Factor	2019	2050 Projected
Population	39,951	45,047
Housing Units	18,461	21,295
Traffic (daily trips)	221,000	244,000
Green Space (acres)	3,386	3,560
Retail Space (square feet)	5,400,000	5,840,000
Office Space (square feet)	6,000,000	6,950,000
Hotel Rooms	1,600	1,820
Manufacturing Space (square feet)	5,000,000	5,590,000
Jobs	42,092	50,680
School-aged Children	7,334	7,976

Figure 3: 2050 Vision Population Projections

Year	2019	2025	2030	2035	2040	2045	2050
Population	39,951	40,937	41,759	42,581	43,403	44,225	45,047

Figure 4: Projected Annual City and School Fiscal Impact under 2050 Vision

	Costs of Vision (City Services & School District Costs)	Revenue from Vision (Tax and Non-Tax)	Net Annual Fiscal Impact
Single Family Homes	$95,253,842	$79,774,188	-$15,479,654
Condos	$5,924,563	$9,279,393	$3,354,830
Apartments	$11,195,949	$10,282,151	-$913,798
Senior Units	$2,572,594	$2,730,073	$157,479
Retail/Commercial	$9,110,363	$20,114,188	$11,003,825
Office	$4,789,102	$12,994,883	$8,205,781
Manufacturing	$573,063	$1,033,150	$460,087
Hotel	$1,646,331	$2,416,888	$770,557
Net Impact	**$131,065,807**	**$138,624,915**	**$7,559,108**