

***FINAL REPORT***

***January 2010***

***(Rev. 3/1/10)***

***TOWN OF LEBANON, CT***

***AMSTON LAKE***

***BUILD-OUT and FISCAL STUDY***

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## **BACKGROUND**

In 2006 the Town of Lebanon engaged Wright-Pierce to conduct a study of wastewater conditions for the Lebanon portion of the Amston Lake District. The study was to be in three parts: 1) to assess the existing wastewater management conditions and determine options, 2) to test water quality, and 3) to study the impact of land use changes. After receiving Part 1 of Wright-Pierce's study in May 2007, the Town realized that installing sewers in the Amston Lake area were inevitable. Wright-Pierce did not conduct the other two parts of the study.

In 2007, in preparation for updating the Town's POCD, the Town requested that the Green Valley Institute (GVI) conduct a Cost of Community Services Study and Build-out Analysis of the entire town. Last year the Town realized that it needed to understand the fiscal impact of potential changes to the current land use patterns in the Amston Lake District. and requested that GVI conduct a build-out and fiscal study specifically for that area.

## **STUDY RESEARCH and METHODOLOGY**

As with the previous Town-wide fiscal study, the Lebanon's Grand List of properties, also known as assessments, was the basis for the study. This database was analyzed along with the three Amston Lake parcel maps that had been color coded to reflect current land use. A new database was developed that listed each parcel within the Amston Lake District and detailing current use (seasonal, year-round, vacant), lot size, frontage, road type (private, Town) and the assessed value. In certain cases, the assessor's database combined lots of record with common ownership, those parcels were identified as separate parcels for this study. There is a slight variation between the total number of parcels determined by Wright-Pierce and this study, variation is due to changes in use over the past 3 years and the exclusion in this study for parcels without frontage.

The database for this study includes a total of 477 parcels; 307 parcels with a dwelling, of that 207 (67%) have seasonal use and 100 (33%) have year-round use. There are 102 assessment records for vacant parcels, plus an additional 68 lots of record that are combined with other parcels' assessments for a total of 170 parcels without a dwelling. Table 1 summarizes the results of that analysis. Table 2 summarizes the number of parcels of each category that have frontage on private roads and Town roads.

**Table 1.**

<b>Amston Lake District Parcel Summary</b>							
	Total	> 2 ac	< 2 ac > 1.5 ac	< 1.5 ac > 1 ac	< 1 ac > .5 ac	< .5 ac > .25 ac	< .25 ac
<b>Year Round Dwellings</b>							
Dwelling Lot	100	7	1	10	16	43	23
Add'l lots <sup>1</sup>	12					2	10
<b>Seasonal Dwellings</b>							
Dwelling Lot	207	1	1	3	14	80	108
Add'l lots <sup>1</sup>	34					2	32
<b>Vacant Lots</b>							
Assessment	102	3	1	1	6	30	61
Add'l lots <sup>1</sup>	22					1	21
<b>Total Lots</b>	<b>477</b>						

<sup>1</sup> Additional lots of record on same assessment  
Above excludes lots without frontage.

Source: Lebanon Assessor's 2009 database, 2001 color coded parcel maps, and site visits.

**Table 2.**

<b>Amston Lake District Road Summary</b>					
		<u>Town Road</u>		<u>Private Road</u>	
Year Round Dwellings	100	66	66%	34	34%
Seasonal Dwellings	207	125	60%	82	40%
Vacant Lots	170	83	49%	87	51%
	<b>477</b>	<b>274</b>	<b>57%</b>	<b>203</b>	<b>43%</b>

The methodology for the fiscal analysis included determining Lebanon's values for the components of the analysis. Data published by CERC, Connecticut Economic Resource Center, was used whenever Town data was not available. Fiscal analysis involves allocating local tax revenue and local costs to each land use category. The following details the Lebanon values used for this study.

The estimated net cost per year-round resident for non-educational town services is \$461; this was derived by allocating the non-BOE budget by use.

The estimated cost per seasonal resident for non-educational town services is \$369; this was derived by allocating the non-BOE budget by use.

The estimated cost per pupil for educational services is \$5,510 from local taxes; this was derived by dividing the portion of the BOE budget paid out of local tax revenue and divided by 1,358, the number of students that year.

The average number of residents per dwelling is 2.65; this was derived by dividing the total year-round population by existing year-round housing units.

The average number of pupils per year-round dwelling is .49; this was derived by dividing the total number of students by existing year-round housing units.

The median assessed value of a seasonal dwelling in the Amston Lake District is \$68,880; this was calculated from the Town's Grand List data.

The assessed value for a year-round dwelling is 20% higher than seasonal; this information was provided by Lebanon's Assessor.

The current mill rate is 21.3 and the value of 1 mill is \$651,751; derived by dividing Lebanon's total Grand List of \$651,751,376 by 1000.

## **STUDY FINDINGS of FISCAL IMPACT**

By applying the values listed above to each land use the net fiscal effect can be calculated. Table 3 shows the calculation based on existing uses. The current land use pattern has a positive fiscal effect to the Town of \$147,045 per year in additional taxes collected over the estimated cost of services. Table 4 calculates the net effect of full build-out to 443 year-round dwellings. That land use pattern would have a negative fiscal effect to Lebanon of \$957,313 per year; the mill rate would need to increase 1.47 mills, or 6.9%, to all Town residents to offset the increased costs.

**Table 3.**

<b>Amston Lake Fiscal Study</b>				
<b>Fiscal Analysis - Existing mix of uses</b>				
number	102	207	100	Net Fiscal
	Vacant	Seasonal	Year Round	Effect
Total Property Tax Revenue	33,357	383,874	324,384	
Cost for residential services	-	202,415	122,165	
Cost for educational services	-	-	269,990	
Net Annual	33,357	181,459	(67,771)	147,045

Source: Assessor's Grand List valuations used to calculate tax revenue. Additional 68 lots of record combined for assessment are not included.

**Table 4.**

<b>Amston Lake Fiscal Study</b>				
<b>Fiscal Analysis - Potential Build-out with Year-Round Dwellings</b>				
	Current Year Round	100		
	Current Seasonal	207		
	Vacant lots (102+68) assuming 20% unbuildable	<u>136</u>		
		443		Net Fiscal
		Potential Yr Round		Effect
Total Property Tax Revenue		779,934		
Cost for residential services		541,191		
Cost for educational services		1,196,056		
		(957,313)		(957,313)
				1.47 mills
				6.9% inc.

## **OTHER POTENTIAL IMPACTS**

In conducting this study other impacts became apparent if this area had significant changes to current land uses:

- At build out an additional 10.1 ± acres of natural ground cover would be lost to impervious surfaces, a concern for lake water quality.
- Currently the 2.3 miles of narrow, unpaved and dead-end private roads are a concern for emergency access. Increasing the population density would increase those concerns. The cost to upgrade the private roads to town-standards could exceed \$2 million; an additional 6 ± acres of pervious surfaces would be lost.
- Public safety would be affected by a projected 79% increase in vehicular trips on the roads within the District.
- If a significant number of year-round homes were built, property market values, and the resulting assessments, may be reduced by closer proximity of dwellings and the potential increase of non-owner occupation.
- Approximately one hundred fifty additional school children may require additions to municipal infrastructure as the elementary and middle school buildings are nearing capacity today.
- The population in this District could increase from an estimated 230 year round residents today to 1,058 at build-out, a 360% increase.
- A relaxation in the zoning regulations to permit conversion of seasonal to year-round housing could increase the pace of development activity at Amston Lake.